

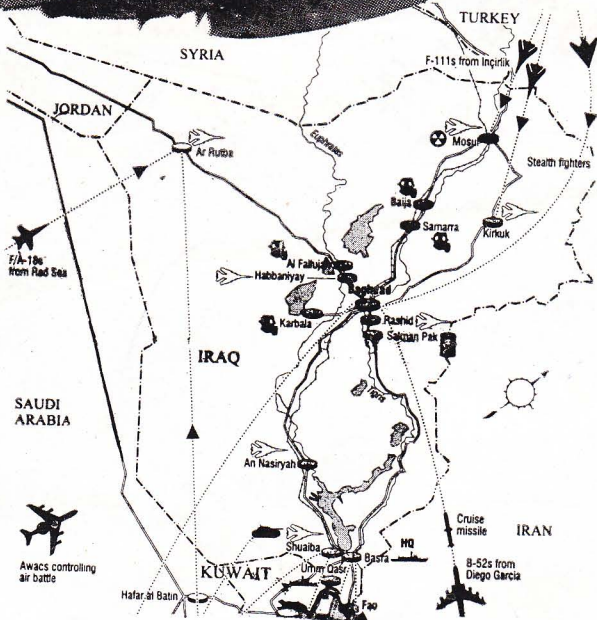
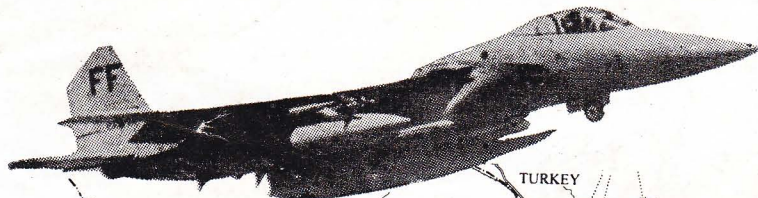
DEBATE: The NSSP'S record on communalism

— Tisarane Gunasekera 15

LANKA

GUARDIAN

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BUSH WAR

U.S. No. 1 and Oil

— Daniel Yergin
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Michael Prowse

South Asia, Madras and the 'Tigers'

— Mervyn de Silva

The Lady's no pushover

— G. V. Krishnan

Dilemmas of the 3rd world policy-maker — Richard Hofferbert



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● MEDIA AND FREEDOM



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EXODUS FROM PUBLIC SERVICE

The public sector will soon be facing a manpower crisis. Retirement papers have been sent in by 28,604 public servants. Teachers form the largest category, as many as 11,529 of them. And 8,182 are trained teachers; 1,346 are school principals.

The exodus flows from an incentive offered by the government under which public servants who had served from 10, 20 and 30 years could retire without waiting for the mandatory age 55. The option was available up to December 31, 1990. In addition to the teachers, among others who have opted to retire are 73 doctors, 200 nurses, 452 administrators, 30 accountants and 53 engineers.

DOCTORS THREATEN STRIKE

Citing official indifference to their problems as the provocation, the Government Medical Officers' Association issued a press statement warning of trade union action (strike). The statement said: "During the past several years the GMOA had discussions with the minister of health and ministry officials and addressed several memoranda regarding important issues affecting the membership. As such consultations have not borne any response, the Association has no other option but to resort to trade union action".

A special general meeting has been summoned for January 19 to obtain a mandate for trade union action.

FAKE-PROOF PASSPORTS

The government has ordered half a million "hot" laminated passports for issue to citizens of Sri Lanka who wish to travel, because the "cold" laminated passports issued hitherto have been an invitation to tamper, according to an Emigration Department spokesman. Hot lamination, it was explained, is as follows: the entire passport is sent through a thermal lamination machine at 180 degrees centigrade in one minute.

It is almost 100 per cent tamper proof, the spokesman said.

BEYOND BANDA

Apparently the little perestroika I prescribed for Mr Reggie Siriwardena appears to have been too much. He has, I note, developed alarming side effects like intemperateness and belligerency.

The latest symptoms show he has moved beyond baiting Bandaranaike into lambasting Lenin, both of them, oddly, were once his political father images, (see *Lanka Guardian* 15/12/90). This won't do. He should either reduce taking the recommended dosage or discontinue taking perestroika forthwith.

S. Pathiravitana



TRENDS
+
LETTERS

KUMAR DAVID

Kumar David (Kumar who?) writes (L. G. 15 December): "It is no secret that I am a member of the NSSP". To me it was, until I read this. I did not know Kumar David was a member of the NSSP. I did not even know there was such a person as Kumar David.

The vain glory of some of these parlour Marxists is beyond belief.

Leonard Thirunavakarasu
Colombo 4.

Briefly...

● Nine hundred Lankan Tamils jailed in southern India mutinied and went on indefinite hunger strike demanding to be released. They were members of the Eelam People's Revolutionary Liberation Front (EPRLF), a militant group, held near Madras. Prison unrest was also reported from Vellore where cadres of the LTTE were held.

● In an editorial titled "The Tiger has not changed its spots" the Indian *Telegraph* has said that it would be a mistake to assume that the LTTE has seen the error of its way and genuinely adopted the path of peace. The *Telegraph* noted that in 24 hours after the LTTE's unilateral ceasefire began the Tigers attacked two army camps.

The military showed commendable restraint in not over-reacting, the editorial said.

● If war breaks out in the Gulf the most affected ex-

(Continued on page 22)

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SHUKLA VISIT

Mervyn de Silva

NEWS
BACKGROUND

“All countries today are reviewing their past relationships and world-view” said a statement issued at the conclusion of a two-day INDO-U.S. symposium in Delhi recently. Among the speakers were Admiral Huntington Hardisty, C-in-C Pacific Command of the US Navy, and Dr. Harry Roman, Asst. Secretary Defence. Among the unofficial speakers were Mr. William Clark, General Sundarji (former Army Commander) and K. Subramaniam, former Director Institute of Defence Studies. The present Director, IDSA, Air Commodore Jasjit Singh and Prof. S. D. Muni were also participants.

The Indo-US encounter, a definite sign of an emerging relationship qualitatively different from the post-independence understanding, coincides with the rapidly changing Indo-Soviet quasi-alliance. The evidence of such a radical transformation is irrefutable. Kashmir was the ‘beginning’ of contemporary Indian history. A state with a Moslem majority but a Hindu ruler opted to join India on the say-so of the maharajah, supported by an interventionist Indian army. The U.N. stopped the fighting. The resolution called for a plebiscite.

The United States has been unswerving in its support for the Pakistani demand for implementation of the resolution, whereas the Soviet Union backed India to the hilt. Kashmir was where Pandit Nehru was born. Apart from that, Kashmir’s location made it a vital strategic concern in Indian eyes. The Kashmir insurgency has assumed such dangerous proportions that Ministers have been removed, governors sacked and the Indian

army sent in. The former R. A. W. chief has been put in charge. Like Punjab, Kashmir, some sections of the Indian press say, has got out of control.

In both cases, India accused the Pakistani military authorities of actively fomenting trouble. If it is difficult to reject that charge it is because General Zia-ul Haq always believed that the only way to match India’s much superior conventional military strength was (a) to weaken India internally and (b) to develop Pakistan’s nuclear program. In regard to (a) Pakistan concentrated on two exposed flanks — Kashmir and Punjab. While the Sikh insurgency had reached a high level of intensity, climaxing in “Operation Bluestar”, (the tough Indian army crackdown) and the assassination of Mrs. Indira Gandhi, the Kashmir revolt was more or less dormant. The direct Pakistani involvement in the U. S. funded Afghan civil war gave President Zia an ideal opportunity to re-fuel the Kashmir uprising.

The Soviet withdrawal from Afghanistan and the steady Soviet-American rapprochement permitted US policy makers to see the South Asian region in a different perspective. American need for Pakistan, Washington’s launching pad for the anti-Soviet operation in Afghanistan, was no longer a priority. Human Rights had become a major US diplomatic weapon. But General Zia resisted US pressure for internal reform, with a popularly elected government as its final objective. Elections were held and Benazir Bhutto took office. But the Pakistani military-bureaucratic establishment and Big Business

did not take too kindly to her “radical” views on the economy, her efforts to restrict the army’s role, and her hostility to Islamic conservatism. Most of all, the well-entrenched Pakistani ruling coteries which have acquired power under the Army’s protective umbrella, resented her friendly overtures to the Rajiv Gandhi administration.

These interlocked power-and-pressure groups undermined the Bhutto regime, and exploited to the full, the multiple mistakes of an inexperienced and naive Benazir, all-too publicly in the vice-like grip of the family, especially her husband and her mother. Corruption patronage and sheer ineptitude led to her downfall.

The election itself was not all that credible. Besides, the new regime has launched a persecution campaign against the Bhutto family and its closest advisers and supporters. The US Congress, led by Congressman Stephen Solarz and one of the key aides of the Congressional Committee, Peter Galbraith (son of Prof. Galbraith) has taken a dim view of the post-election trends.

Far more crucially, however, Washington has reviewed its India policy, in the light of its worsening relations with Pakistan and China, the steady erosion of the old Indo-Soviet “special relationship” India as the biggest market after China, India’s fast-expanding middle class (a 200 million market) and the country’s bouyant democracy. While the US would hardly promote Indian “regional hegemonism”, Washington is facing up squarely to Indian pre-eminence in SAARC.

The critical attitude to Pakistan is paralleled by a much friendlier approach to India. Some basic changes in policy have followed. The US is no longer insisting on a plebiscite in Kashmir. It has also rapped Pakistan on both Punjab and Kashmir. The US has threatened to cut off aid if Pakistan does not open to inspection its nuclear project. The US has sold India a super computer.

The cooling of US-Pak relations has been accompanied by Islamabad taking the (Zulfikar Ali) Bhutto "Islamic option". Pakistan has strengthened ties with IRAN and TURKEY, and has the best relations with Saudi Arabia. Is Pakistan offering the Islamic countries an "Islamic Bomb"? India has not exploded any device for 15 years nor does it show any sign of developing a weapons capability. It is not keen on giving Pakistan a justification for joining the Big League.

India's relations with her neighbours, certainly smaller states like Sri Lanka, will have to be placed in a new framework. But that may take time since the Indian Establishment, not just the government, face the greatest domestic crisis since partition:

- a) the communal violence and the rise of "fundamentalism"
- b) the caste issue
- c) political instability, the problem of elections and the crazy quilt of the current party alignments, and personal antagonisms
- d) security threats on several borders, and the potential.

It is in this new Indian regional international context that the old Tamil (LTTE primarily), Madras (DMK AIDMK) and Delhi interactions

should be viewed. Indian policy-makers in Delhi are now faced with two serious security threats, both involving its traditional enemy, Pakistan, and a common border. A security problem of the same kind (secessionist) but not so serious militarily is ASSAM. But that too is border problem, though the neighbouring State, Burma, is not hostile.

The most recent report from Delhi says that three ASSAMESE guerrillas have confessed that they were trained by LTTE cadres — in Assam, in Tamilnadu, and according to one, Jaffna. Delhi is deeply disturbed also by the number of AK-47's floating freely in Madras.

The LTTE and, generally speaking, the Tamil issue is also a political-electoral factor in as much as Ms. Jayalalitha of the AIDMK an important ally of Mr. Gandhi's Congress, wants the Centre (Prime Minister: Chandra Sekhar) to dissolve the State Assembly and hold fresh polls. Her hope is that Congress votes, about 17% of the state (the DMK and AIDMK have over a third each) will see her safely installed in the Chief Minister's seat. Since Gandhi can pull the rug under Chandra Sekhar in the Lok Sabha, the AIDMK thinks that such a move against Mr. Karunanidhi is inevitable. But Chandra Sekhar, for all the vulnerability of his minority administration, appears to have a mind of his own. In any case, he fears that a patently opportunistic move against the chief of the DMK, the authentic representative of Tamil nationalism, will bring serious trouble, even violence, to yet another Indian State, and that in a South which is relatively quiet. So he presses Mr. Karunanidhi quite hard but never really pushes him out. And Karunanidhi, for his part, reciprocates. He never betrays

Tamil nationalism, rarely attacks the LTTE frontally, but he does take action, at least **pro forma** — locking the "militants" up, not only the 'Tigers' but its rivals as well. Mr. Karunanidhi criticises the 'Tigers' but always holds high the banner of Tamil pride and Tamil rights.

The LTTE has not lost its rear-base, sanctuary, point of entry to India, and the DMK Godfather but its style is cramped, its operational activities circumscribed. Thus, the ceasefire — a breather, and a time to take stock of the situation.

Ceasefire ends: No extension

The seven day ceasefire in the North-East ended with the government rejecting a request by Kittu for an extension and a new offer to meet the government's demands. Kittu has agreed to parallel talks on (a) conditions for laying down arms etc and (b) political issues, including merger, devolution etc.

But the Defence Ministry was opposed to an extension pointing out that there had been many violations. (The LTTE in turn accused the government of truce violations). The government is only ready to agree to another truce IF Prabhakaran himself appeals for a ceasefire and on certain basic conditions the government will lay down. The LTTE was ready to have "violations" identified by neutral observers of the truce. But the Defence Ministry pressed its point and the Government said "NO", in spite of all the persuasive efforts of 9 Tamil militant groups, some of whom are working with the army.

LTTE: Ceasefire and reactions

The LTTE's announcement of a ceasefire evoked the following response from political parties.

In a joint statement the SLFP, MEP, CP, LSSP, BNP and DVJP said: "All these parties have consistently deplored and regretted the on-going strife in the North and East together with the slaughter, the maiming and the crippling and the destruction of resources that it has involved. We who have always wanted a political solution to the ethnic problem supported the military response to the LTTE's resumption of a military onslaught. . .

"A ceasefire is welcomed by us as a step towards the peace for which everybody is longing. Being conscious of the fact that a ceasefire is not by itself the peace that is desired but is intended to create an opportunity to end the civil strife by a serious attempt to solve the problems that led to the strife, we state our position in that regard.

"In this connection we believe that negotiations would have to be started. Any such discussions in our view should be accompanied by the acceptance of the following prerequisites:

(a) recognition that the territorial integrity of Sri Lanka must be preserved;

(b) recognition of the democratic rights of other minority parties and groups and a declared willingness to sit down with them and other political parties to discuss ways and means of achieving a solution to the ethnic problems of the country by negotiations;

(c) an early agreement regarding the restoration of a proper civil administration in the North and East;

(d) a declaration against the possession and use of arms by any group or persons other than those authorised by the law and the constitution."

The TULF welcomed the unilateral declaration by the LTTE and urged the government to respond positively.

The All-Ceylon Tamil Congress said that it welcomed any respite in the war in the North and East "only for the sake of the hapless people living in those areas". The ACTU welcomed "with much hesitation and very cautiously LTTE's profession" (of a ceasefire).

The DWC welcomed the ceasefire and urged peace talks subject to the following conditions: 1. Neither party should

use the ceasefire to rebuild and strengthen positions. 2 The modalities of the talks should be discussed with registered political parties. 3 A ceasefire observation committee consisting of one representative from each political party should be formed.

The Eelam People's Democratic Party (EPDP) described the LTTE's declaration as an attempt to divert international contempt of LTTE activities the world over and attempt to strengthen themselves and prepare for a massive offensive.

LTTE accuses TN Govt of betrayal

MADRAS

The LTTE accused the Tamil Nadu Government of having betrayed the trust of people of "Tamil Eelam" by arresting the wounded militants who had sought refuge in the State.

A statement issued by the Peoples Front of Liberation Tigers, the political party of the LTTE, in Jaffna and made available here, said that the Tigers who were seriously wounded in the war with the Sri Lankan Government were allowed to come to Tamil Nadu for treatment only after obtaining clearance from the Centre.

It said these militants had been arrested from their hospital beds on the specious plea that they posed a threat to law and order in Tamil Nadu and put in jail.

Describing the action as anti-Tamil and inhuman, the LTTE said the State Government had chosen to collude with the "racist Sinhala regime".

It said the majority of the LTTE men arrested recently were those who had lost their limbs. One had been paralysed below the waist and another had lost his vision. The arrested included a woman Tiger. The LTTE alleged that the State police had even attacked those

who were protecting the wounded Tigers.

It said the condition of two of the 16 Tigers arrested in the first phase had become critical owing to lack of proper medicare. The LTTE said it offered to treat these militants and said they could be in police custody but this request was turned down by the State Government. Later 10 more LTTE men were arrested on a baseless charge of fuel smuggling.

ANCESTRAL HOME

Describing Tamil Nadu as the ancestral home of the people of "Tamil Eelam" the statement said: "We are bound by common blood. The people of Tamil Nadu had for long given moral support to the struggle of their brethren and had risen as one man whenever they faced genocidal attacks. This had acted as a morale booster for those engaged in the liberation struggle".

The recent malicious propaganda in Tamil Nadu, aimed at tarnishing the just struggle and confusing the people would only help the enemy, the statement said.

The statement is the first attack by the LTTE on the Karunanidhi Government which is facing a threat to its existence for its alleged patronage of the Tigers.

The enigmatic lady of TN politics

G. V. Krishnan

MADRAS

An appearance by the all-powerful AIADMK chief, Ms Jayalalitha, at the party office makes news. And the party cadres celebrate it by bursting crackers.

The last time she was seen in public was in early October, when she played host to Mr Rajiv Gandhi. He was invited to unveil MGR's statue on Anna Salai and address a sea-front rally that drew an unprecedented crowd. This was nine weeks ago.

Last week, word went round that Ms Jayalalitha was in town. The party MLAs dropped everything and rushed to Madras, in case the lady condescended to meet them. Phone calls to her Poes Garden residence evoked the familiar response from the household staff, well versed in stonewalling inquisitive callers. The word from Poes Garden was that Puratchi Thalaivi (as Ms Jayalalitha is addressed in party circles) was not there. They would not say where she had gone. Nor could they say when she was likely to be back.

A widely-held belief was that Ms Jayalalitha, known for her vanishing act, could be in Hyderabad. No one had a clue about why she was in Hyderabad. During an earlier spell of political hibernation, Ms Jayalalitha was believed to have gone to Bangalore for medical treatment, while, in fact, she had not stirred out of her residence here. But then she has the propensity to make political presence felt with her silence.

RUMOURS AFLOAT

Her continued disappearance from the scene in the face of a perceived threat to the Karunanidhi government gave rise to speculation that Ms Jayalalitha may well be up to something. A report, published in a Tamil weekly thriving on political gos-

sip, said that she was camping in New Delhi and would not return till she was satisfied that the awaited notification, imposing President's rule in Tamil Nadu was drafted.

Meanwhile, the breakaway AIADMK group led by Mr Thirunavukkarasu remains a non-starter. The split in the party followed the expulsion of three AIADMK MLAs in July last. Ms Jayalalitha was unmoved. The breakaway group, claiming to be the real AIADMK, expelled Ms Jayalalitha at a so-called general council meeting. Two weeks later, Mr Thirunavukkarasu and his supporters stormed the party headquarters at Lloyds Road, only to be beaten back by Jayalalitha loyalists. The police intervened and sealed the party office.

Ms Jayalalitha charged Mr. Karunanidhi with encouraging the AIADMK rebel group. She went on fast in protest against the eviction of her supporters from their own party office. Thousands of AIADMK members thronged her residence to demonstrate their loyalty and reaffirm faith in her leadership. They could not think of the party without her.

Ms Jayalalitha established once again that she could not be wished away from the political scene through a general council resolution or strong-arm antics adopted by the breakaway group. If anything, Jayalalitha loyalists have reason to be thankful to Mr Thirunavukkarasu for having activated her. She reiterated her resolve to strengthen the AIADMK.

She also demonstrated her crowd-pulling capacity by organising a party rally in October. The occasion was the unveiling of the MGR statue by Mr Rajiv Gandhi. The AIADMK rally marked the firming up of the Congress AIADMK alliance.

Having made the political point in a telling manner, much to the discomfiture of the ruling DMK, Ms Jayalalitha again disappeared from the political scene.

LONG HIBERNATION

Nothing further was heard from Ms Jayalalitha till a week ago, when she came out with a statement, disowning her long-time associate, Mr Natarajan. A former government official, Mr Natarajan, came to exercise considerable influence in the party because of his proximity to Ms Jayalalitha. Mr Natarajan was viewed in party circles as her hatchetman. Besides, his apparent hold on Ms Jayalalitha had been the source of envy among partymen, who found themselves left out in the cold.

Mr Thirunavukkarasu, who was at one time counted among Ms Jayalalitha's close associates, had given expression to his resentment (much before the eventual split in the AIADMK) by saying that Ms Jayalalitha would have to choose between Mr Natarajan and her loyal political colleagues. Ms Jayalalitha had then opted for Mr Natarajan, maintaining that he was her family friend and those who did not approve of this were welcome to leave the party.

Ms Jayalalitha's recent statement, disowning Mr Natarajan, came as a surprise in party circles. "He is neither my personal assistant nor adviser" she said, without specifying any reason for her decision to dump him. Some party sources viewed it as Ms Jayalalitha's ploy to bring back to the AIADMK fold the rebel partymen, isolating Mr Thirunavukkarasu in the process. As it is, Mr Arasu, is finding himself increasingly marginalised and is going through a lean patch. He has even taken to acting in films.

I. A. welcomes ceasefire, urges regional self-government

International Alert appreciates that the Sri Lankan Government has responded to the LTTE's ceasefire of 1st January by declaring a 7 day tentative ceasefire from 4th January.

Echoing demands from inside as well as outside Sri Lanka, International Alert calls upon the Sri Lankan Government and all political parties in the country to take this opportunity to make a serious and clear offer of regional self-government for the Tamil people within a united Sri Lanka. This could well be done along the lines of federal or similar arrangement prevailing in many countries around the world without impairing their unity, says I. A. representative Eduardo Marino, recently in Colombo.

The international community — long concerned with the grave situation in Sri Lanka — should welcome in principle the unilateral ceasefire by the Tamil guerilla LTTE as from 1st January 1991. The international community should look forward to a considered and prompt constructive response by the Government of Sri Lanka.

In Sri Lanka as elsewhere in the world, experience shows that a ceasefire, in order to be more than a tactical gesture and actually be conducive to meaningful peace talks, must be accompanied by practical guarantees and be impartially monitored.

GUARANTEES

In the circumstances found in the North and East regions of Sri Lanka, where the Sri Lankan army and the Tamil guerrillas have been fighting with big losses on both sides and causing tremendous loss of life and high levels of material destruction among the population, there can be no better guarantee to start with than a solemn agreement by all sides to fully respect the main rules of the international law of armed conflict.

Such an agreement would immediately test the intentions of all combatants and start building confidence within both

the Sri Lankan army and the Tamil guerrilla as well as among the population at large.

In practice this would include a commitment to:

- release all hostages and not to take any more hostages;
- stop all torture and executions of captives and prisoners;
- stop using civilians in mine-clearing operations;
- stop recruiting for combat boys and girls under 15;
- stop bombing and shelling populated areas;
- stop all reprisals on civilians including food blockades;
- stop all acts of terrorisation of civilians as a means of obtaining their support, and all looting as a way of compensation of combatants.
- allow humanitarian access to all prisoners of war.

These measures accompanying the ceasefire would immediately transform for the better the conflict scenario.

Any credible ceasefire demands impartial monitoring.

MONITORING

The United Nations (UN) and the International Committee of the Red Cross (ICRC) have already been performing excellent work in Sri Lanka for some time. The former has been present in the form of the UN High Commission for Refugees (UNHCR) in the North and East provinces. The latter has been represented by a delegation of the ICRC rendering a variety of humanitarian services throughout the country. Neither the UN nor the ICRC are bodies foreign to Sri Lanka but agencies of the international system of which Sri Lanka is a member with both rights and duties.

This is why the Government of Sri Lanka could consider seeking the services of both the UN and the ICRC to jointly monitor impartially the ceasefire and the compliance with the humanitarian guarantees. This could conceivably be done by way of widening the operational mandate of both the UN and the ICRC in Sri Lanka now, also in the spirit of the many precedents of cooperation between the UN and the ICRC in other parts of the world.

International Alert is well aware of the favourable disposition of many governments to back up in various ways a very serious, sincere and enlightened peace-effort in Sri Lanka at this point — and to cooperate in reconstruction and development thereafter. International Alert is mainly aware of the cry of the people in war regions for peace with human rights and self-determination with democracy.

A properly monitored ceasefire between combatants together with the humanitarian guarantees to safeguard non-combatants may be the first effective step.

Oilman Bush goes to War

Daniel Yergin

The Gulf crisis began with two surprises. The first was Saddam Hussein's. His was the ultimate in strategic surprise. He massed 100,000 troops on the Iraqi border and virtually no-one thought they would be used, least of all the Kuwaitis.

The second surprise was made by George Bush — that he had created an unprecedented global coalition, including the Soviet Union, along with the sanctions that have shut off Iraqi and Kuwaiti oil exports. Surely Saddam never once considered that the rest of the world would line up against him as it has, nor that his fellow Ba'athist and bitter arch-rival, President Hafez al-Assad of Syria, could find common cause with the Americans in the anti-Saddam coalition. He misunderstood the extent of the changes in the Soviet Union that would propel the country that had been Iraq's mentor for 20 years to take sides against him. Now, instead of higher and rising oil prices, Iraq has had virtually no oil earnings for half a year. And, in spite of his evident expectation that the coalition will falter, Saddam faces the imminent prospect that the invasion of Kuwait may have put the survival of the Baathist regime in question.

Great international events occur for one reason. That is certainly true of the current crisis. It is about the post-Cold War order, about aggression and sovereignty; the regional and perhaps global balance of power, and about how Saddam would use an expanded arsenal two or three years hence.

But it certainly is also about the "O-word" — oil. Not short-term prices at the pumps, as some say, but about whether a single power will dominate the region that holds 65 per cent of the world reserves of the fuel that powers the global economy.

(Author of THE PRIZE: THE EPIC QUEST FOR OIL)

Saddam did not take the risk of invading Kuwait because he wanted to establish a string of holiday hotels along the Kuwaiti coast. He went in for the money and power that would accrue from adding Kuwait's oil to his own — and the further power that would come from dominating the remaining neighbours.

The character and prospects for the Gulf crisis are, to a surprising degree, the making of these two men, George Bush and Saddam Hussein. And now, as High Noon — the January 15 deadline — draws near, the world waits for what may be the final face-off between them. There could hardly be more difference in character or experience and yet each man was shaped by oil. For both of them are from states locked in a struggle over oil. Who are these men? And who will prevail?

In January 1989, on the eve of his inauguration as president, George Bush declared: "I put it this way. They got a president of the US that came out of the oil and gas industry, that knows it and knows it well". He knew, in particular, the risk-taking, deal-making world of the independent oil men. That had been the world in which he had spent his formative years as an adult.

He enlisted as a Navy flier, aged 18, during the Second World War. Shot down by the Japanese, he emerged as a war hero. He compressed a four-year Yale education into 2½ years. On graduating from Yale in 1948, he had passed up the obvious jobs on Wall Street for someone of his background (his father had been a partner in the venerable banking firm of Brown Brothers, Harriman, before becoming a Senator from Connecticut). Instead, he set off for Texas, for the oil town of Odessa, their Midland starting at an oil services company

painting pumping equipment and then becoming an itinerant salesman selling drill kits at well sites.

MCY, — a disease known in American since the 1860s as "oil on the brain" — and formed an independent oil company in partnership with other young men as eager to strike oil and get rich. It was a world of continual improvisation and nonstop deal-making. "Somebody had a rig, knew of a deal, and we were all looking for funds", one of Bush's partners said. The company was named Zapata, after a film about the Mexican revolutionary.

Bush quickly mastered the skills of the independent oil man, flying off to North Dakota to try buy royalty interests from suspicious farmers; combing courthouse records to find out who owned the mineral rights adjacent to new discoveries; arranging for drilling crews as quickly and cheaply as possible; and, of course, making the pilgrimage to the US East Coast to round up money from investors.

Eventually, the partners amiably split Zapata in two and Bush took the offshore oil services side of the business, making it one of the pioneers and leaders in the development of offshore drilling and production in the Gulf of Mexico and around the world. He did well. The Bush family was about the first in its Midland neighbourhood to put in a swimming pool. In building his company, Bush also demonstrated that, beneath the amiable and friendly exterior, was an iron will. He was highly competitive and played to win.

In the mid 1960s Bush helped establish the Republican Party as a force in Texas, which until then had been dominated by the Democrats. He won a seat in Congress. Then, after losing a Senate race in 1970, he was appointed US Ambassador to the United Nations by Richard Nixon. The job had a lasting impact; while Ronald Reagan disdained the UN, Bush, acting on his own experience, would

seek a UN framework for replying to the invasion of Kuwait.

Several other jobs followed — chairman of the Republican National Committee during what proved to be the worst of the Watergate scandal, US envoy to the People's Republic of China, then head of the CIA for a year or so. He then spent four years campaigning unsuccessfully for the Republican nomination for president. In 1980, the man who beat him, Ronald Reagan, chose him as vice-presidential running mate.

The only time that the loyal vice-president Bush was at odds with the rest of the Reagan administration was over the 1986 oil price collapse. The Reagan administration's "free market" approach toward energy rested upon a contradiction; after all, a cartel, the Organisation of Petroleum Exporting Countries (Opec), was preventing a big fall in the price of oil, thus providing the incentives for conservation and energy development in the US and elsewhere. But this contradiction remained latent and untroubling until the price collapse of 1986, which saw oil prices plummet from \$29 a barrel to under \$10. That price collapse also showed something of what Bush thought about oil.

* *

In April 1986, he travelled to the Middle East at a time when Iran had the upper hand in the war with Iraq. The nervous Saudis and other states welcomed the Bush visit. Bush remembered how low prices had depressed the US oil industry in the 1950s, and he was convinced that the price collapse would devastate the US oil industry and so threaten US security. And he repeated that message all along his trip.

However, back home, columnists denounced him for cuddling up to Opec and the oil industry, and the White House itself disavowed him. The price collapse was welcomed by almost everyone in the Reagan adminis-

tration because it would, in the words of one Reaganite, "help the world economy and hurt the Russians". Yet Bush's warnings have been borne out in the years since; US oil output plummeted by 2m barrels a day — more than either Venezuela or Kuwait was producing before the invasion.

Bush privately told the Saudis that low prices would create strong pressure for a US oil tariff which would discriminate against imported oil, including that from Saudi Arabia. The Saudis took that as a deliberate warning, as they looked to the US for their own security. The message of the Bush trip was that they would have to be attentive to the energy security needs of the US. Four years later, in 1990, the Saudis had reason to be glad that they had been responsive.

Bush is also motivated by many concerns in this crisis, beginning with the character of the international order in the aftermath of Cold War. He keeps copies of Amnesty International's reports on Iraqi torture in his office. He is a politician who operates on a personal basis, and the way in which Saddam misled King Hussein of Jordan and President Mubarak of Egypt — and they in turn misled Bush — makes him think that Saddam is a totally unreliable and very dangerous man, especially in relation to nuclear and chemical weapons.

But Bush's stance on the eve of the January 15 deadline has also been shaped by his oil background. He believes that oil is critical to the prosperity and security of the West. If Iraq keeps Kuwait, then, in Bush's view, Saddam will in due course, as the sanctions wear off, be in a position to intimidate and dominate the other weak states in the region. And Saddam's invasion indicated the kind of rules he would play by. In 1979, four out of five of the major oil states of the Persian Gulf were friendly to the West. Were Iraq to keep

Kuwait, only two out of five could be considered friendly.

Ironically Bush has had more trouble building broad domestic support than he has in creating an international agreement, and still faces some Congressional opposition. In an effort to rebut criticism at home he said on the steps of the Pentagon: Our jobs, our way of life, our own freedom and the freedom of friendly countries around the world would all suffer if control of the world's great oil reserves fell into the hands of Saddam Hussein." Bush would not have committed 400,000 US troops and built an unprecedented international coalition — and, indeed put his own presidency at risk — if he did not believe those words.

* *

On the other side of the battle line in Iraq, oil and Arab nationalism have been the dominant political forces; and it is out of that brew that the violent, conspiratorial world of Ba'athism and Saddam Hussein himself emerged. The Ba'athist — or "renaissance" — party, which was launched in Damascus in the early 1940s came to hate the western oil companies operating in Iraq after the discovery of oil in 1927. The party was militantly pan-Arab, aiming to regain Arab "dignity" in a diverse collection of ethnic groups which Britain had split from the Turkish empire after the First World War, and placed under a constitutional government. The Ba'athists were fervent in their denunciations of the West and imperialism. They celebrated violence and absolutism in pursuit of their all embracing ideology and demands.

Saddam, whose father died just before his birth in 1937, was brought up by his uncle, Khairallah Talfah, a fervent nationalist from the Sunni Arab minority, who hated and despised European culture. For both uncle and nephew the lodestar event in Iraq was the pro-Nazi nationalist Rashid Ali coup of 1941, aimed among

other things at driving British political and economic influence from the country. In the course of that coup, German aircraft attacked British forces in Iraq. When Iraqi troops threatened to fire on an aircraft evacuating British women and children, British soldiers attacked and the coup collapsed. Talfah was imprisoned for five years for his part in the coup. Afterwards he communicated his bitterness, resentment and hatred to his fatherless nephew.

Saddam was also shaped by the culture of Tikrit, which was remote from the national life of Iraq and orientated instead to the desert. At least, according to Iraqis from the much more cosmopolitan Baghdad, Tikrit's values of desert survival — suspicion, stealth, surprise and the use of force to achieve one's objectives — were the ones that Saddam absorbed.

It was during the tumult and enthusiasm that accompanied Egyptian president Gamal Abdel Nasser's victory at Suez in 1956 that Saddam was recruited into the Ba'ath party. The anti-imperialist rhetoric of the 1950s and Nasser's Voice of the Arabs remained with him ever after, and could be heard in his declarations both before and after the invasion of Kuwait. Shortly after joining the Ba'athist party, according to Iore, he carried out his first assassination of a local political figure in Tikrit. In 1959, he was one of the assailants in the assassination attempt on Iraq's ruler, Abdul Karim Kassem.

The attack, on Baghdad's main street, failed; and Saddam, wounded in the gunfire and under a death sentence, fled to Egypt. On his return in 1963, he organised the Ba'athist party's underground militia. The Ba'athists seized power for a second time in 1968, and Saddam would soon emerge as the strongman of the regime.

In 1973, at the time of the Yom Kippur War, Iraq opposed the institution of an Arab oil embargo. Instead, it wanted

all US interests in the Middle East to be immediately nationalised. When the other Arab countries refused to agree, Iraq sold as much petroleum as it could at rising prices, while Saddam blasted the governments of Saudi Arabia and Kuwait as "reactionary ruling circles well known for their links with America".

Only in 1979 did Saddam finally assume the presidency of Iraq, replacing Ahmed al Bakr, cousin of this uncle. As president, he quickly embellished his already considerable reputation for brutality, killing many members of the Ba'athist party and taking their families hostage to force "confessions" before execution. He was ruthless and emotionless towards those he considered enemies, threats or obstacles. Video cassettes circulated in the Middle East showing the bodies of executed military officers displayed on meat hooks.

The new Iraqi regime was dominated by Tikritis, many of them related to Saddam. So obvious was the grip of this new dynasty that in the mid-1970s the government banned the use of names that indicated class, tribe or place of origin. At the top sat members of Saddam's Talfah family and two other immediately related families, the only people he could trust. He had already married his cousin, the daughter of Khairallah Talfah. Her brother, General Adnan Khairallah — was minister of defence (a post he held until his death in a helicopter crash in 1989). Hussein Kamel who happened to be both Saddam's cousin and son-in-law, became chief weapons buyer and responsible for the development of nuclear and chemical weapons and missiles and then, after the invasion, also took over the post of minister of oil.

Iraq had continually expansionist ambitions. Both before and after the Ba'athists took power, Iraq claimed that the oil-rich Kuwait was a missing

province. In 1980 Saddam saw an opportunity in Iran during the return of the Ayatollah Khomeini. When he invaded, Saddam was seeking enticing prizes: control over most of Iran's oil in south-eastern Khuzestan; and leadership both in Gulf and the Arab world in the vacuum left after the Shah gave up the role of regional policeman.

The objective would sound familiar a decade later when he invaded Kuwait. But his war, which was meant to be over in weeks, turned into an eight-year struggle, leading Iraq in 1986 and 1987 to possible defeat on top of the cost 500,000 casualties and a huge drain of resources.

He turned to conservative "brother" Arab states that he had previously vilified, principally Kuwait and Saudi Arabia, to bail him out financially. He also began to cultivate internationally a new image of being pragmatic, realistic, moderate, and "a man with whom one could do business". He also used his new chemical weapons against the Iranians and, on the side, against Iraq's own Kurdish population. From 1984 onward, the US saw its interests as parallel with Iraq's and those of the moderate Arab states as containing Iranian expansionism. Washington hoped that Iran could be drawn into "the community of nations" and Saddam, with his back against the wall, fostered the idea.

When the war ended with Iran's acceptance of a truce in 1988, Saddam acted as if he had won. He was further building his own massive cult of personality. Meanwhile, from early 1990 onward, the signals multiplied that the "oil Saddam" was back in the saddle — from his stark and belligerent rhetoric to his stepped-up campaign to acquire chemical, nuclear, and other weapons and unprecedented "strong arm" tactics in relation to other Opec countries.

(Continued on page 24)

From Crisis to Catastrophe

Fredrick F Clairmonte

Behind the rhetoric of defending freedom, the anticipated Gulf War is aimed at protecting regimes that facilitate Western dominance over oil and at defending Israel. Hundreds of thousands of innocent Arab lives may be lost if war breaks out (First in a two-part article)

At the acme of the Suez fiasco, Lady Anthony Eden tempestuously exploded that she was under the impression that the Suez Canal was meandering through her living room. It was at this critical juncture that Sir Anthony reluctantly acknowledged that the dream-world of Kipling-esque glory had passed: in sum, the United Kingdom could no longer sustain its imperial presence in the Middle East. Hence, the propitious moment had come to pass the mantle of imperial hegemonism to an authentic aspirant, whose politico-economic muscle was all too clearly tangible in the Gulf and Tehran, now that Mossadeq had been given the boot.

White House spokesmen have not told us if Mrs Bush has railed against the scorpions, the cobras, the blistering desert sands and blizzards that have no doubt intruded into her living room as well. Bush's predicament, as the self-appointed leader of 'the free world' and crusader of the grand armada in the Gulf, and the sands of Saudi Arabia, is unenviable.

Whether the present tenuous armed peace will be with us for some time, or whether it will erupt into a cataclysmic regional conflagration, is speculative. Whatever the final solution —

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peace or war — the upshot on Bush, his wobbling economy and, indeed the world economy would be nothing short of catastrophic. Despite the fraudulently motivated political IMP forecasts that the oil price hikes will have a minimal effect, the fact is that the world economy is already striding briskly backwards.

It is dubious whether President Saddam is as isolated as critics would like us to corporations, at present, have factored into their business calculations inflation rates of 8-10% for the coming year which is more rational, calculations based on a no-war scenario.

Even if one accepts Nunn's unrealistic assumption the basic question still remains: where will Bush, his Secretary of State and Secretary of the Treasury now making their rounds going with their beggars' bowls around the globe, get this kind of money from? A more realistic estimate that factors rising interest rates, accelerated inflationary pressures and Eastern Europe into the

cost estimates is likely to yield a figure of around \$70 billion, and this once again in a no-war scenario.

The upsurge in energy prices is having devastating repercussions on all costs and, via the multiplier effect, on the level of demand. The explosive price increases of aviation fuel that has swelled the deep black pockets of the Seven Sisters is illustrative of the design of calamity.

Richard Whitaker, editor of *Airlines Business*, estimates that incremental fuel costs could boost international airlines expenses by \$5 billion. A staggering sum but still that of a single sector, albeit a crucial sector of global services.

The crisis of global capital with stagflation at its epicentre preceded 2 August; but the energy price boosts have exacerbated the crisis. The US, with 4-5% of the world's population, gobbles up a quarter of the world's energy; it consumes about 17 million barrels per day; half of the OECD's consumption. By comparison, France, Italy, Germany and the UK each use about 2 million barrels per day.

Oil use per unit of GNP reflects the profligate use and absence of an energy policy. Hence, the deleterious impact on economic growth, industrial output and inflation will also be greater in the US. The boost

World spot Aviation Fuel Prices ¹

Spotmarkets	27 July	7 September	Index
Singapore	55.8	102.0	183
Arabian Gulf	55.1	92.0	179
Europe	57.5	99.1	171
US Gulf	26.0	90.3	161

Source: Reuters

¹ US cents per gallon

in energy prices is costing the US oil consumer \$170 million per day. Only in the very short run can Bush live with these rising numbers.

The nightmarish implications of these numbers take on added significance perceived in the modified trajectory of the business cycle. The touted eight-year cyclical expansion — never mind for the moment who were the gainers and losers of this expansion — whose anniversary was to have been celebrated in November has ground to a halt.

Again, Bush's Gulf intervention is coincident with the makings of a global economic depression. Entirely new and violent configurations of antagonistic forces are now being fashioned and superimposed on the already conflict-laden world economy. The mellifluous auguries of the Houston cabal now read like a parchment of classical antiquity.

At the advent of the 1980s, the US was still the largest creditor nation despite the crumbling (1973) of the Bretton Woods agreement. It ran surpluses in its current account as the dividends on its foreign investments were sufficient to offset perennial deficits in merchandise trade.

By 1985, a reversal had set in. The US became a net debtor for the first time in 71 years. There's only one way out of this Black Hole, that's repudiation of the debt with its horrendous sequels.

Today, the US is the world's most blatant mendicant living on borrowed time and borrowed money. As a gargantuan parasite, it has been sucking in around \$150 billion yearly of the world's savings to bankroll the interminable orgy of consumption, debts and deficits. It has been able to galvanise such profligacy through its military leverage that is unimpaired.

It has also been positioned to exercise this dominance — as no nation has ever done — because it dominates the world's financial system, and the dollar continues, even in its dilapidated state, to be the world's international currency. Given the continued debacle of the dollar, there are no crumbs of comfort to be derived from this last element.

There is no state of fixity and permanence in financial markets. The rumblings of change are already audible. Notwithstanding the daily backbiting against Tokyo for its backsliding in its handouts, Washington is addicted to Japanese finance which has normally taken 30-40% of issues at US Treasury bond auctions. In 1989, the Japanese were net purchasers of some \$80 billion in US securities. That mode of investment, however, no longer pay, and at the end of the road the bulk of these investments will be drastically eroded by US inflation.

The tornado of change is approaching Japanese institutional investors (and to a slightly lesser extent those of Germany and the UK) have recorded net sales of \$9 billion in US securities merely in the first half of 1990. As the avalanche of the Gulf crisis thunders on, the dollar will only be marginally sought after as a world haven of flight capital. Secondly, there is the narrowing differential in Treasury bond yields.

These sell-offs are important since about a quarter of the \$3 trillion Federal debt is held by non-US investors. The upshot is that there's going to be less money to finance the deficit, and the shift in capital outflows will drive down the dollar. Inversely, this coincides with appreciation of both the Deutsche mark and the yen and the concomitant upsurge of interest rates.

What we are witnessing is not a transient caprice by

Japanese and foreign bondholders, but a shift that must also be related to a larger fresco that incorporates the bankruptcy of the Savings and Loan industry and the \$500 billion bailout; dozens of the biggest of US banks that have already folded up or that are on the list of endangered species.

Public Bond Yields (per cent)

	UDA	Japan	Germany
Dec 1988	9.4	4.3	6.4
Dec 1989	8.2	5.7	7.5
Aug 1990	8.9	7.4	8.9

Source: Bayerische Landesbank

Added to these woes is the impending collapse of the corrupt junk bond market whose defaults will hit an estimated \$25 billion by the end of 1990. The patriotic euphoria generated by Operation Gulf Shield will soon be cooled by the cold knife now moving swiftly to the US financial jugular.

Reverberations of the Gulf Crisis and the accelerated stagflationary thrusts pinpoint that US budget management is out of control. The deficit is soaring exponentially; according to the Congressional Budget Office data, the July estimate for the Federal deficit for the current year (that ends in October) was \$165 billion. That number has now escalated to \$233 billion owing to the \$68 billion supplementary costs for the thrift bailouts. There is no longer any hiatus between plan and reality. This last number compares with the Gramm-Rudman target for 1990 of \$100 billion; \$64 billion for 1991 sliding to \$28 billion for 1992.

This is a vivid illustration of financial schizophrenia. It's not the end of the story: because of the incremental costs of the Gulf operation and oil prices, the current deficit is going to rocket to around \$250 billion. This means loading a sizeable chunk of new debt on to an already pathologically hypertrophied national debt.

Given going interest rates of around 10% this means that Uncle Sam will be disbursing over \$300,000,000,000 billion in interest payments. It is these inter-related facets of brute economic reality which turn Bush into a hostage of his own making. The economic condition of Thatcher's economy is on the ropes symptomatic of which is that interest rates are now stuck at 15%

The stark tragedy of Bush is that he is not looking — or preferably prefer not to look — at the nasty numbers of the national economic balance sheet. Bush has made the plunge into the Middle East and he's getting the plaudits, the encomiums and kudos of the mass media. What his chorus is not saying is that it's easy to get into the quicksands but scrambling out is quite a different story.

In for the long haul

Baker's testimony on this score is unequivocal: the US is in there for a very long haul. Senator Moynihan (D) reassures us: 'There's no way we'll be out in a year's time. Listen, we've been in Korea since 1950. We've been on the Rhine for almost half a century. That's the stuff of Roman legions.' And what about the bills that are coming in? Who's going to be paying them?

The antagonistic bellowing that has already reached hysterical decibels against the erstwhile 'allies' makes the bellicose declarations of the Uruguay Round sound like a children's garden party. One senator has already introduced a bill that would require a 20% additional duty on goods from countries that did not pay their 'fair share'. That's only the *hors d'oeuvres*.

If the historical record is something to go by, embargoes since 1945 have never worked as their masters intended they should, and there is no reason why the current embargo should

have a different fate. Israel has become one of the major enforcers of the blockade at Aquaba, but it would be surprising if the big Israeli traders and big commercial banks, given the lush financial stakes, will not be breaking the blockade. Israeli traders were one of the prime blockade busters against South Africa. Likewise, Kuwaiti finance houses played a major role in project financing in South Africa.

Iraq has enormously large frontiers and already the bazaris in Baghdad and Tehran are doing a flourishing business. Much bigger financial/trading muscle will be circumventing the blockade. Mr Gianni de Michelis, the Italian foreign minister, intones; 'I doubt that it would be easy to bring the various parliaments a request to saddle themselves with let's say 10 or 20% of that US military bill'.

There is something of the convert's zeal, notes one British commentator, on the Mitterand/Rocard stand. What cannot be ignored is France's national interest and the fact its foreign trade sector is anaemic. In 1988, French exports to the Middle East hit \$23.9 billion; in 1989 it rose to \$27.6 billion, according to OECD data. Kuwait/Iraq absorbed a quarter of this. How long can France afford this blockade that is diametrically divergent to its national interests?

Japan (and Germany to a lesser extent) has been singled out as an unscrupulous opportunist in quest of a free lunch. Japan has always been suspicious of embargoes. It was the victim of FDR's embargo which tried to cut off its oil supplies from the Indonesian oilfields in 1941. This played no minor role — and possibly this was what FDR was hunting for — in triggering the Japanese riposte at Pearl Harbour. Japan is the world's second largest oil consumer, dependent on oil for two-thirds of its energy.

What makes Japan an unacceptable of Bush's consensus club is its perception of the declining economic power of the USA. This was incisively adumbrated by a member of the intimate circle of Japan's decision makers and deputy foreign affairs minister Hisashi Owada, which merits quotation at length. (A speech delivered at the seventh international Lisbon Conference on European Security in a Multipolar world; 8 November 1989.)

'First, the obvious starting point is the recognition that we no longer live in what is described as the Pax Americana. At a time when the maintenance of order under Pax Americana was the rule of the game, the order in the system was maintained primarily through the leadership of the United States... In such a situation, in both the political and the economic domains, the US tended to practice what might be termed as "unilateral globalism". The US was in effect, managing the international system through maintaining a universally acceptable order through unilateral leadership. With the arrival of the diffusion of power, however, that is no longer possible'.

The initial consensus-solidarity on the embargo will be of limited time duration given the exigencies of global competition, and the high stakes involved in breaking the embargo. With the corrosive impact of time, Bush will be pushed onto the defensive because his hegemonic goals and strategies will backfire in quick order.

'An imperial crisis management' as Tom Wicker of *The New York Times* reminds us (13 September 1990), 'is something that the Vietnam war should have taught the nation to question.' It hasn't done so yet; but when the countdown comes it could well spell catastrophe for Bush, his policies and the international community.

— Third World Network Features

Undermining 3rd World Progress

Michael Prowse on the latest World Bank analysis of debt trends

The Gulf crisis is placing severe additional financing strains on many developing countries and threatens to undermine recent progress in resolving the Third World debt crisis, says the World Bank in its latest assessment of debt trends.

Total external debt rose 6 per cent in 1990 to a record \$ 1,340bn (£687.2bn), the bank says. But the burden is more sustainable than in the late 1980s because the ratio of both debt to exports and debt service to exports has fallen. This reflects buoyant growth of exports in recent years and the success of official debt reduction initiatives, such as the plan named after Mr. Nicholas Brady, US Treasury secretary.

But the bank warns that the composition of debt has changed markedly with a "significant and unsustainable increase in reliance on official creditors". There is also a long-term risk that insufficient external finance will undermine the adjustment efforts of developing countries. The need to mobilise domestic savings is thus greater than ever.

The ratio of debt to exports for all developing countries fell from 232 per cent in 1987 to 187 per cent in 1989; the ratio of annual debt service (interest plus amortisation) to exports fell from 28 per cent to 22 per cent. A further small improvement in these ratios, which provide a guide to the sustainability of debt burdens, is projected for 1990.

The bank says middle-income debtors have gained significantly from the Brady Plan, which offers debt relief in countries which agree "sound adjustment programmes". Agreements concluded with Mexico, Costa Rica

and the Philippines have reduced the face value of commercial bank debt by \$9.5bn; an agreement scheduled to be completed with Venezuela by the end of the year will achieve a further \$2bn reduction.

The deals cover about \$65bn of outstanding commercial debt and will achieve big savings in future payments of interest and principal.

Severely indebted low-income countries, mainly in sub-Saharan Africa, have also won important concessions. Bilateral agreements have led to the forgiveness of \$5bn of Overseas Development Assistance debt. The Paris Club of official creditors has rescheduled nearly \$6bn of debt on the concessional terms agreed at the 1988 Toronto economic summit. And donors have pledged nearly \$8bn in concessional finance for the second phase of the bank's Special Programme of Assistance for distressed African countries, roughly twice the sum disbursed to date.

These gains, however, have been offset by a build up of arrears on interest payments, which rose \$7.2bn in 1990.

The Gulf crisis is posing severe short-term adjustment problems. The bank calculates that higher oil prices and other adverse effects will cost oil importers the equivalent of 4 per cent of exports over the next three years. The burden for the poorest and most indebted African countries will be nearer 10 per cent of exports.

The bank says most oil importing developing countries cannot cushion the shock through additional borrowing and will need more concessional support.

The withdrawal from lending of commercial banks coupled with official debt relief schemes have caused a marked change in the composition of developing country debt. Long-term debt to official creditors has more than tripled since 1980 and, together with IMF credit, now accounts for 46 per cent of total debt. The share of official debt service in total debt service has risen to 37 per cent compared with 10 per cent in 1982.

This changing composition of debt represents a big reversal from the late 1970s and early 1980s when commercial banks were dominant, and a return to the pattern of flows considered normal in the 1960s. The composition of official flows has also changed, with the share of grants and concessional loans rising sharply.

Aggregate net resource flows to developing countries have risen modestly since the mid 1980s. But they have not been translated into higher living standards because they have been more than offset by the costs of servicing external capital—interest payments on loans and remittances of profits on foreign investment.

In a reversal of normal development patterns, Third World countries thus continue to export more goods and services to industrial countries than they receive in imports. The debt crisis remains far from resolved.

Who's in Charge of the 1991 'New World Order'?

James Reston

WASHINGTON

Child's question; Who's in charge of the 1991 new world order?

Answer: I am in charge; George Herbert Walker Bush, President of the United States,

Q: What do you do?

A: I make bad [men] behave.

Q: Gee! You must be busy. How do you do it?

A: I tell them to get out of countries they've stolen, like Kuwait, by Jan. 15 or I'll kick them in the ass — excuse me, I mean I may bomb them to bits.

Q: Do you own Kuwait? I mean wouldn't you kill a lot of Kuwait people? Would they like that?

A: Let me explain. I have to make an example of bad men or we'll never have new world order for you to live in. We must save Kuwait even if we have to destroy it. We must get rid of men like Saddam Hussein who take over other countries.

Q: How do you do that?

A: By bluff and bribe or war if necessary.

Q: I see. But why do you have to kill a lot of Americans and Kuwait people to get rid of this one bad man? Can't you starve him out?

A: Takes too long. You see, we have over 400,000 soldiers in the desert there and it gets too hot for them there in summer.

Q: Is that new? Didn't you know it got hot in the desert in summer?

A: That's why I said: Out by Jan 15 or else!

Q: Who gave permission for war after Jan. 15?

A: The UN, that's who. They are united in opposing bad men who commit aggression, and they band together to fight people like Saddam.

Q: All of them?

A: We have a worldwide coalition at our side. It is not the U. S. versus Iraq but the world versus Saddam. The UN keeps the peace by banding together for collective security. Twenty-seven nations have joined us in the desert and 12 are ready to fight.

Q: But if the others do nothing, isn't that selective security and not collective security?

A: You're too young to understand what happens when bad men like Saddam are not stopped in time. As Vice President Quayle said, there is great danger in being too patient with dictators.

Q: Is he an expert? I heard the other day that he thinks Mohammed was a prizefighter.

A: You've been reading The New York Times haven't you? You should be more selective in what you read. Do you listen to television?

A: I listened to the old chairmen of the Joint Chiefs of Staff advising you to wait, and I listened to Senator Kennedy...

A: Please don't use that name in this house. Do your ever listen to me?

Q: Every day, several times a day, I heard you say we were sending all those men to defend Saudi Arabia, and you did it, so why not claim victory and bring the boys home?

A: Because Saddam Hussein would still be there working on his atomic bombs and planning to take over the oil fields of the Middle East and that would cost a lot more money at the gas pumps of the Middle West.

Q: Will Saddam live forever?

A: Not if I have anything to do with it.

Q: If he's losing \$ 100 million a day because he can't sell his oil, how many millions does he have?

A: Plenty, and he doesn't have to balance a budget the way I do. He doesn't have to put up with soldiers telling him they won't be ready to fight by Jan 15, and he doesn't have to listen to congressmen questioning and even mistrusting his judgement.

Q: What's wrong with talking to Saddam? He says he's ready to talk about a peaceful settlement in the whole Middle East, including Israel and the Palestinians.

A: It's an anti-Semitic trick. Let him read my lips. Jim Baker won't talk to him, either. He'll tell him to get out and get lost and do what we say before Jan. 15, I've had it!

Q: So you'd rather fight than talk? Is that the new world order?

A: No, I am a man of peace. As I said when I was nominated, I want a kinder, gentler America living in a world of law, but sometimes you have to fight for peace I admit that this problem is very complicated, but I'm doing the best I can.

Q: Please excuse me, Mr. President, but that's what worries me.

— The New York Times

Media & Human Rights

We publish below the "General Conclusions" reached at a Conference on "Media & Human Rights" organized jointly by the International Academy of Freedom and Development of Portugal, the Naumann Foundation of West Germany and the United Nations. The Conference was held last year.

PREAMBLE

This conference reaffirms that human rights are universal and that the concern for, and the commitment to, human rights are also universal. Human rights are indivisible. This means that political and civil rights cannot be separated from economic, social and cultural rights.

1. Human rights and human dignity are rooted in the different spiritual traditions and cultures.
2. Human rights and human dignity should therefore be the basis of a new paradigm of development and change.
3. Since human rights violations are global and not confined to any particular region, meaningful dialogue on human rights abuses must therefore also involve both the North and South.
4. Human rights and human dignity should be central to a journalist's concerns. As part of this concern, it is vital to protect the freedom of the media.
5. Attempts must be made to develop the journalist's understanding of all facets of human rights.
6. The journalist must display courage and commitment. Freedom must be exercised with responsibility. Self regulation guided by ethical values should be part of the profession. In this connection, journalists themselves should adopt a common code of ethics.
7. Journalists should be provided with formal training in human rights. In addition, courses, workshops and seminars on human rights should be organised for professional journalists and students of journalism.
8. There is need to decentralise the information systems within countries of the South taking into account the need of both the rural and urban sectors.
9. It is important to stimulate the articulation and development of national, regional and international information networks which will increase the effectiveness of NGO's, journalists and other individuals and groups working on human rights.
10. Both established methods of mass communication such as radio and new methods of communication such as video, posters, drama, song, etc, should be utilized effectively to make people conscious of their rights and of ways and means of realizing them.
11. The South has too long been interpreted for the world by the North with some negative consequences. The South should play a much more fundamental role in interpreting itself to the world.
12. The media in the North has also contributed towards the exposure of flagrant violations of human rights

in the South on many occasions with positive results. What is needed among journalists in both the North and the South is the reporting of foreign news and events with sensitivity towards the political, economic, cultural and historical backgrounds of the areas they cover in order to ensure objectivity, depth and fair flow information.

13. As part of this endeavour, there should be effective dialogue between journalists of the South and the North engaged in common human rights struggles.
14. The mechanisms within the United Nations for defense and promotion of human rights should be given a bigger role within the United Nations system.
15. Journalists should co-operate with the United Nations in its campaign to disseminate information on human rights. This is important since human rights issues are now taking on a much higher profile. Journalists have a key role in giving forceful expression to this new global concern with human rights.
16. Any human rights struggle must give emphasis to be courageous denunciation of human rights violations wherever they may occur.
17. Journalists who have distinguished themselves in human rights work should be recognized through, for instance, the conferment of national, regional and international awards.
18. Swift and effective mechanisms should be developed to protect journalists who play the role of informing the public of the truth. By so doing, they uphold the fundamental rights of the community to be truthfully informed.

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Democracy, Development: the impact of policy

Richard I. Hofferbert

(State Univ. of New York)

Can the policy choices of decision-makers in poorer countries increase the middle-run chances for democratic development? This research suggests that they can. It examines the impact of allocative decisions on democracy within a sample of 55 less affluent countries. The findings indicate that countries which emphasize human services at the expense of defense or bureaucratic costs increase the chances for democracy a decade or so later. The impact of policy priorities is not diminished even when prior political conditions and level of material well-being are controlled.

Among less developed countries, those which chose in the early 1970s to emphasize human services were, by the mid-1980s, notably democratic than those which chose to spend more heavily on defense or bureaucratic infrastructure.

This finding emerges from analyses motivated by the questions:

- Can policy makers in poorer countries alter the conditions of their own political development?
- Or, more specifically, can policy makers allocate resources in such a way as to maximize the chances for democracy?

This paper examines the linkages between policy priorities and democracy in a sample of 55 less developed countries. The thesis which emerges is that policy priorities given to human services rather than to central

bureaucracy or national defense yield strikingly better chances for democracy a decade or so later, prior socioeconomic and political conditions to the contrary notwithstanding. That is even under comparably constrained material conditions, policy makers in less developed countries who choose to emphasize human services policies thereby enhance the odds for democracy down the road.

Models of Democracy in Poorer Countries

I have no intellectual nor moral difficulty in positing democracy as a worthy goal for less rich countries or as a dependent variable for comparative empirical research. Politicians in western capitals and within poorer countries themselves cite democratization as a desirable process. It is used to justify western policies toward poorer countries. Citizens in poorer

countries articulate the hope for democracy. And political scientists have spent considerable scholarly energy to explain variance in attainment and/or maintenance of democracy.

Development economics models, do not usually even consider the political features of poorer as interesting dependent variables (e.g., World Bank, 1988). And when noted as independent variables, political attributes are usually either equated with the error term of econometric models, or as irrational noise in an otherwise sound equation. Material development, in and of itself, is the central and usually sole objective of economists' inquiry. Democracy, as such, is viewed as an unmeasurable and incidental derivative of material conditions.

The western foreign policy model of democracy in less developed countries by and large ignores the lessons of social research. It sets as its stated goal the institutionalization of open, fair elections. The condition for their attainment is free competition between parties led by honest politicians. To the extent that this model allows for malleable antecedents to these features, it posits an environment free of armed conflict and/or violent intimidation of the electorate. It frequently ignores conditions of material well-being.

Some political scientists have counseled postponing efforts to build democracy as a reasonable short-run goal for most less developed countries. The requisites are too thinly spread for well-meaning but rational people to expect much success (Crozier, et. al.).

Political scientists and sociologists has tended explicitly to

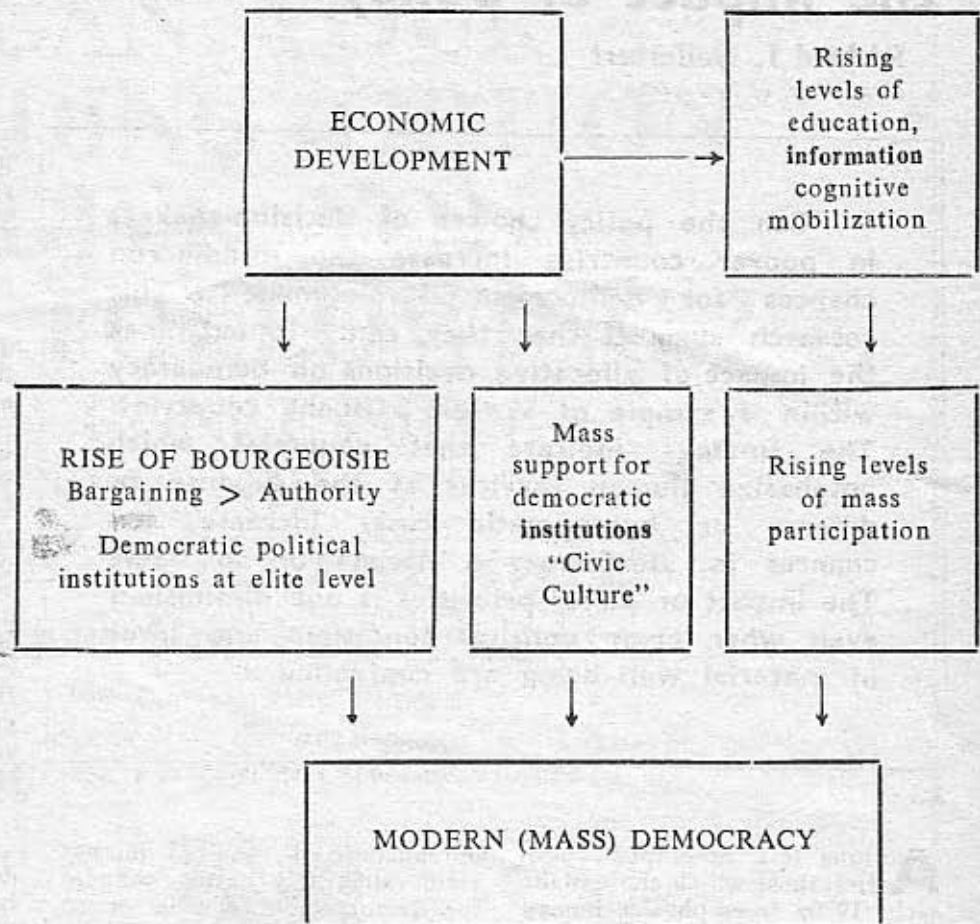
focus on a requisites model, much of which is implicit in the economists research agenda, but often ignored in the foreign policy model. Countries with more democratic features tend to be distinguishable from those with less by their socioeconomic conditions. A substantial body of empirical cross-sectional research, beginning with Lipset's seminal article in 1959, has confirmed the association of democracy with relatively high levels of industrialization, urbanization, literacy, communication networks, and personal income (Lipset, 1959; Cutright, 1963; Neubauer, 1967; Smith, 1969; Coulter, 1975; Usher, 1981).

To these cross-sectional analyses can be added a group of longitudinal studies which track the ebb and flow of political change in particular countries over time. These accounts also concentrate the relative impact of changing material conditions on democracy. (Linz and Stepan, 1978; Arat, 1984; Malloy and Seligson, 1987). The longitudinal analyses, however, also allow for relatively detailed narratives of the role of specific leaders and groups in the acceleration or deceleration of democracy in less developed countries.

The cumulation of research is such as to acquit the field of the charge of economic determinism. In a comprehensive review of empirical democratic theory, Myron Weiner recently observed:

A list of countries in the contemporary third world that have sustained democratic institutions suggests how difficult it is to find an explanation that fits all the cases. They include India, Sri Lanka (its current ethnic turmoil notwithstanding), Costa Rica, Venezuela, Colombia, Malaysia, Jamaica, Trinidad and Tobago, Papua New Guinea, and the small states of the Bahama Islands, Barbados, Botswana, Nauru, Gambia, Mauritius and, until recently, Fiji. They include several countries that have slipped back and forth between military and civilian democratic

Fig. 1
Why and how economic development is conducive to democracy*



*Source: Ronald Inglehart (forthcoming). Cultural Change Industrial Societies. MSS Figure 1-1.

rule: Nigeria, Turkey, and, in Europe, Greece. The list has grown in recent years to include the Philippines, Argentina, Brazil, and several other Latin American countries. Paradoxically, many of these cases are often cited by democratic theorists as exceptions to their propositions, but for those of us trying to understand the conditions and prospects for democracy in the third world these are the very cases with theories need to explain (Weiner, 1987, p. 862.)

The broad differences between the most rich and most democratic countries are easy to spot. But the variance between such examples as cited by Wiener, within the less rich, is not so

tidily dispatched. If we return to the basic elements of what has been called the "requisites model," it is clear that the linkage between socioeconomic conditions and democracy has never been clearly articulated, but it has also never been accepted as somehow purely mechanical. The linkage is through the political psyches of leaders and citizens. Socioeconomic conditions build or reinforce certain values, attitudes, and behaviors of individuals which, in turn, either define or determine democratic practices. The concept of "civic culture" is fundamentally a matter of individual values and behavioral orientations (Almond and Verba, 1963; Barnes, et. al, 1979).

(Continued on page 20)

End of the road for. . . . copycats?

Ravi Prasad Herath

The last two years marked the most tribulent period in the history of the film industry in Sri Lanka. The critical issues that confronted the film industry reached a climax in the first part of December, 1990. The National Film Corporation Act incorporated in 1971 was on policies that existed during that period. Since the dawn of a new era in 1977 and with the election of a new government, whose policy was to operate an economy, the National Film Corporation too had to fall in line with the new trade policy (free trade) where the local importers too were permitted to import films. This concept of importation of films by the private sector continued until 1988. With the new policy of the present government, His Excellency the President declared that all State Corporations should show profits via effective management or will have to face privatisation (peoplisation). With this the National Film Corporation's role as a viable venture became questionable. It is a publicly known fact that the NFC became a 'white elephant' owing to mis-management. The arbitrary policies of the NFC however appeased certain individuals with vested interests carry on their dubious affairs. This was mainly because of two reasons.

The NFC in the first part of 1989 changed its policies resuming a mandatory role to be the sole importer of foreign films. This move by the NFC resulted in the pioneering importers and suppliers of English movies, who until 1988 imported film for cinemas in Colombo, receiving a blow. The NFC's own policy not in keeping with the general policy of the Government lacked any incentives for the exhibitors towards further growth of the cinema segment. However, due

to the general policy of the Government to stay open, the NFC's monopolistic role too would have to change. The NFC's demands to (previous importers and suppliers of Western films in the country did not materialise as the offer made by the Corporation to them was unviable and the suppliers policy adopted globally was not to deal with any monopoly. The NFC being misled to think that the only remedy to reverse the colossal financial losses could be re-couped instantly by maintaining a monopoly on the import of films, arbitrarily changing the terms and conditions, was a total failure as the announcement of its profits were only due to burdening the public's purse by adding unnecessary levies to earn a share to subsidise the losses it incurred.

The NFC's own policy could have proved to be a disaster if their demands to forge ahead had been continued, where cinema exhibitors presently staggering to operate and maintain their cinemas, had to close its doors.

The foreign suppliers not supplying films to Sri Lanka for the past two years owing to the prohibitive terms by the NFC has deprived the moviegoers from seeing better entertainment. The vacuum created by the non-availability of better English films was capitalised by certain suppliers of English and Tamil films and producers who revelled in local productions copying Tamil and Hindi films.

It is no secret that copycat producers over the last few years have into their coffers sufficient monies for the next two generations. A few Sri Lankans permanently abroad seized the opportunity buying

junk (many of which without rights for exhibition), supplying the NFC during the absence of better English films. In other words the crisis between the NFC and movie giants in the United States deprived several moviegoers by a dearth in the availability of good English films. It is seen today, regular patrons of cinema have moved to other spheres of entertainment owing to this unwanted interference of providing good entertainment.

Due to a steep decline of cinema patrons throughout the country despite the increase in population, the number of cinemas islandwide ceased to operate owing to the non-viability aspect in the exhibition industry and the absence of investment in cinemas. The details given below would show the industry's gradual anticipated disappearance if no remedial action is taken:-

- 1) In 1979 the admissions totalled over 74 million and by 1988 admissions declined to less than 03 million.
- 2) The cinemas operating in 1979 was around 365. Today the number has dropped down to approximately 240.
- 3) The revenues from box office admission tickets in 1988 covering 250 cinemas islandwide approximately 500 prints released that year, was only about Rs. 150 million or a monthly average of Rs. 50,000/- per cinema or Rs. 3000,000 per print; revenues from other activities related to the cinema operations was around Rs. 50 million making a total revenue of Rs. 200 million.
- 4) A conservative estimate of the total seating capacity of the 250 cinemas in the country (on the assumption that a cinema has 500 seats

and operates two shows a day on week days and 3 shows on Saturday and Sundays, and no shows on Poya Day) is approximately 100 million. The actual cinema admissions for the whole of 1988 was less than 30% or an average daily admission rate of 86,000 island wide compared with Rupavahini's prime time viewing public of over 3 million.

- 5) The capital outlay in the industry at present market values is estimated as being in excess of Rs. 1,000 million including the investment in laboratories and working capital tied up in locally produced films.
- 6) The revenues, when related to the estimated capital outlay, reflect the present state of the industry; a Rs. 1,000 million outlay should generate a profit of at least Rs. 100 million and not revenues of Rs. 200 million.

Today, in everybody's lips, is what should be done to revive the film industry, which has reached a very low ebb. Shutting out the world's leading distribution companies of the Motion Picture Export Association of America, the National Film Corporation has yet not realised what could have been expected by receiving good Western films.

The members of MPEAA control over 80% of the world's film production and distribution network, supplying not only affluent countries, but reaches developing countries in other parts of the world.

The new destinations recently opened out to them are South Korea, Indonesia, Pakistan and Soviet blocked countries, operating under a free trade agreement. Plans are being negotiated for China to receive good Western films from MPEAA. The NFC's arbitrary attitude imposing prohibitive terms and conditions, still hoping that MPEAA would continue its supplies into Sri Lanka is only an attempt to strike one's head against a rock. The NFC having been operated making colossal losses due to its mis-management and ineffi-

ciency was recently loaned Rs. 10 million to straighten up matters. With this loan of Rs. 10 million still the NFC has not proved to operate viably by effective and effective management. The prevailing policy of the NFC to operate as a monopoly refers back to the past when the earlier government had laid down a socialistic policy. The prevailing policy contradicts the general policy of the present government, and therefore naturally under the present government the Corporation will not be able to continue carrying its begging bowl in the future. Recently an announcement by the Ministry of Finance that the world bank's efforts has been directed towards building of new cinemas and rehabilitating closed and damaged cinemas augurs well for the industry. Certain individuals in the trade who have brought the NFC to its present position have got panicky who are now trying to create an atmosphere of turmoil. Their cry against liberalisation of the importation of films that it will affect the local industry and its protectors, the NFC, is false. However, the real truth seems to be that these producers who have been riding high with their copycat productions are no doubt has degraded the local industry. Leading local producers of the industry have always praised and advocated the importance of good foreign films to cater to a larger movie going public. After all competition makes any industry healthy.

As long as the Public Performance Board exercises its authority and acts impartially their should be no fear from any quarter that the culture of the country will be affected. We have no doubt that the present Chairman and the Censor Board officials are competent enough to perform their task without fear.

The MPEAA products have been of quality maintaining the expected norms not damaging the culture of the country. What only came from the importation of 3rd grade and pirated movies which unfortun-

ately was seen in the last two years. It is difficult to say that there is no agitation and clamour in matters pertaining to living, dress, and food etc., are not made, it is doubtful of the motive of the agitation but shout from platforms calling for the protection of national films. It is indeed a new malady, if not for these cranks who are now coming forward as Martyrs for the Sinhala film industry. We have always had an industry where we could be justly proud of other than to acclaimed film personalities who are now taken the back seat and watching with interest the indocrabies of the present lot of cranks.

These acclaimed personalities through their experience and exposure have realised the value and benefit of foreign films and its impact on the local moviegoing public. The present hue and cry made by a smaller section of the producers is to fool the easily gullible patron and of course with the ulterior motive of enhancing their pockets. The governments proposal to liberalise the importation of films into the country whilst on the one hand has to be hailed as a beginning of a new era to the industry while put an end to susedo elements.

Why should we be concerned with the fate awaiting the copy cat clan, after all is this the segment that decides the fate and future of the Sinhala film industry?

Democracy, development. . .

(Continued from page 18)

Economic and other material social conditions find their way into politics through the hearts and minds of individual people. Within recent literature, the requisites model is nowhere more succinctly presented nor more eloquently elaborated than in Ronald Inglehart's forthcoming *Cultural Change*. Figure I, reproduced from the draft Inglehart manuscript, presents the skeleton of the requisites model. Economic development, in its most material sense, is the root condition, linked through a complex process which yields modern (mass) democracy.

Civilization and the NSSP: A reply

Tisaranee Gunasekera

I agree with Dr. Kumar David that a 13th (or a 21st) anniversary is certainly "a reasonable moment to draw up a balance sheet". And what better way to start off than with a remark made by Comrade Vasudeva Nanayakkara in Parliament (as reported in the Sunday Times and uncontradicted by him) that if a MP can duplicate the work of a PC (i. e. Police Constable) a *Kussiamma* (servant woman) could be appointed to do the job of a M. P. equally. A bit of a surprise for those who thought that the aim of a Marxist party would be to fight for a system where a 'Kussiamma' too can have a say in running the country. But then, throughout its (mercifully) not so long history, opportunism has been the name of the game for the NSSP. In fact if Dr. David's "party" excelled at anything it was not practicing what they preached.

Let's start off with the latest act of inconsistency — the NSSP, which supposedly came into being as an act of protest against the class collaborationist coalition politics of the left and the resultant betrayals of the working class movement, is today clamouring to be admitted to the latest coalition — the 5 party "alliance" led by the SLFP. In fact in a recent interview with the *Sri Lankadeepa*, Dr. Wickramabahu Karunaratne stated clearly that the NSSP accepts the leadership of Mrs. Bandaranaike and the SLFP. Obviously the NSSP which is revolted at the idea of a *Kussiamma* being able to do the work of a Member of Parliament has no objection to an ancient, despotic feudal matriarch from a Walauwa taking over as the leader of the country. Perhaps a slight change in the slogan "Workers of the World Unite" is in order — to suit the new party policies — "Unite with the feudals of Sri Lanka

particularly the females of the species". After all Com. Bahu (Sorry — Dr. Wickramabahu Bandara Karunaratne) went to a lot of trouble to tell us that he too is connected to not only the Kandyan feudals but low country feudals as well (a singular achievement indeed!) — the first by mentioning that he's linked by marriage to a Kandyan Walauwa in his election leaflet of 1988 and the second by expostulating at great length over his remote connection to the Boralugoda Waluwa in his article on the late Ramani Gunawardane.

Either Dr. David got it wrong as usual, or his "party" is blessed with a very short memory — "The crisis of the moment lay in a determination to reject all forms of unprincipled compromise" says Dr. David what was done to get into a SLFP led coalition amount to I wonder?

Even a cursory look at the recent Parliamentary debate on Provincial Council shows that the SLFP is as virulently anti devolution and anti provincial councils as ever and is still attempting to play the card of Sinhala Buddhist chauvinism. In fact the SLFP has discarded its only stated political solution to the ethnic problem — the DPA proposals — and has not come up with an alternative either. The SLFP that the NSSP wants so desperately to unite with, is not only feudal — bourgeois but also chauvinist and against any kind of substantial devolution to the Tamil people. One cannot but admit that the NSSP epitomises the spirit of sacrifice — of its supposed principles that is.

In 1983 and 1984 a group of us (led by Daya Pathirana) in the Independent Students Union of the Colombo Campus had a series of discussions with all political parties and groups (excluding the UNP and also

the SLFP — since we regarded both to be equally reactionary) as part of our search for a revolutionary vanguard organization. And I must say none of us were attracted by the NSSP in the least — despite its radical rhetoric, it's "more revolutionary than thou" attitude and its self proclaimed special relationship with the ISU. One of the things we found most objectionable was its vacillation on two (not unrelated) crucial central issues — the ethnic problem and the SLFP. The NSSP regarded the armed actions by pro Marxist Tamil groups (I'm not talking about the killing of civilians or planting bombs in Colombo but about armed expropriations and the attacks on army and police personnel) as acts of terrorism; and said that the SLFP is more progressive than the UNP. No wonder they had only one student supporter in the Colombo Campus right upto 1986 — and that was a time when the anti JVP internationalist left was at its strongest. (I don't think the NSSP's status there is any different now.

And incidentally the NSSP maintains the wrongness of terrorism before everybody by supporting the EROS which carried out the bombing of Pettah and Elephant House. Such amazing clarity! Surely Dr. David's 'party' is an example to all of us — in what's not to be done. Dr. David proudly proclaims that the NSSP has passed the test on the national question. That certainly comes as a surprise — specially to those of us who had been unfortunate enough to witness its vacillation on this issue and its various statements from time to time some of which reek of Sinhala Racism. Listen to Dr. Wickramabahu Karunaratne on the subject in an open letter to the then President J. R. Jayewardena dated 1st September, 1983:

"If these madmen (the UNP Government) continue to function for much longer, the Sinhala speaking people who lived in this country for over 2000 years, braving foreign invasions, will soon fall victim to a crossfire between invading foreign armies. This people who have a proud and continuous culture will be shot like dogs by Indian, British or American troops Ruwanweliseya, the Sigiriya frescoes and the Temple of the Tooth, and all other such remnants of civilisation which is thousands of years old will be transformed into heaps of rubble. Then Lebanon will fade into the background. Then it is we alone, the Samasamajists of the now proscribed NSSP who will fight for the defence of the Sinhala heritage and for future generations of humanity."

With such "principled positions" on the ethnic problem one is not surprised that the NSSP was "unsuccessful in its efforts to establish a base among the Tamil people". Incidentally I wonder what Guru Trotsky would have said about Bahu's promise to defend the Sinhala heritage. After all, chauvinism is perhaps the one thing we cannot justly accuse Trotsky of. If, as Dr. David says the national question was the litmus test between civilization and the political pigsty of racism and opportunism, it's obvious where the NSSP fits in. Poor Pigs! Whatever has he got against them?

The NSSP is a beacon of civilized values, says Dr. D. This is more than a bit difficult to believe if one is aware of the performance of the NSSP during the biggest battle for civilization and civilized values in recent times — the struggle against the Polpotist JVP. The JVP, as we know, claimed the lives of thousands of leftists including Vijaya Kumaranatunga and a number of NSSPers. What was the role of the NSSP in this titanic battle for civilization? One example, a personal recollection, would suffice. At the funeral in Anuradhapura of Nandana Marasinghe (a hero of 1971 and the second leftist to fall prey to the JVP barbarism after Daya Pathirana leader of the ISU) Linus Jayatillake of the NSSP made a speech which did not contain a single reference to the JVP! In fact, a person

unacquainted with the facts, listening to the speech would have thought that somehow Rajiv Gandhi and J. R. Jayewardena conspired to murder (and did murder) Marasinghe. Vijaya Kumaranatunge, Dharmasena of the ISU (and the ISU leaflet) and the dead man's widow Padma Marasinghe were the only ones to mention the JVP in their speeches. So much for being at the forefront of the struggle against barbarism! So much for being a beacon of civilized values. The NSSP maintained that the JVP would collapse in three months and that they (the NSSP) can win over the majority of the JVPers and thus didn't want to take a hard line vis-a-vis the JVP. This was the line maintained by the leaders and the followers alike. Vacillation and Opportunism — what an unbeatable combination — but that after all is the story of the NSSP — as its past and present performance (a tiny portion of which I have recounted here) clearly indicates.

After 13 years (or 21 — if it makes Mr. Kumar David happier) the wheel has almost come full circle. It will be complete when the NSSP once again admitted to the hallowed portals of Rosmead place — as the nth member of the latest SLFP — Left Coalition. But then again perhaps not, if the LSSP and the CP have their way, most probably because they don't like competition! Their fears are understandable when you consider that the NSSP can beat them hollow when it comes to clutching a 'sari pota'. But hopefully things will be better this time around. At the rate that the NSSP is campaigning for the human rights of the JVPers (yes, the ones responsible for the butchery of thousands of leftists including some NSSPers like Ananda Navaratne) the NSSP does deserve to have a pinch of "barbarism" too in the latest "chauvinist coalition."

Feudalism barbarism, opportunism, chauvinism and Dr. Bahu's family tree.

What an unbeatable combination that would be!

BRIEFLY...

(Continued from page 1)

port item in Sri Lanka will be tea. If tea auctions are held up in Colombo for more than five weeks there will be a major storage problem too, trade sources said.

President Premadasa has directed Trade Minister Mansoor to work out contingency plans. State officials were also discussing essential food supplies and distribution.

● A former World Bank and IMF consultant has been appointed to head the Banking Commission. Dr. M. R. P. Salgado worked in the Central Bank in its early years. He left to join the IMF.

Other members of the Banking Commission will be Messrs M. D. D. Peiris D. S. Jayasundara, Susil Sirivardhana, C. Gunasingham, K. Gunaratnam, Professor W. D. Lakshman and Dr. A. M. M. Sahabdeen.

● More than 210,000 Sri Lankan Tamils are now in Indian refugee camps after fleeing the war in the north and east of the island, the Indian Minister of State for Home Affairs told Parliament. The government had spent 15.5 million dollars for food and other relief measures since 1983 when the first exodus crossed the Palk Strait into India, he said.

● Insurgents in India's Assam state has links with Sri Lanka's Tamil separatist group the LTTE, state governor D. D. Thakur told a press conference. Investigations were on to unravel the connections, he said.

● An Irrigation Department carpenter who retired after 37 years of service, in 1963, is still waiting for his pension.

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Oilman Bush...

(Continued from page 9)

In June 1990, Saddam talked about using the "oil weapon", a concept that had got out of fashion among exporters who had learned the lessons of the early 1980s and who had concentrated on rebuilding market confidence. By July, he had succeeded in intimidating the other Arab oil exporters including Kuwait, and had assumed a new role in Opec — that of "enforcer". By the end of July, the only country producing more than its agreed quota was Iraq.

But by pouring inordinate resources into its military machine, Iraq had fallen into deep financial trouble. The invasion of Kuwait offered Saddam an apparently easy way to replenish his coffers and write off his debts. But he was also motivated by the same grand objectives that had led him to invade Iran a decade before — to become the dominant Arab leader and a military superpower.

Here, he miscalculated the international response. His miscalculation in 1980 about Iran almost cost him his regime, he was saved by his willingness to impose huge sacrifices and by his willingness in winning over countries that only recently he had castigated. No scruples stopped him from abruptly changing course then. Later it took only him only a moment, after the invasion of Kuwait, to hand back to Iran all that Iraq had gained from the war. From Suez, he is applying the lesson of splitting one's opponents. He also has a tool not available to Nasser — world television — and he is effectively using it.

Rationality says that there will be no war, and no doubt diplomacy and "peace initiatives" will intensify in the next several days. But wars so often happen because of miscalculations of one kind or another, and there is now much room for misunderstandings and mistakes.

Oil may have brought George Bush and Saddam Hussein to this common point, this confrontation, but there is little common ground between one shaped by the open, pragmatic, give-and-take of US politics and the other by the conspiratorial and absolutist politics of the Ba'athis party. George Bush certainly does not easily understand the mind of Saddam Hussein, but he does know that he and other leaders were badly misled by Saddam on the eve of the invasion. So Bush will put very little stock in any promises from the Iraqi dictator. He will look for actions.

Nor can Saddam understand Bush. Saddam must know the weaknesses of his own military

force much better than the west, in spite of his rhetoric. But with little experience outside the Arab world, he is probably being misled by the discordant US political debate that he is attentively monitoring on the Cable News Network in Baghdad. He risks the same mistake that many have made over the years — underrating George Bush. The Iraqi may not grasp how Bush sees the stakes nor recognise the determination in the President's character. He also probably underestimates Bush's willingness and resolve, acting under a UN mandate, to meet force. This may be yet another miscalculation, which sometime in January or February, could prove to be a very grave one for the world.

BONAPARTE RISEN

*So you are old at the window
Listening to the rain
Tip-finger through the dusk
Pluck swift and slow refrain
From the dripping nutmeg and the clove
Held like a world, untroubled, old,
In a mellow, lamplit frame?*

*Not far as the night crane flies
Dusk is not hushed
By slow falling rain and lamplight.
Fierce gale and flame together
Tear the trees and the night
With flare and gun
No time to meditate on Death
When it comes to the young.*

*May be at your window you meditate
How the young in death, resurrect
You, while their world crumbles
In your noble, global, gambles.*

U. Karunatilake

Why there's sound of laughter in this rustic tobacco barn....

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