

TRIBUNE

CEYLON NEWS REVIEW

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CRUMBLING
CURRENCIES:
FLOATING
PARITIES

THE RUPEE—
ROOT OF ALL
EVIL

INITIAL
PROBLEMS FOR
A COLONIST;
RICE and CO-OPS.

SRI LANKA:
PROGRESS AND
PROBLEMS

PEDAGOGY OF
THE OPPRESSED

NOT BREAD ALONE

IT IS TRUE that man does not live by bread alone, but in the Sri Lanka of today, without adequate supplies of bread, and also wheat flour to make roti, pittu and string hoppers, men, women and children will starve. The usually vociferous daily papers, no doubt to save the government from undue embarrassment in the era of the Press Council Act, have not yet highlighted the immense hardship caused to ordinary people by the sudden and (to them) unexpected shortage (and in some the total lack) of bread and wheat flour in the last two weeks. There have been assurances that supplies will be unloaded almost immediately and that normalcy will be restored soon. Such normalcy can come only with adequate buffer stocks and there are no indications that buffer stocks can be built up in the foreseeable future. As wheat flour is being unloaded from ships or comes out of the flour mill they are rushed in waiting lorries to districts for immediate distribution. And people cannot be blamed in these circumstances if they indulge in a little domestic hoarding.

In the meantime, in the city of Colombo bread has become a scarce commodity. The queues at bakeries are a heart-rending sight. In many outstations the situation is no better. Successive governments since Ceylon became independent have diversified the staple food of this country from rice to rice and wheat. Wheat was a staple food in North India, but Ceylon has been for countless centuries rice eating. Ours was a rice economy and our food habits centred around rice. The Portuguese introduced bread, but in the 450 years of colonial rule wheat did not become a staple. But as our import-export economy, based on the plantations went into disarray and decadence, it was found cheaper to import wheat than rice. We now have no foreign exchange to import either wheat or rice, (decreasing quantities of wheat are available on PL 480 credit). and we cannot grow wheat, and in spite of the tall talk of the Government, there is no prospect of increased paddy production either this year or the next.

Tribune

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THE RECEPTION we have so far received from the last issue, in the modified format and style, encourages us to proceed on the same lines to develop *Tribune*. With Volume 18 which we will begin soon, we hope to have more pages, if possible, and also increase the frequency as quickly as possible after that—to once a week. Many of our readers want us to come out every week as before, on a Friday or Saturday, and make *Tribune* political reading for the week. We may have a limited number of pages for a start, not less than 24 in any case. And increase our pages within a short period.

We are now using Valachchenai produced printing paper, which is more expensive than imported paper, as we can hope for some kind of regularity in supplies. We hope to use the same quality of paper for the cover. In future issues we hope to experiment with slightly heavier Valachchenai paper for the cover pages, but we will not be able, under the present conditions in Sri Lanka, to state with any categorical definiteness what we can do or offer in the coming months. This, however, we can say: that we will keep *Tribune* going, making our comments on contemporary affairs, analysing developments in Sri Lanka and abroad and gene-

rally helping our readers to understand the world around them.

In *This Issue*, the Editor rambles long seeking to unravel the currency problems facing the world and he also points out certain significant developments in this country. In *Shamba-3* the writer focusses attention on some of the initial problems confronting a person who wants to set up a one-acre farm cum trading outpost near one of the biggest colonisation schemes to which young people have been taken for settlement. We have received *Shamba Notes* up to number 8, and we will publish them regularly in our forthcoming numbers, according to the space available.

In *This Issue*, we have a book review by Paul Caspersz under the heading *Pedagogy Of The Oppressed*. We have an article which sets out the Yugoslav point of view on current developments in *China*. We have an interesting piece about the deteriorating economic situation in another small island like Sri Lanka, viz., *Jamaica*.

We also have a spicy tidbit about *Uganda* and *Amin*.

Finally, *Sherlock Holmes*, has raised a few interesting questions about the muddle in the coconut industry.

Another interesting article about the population ex-

plosion in Latin America and entitled *A Tidal Wave of Births*, and an article on *Africa* and the drought which has descended on the major parts of the continent have been held up for the next issue.

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RAMBLING NOTES

FROM THE EDITOR'S DESK

Crumbling

Currencies:

Floating Parities

THE MONETARY CRISIS in the capitalist world seems to be getting worse and worse. And the best efforts of the bankers to resolve the underlying causes of the crisis have not met with much success so far. One is tempted to compare the developments of the last two years with those of the 1930's characterised by competitive depreciation of currencies as governments tried desperately to shore domestic employment and output. One perceptive commentator


of the present crisis has stated: "...The number of currency floats, of the dirty and clean varieties, and of changes in currency parities and bouts of international recrimination in the last two years have perhaps exceeded those in the entire period since the Bretton Woods Agreement until the 1971 currency crisis. Based as it is on the gold exchange standard, the Bretton Woods system could work well so long as the dollar, the kingpin of the arrangement commanded respect."

It was believed that after the Smithsonian Agreement the dollar would slowly regain the confidence of the world financial community, but unfortunately the dollar tumbled again last month when it was known that the US had incurred a record current account deficit of \$8.5 billion in 1972 and that the forecast for 1973 indicated a deficit of \$5.8 billion. Many financial wizards have been surprised by the fact that the pressure against the dollar had built up so rapidly and so heavily after two or three months of hardening of its parity with most European currencies. Even the IMF in its Annual Report had been optimistic that in spite of the 1972 deficit, the US would be able to stabilise the dollar. But what must be remembered is that the factors that had contributed to the major international currency monetary crisis of 1971 were still dominant. Nevertheless, the acuteness of the present upheaval, which has taken

place in spite of the measures taken by the important countries to check massive speculative capital outflow, has unnerved the top-most financial circles in the capitalist world.

For a time in February, the flood of speculative capital movements were so huge that in a matter of less than a week the Bundesbank had to purchase \$6 billion. The pressure on the yen was somewhat less primarily because of the stringent exchange control measures adopted by the Bank of Japan to discourage the flow of hot money into Japan. Even so the Central Bank of Japan had to purchase \$600-700 million in a couple of days.

THE AMERICAN REACTION this time was different from that in the 1971 crisis. In 1971, it was only after a great deal of big power diplomacy intended to pressurise the major industrial countries to agree to realignment of their currencies that the US had agreed, as part of a package deal, to devalue the dollar. In sharp contrast, this time the Nixon administration itself took the initiative and sent its officials for talks with the leading industrial countries and then announced its decision to devalue the dollar by 10 percent. The latest dollar devaluation did not form a part of any major realignment of currency parities: the US had only made sure that Japan would float the yen and that European countries would co-operate in



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reducing its huge balance of payments deficit. The US had made it clear that "unless the enlarged ECM and Japan co-operate with it in mutually lowering of trade barriers, they would have to be prepared to face the consequences of unilateral action by the US to protect its interests. Despite opposition from the ECM and Japan, the US is very serious about linking trade liberalisation with the proposed international monetary reform."

The latest devaluation of the dollar was undoubtedly on the understanding that Japan would revalue its currency, and the US had expected an upward revaluation of about 20% after a prolonged yen float. This seems a compromise formula to save Tokyo's face because the Japanese Prime Minister had categorically refused to revalue the yen unilaterally. Japan is regarded in US circles as "the major villain of the crisis as it had earned a record trade surplus of \$ 9 billion in 1972—which was equal to nearly one third of its total exports during the year, despite the sizable revaluation of the yen as part of the Smithsonian package deal." The major portion of the US trade deficit in 1972 was with Japan. The US therefore expects Japan to scale down its ever expanding trade and balance of payments surplus.

The devaluation of the dollar twice in 14 months is a clear indication that the US was no longer willing to bear all the burden of a reserve currency

system by running large trade deficits year after year. The current currency crisis has shaken the capitalist world to its foundation because the complacent attitude that the dollar would be stabilised once the Smithsonian parties were established ensuring the return to the affluence (for some) of the pre-Smithsonian gold-dollar-exchange standard era.

SINCE the new currency crisis began in February, there have been several meetings of international bankers to find a way out of the muddle. The socialist bloc have sat back and taken an *I-told-you-so* attitude. Commentators from Moscow have felt that the monetary crisis in the capitalist world has not come as a surprise to Soviet economists. They consider it an aspect of the contradictions from which the system suffers—an aspect which will come to the fore again and again like recession, inflation etc. Long before the crisis broke, a Soviet economist had referred to the "unsettled monetary and trade problems" and forecast the possibility of another "flare-up". Analysing the economic developments of the year 1972, the economist thought an advance in industrial production was likely but he did not rule out a slowing down of the rate of growth because the capitalist economy was always subject to periodic crises.

Soviet economists do not of course say that the capitalist world is subject to a steady deterioration. In fact, they visualise periods

of stability and growth. But that these periods will be of short duration followed by upheavals.

Another Soviet commentator analyses the currency crisis in the following terms: "**Monetary Jujitsu** is how the United States' offensive against its trade rivals was described by the *American Business Week* as far back as November last year. Already then it was clear that the Smithsonian Agreement of December 1971, under which the dollar was devalued and the rates of other leading capitalist currencies re-adjusted upwards, had failed to measure up to Washington's requirements and proved incapable of stabilizing the money markets, and that more trouble was looming ahead. Things came to a head in early February in the worst convulsion the capitalist monetary system has yet experienced.

"At the same time the devaluation of the dollar, far from resolving the monetary crisis only tends to deepen it. The United States' rivals will hardly give up their financial and trade positions without a fight. There will be new eruptions of the crisis, more gold rushes, continued financial instability that cannot but affect the dollar as well. In the past three weeks the dollar has repeatedly dropped below its new official rate. At the same time the price of gold is steadily rising, reaching \$ 96 an ounce on February 23—more than double the new official price \$ 42.20.

"Nor has devaluation resolved the problem of the enormous dollar holdings of foreign central and commercial banks. The total now runs to \$ 100,000 million, about \$ 80,000 million of this sum being in Western Europe. (Compare this with the fact that at the end of 1972 the total in circulation in the United States was only \$ 75,000 million). These dollar holdings are the main source of the money used by financial speculators to capitalize on the instability of currencies.

"Clearly, only by raising the price of gold to a realistic level can the problem of the dollar be effectively solved. Many Western commentators believe that the official under-pricing of gold is the chief cause of the dollar's weakness. If the price of gold were fixed realistically in conformity with a common programme drawn up with the participation of all countries, the dollar could be rehabilitated also as a reserve currency used in international payments."

THIS SOVIET analyst goes on to review the back ground thus: "It is not by chance that the beginning of the dollar offensive against Western Europe and Japan coincided with the closing of the Paris meeting of the International Monetary Fund Committee of 20 held over January 22-25. (This committee it will be recalled, was set up to draw up a project for

a reform of the capitalist monetary system which became imperative after the suspension of the convertibility of the dollar into gold in August 1971.) At the September session of the IMF the US had agreed in principle to a reduction in the role of the dollar as a reserve currency and insisted on the right to adjust its exchange rate in accordance with the US payments and trade balances. *The idea was to secure the US trade advantages and to cover the balance of payments deficit in short order through a mini-devaluation of the dollar combined with the revaluation of the principal rival currencies, while at the same time safeguarding the position of the dollar as the capitalist world's principal commercial currency*".

He concluded the analysis by pointing out that "devaluation not only netted Washington a more favourable relationship to other currencies (after the two devaluations the dollar is now 20 per cent cheaper than it used to be). It also reduced the United State's foreign debt by \$ 7,000-8,000 million, and cut dollar reserves held abroad accordingly, causing no small financial losses to the budget of other countries. The complex of currency and trade measures taken to date is thus no longer a mere blueprint for a monetary reform, but a case of the practical implementation of US foreign economic strategy. Having demonstrated its strength, Washington hopes to be able to keep the other capitalist countries tied up

with its financial and economic policy."

YET ANOTHER Marxist commentator derives comfort from the "weakness" of capitalist system and the "strength" of the united co-operation of the Socialist bloc in these matters. He said: "Apart from the weakness of the capitalist system in the various countries, of special significance is the cut-throat nature of the competition between themselves—between the USA, West Germany, Japan and to a lesser degree the rest of the Western world. Devaluation of the dollar is an attack on all those who export goods to the US. These countries will naturally take measures to meet the attack. And that could lead to another round of monetary and tariff battles.

"In contrast to this, the the Soviet Union and the other socialist countries organised in the COMECON have launched a long-term programme of co-ordination and integration of their plans and production activity. They are also engaged in scientific and technical co-operation on a large scale. The COMECON countries have actually set up a committee for co-operation in planning. It is a high-power committee composed of the heads of the planning agencies of all COMECON countries. It has taken charge of the long-term co-operation. Soviet experts do not minimise the problems of integrating the economies of independent and sovereign states, but they think that given goodwill

possible differences of opinion and misunderstanding can be removed."

A commentator in the Indian leftwing daily *Patriot* stated that: "The dollar's being again under pressure in international money markets is not at all a surprising development because this once "almighty" currency has never been out of cloud for the past few years. What is surprising is the non-chalance with which the American administration is able to shift the burden of its crisis to West European nations and Japan and the meekness with which the latter allow themselves to be browbeaten by it. This evidently is not in keeping with their present economic position, nor is it a reflection of the USA's supremacy in the economic field. It is a direct result of these countries' reluctance to annoy Washington beyond a point for fear of affecting their joint hegemony over the developing world. Going by the dictum that discretion is the better part of valour, they choose to be suckers rather than resist Washington's effort to solve its crisis at their expense."

American commentators have been equally sharp in their observations. The acidic, but respected Reston had stated: "Almost everybody is being very cool in Washington about the devaluation of the dollar. The secretary of the treasury, Mr. Shultz, suggested that we must look on the dollar crisis as an "opportunity," and since then it has been discussed almost as blessings.

"This is the new thing in Washington: no-fault government. Noble principles of balanced budgets are proclaimed and then repudiated. Disastrous policies are introduced and then reversed, but nobody's to blame. It is called the 'new pragmatism' or 'facing up to realities,' and in the present monetary crisis, as in the withdrawal from Viet Nam, there is much to be said for it.

"But at best, the new pragmatism is a recovered fumble, with a lot of lost yardage, and maybe we have to face up to the larger reality: That a lot of other things were devalued in America before the dollar, and contributed to the present monetary crisis.

"In relation to Japan and Germany, the US lead in science, mass production, distribution, and services, was devalued in the export markets of the world long before the devaluation of the dollar. Let's face it: Over the last two decades, US management-labour relations and US competitive relations with the rising industries of Japan and Western Europe have declined.

He went on to say: "The result is that in 1971, the US had a trade deficit of more than \$ 2 billion for the first time in this century, and last year, the deficit was almost £7 billion. No doubt this deficit will be helped by devaluing the dollar by ten per cent, which will make the things we sell abroad cheaper and the things we buy from abroad dearer

but the chances are that it won't really deal with the the devaluation of American work, or the devaluation of American labour-management relations or the devaluation of American products, which are often built to wear out for the affluent American market, but not to endure for the less-affluent markets abroad.

"All kinds of things are being devalued in America today, beginning with the English language. Only a few months ago, President Nixon proclaimed the Smithsonian agreement on the devaluation of the dollar and the revaluation of the world's currencies as 'the most significant monetary agreement in the history of the world,' but now the dollar is devalued again, with official promises that maybe this time all will be well."

It is in this way that the currency crisis is being viewed in different parts of the world.

Our Columnist *Pertinax* examines the current efforts of the capitalist world to resolve the difficulties confronting the monetary system.

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the News
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Tribunania

Farmers, Youth and the United Front

ADDRESSING a meeting of the Working Committee of the SLFP, Premier (Mrs.) Sirimavo Bandaranaike is reported to have called upon the party leaders to open a dialogue with the peasants and youth to pull the country out of the present economic crisis (*Daily News*, 21st March.)

Mrs. Bandaranaike had requested the SLFP leaders to explain to the farmers in particular the facts relating to the present crisis—the sharp increase in the prices of imported articles, the high cost of servicing foreign debts etc.—as it is they (the farmers) who have to help the United Front Government to escape from the economic crisis.

As is well known, the SLFP is a party which derives its greatest support from the rural masses. Though it has a small working class following and can count on the support of sizable elements in various other social strata too, it is the peasants who helped the SLFP to come to power whether in 1956, 1960 or 1970.

To what extent the support extended to the SLFP in 1970 by the rural masses still hold is problematical. The recent by-elections proved that, though a slight

shift away from the SLFP to the UNP was clearly discernible, this shift was not of such proportions as to constitute a massive turning back of the rural masses from the SLFP. This is probably because they are not so affected by such things as spiralling prices which have made the urban folk turn away from the SLFP in an unmistakable manner.

But this is not to say that the people in the countryside are not affected by the general demoralisation that has set in throughout the island. And bureaucratic bungling by officials over such matters as the operations of the Paddy Marketing Board and the GPS scheme must have added to the unpopularity of the Government.

OF LATE the Prime Minister has been stressing the need to take the people into their confidence, putting before them the difficulties that confront the Government and enlisting them into the task of taking the nation out of the economic morass in which it is bogged down. This is high statesmanship. But how it will be put into practice still remains to be seen.

New measures that the Government soon hopes to implement—like the Land Reform Act—gives a fine

chance of translating words into deeds. Not to do so will only make the Government's announcements, as is the case with many of them, remain good intentions only. And good intentions, let it be remembered, pave the way to Hell.

A good part of the PM's speech at the Working Committee meeting had been devoted to the problems posed by the youth and the need to have direct communication with them. She is reported to have said: "Our young people are all educated. Discuss with them intelligently and objectively the situation in the country and how helpless we are against external forces unless we achieve self reliance. The youth can actually lead this movement and ourselves towards economic independence. They must be prepared to change their attitudes, prepare to work for themselves and for the country. We will always give them their due place."

Young persons, it must not be forgotten, were another influential force that ensured the return of the UF Government to power in 1970. They had mostly voted for the UNP in 1965 and felt badly let down after five years of UNP rule. The SLFP-LSSP-CP United Front successfully wooed them back by promising, in their election manifesto, to give "special attention" to the problems of youth and to "implement a programme of short-term and long-term measures in order to see that the energies and talents of our young people, which are

now wasted in unemployment, are used for the benefit of the country and themselves."

THERE CAN be no doubt that it was the failure of the United Front Government to start fulfilling this pledge that led to growing demoralisation and frustration among vast masses of young persons and provided fertile soil for their recruitment to the ranks of the insurgents who started the ill-starred uprising in April 1971.

Left View

In fact, though the uprising was roundly condemned as a "counter-revolutionary and "potentially fascist" movement by both the LSSP and the CP, at both their party congresses held last year it was admitted that the Government's tardiness in solving the problems of youth was also a factor that contributed to an armed uprising on so wide a scale.

The minority report that came up for discussion at the LSSP Conference last year and gathered a considerable proportion of delegates' votes (though it was defeated at the end) stated: "It is significant that a movement of such gigantic proportions involving tens of thousands of youth should have completely by-passed the LSSP. It is indeed tragic that the party was unable to reach out to this section and link it meaningfully with the working class in the revolutionary struggle for socialism."

The political report that was adopted at the CP Congress said: "The fact that only a year after the United

Front government assumed office a number of young people could have been misled into supporting in various ways, a reactionary attempt to overthrow the United Front government by armed force is a serious warning as to the dangers inherent in the policies of vacillation."

It is not only the "policies of vacillation" that are to be blamed. Both the LSSP and the CP have had strong youth league organisations for well over two decades. But these organisations were least concerned with the problem of youth. Before 1956, the LSSP and CP youth federations were more engaged in fighting each other and arguing over the finer points of dialectical materialism than in concerning themselves with and finding solutions for the problems confronting youth. Since 1956, these federations have been functioning more like travel clubs (building roads in Yugoslavia, sending delegations for 'youth festivals' and other foreign junkets etc.) than organisations concerned with the real problems of youth.

IS IT any wonder that educated, unemployed youth should have 'completely by passed' both the old Leftist parties and turned to their own leaders (however criminal the policies they advocated) in their desperation?

Now it would appear that the SLFP too has said *mea culpa*, is doing its best to rectify past mistakes, and start a dialogue with youth. Better late than never. One can only hope that in its

new venture, the SLFP will not further exacerbate the rifts within the United Front, especially between its own youth federation and those of the LSSP and CP (which already has two federations).

This need not be so if the SLFP (as well as its two constituent partners in the United Front) concentrate their efforts on winning new recruits from the wide masses of rural youth who are still unattached to any political party rather than on crimping members from one another. They should pay special attention to the swabasha-educated rural youth who are the most affected by the scourge of unemployment and therefore provide good breeding ground for undesirable activities if their energies and talents are not utilised in the proper way.

By holding out to them prospects of a better life the UF parties can save them from the evils of nihilism, anarchism or adventurism to which they will otherwise fall prey. They can also foil the plans of those who seek to use these young persons as a "third force" against both the UNP and the United Front.

These cannot be done by pious platitudes alone. Let the UF Government make haste to implement its election pledges regarding youth. Then only will the youth respond and fulfil the Prime Minister's hope that will change their attitudes and work for themselves and the country.

Initial Problems For A Colonist: Rice And Co-ops.

By Anatory Bukoba

THE POLA or weekly market, is a great institution and the one I saw today resembled exactly the one I saw in Uganda in a fairly remote village right near the Congolese border, or Zaire as it is called now. Only, that one was on the side of a hill, and ours was on the flat. Both were equally interesting and colourful. People, or rather, I wandered around in the same way, admiring all the goods.

I was late, so most of what was to be sold must have been removed by the buyers by the time I arrived. The clothes or clothing booths were colourful with what was on display, and all the kinds of things one might have wanted to buy were there, although I cannot vouch for the sizes. The tobacco booths were naturally rather dull but there were all the kinds of things one might have wanted to equip a *wadia* or a house with the smaller items, at least. There was a very interesting booth with various obscure herbs and seeds on display. Some were of a fascinating shape, and I acquired two, hoping to grow them. Mustard seeds were on sale and pepper too.

On the way I noticed a field sown with *parrippu* or

dhal in flower. In another month or two it will be the turn of *mungatta* and of cowpea, for which there seems to be no Sinhalese word. As far as I know, seven years ago there was no *mungatta* grown in Ceylon at all, and it makes an excellent breakfast food, especially if it is taken with sugar.

On the way back I collected fourteen young plants of a tree that I admired very much growing in a garden, in a row in front of a house. It is a thorny tree, and if it is pruned well, it would make an excellent fencing plant I should think, eliminating the need for barbed wire. I bought a small handsome little *kalla geddi* or water gourd for fifty cents in the village, and filling it up with water, I put the young plants in; the acre is so full of *wanduroo* and *rilau* monkeys, I decided it would be better not to put these plants in there until I am able to reside on the land. This evening someone thought he might have been bitten by a snake, and we tried a snake stone on him but it did not hold.

TODAY I tried a proper *katha* of the lighter type which also is known as a V.C. *katha*. First I tried it tidying up a thorny tree

that the survey squad had partly slashed, but it was not strong enough to do thicker branches; there was the danger of the shaft disintegrating. Then I tried it on the longer grass and thicker weeds; it did not do such a tidy job as the *Dhai-ya katha*, but it has quickened the work with it.

Then a friend of yore paid his long delayed promised visit, and so I stopped work, and I went down to the river to bathe while he kept me company. It was as well for it was dark when we got back. This morning I did some more clearing on the way down to the river to shave, and it was hard work after a while, for it was done on an empty stomach after only a cup of tea. Both in the morning and in the evening, as I approached the land, I could see from a distance what was best done next. Someone said this evening that he was going to make a good pathway for bicycles down to the water's edge, and that he proposed using the lane made by the survey men through the trees, a lane made so that they could do their work. I said that would be alright, but I warned him not to slash indiscriminately at trees and to avoid them altogether.

All the regulations about the movement and possession of paddy rice and restrictions as to who may sell it, leaves me wondering how I am to feed my people with rice when I get some people together.

Are we to spend hours on the road trailing to and from the nearest authorised dealer? What of those who have no ration books—after all, we were asked to give them up not so long ago? Am I to make my staple food bread until I can grow some potatoes? That will take at least three months. It is certainly a very exciting time to live in for we do not know what each new day will bring us. There is no lack of good-will everywhere, and a certain buoyancy, spoiled for me only by today's photograph in the newspapers of an agreement to provide another few tons of foreign currency to curtail our population. As Arul Manuel once said in the columns of this paper, what business is it of other peoples?

THIS BUSINESS of rice and farming has reminded me of something else. In the ordinary course of events, before the days of *doled-out* measures of rice free or otherwise, the farmer and his family could have been relied upon to feed themselves with rice without going to too much trouble about it. As far as I remember, before the free measure of rice, two measures were rationed out at fifty cents a measure. All alike agreed that the farmer was being subsidised to eat his own rice, and they all took to the road on the weekly trail to get their two measures of subsidised rice. Some had to go many miles for it, and some had bicycles but no one, except a

very few had the co-op right on their door step. In the nature of things, this weekly trail on the road must have led to loss of production in some way or other, but it meant a day out in town for the farmer, for obviously his wife could not be expected to make the longer journeys, at least, or to ride a bicycle.

Then the U.N.P. conceived the bright idea of reducing the rice subsidy by 25 cents per person per week, by giving one measure free, and the farmer and everybody else had to pay 75 cents for the second measure, which was at that time the market price for the commoner grades of rice.

There was, of course, a political outcry. The farmer continued to trail the roads once a week for his free measure just as he had done for his subsidized measure, and there was, consequently, a continued loss of production, one day each week lost in trailing to the co-op. Then the United Front promised two *doled-out* measures, and when they were returned put the second measure at Rs. 1/-.

There was continued loss of production in the weekly trail to the co-op. Now the picture has become more confused in a way, and it looks as if people will have to take to the road more often than once a week, if they need more than two measures of rice per person, and, let us say in the case of a large household cannot carry it all back at once,

because fewer places are going to be allowed to sell rice, and so many people at least, are certain to have a longer distance to travel to collect any rice at all, resulting in more loss of producing time even if it is not of rice.

QUITE APART from the question of a subsidy on rice, the only way to get back to a situation of normalcy is to prevent all this unnecessary trailing on roads, whether it is on foot, by bicycle or in a bus, is to abolish all rationed goods, or failing that, all co-ops, for in England during war time, and as long as rationing lasted, I do not think there was any restriction on the place at which rationed goods could be got; you just got the goods where you liked.

If for some reason that cannot be done in Ceylon, then abolish ration books and all rationing. If after doing it, or even before doing it, the Government feels they cannot face the people, they can always resort to a General Election and let the people show their confidence in the people's Government.

Yesterday I bought eighty cadjans at Rs. 25/- per hundred and I bought 20 cadjans less than the hundred I wanted. Really knowledgeable people say it is going to be difficult to build even a small house with eighty cadjans. They reckoned a pound of rope would be enough, two pounds with the massas and

FROM THE SOVIET PRESS

Sri Lanka: Progress and Problems

By L. KHLBNIKOV

Sri Lanka, which means 'fair land' or 'blessed land' is the ancient name of Ceylon's inhabitants for their fabulously beautiful island. It was officially reassumed last year, when the country was proclaimed the Republic of Sri Lanka.

But for four and a half centuries the people of Sri Lanka could not benefit by their island's riches: they lived under the colonial yoke of the Portuguese, the Dutch, and finally the British. Their long fight for freedom ended in the achievement of political independence 25 years ago on February 4, 1948.

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tables I shall want to make, and I finished up by buying three pounds, for it was all home made and it would have been difficult to unroll less. It cost me Rs. 1/- a lb. which was cheap.

I hope to build the tiniest of rooms with a verandah, and to fit the kitchen in somehow. The cadjans I bought should be good long ones, and the length and the width of the house will probably be that of a cadjan. There are ways of making rope windows.

IN THIS quarter century Sri Lanka has travelled a long and far from easy road. The winning of political independence was a big step but only the first one on the way to real freedom. In the years that followed a hard struggle had to be waged to do away with the aftermath of colonial rule, to build an independent national economy, to secure social progress.

An important landmark in the history of independent Sri Lanka was the 1970 parliamentary election victory of the United Front of the three Left and democratic parties—the Sri Lanka Freedom, the Socialist and the Communist. These parties formed a coalition government headed by the leader of Sri Lanka Freedom, Sirimavo Bandaranaike. The United Front proclaimed a far-reaching programme of socio-economic and political restructuring in the interest of the masses.

In pursuance of that programme, Mrs. Bandaranaike's government has undertaken a succession of important reforms. In industry the policy is to expand the public sector and restrict private capital. There are already upwards of 70 public corporations ensuring government control over various industries. The public sector's

share has now reached 30 per cent of all industrial production, according to local statistics.

Some weeks ago Parliament passed a bill restricting the size of private urban housing properties. A law passed last year fixed a ceiling on land holdings: ten hectares under rice or twenty under mixed crops per family. At the end of last year government control was established over 13 private tea plantations together covering over 4,000 hectares, and these are being converted into large co-operative undertakings. In the first three months of this year it is proposed, the *Sun* newspaper reports, to establish 40 new co-operative farms in the Southern and Central Provinces.

TO IMPROVE the position of the masses, the government has doubled (to 1.8 kilogrammes) the weekly issue of rice at low prices, has got the Employer's Federation to raise the minimum wage to 180 rupees a month, and has established fixed government prices for many consumer goods.

However, in tackling many of the economic tasks proclaimed in the United Front manifesto, Mrs. Bandaranaike's government has had to wrestle with serious difficulties. These have their roots in the lopsided nature of the economy inherited from colonial times: tea, rubber, and coconut-palm products account for 90 per cent of the country's exports

After independence Ceylon like many other developing nations, became the victim of a dirty game of the imperialist monopolies, who, while putting up the prices of the manufactures and foodstuffs it had to import, forced down the prices of its tea, rubber, and copra. Falling export earnings and rising costs of imports drained away Sri Lanka's hard-currency reserves, and by the time the present government came in these were down to 60 million rupees, while the balance of payments deficit was over Rs. 1,000 million. There were also the pernicious effects of the financial and economic practice of the preceding government, a Cabinet of the bourgeois United National Party, whose chief means of replenishing the treasury was to get loans and subsidies from the big capitalist powers. As a result of this, a large proportion of the country's hard-currency earnings is having to be paid out in interest on loans.

THE BALANCE of payments crisis puts difficulties in the way of purchases of industrial raw materials, for three-quarters of its requirements in which Sri Lanka is dependent on imports. Insufficiency of raw materials is naturally, slowing down economic development. Prices in the home market are rising. The country's already difficult position was aggravated by the 1971 rebellion of Left extremist youth influenced by Maoist propaganda.

But all the same, Sri Lanka is advancing. The 1972-76 five-year plan comprises a whole series of development programmes for various departments of the economy. Top priority is given to solving the two main problems of the recent period—the balance of payments crisis and the growth of unemployment. Another important objective of the plan is to make the country self-sufficient in rice and other foodstuffs.

Among the government's political measures especially important are the abolition of the Upper House of Parliament, the Senate, which was a strong-hold of the reactionary elements and obstructed the passage of many progressive bills, and the adoption of the new Constitution, under which Ceylon became on May 22, 1972 the Republic of Sri Lanka.

FOLLOWING a policy of non-alignment, the United Front government has established diplomatic relations with the German Democratic Republic, the Korean People's Democratic Republic and the Democratic Republic of Vietnam, and has recognized the Provisional Revolutionary Government of the Republic of South Vietnam. Sri Lanka has suspended diplomatic relations with Israel, demanding that it comply with the UN Security Council resolution on the withdrawal of Israel troops from the occupied Arab territories. The notorious US "Peace Corps" has been ex-

pelled from the country and the activities of America's so-called "Peace Foundation" have been banned.

Sri Lanka has long had friendly relations with the Soviet Union and other socialist states. The Soviet Union has helped it to start publicly-owned heavy industries. A steel mill and a tyre works built with Soviet assistance have been operating successfully for several years.

In this quarter-century of independent nationhood Sri Lanka has consolidated its international position as a peace-loving state with a policy of its own, a state that consistently upholds the principles of friendship and co-operation between nations and opposes colonialism and neo-colonialism.

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THE RUPEE

THE ROOT OF ALL EVIL

By
CANAX

NM certainly is one of the chosen few, if not the only one. He's had more than his fair share of expert advice from all quarters since he sat in that august ministerial chair in 1970. Despite all the help I'm amazed he hasn't worked any wonders yet. I'm discounting the possibility that he considers a Budget via Gazette the biggest wonder of all.

I hope I won't be asked to disclose the source of my information, for then I'm really in a spot. I can, and will, swear under oath it wasn't NM who told me about all the advice he's been getting. Beyond that I can't honestly go, for wherever I go I can't help but listen to the things people say. So am I expected to ask for, and obtain, the name and address of a person the moment I hear him say he told NM this or told NM that?

It was in a bus, I think, I heard one man telling another, "If I've told him once I've told him a hundred times, but he won't listen. Even if he does, he won't change his revolutionary ways...." Seems the man was quite disappointed when he heard of the Washington Safari. Even going as a tourist would have been bad enough, he thought, but for NM to fly half-way across the world to attend a meeting on

monetary reform was the unspeakable limit.

I was hopping off the bus when I heard him say, "I ask you, just how revolutionary can a man get?"

THE QUESTION has haunted me ever since. Well, it is revolutionary in the extreme when he goes all that way to attend one meeting of the Group of 24 and the Group of 20 to discuss the same topic. Being no revolutionary myself, I'd have settled simply for a meeting of the Group of 44, which happens to be the sum total of the two Groups, assuming of course that one's arithmetic is not revolutionary, either.

The man in the bus was only one of a tribe. I'm sure you've met the type yourself. They're incorrigible name-droppers, and the names they drop are certainly worth picking up. Having watched so many people play the game, including numerous friends, I've got drawn into it myself and, for a beginner I'm not doing too badly, even if I have to say so myself. Now I'm dropping names, quite often just the initials, the way my wife used to drop bricks in company.

Name-dropping is only part of the game. For a practised player, that's elementary. As you gather

experience you get to giving advice to the people whose names you drop—that's how experienced the man in the bus obviously was. But you really make the grade when you can make out that your advice has been acted upon. That's easy, if you know how.

Then there's this couple I know who play the game very well as a team. Any Minister who happens to be in the news also happened to have had a drink with him only the previous evening, or the previous week. And the Minister, to hear the man tell it, was all ears, and so on and so forth.

When NM touched on the problem of liquidity, the husband-and-wife team was ready to play. Said he, "We had a drink the other day, and I was telling NM...." That's the cue for the wife to come in on the act with something like, "Oh, so that's who the important person you said you were meeting was!" He nods casually in assent, with just the faintest indication of irritability at being interrupted in the midst of his story. We are convinced, naturally.

I can't say my wife was as helpful when I started playing the game, but that's because she has a thing about truth. I remember once saying in company how I spent the previous weekend with PBG out at Bentota, and my wife cut in with, "You must be off your top, darling. Remember how you lay in bed the whole of Sunday with a hang-over and even refused to take the kids to the Zoo?"

I respond with a cold stare. She twigs on, and stammers, "Sorry, that was the previous Sunday, no?" The damage was done, of course. She's coming round slowly, though, and her current rating is only a couple of bricks a month, no more.

Now, where was I before I digressed about names and name-droppers? Ah, yes, I remember.

TO THOSE of us who he thought were blissfully unaware, NM disclosed the gory details of the acute foreign exchange shortage facing the country. You live and learn, as someone once said. Of yet another shortage, of course. Or as someone else said, it never rains ... hey, come to think of it, that's another shortage we're facing right now.

You don't need me to tell you we've had no shortage of shortages around here. And the shortage of foreign exchange that NM made so much about was not the latest in the long line. It was the first, the original shortage, which sort of fathered every other shortage in town. Except that of rain, I guess, though I'm not sure NM feels inclined to grant such an exception. But he made a telling point when he said it was regrettable that many politicians did not seem to appreciate the problem and were ignoring the crisis for their own political benefit. Spoken like a true politician, indeed.

As I was telling my wife the other day, if only NM had listened to me two years ago. (She didn't be-

lieve me, so I don't suppose you will, either.) But let me play on. You're broke, I told him, and he didn't contradict me. So be bold, I said, and the world, capitalist though it may be up to its decadent neck, will respect you all the more for it. He misunderstood me so badly he was rash enough to rush off to someplace called the World Bank and, believe it or not, actually ask for aid. Believe it or not, he got it, too. He's been similarly rash a couple of more times since then and each time, if he didn't laugh all the way to the Bank, he's certainly laughed all the way back from it.

LIVING up to the image people have of you is not the easiest thing in the world to do. I know, for I have survived only because people keep constantly lowering their collective image of yours truly without even being asked for such help. NM, perhaps for no fault of his, has been cracked up to be the modern-day saviour Sri Lanka has been waiting for. He probably is that, I grant, only he today has to contend with the dubious advantages of nearly two centuries of progress—one thousand nine hundred and seventy three, to be precise. After all, Christ in his time had to feed only five thousand, and the blokes then were more than happy with fish and bread, and no nonsense about onions and chillies and rice. (The Cost of Living hadn't been thought of then, but the level must have been pretty low, considering the Cost of Dying

at the time; it was only thirty pieces of silver, remember?)

As I was saying, we are no strangers to shortages. But the way we go about meeting them shows we've got our priorities all wrong. Granted, there's a lot to be said for wanting to grow all the onions we want, all the chillies we want, and all the rice we want. These efforts do not, however, get to the root of the problem. Why do we have to sweat so much in the first place? Because, as I keep telling NM, we now don't have the money to import anything except luxury cars.

So our objective should be to be more than merely self-supporting as far as our needs in onions, chillies and rice go. We have to work, on a Five Year Plan if need be, toward total self-sufficiency in foreign exchange. At least, that's what I told him and that's probably what he wanted to say, but reading through what he disclosed at his Press conference I find that's the one thing he *hasn't* said. But what he has is characteristic of the Man as Minister. What he said in one breath he unsaid in another, like the reliefs he offered us at one point in his tax proposals, and took away at another.

NM's disclosures have not clarified the issues, only confused them, Examples:

● Said my wife after wading through what I found unwadable: "If all the countries are letting their currencies float, why can't we do the same with our Rupee?"

SUBJECT to NM's approval on his return, I have given her an interim answer. "It's a long story," I said, "but the trouble is our Rupee has never learned to swim." She understood the problem so clearly she's insisting on sending the kid to Otters from next week. I don't know about NM needing only 400 million, to keep us in the swim, but if I fail to cough up enough to meet Otters' annual subscription next week, I'm sunk.

●NM's created a knotty problem for himself (which I don't mind) and for me (which I do) about the financial ties that obviously don't bind. My wife's terribly upset over his talk of the Rupee's original ties with Sterling, then the abrupt switch to the Dollar, and then back again to Sterling. She feels so strongly about it she thinks the Rupee should be charged with bigamy for contracting, in her emotionally considered view, so many marriages of convenience. I reminded her as gently as I could that, whatever else it was, bigamy it was not, since the Rupee maintained only one tie at a time. She was even more upset. "I'm surprised Sterling didn't refuse to have the Rupee back," she cried. "Isn't anything sacred anymore?"

The only answer I could think of was that the seven-year-itch probably had something to do with it, but then I realised it was actually a 25-year-itch in this case, so I haven't said anything. I

FOR THE RECORD

PEOPLE'S COMMITTEES

= ADMINISTRATION REPORT

Below we publish relevant extracts from the first Administration Report of the Commissioner of People's Committees, Mr. W. L. Fernando, for the year 1971. The Report was released in March 1973.

IT IS APPROPRIATE to mention in the first Administration Report of the Department of People's Committees the reasons that prompted the establishment of People's Committees. At the last General Election held in May, 1970, the United Front gave a pledge to the people that if it was put in power it would change radically the administrative set-up of this country. The election manifesto stated:

"The present administrative set-up, including the Kahcheri system, is inherited from the colonial days. It is not only bureaucratic and inefficient but also thoroughly unsuited to ensuring the speedy fulfilment of today's needs.

"We shall transform the administration thoroughly, make it more democratic and link it closely with the people through—

can't for the love of me think why NM would want to flaunt the Rupee's fickleness in everyone's face, especially my wife's. She's convinced the end of the world is at hand. The sign? When Money loses not merely its value, but its sense of morality as well.

- (i) Elected Employees' Councils;
- (ii) Advisory Committees in Government offices; and
- (iii) People's Committees on a territorial basis.

"The administration will thus be made more responsive to the needs of the country and the wishes of the people. The new bodies that we shall create will also help to associate the people with the work of formulating and implementing national economic plans.

"We shall create special machinery whereby complaints of delay, obstruction and malpractice by public officers at all levels can be speedily investigated and disposed of. The structure and outlook of the Public Services will also be reformed in order to make them real instruments of service to the people."

In keeping with this pledge the Hon. Minister of Public Administration, Local Government and Home Affairs, Mr. Felix R. Dias Bandaranaike, issued in August, 1970 a White Paper on the "Proposals for the establishment of People's Committees", which was debated in Parliament in November, 1970. Subsequently in the early

part of 1971 the Bill on People's Committees was passed in both Houses of Parliament without a division. It received the Royal Assent on March 17, 1971. The Department of People's Committees was established on March 5, 1971.

THE ORIGINAL intention of Government was to set up committees throughout the Island beginning from about April or May, 1971, and if this had been possible nearly 8,000 Committees of eleven members each would have been functioning throughout the Island today. The April, 1971 insurgency not only delayed the setting up of Janatha Committees but the Government had second thoughts on the establishment of Janatha Committees throughout the Island. It decided instead to set up Committees on a trial basis and limit them to one local body chosen from one electorate and have committees according to the number of wards in that local body. The Members of Parliament were given the opportunity to select the local body in their electorates and to submit fifteen names for each committee in the respective local authority. The Hon. Minister of Public Administration, Local Government and Home Affairs issued a circular letter dated 18th July, 1971, to all Members of Parliament calling for their recommendations and also issued a *Gazette Extraordinary* No. 14,967/3 of 19th July 1971 calling for nominations for appointment to the Committees from Rural Development Societies, Community Cen-

tres, Co-operative Societies, Trade Unions and residents of the respective areas. Accordingly, 1,731 People's Committees were established with effect from 1st December, 1971. The committees thus established will be effective, in the first instance, for one year. Therefore, the present Committees will cease to function from 30th November, 1972. If the experiment succeeds Government may decide to take in more local bodies or to set up Committees throughout the Island as originally envisaged.

THE ESTABLISHMENT of this department is a fulfilment of one of the important election pledges given by the United Front to the people aimed at bringing about not only a transformation in the administrative machinery but also in society. It is obvious that the importance of this movement has not been fully grasped yet and if, as a result, the movement is allowed to suffer, it will not only be a let down of the United Front but will be a blow to the aspirations of the people in their march towards socialism.

IT IS APPROPRIATE to record here the policy laid down by the Hon. Minister of Public Administration, Local Government and Home Affairs in the appointment of members to Janatha Committees. All members of Parliament were required to submit a list of 15 names of persons for each ward, including 3 youths between ages 18-25, ward member of the local authority, if it had

not been dissolved, and the Chairman whom he wished to be appointed. The selection was made in the following order:—the 3 youths; the ward member; the Chairman; and the balance six members in the numerical order given in the list.

In respect of nominations from the electorates represented by Opposition Members, nominations were called for from the Members of Parliament and the United Front candidate who had contested the seat at the last General Election. In the selection of candidates weightage was given to the Member of Parliament who was also allowed the right to recommend Chairman of Committees. The ward member was also from the list of the Member of Parliament, the ratio being 7:4 or 5:6. It was also decided to issue a *Gazette extraordinary* containing all these names in three languages. The matter for the *Gazette* was sent to the Government Press on 15th December, 1971.

Although these names were sent to the Government Printer to be published in the *Gazette* in all the 3 languages, names found in most of the lists were changing till the end of the year. The reasons for this was that some of the names given by the MPs were replaced with new names; some of the members, selected from government servants were transferred to some other areas; and some of them died and there had been some names which had been furnished by the Supreme Court for

frauds. Some are of the opinion that unsuitable persons have been appointed. There is the possibility of finding a few such persons in a vast scheme like this. If there had been such appointments, the Minister of Public Administration, Local Government and Home Affairs has taken action to remove such persons from office after holding an inquiry. The Minister is empowered to remove PC members from office showing no cause.

Before the end of the year I had the opportunity of summoning a number of conferences of Chairmen on district level at which their letters of appointment were handed to them. I also took the opportunity at these meetings to explain to the Chairmen their functions and responsibilities. Government Officers and Chairmen of local bodies were also invited for these conferences. These inaugural meetings were attended by Members of Parliament of the respective areas.

THE GOVERNMENT AGENTS of various districts were responsible for arranging these meetings. Some Government Agents took great pains in organising these meetings in the traditional aryan style with milk-rice, oil cakes, plantains, etc. With the exception of two, all Government Agents attended these meetings and promised to extend their co-operation to make this venture a success. I wish to record my appreciation of the co-operation extended to me by Government Agents not only in the matter of

organising these meetings but in all matters connected with Janatha Committees in their respective districts. I am sure I can depend on them for their future co-operation too.

The series of inaugural meetings commenced from Dompe and Attanagalle. Both meetings were held in one day presided over by the Hon. Minister of Public Administration, Local Government and Home Affairs, Mr. Felix R. Dias Bandaranaike, and Hon. Prime Minister respectively. The Colombo District Chairmen's inaugural meeting was held at the Royal College Hall, presided over by the Hon. the Prime Minister on 23rd November, 1971. This meeting was attended by all members of the Cabinet, except two, and most of them took the opportunity to address the conference. The Minister of Public Administration, Local Government and Home Affairs, Mr. Felix R. Dias Bandaranaike, distributed the letters of appointment to the Chairmen at this conference. The two Hon. Ministers who could not attend the conference were otherwise engaged that day.

To say that the success or otherwise of the movement rests entirely on the members of these committees will not be out of place. If the powers vested in the committees are abused, the movement will fail and on the other hand if the members act with restraint and responsibility, the movement

will certainly be able to pull the country out of the mire it has got into. It is said that misfits and odd men have got into these committees.

This can be true and in the initial stages of any scheme of this magnitude such errors are inevitable. However, when such instances are brought to the notice of the Department action is taken by the Hon. Minister of Public Administration, Local Government and Home Affairs after necessary inquiries, to remove such members. The Minister is empowered by law to remove any member without giving reasons.

It will not be an exaggeration to say that no venture in this country received so much publicity both in the Press and Radio as the People's Committees Movement. The Ceylon Broadcastint Corporation arranged a weekly programme of talks and discussions in the three languages while the Press devoted considerable space almost daily for publishing the movement. I must say here with gratitude that the popularity of the movement was due mainly to the build-up the press and the radio gave this movement from its very inception. A people's movement of this nature, new to democratic countries like Ceylon, has necessarily to depend for its success on publicity. I am sure I can depend on their support for the firm establishment of the movement in this country.

OF SIGNIFICANCE

China and the World

By MIHAILO SARANOVIC

Foreign—Policy Editor of Tanjug

THE PAST year has been one of the busiest years if not the busiest one for Chinese diplomacy and its activity on the international stage. Even incomplete statistics on its ties with the world are sufficient to warrant such a conclusion. For example, China established diplomatic relations with fifteen countries in the course of 1972 and raised relations to a higher diplomatic level with another three. Thus, less than four years after the Ninth Chinese Party Congress, China has regular diplomatic relations with nearly 90 countries, which is almost twice the number of countries with which it established relations during the first twenty years of its existence.

Although figures may be tiresome, they are very illustrative in this case:

Last year China was visited by over 500 delegations or individual officials from over 90 countries. The visits comprised over 30 official visits by heads of state or government or ministers of foreign affairs! Practically every 10 to 12 days China played host to a foreign state delegation. And furthermore: about 500 US citizens stayed in China during the past year and certainly not as tourists. There were even more Japanese visitors: 3,700.

DURING the same period, China exchanged 230 visits

of sports delegations with about 90 countries. Finally, China has trade relations with 130 countries, a far larger number than the number of countries with which it maintains diplomatic relations. During the first nine months of 1972 alone, it sent 24 trade missions to various parts of the world and was host to an incomparably larger number of foreign trade missions: 84. Within the same period, its ocean-going ships dropped anchor in the ports of 61 countries.

A logical question to ask after all these figures is—what is the reason for this abrupt revival of China's international activity after so many years of a forbidding attitude towards a large number of countries?

And what, on the other hand, has changed in the attitude of the world toward China after a protracted period during which many countries showed no interest whatsoever in China except in terms of confrontation with it and a desire to maintain it in isolation.

Several elements have been decisive in this respect:

The door towards the world has largely been opened on the Chinese side. This is because two years ago China had, among other things, solved a number of internal problems so that

with a relatively consolidated situation at home it could now afford to give a free hand to its diplomacy.

Of no lesser importance has been the fact that the world responded to China's gesture by opening wider the door which China had first opened and left ajar. This happened, generally speaking, because the strengthening of the independent factor by way of non-alignment had become an element to be reckoned with and also because attempts forcibly to impose the solutions of key problems had produced no effect. Furthermore, as these problems matured it became increasingly obvious that without China it would be impossible to solve many crucial world issues. Thus, a large part of the world saw the logic of building bridges towards China and started the trek toward its walls which remain merely as a symbol of the past.

GIVEN SUCH a development of relations between China and the world, the first signs of major changes were already apparent towards the end of 1971 and became even more so last year. Here are a few examples to illustrate this:

1. In February last year, President Nixon visited China. The preparations for this visit had formally started in July of the previous year when in his capacity as a confidential negotiator, Mr. Kissinger first travelled to Peking; for his second trip to Peking Mr. Kissinger chose October of the same year when the UN was scheduled to vote on the so-called issue

of Chinese representation. It is reasonable to believe that this did much to convince many of the UN member-countries of the necessity to vote in favour of the People's Republic of China, as it was now obvious that not even the USA was any longer opposed to building bridges with China and burying the hatchet.

2. A few months later, in September 1972, Japan eventually passed its "exam" in history, after having failed before. After a confrontation of nearly two centuries, the current which viewed the "Chinese factor" realistically finally prevailed in Japan, and so, following Sato's fall, Premier Tanaka found himself in Peking. And the two countries, formally in a state of war until then, established diplomatic relations.

THIS SEEMS to have been of extraordinary strategic importance for further developments in Asia and it may well be said today that the same circumstance marked the beginning of an important phase in the solving of Asian problems and stepped up the inevitable: the United States' gradual military withdrawal from Asia (now concretely from Vietnam), but not also its political disengagement. Finally, it is a question of normalization of relations between two countries which have long been suspicious of each other. Moreover, one of them, China is an insufficiently developed country with a tremendous potential and what will long remain an insatiable market, and the other Japan, a country whose

tremendous economic power has long since surpassed its national frontiers. Even before they established diplomatic relations, these two countries traded goods to the value of about one thousand million dollars annually, a figure which, in the opinion of observers, is sure to increase ten times over and more within a matter of years. This will no doubt speed up the development of both countries and by its economic weight represent a counterbalance to the existing economic systems in the world while simultaneously helping both countries, as economically independent factors, also to preserve their political independence.

3. The influence which this course of development has had on trends in Asia is evident also in the fact that parallel to increased circulation between China and the outside world, a change of government occurred in Japan where the Sato government has been replaced by one with more realistic concepts. In Australia and New Zealand, too, labour governments emerged triumphant from the latest elections. Their primeministers, Whitlam and Kirk, met last month to work out a new strategy of co-operation and also agreed to sever the remaining constitutional ties with Great Britain; they furthermore concluded that SEATO was an obsolete structure, urged the neutralization of their region and defined a strategy in relation to the EEC, etc. In short, all this is a sign of new trends in the Pacific, trends, which, of course, are

not exclusively motivated by China's increased activity on the international stage but which have certainly been influenced by the "Chinese factor".

4. As for Sino-Soviet relations, one cannot say that they have changed much. Many are inclined to believe that the past year has brought no improvement and that, indeed, relations between the two countries have become even more strained. This is not far from the truth but still it seems that such an estimate can be accepted only conditionally, as things are changing slightly in the development of Sino-Soviet relations if viewed in the context of broader international events and developments. Even if we do not attach any particular significance to trade relations between the two countries concerned, there is still the fact that, during the past few years, they have increased the scope of their commodity exchange six times over, although they did start out from a very low level. (The value of mutual trade last year came to nearly 300 million dollars.)

AS FAR as the two countries' political relations are concerned, one must take into consideration the fact that China and the Soviet Union entered last year with certain factors which objectively complicated their relations. For example, the war of December 1971 on the Indian subcontinent led to a new indirect confrontation between them. This is one

of the reasons why the talks on frontier and other problems are evolving very slowly although sooner or later an agreement may be reached. However this will depend not only on the negotiators in Peking, but on the wider aspect of their mutual relations and the general constellation on the international stage.

Actually it would be more realistic to expect an improvement rather than a further deterioration of Sino-Soviet relations. But this will happen only if the world situation develops more favourably, if the estimates of both sides show that this will be better for them, too, also in the context of the latest regrouping in the phase of termination of the Vietnam war and American military disengagement. Finally, a considerable influence on the development of Sino-Soviet relations will also be exerted by the evolution of circumstances in Asia and in the world at large and by the stability of the international position of their country. True, it is never opportune to make forecasts, even optimistic ones, but changes can come quickly, irrespective of whether they come sooner or later, as demonstrated by the swift changes in China's relations with Japan and the USA and many other countries.

TOPICAL

Pedagogy of the Oppressed

By PAUL CASPERSZ

Paulo Freire, trans. Myra Bergman Ramos, **Pedagogy of the Oppressed** (New York: Herder and Herder, 1971).

THERE are at least three things to recommend this book to a Ceylonese reader: the author is a Third World man (and we should always keep the right to ask the credentials of those who seek to advise the Third from the Other World); he had the personal experience of poverty and all that it entails for the body and mind of the poor man; he is wholly on the side of radical social change based on the primacy of the People.

We in our country are at a stage when we have to do some hard thinking about the goals of social change. What type of society would we want to see in Lanka in the year 2000? Paulo Freire moves with us in the right direction, that is, towards the People.

There are too many who are frightened about the prospect of People, and more People. Among them are the Other World controllers of Third World births and their local disciples. There are also those who chiefly look to the foreigner for aid and exchange and not to the People for ideas and means. Tourism and the condom are the last resorts of revolutionaries in our country who have given up the revolution, or who have

grown discouraged, or who have lost the capacity for creative thinking. To them *Pedagogy of the Oppressed* has no word, or is perhaps the salvific word.

It is not an easy word. The method—coming to the author doubtless from his predominant inspirations—is deliberately or indeliberately dialectical.

THE PREFACE exposes the dialectic between sectarianism (of the pseudo or palace revolutionary) and radicalization (of the true revolutionary). The first two of the four chapters analyze in succession the dialectic between the oppressor and the oppressed (who are the subjects of the pedagogy of the People), between banking education (in which bits of disparate information are thrown into minds like deposits into a bank account) and participative problem-solving education. The last chapter is a masterly methodical examination of the characteristics of an antidialogical and a dialogical pedagogy: conquest as against cooperation, divide and rule as against unity for liberation, manipulation, instead of creative organization, cultural invasion as against cultural synthesis.

The dialectical method is implicit in the third chapter too which discusses the construction and development of the 'thematic universe' or the

most significant teaching-learning themes in the lives of the People: does the teacher impose his own themes on the taught, or are the themes for reflection-action built up by the teacher-turned-student in dynamic collaboration with the student-turned-teacher? If the teacher is not teachable, he is not a pedagogue of the oppressed.

DIALOGUE is of the essence of a pedagogy of the People. The reader is consequently in constant dialogue with the author, with Mac, Marx, Lenin, with French theorists and Latin American Revolutionaries, with John XXIII and religious leaders who have made the correct options with—though explicit mention is not made—Aristotle; and especially with Aquinas' theory of knowledge that really to know 'someone or something is' to be that person or thing or that facet of reality. This is indeed an aspect of pedagogy where one would want to go further than Freire. The alienation of the oppressed causes a terrible restriction of their capacity to know, and hence to be. Thus the liberation of the oppressed is the liberation of people who are demanding (or, if they were sufficiently sensitized, should demand) to know and to be.

We have to hold Paulo Freire to his own thesis. We have not to listen to, but to speak with. We have to apply what he says about his life-situation to ours, in dialogue with him, but above all in dialogue with our own People.

And then we find first that Freire has been forestalled by some of us. For instance, Yohan Devananda: "In short, what I am saying is that the government must really serve the people—not merely by giving them more of this and more of that to keep them quiet, but by fundamental structural changes. The people must be given their due place in the new Lanka" (An Open Letter, Ibbagamuwa, 12 August 1970). And Freire: "A real humanist can be identified more by his trust in the people, which engages him in their struggle, than by a thousand actions in their favour without that trust" (Chap. 1).

Secondly, we have to find our own categories of oppression, oppressors, oppressed. What are the fields of oppression in our country: cultural, social, caste, economic, racial, linguistic, political, religious? Who are our oppressors and oppressed? It is not merely, as is fundamental to Freire, that the oppressed can harbour a more or less submerged libido to be when he can like his oppressor. But the same person can be both oppressor and oppressed.

By reason of income, social class, status, friendships, habits, language of thought and discourse, many of our leaders in state and church, even left leaders, are in the oppressor class. But in so far as they opt to struggle for liberation, they take their options with the oppressed. A Tamil may be oppressed in the Western and oppress

in the Northern Province. The village boutique-keeper oppresses and is oppressed.

TO OPPRESS is to dehumanize (or to alienate) but it is also to get dehumanized (or alienated). Thus to restrict even with violence the freedom of the oppressor to oppress is in fact to free him. Land reform and income ceilings (apart from the effects on investment-saving and on productivity which socialist economists must investigate) may restore freedom even to these affected as they think adversely. One thinks of the idealistic senior banker who looks wistfully back to the days when he and his family had much less money but more genuine joy in not over-spending it.

The motive and the goal should be love. The word however has been debased and made counter-revolutionary and de-radicalizing. But the true revolutionary has the religious role of bringing it back to its impact of fellowship and utter sharing.

The revolution is of the People. Meanwhile, the elites have a function: either by part-time involvement mostly of the 'verbalist' (university graduate, pulpit) type or by full commitment, both 'verbalist' and activist' or the commitment of 'praxis'. Even then the elites must be wary of wanting the masses to play the old game of Follow my Leader. The elites must remember that "revolutionary praxis is a unity, and the leaders cannot treat the oppressed as their possession" (Chap. 4). They

ANOTHER LITTLE ISLAND

Tightens Belt for Austerity

Kingston,

SUDDENLY things seem to have gone wrong in Jamaica.

Superficially everything looks the same in this colorful semi-tropical island which, with fanfare and high hopes, celebrated only five months its independence from Britain and five months before that the election of a new, youngish premier who had pledged to reform Jamaican society.

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must also remember that as an elite class they have to disappear.

Pedagogy of the Oppressed is topical in Lanka today. Three main periods in the social history of a people are distinguishable: oppression, emergence, emancipation. The contemporary symptoms of incipient emergence are threatened not only from the right but also by the revolutionary elites who, while being for, are yet not with, the People. The elites, both revolutionary and counter-revolutionary, have not experienced the oppression of a mother who has to go round the shops in search of milk food for her baby. Only those who are solidary with the People, more ready to be taught by the People than to teach them have the true pedagogy of the People. Without this pedagogy another society may be born in Lanka, but not a society liberated from oppression.

But the government's recent announcement of drastic import and financial restrictions has somewhat dimmed most Jamaican's enthusiasm.

Michael Manley, leader of the People's National Party which won a resounding victory in general elections in February, had promised important social transformations for Jamaica. Among them were a more egalitarian society (Jamaica has long been notorious for being a country of extreme wealth and extreme poverty), a reduction of unemployment from the high level of 25 per cent and the eradication within four years of the illiteracy among almost a quarter of the population.

His government, Manley said, would be a government of "humility," of "participation," it would appeal to youth; and there would be a partnership between government and private industry. It was to be a New Deal for Jamaica.

THEN came the sudden awakening to the fact that a supposedly politically dynamic and economically viable Jamaica was facing a grave economic crisis and that even the very rich might not be able to get (legally) a case of whisky or champagne for Christmas 1972.

One of the many bank managers here summed up the situation in these words. "for more years than I care to think Jamai-

ca has been living beyond its means and we now have to pay the price."

Manley, in a speech on radio and television, left no doubt what that price is.

Jamaica's reserves of foreign exchange had fallen so low that they did not add up at Oct. 31 to much more than two months' imports and it could be that by the end of the year the reserves would have sunk to a nil, or minus figure, unless drastic steps were taken.

ACCORDINGLY Manley and his government have imposed a total import ban on 56 items and restrictions on some 15 others. These include many food items, household goods, cars, refrigerators, television and radio sets and a whole variety of consumer goods. Bank loans are to be limited and foreign currency allowances for travel abroad restricted to £500 per person per year.

What was the cause of this sudden rude awakening?

Primarily, so the bank managers and businessmen tell you, it was the fact that in recent months the large sums of money which had been injected into Jamaica's economy from foreign sources, mostly North American and British, for the construction of expensive plants such as those required for producing bauxite, had dried up.

THE ONCE booming tourist industry has not been doing as well as it should, and one

reason for this is that some hoteliers, thinking the boom days would go on forever, have been charging prices which are much too high for the goods and services offered. Visitors have also been complaining about bad and rude service.

So October was declared a sort of "be kind to the tourist" month with stickers everywhere saying: "Tourism is my business—yours too."

Further reasons for the crisis are the decline in Jamaica's traditional agricultural exports such as sugar and bananas and the failure to produce substitutes; and the people's simple and basic propensity to go in a big way for imported goods.

NEVERTHELESS there are indications that the Manley government is planning wisely for the future. There are several large projects in the pipeline, including the construction, scheduled to begin soon, of a 200 million oil refinery on the south coast and a container terminal which, it is hoped, will make Kingston the major transshipment port in the Caribbean.

There has been a trade mission here from China, and a Jamaican mission has gone to Peking and Moscow. Manley is willing enough to maintain old trading links with Britain and the West, but if he thinks it will help his island to recover he will not hesitate to welcome trade with the East.

—London Observer.

UGANDA

Charity begins with others' property

IT WAS a slow, sunny day in Kampala, the kind of day when Ugandans doze under banana palms oblivious of their government's directives against mini-skirts and gun-carrying imperialist agents posing as Christian missionaries. President Idi Amin was about to give away a hotel but he had not decided to whom. The man who expelled 40,000 Asians from his country has been masterminding the distribution of perhaps \$400 million worth of Asian property to black Ugandans. The distribution of some 3,500 abandoned businesses is nearly complete.

Gen. Amin, driving his own jeep through downtown Kampala, decided to intervene personally in the allocation of the Speke Hotel, named after an early explorer. It was worth \$125,000 in the busy days before Gen. Amin banned tourists. According to witnesses, Gen. Amin, spoke extemporaneously in English and Swahili to a large group of applicants. Uganda owes a lot to its security officers, who are responsible men and should be rewarded for their services, the president said.

Gen. Amin paused and surveyed the crowd as if making up his mind. Suddenly he pointed to a Lt. Col. Bogere and said: "There is a responsible man who should have this hotel." Witnesses said Lt. Col. Bogere, chief army medical officer and one of the few in the

audience who had not been brandishing blue and white forms applying for the Speke, looked around as if to say: Who me?

Gen. Amin beckoned the surprised Lt. Col. Bogere forward and shook his hand. Then the President noticed two white non-Ugandans standing near. "Who are you?" he asked. "We are guests at the hotel", one replied nervously.

"Well, come here and meet your new manager," Gen. Amin said, motioning them towards Lt. Col. Bogere. The crowd grinned at Gen. Amin's pointed demonstration of the officer's new status as hotelkeeper.

BUREAUCRACY has been cut to a minimum in the property distribution aimed at creating an instant new African middle class that operates, if not exactly owns, Uganda's commercial enterprises.

As former Asian shops reopen gradually, there are disappointments on both sides of the counter. Some new storekeepers find nearly no stock on hand to sell. Customers accuse some Ugandans who took over the shops of trying to make a killing by profiteering on scarce items.

If the government sticks to promises of compensations for dispossessed Asians, the new shopkeepers will eventually have to pay up.

IS IT TRUE?

Sherlock Holmes

* The Coconut Muddle

IS IT NOT TRUE that inept and amateurish trading by the bureaucrats has contributed in a big way to the current fiasco in the coconut market? That it all started with a bureaucrat, who had been placed as the Supreme Commissar in the coconut world, selling about 25,000 tons of coconut oil forward at what was considered a "high price" at the time the contract was concluded? That the price was between £80 to £90 a ton? That within a short time the price of the oil had started shooting up and that it is now around £120 a ton. That when the world price went up, the local market shot up and the state-owned exporter was caught short?

That on every ton the exporter was likely to lose about Rs. 500 a ton? That to save the state-owned outfit, the Ministry had stepped in and virtually nationalised the industry? That contracts for higher prices by private shippers had to be cancelled in order to enable the Government organisation to fulfil its contract? That these measures were not adequate to meet the situation and other devices

were evolved? That consumers in Ceylon were penalised into subsidising copra and coconut oil by indirect means in order to reduce the losses on the 25,000 tons order? That these measures have had such adverse effects on the local market and the local consumer has now to pay more for his coconut? That there are discussions in VVIP circles whether it would not be better to cover the balance of the 25,000 tons order from foreign suppliers? That this is felt will restore the local industry to some kind of normality? That the drought was bad enough but bungling bureaucrats, who think that they can earn all the foreign exchange Sri Lanka needed by selling 25,000 tons of coconut oil, make matters worse?

Is it not a fact also that the poonac shortage was also caused by the untimely export of over 5000 tons of poonac to Malaysia under some brand name as cattle food? That there was tom tom beating that the poonac expert had brought Sri Lanka "foreign exchange" from a non traditional export? That what was not

realised was that with this kind of export in the context of the drought would do untold damage to the poultry and cattle industry in this country?

That the manipulations to cover the losses which had arisen from the forward sales of 25,000 tons of coconut oil and the untimely export of 5000 tons of poonac have led to a virtual collapse of the coconut industry? That at the price fixed by government for coconut oil to enable it to fulfil its forward contracts and the increase in the price of nuts and copra in the open market (consistent with world trends) local millers could not afford to produce oil? That nearly all of them shut down the mills and thousands of workers have been either laid off or have been retrenched. That some of the trade unions think that if all the oil mills were "nationalised" the problem could be solved? That, they think, that the nationalisation of oil mills would ensure employment? That if this were done it would be at the cost of the State Treasury? That the Minister of Labour has invoked everything in his bag of tricks to make the employers pay wages although no work is done? But employers simply do not have the money to pay?