

● **BUDGET '91: A closer look** — Saman Kelegama
Nimal Gunatilleke

LANKA

GUARDIAN

Vol. 13 No. 19 February 1, 1991 Price Rs. 7.50 Registered at the GPO, Sri Lanka, QD/06/NEWS/91

KARUNANIDHI:

Bye for now — S. Murari

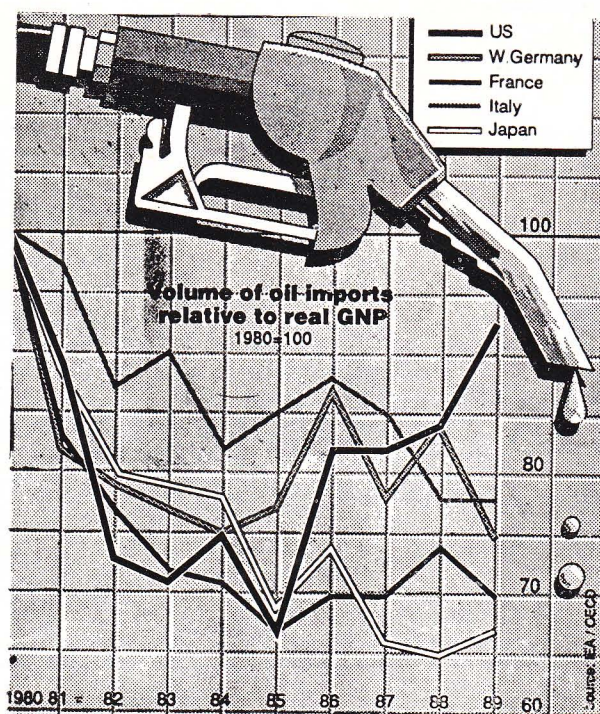
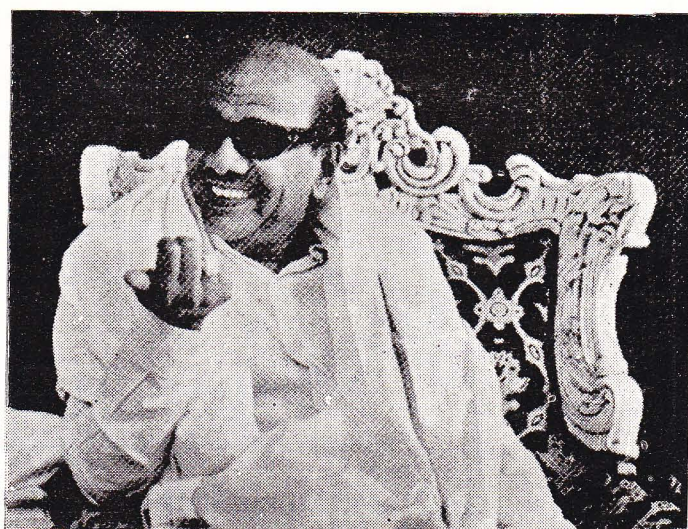
— Anikendra Nath Sen

**Trotsky, Lenin and
Violence**

— Reggie Siriwardena

The Shukla Visit

— Mervyn de Silva



ALL FOR OIL

Blood and Sand

— Robert O'Neill

South Asia in Trouble

— Hamish McDonald

Salamat Ali

S. Kamaludin

The barrel of a gun

— Zuhail

LINKAGE AND BLINKAGE

COLOMBO

The Pivotal Port of South Asia


Ideally located to cater to the
region's transshipment trade and
the world's maritime industry.

- * The best turn-around times in the Region for all traffic.
- * A streamlined fully-computerised operation.
- * A Net-work of Container Depots & Freight Stations.
- * A consolidated Rates Structure.
- * Attractive rebates for transshipment.
- * Safe handling by skilled personnel.



SRI LANKA PORTS AUTHORITY

19, Church Street, P. O. Box 595, Colombo 1, Sri Lanka.

 421231 421201 Telex: 21805 Ports CE Fax: 540651

NO QUEUES NOW

After the first wave of panic petrol queues dropped out of sight in the city, but most motorists continued to drive with their tanks topped up. Few expected the war to be over in a hurry.

A more serious worry was tea. The trade as well as economy watchers were counting the cost of a squeeze in the Middle East market, and of delayed delivery elsewhere in case the Suez Canal closed. Equally worrisome was the loss of expatriate earnings from housemaids and other Lankan workers in Arab lands; these remittances had sometimes been more than the foreign exchange earned from tea exports.

SERVING THE SMALLEST

In an attempt to take banking to the rural masses the Bank of Ceylon disbursed Rs 33 million in 2,400 loans spread over the economically depressed Hambantota district, in the last three months of last year. A new slogan put out by the bank: "We are big enough to serve the smallest".

RIGHT TO EQUALITY

The Supreme Court has upheld a fundamental rights application by Mr Ponnampalam Rampillai, a Superintendent of Customs, challenging the appointments and promotions in the Customs service on the ethnic quota principle. The SC has directed that the petitioner Rampillai be considered for promotion without taking into consideration the ethnic ratio.

The petitioner complained that the promotion scheme in the Customs service violated the right to equality enshrined in the Constitution.

TAMIL NATION

I wish to draw your attention to an article in the *Lanka Guardian* of December 1, 1990 entitled "Canberra Initiative" which you have attributed to the "Tamil Times".

The article in fact is from the "Tamil Nation" of November 1, 1990.

Ana Pararajasingham

Advisory Editorial Board
— *Tamil Nation*, Australia.

Briefly...

JAPAN NO.1 DONOR

● Japan has handed Sri Lanka a package of 38,353 million yen (Rs 11,429 million) credit and a debt relief grant of 66,985 million yen (Rs 20,000 million). The credit is for an economic restructuring program, including improvement of the Greater Colombo telecommunication network. Japan is now unchallenged No.1 donor.

GLARING IRREGULARITIES

● The government has warned the public not to transact any business with land vested in the Land Reform Commission (LRC). The government has decided to investigate and invalidate all improper

alienation of LRC land made to private individuals.

An announcement said: "The Government has decided to introduce legislation immediately to invalidate all improper alienation of Land Reform Commission lands made to private individuals with effect from the date the Land Reform law came into operation."

"The Government has been compelled to take this step in view of the alleged fraudulent nature of a large number of sales, transfers, leases, exchanges, etc. of LRC vested lands. Such alleged fraudulent transactions involve glaring instances of under valuation, nepotism and flagrant violation of the LRC law, Government policies and criteria on land alienation".

This follows the report of a committee appointed by the President to study alienation of LRC land above ten acres. The committee has highlighted some glaring irregularities.

(Continued on page 14)

LANKA

GUARDIAN

Vol. 13 No. 19 February 1, 1991

Price Rs. 7.50

Published fortnightly by
Lanka Guardian Publishing Co.Ltd.

No. 246, Union Place,
Colombo - 2.

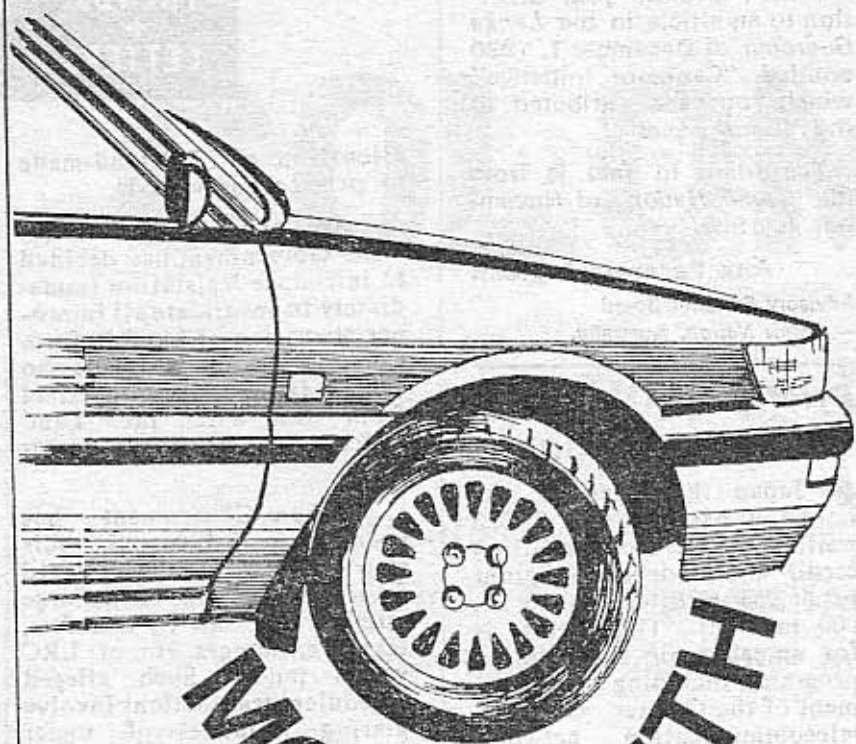
Editor: Mervyn de Silva
Telephone: 447584

CONTENTS

News Background	3
The Region	6
Gulf	10
Budget '91	15
Democracy and Development - (2)	19
Trotsky's Morals	21
Correspondence	24

Printed by Ananda Press
82/5, Sri Ratnajothe Saravanamuttu
Mawatha, Colombo 13.
Telephone: 435975

LET THE GOOD TIMES ROLL



YOKOHAMA AUTOMOBILE TYRES

Safety, comfort and durability that's what YOKOHAMA delivers

Superb grip, traction & cornering ability gives your vehicle the maximum in maneuverability

Enjoy carefree, troublefree, safe driving with YOKOHAMA

THE TYRE THAT'S SOLELY MADE IN JAPAN

HIGH PERFORMANCE
YOKOHAMA
Passenger Car Tyres



Automotive Products Division

Sri Lanka State Trading (General) Corporation

119, Wekande Road, Colombo 2 ☎ 422341-3, 432874

Delhi shapes South Asian Policy

Mervyn de Silva

External Affairs Minister V. C. Shukla is the most important Indian personality to visit Sri Lanka since the change of government in Colombo and in Delhi. (In India, a double change of Prime Ministers). In the recent past, two smoldering secessionist rebellions, Kashmir and Punjab have burst into flames to present Delhi with major 'national security' threats. Kashmir and Punjab, now major wars, have been joined lately by a third revolt, ASSAM on another Indian border. If Kashmir and Punjab involve Pakistan which is openly accused by Delhi of active assistance to the Sikh and Punjabi rebels, ASSAM is different. There is cross-border terrorism, with UFLA 'training camps' on Burmese territory and a free flow of arms, but there is no evidence whatsoever of Burmese instigation. Nor has Delhi made such a charge. On the contrary, the Assam threat in the North-East involves Sri Lanka — in the shape of LTTE participation, and direct support to the secessionist UFLA.

The far more troubling concern however is Tamilnadu, once the home of the first ethnic-separatist 'threat' to the post-independence Indian State. The concept of the 'linguistic' state, a panic-stricken Nehru's response to the separatist danger, was born out of the mass movement spearheaded by Tamil (Dravidian) resurgence.

Separatism however is not the only danger to the Indian polity. The North of India is in the throes of a far more divisive and fierce confrontation — Hindu-Moslem, the issue which decided the fate of British India. Partition was the result. But Pakistan was an 'artificial' nation-state,

in as much as it had two wings that had little in common except religion. But Islam proved a less binding force than language, Bengali nationalism. Indian military intervention helped create Bangladesh.

The fierce Hindu-Moslem agitation which has taken a violent turn in many parts of India has been aggravated by an equally divisive issue — caste — a problem consciously placed on the national-political agenda by the unstable coalition led by Prime Minister V.P. Singh. Once again, the impact of the caste question is felt most deeply in the North, not in the South. The confusing clash of these emotionally demanding social forces has made more complicated by the major problem of governance.

Prime minister Chandra Sekhar, for all his proven skill for survival, continues his charmed day-to-day life in the Lok Sabha largely because Mr. Rajiv Gandhi's Congress is not yet ready to face the polls. When it is ready to face the hustings, the Congress will pull the rug under the Prime Minister.

Meanwhile, the West Asian or Gulf crisis, has introduced Islam into regional, even international politics. Hindu extremists fought Muslim anti-American demonstrators in the Indian capital. Though Pakistan has lived under the American umbrella since Independence, and Islamic Pakistan has had close, economically fruitful ties with Arab "regals", like Saudi Arabia, the Gulf crisis has forced Pakistan to shift its stance, distancing itself from the U.S. The fiery speeches in the Pakistani Parliament, the large anti-American demos which swept through

the major cities, and the sheer proximity of the war compelled the newly elected Pakistani Prime Minister, Mr. Nawaz Shariff, who had mobilised Islamic groups in his polls campaign against Benazir Bhutto, to undertake a Middle-east visit. India is in a weak position to counter Pakistani thrust in West Asia. Its influence in South-East Asia is marginal. South Asia is Delhi's natural, if restricted, turf.

Simultaneously, India's post-60's international standing and diplomatic influence, rested squarely on nonalignment, the authentic Nehruist contribution to international relations and diplomacy in the era of the Cold War. Apart from nonalignment which gave Indian diplomacy a near-global spread, its hard centre was the very special Indo-Soviet relationship.

The end of the Cold War and bipolarity has effectively challenged the *raison d'être* of non-alignment. The collapse of the Communist system and the economic and political chaos that has seized the Soviet Union have together eroded the foundations of the Indo-Soviet 'special relationship'. Indian foreign policy is in urgent need of re-structuring, just as non-alignment itself requires re-thinking. Both have compelled India, at least right now, to narrow its vision, to focus sharply on its own immediate environment, South Asia. As Dieter Braun, Germany's leading expert on South Asian security, has observed the failure of the negotiations on Kampuchea where India had a role by virtue of its membership in the International Control Commission, robbed Delhi of its last claims to an influential role in South-East

Asia. It simply could not compete with China. "Hence India stands all the more on its rights as the predominant power in its own region of South Asia i.e. the Indian sub-continent and Sri Lanka".

Until such time as a success, fully re-structured 'nonalignment' opens new opportunities for Indian diplomacy, it is this South Asian role that will claim Delhi's steady attention and diplomatic efforts, and energies.

The global change in a way has strengthened India's capacities to undertake such an assignment. The US, the super-power that disliked Indian nonalignment in the era of the Cold War, and had always regarded Pakistan as its trusted ally, has downgraded Pakistan, in the new regional configuration, and upgraded India to the status of "natural" leader in the area. Freed of Cold War antinomies, the region is now seen in a different light in Washington. There is no Indo-Soviet axis to match the US-Pakistan alliance. The detente has made such rival quasi-alliances senseless.

Until the new global 'order' assumes a clearer shape, Delhi must concentrate on its own neighbourhood, especially now that Pakistan is stressing its Islamic identity and its west Asian, rather than South Asian, orientation.

And right now, Delhi has been compelled to look southwards — its own South, Tamil Nadu, and Sri Lanka, the Tamil conflict in Sri Lanka, Delhi has put the heat on the DMK government, just this side of ousting Mr. Karunanidhi's DMK administration to please its rival Ms. Jayalalitha's AIDMK, the Tamil Nadu partner of Mr. Gandhi's Congress. Delhi's pressure has compelled Mr. Karunanidhi to crack down on the LTTE (and other Sri Lankan Tamil militants) or go through the motions of doing so to impress Colombo of its bona fides. The DMK government has not paralysed the LTTE

operation but it has certainly made things less easy. The LTTE is no longer high profile in the state.

So now Delhi can talk more convincingly about the "fall-out" of Sri Lanka's 'war' on the South Indian state and beyond. The Tamil refugees in Madras exceed 150,000 says Mr. Karunanidhi.

India's *locus standi* — that's the crux of the matter; meaning of course the Indo-Sri Lanka Accord of July 1987. President Premadasa has not only argued that it is a dead letter but has submitted

a Treaty of Peace and Friendship which makes a less unequal agreement. In an interview with the *SUNDAY TIMES*, High Commissioner N. N. Jha said Delhi "holds Sri Lanka to the letter and spirit of the Accord".

President Premadasa who was Prime Minister at the time was abroad when the Gandhi-Jaya-wardena Accord was signed. In any case, many Sri Lankans, including intimate aides of the former President claim that India failed to fulfil its basic understanding i.e. to quell the 'Tiger' insurgency. The 'Accord' therefore is not binding.

INDIAN VIEW: Prof. S. D. Muni writes:

The large-scale disruption of civilian life in Sri Lanka is clearly reflected in the continuous flow of refugees into Tamil Nadu, of which there are nearly 240,000 today. This is an increase of about 150,000 over the number that was in India when the last IPKF soldier came back. And the influx continues at an estimated rate of 25,000 — 30,000 a month.

As far as a third country involvement is concerned, authentic reports of mediation attempts by a Commonwealth country and Norway have appeared. Australia's mediation between the LTTE and Colombo as well as talks between the London-based LTTE leader Kittu and the Sri Lanka high commissioner, Gen Attygalla, through the good offices of the British foreign office have also been reported. It is also common knowledge by now that the Premadasa government has procured arms from China and Pakistan besides countries like Libya, Poland, Israel and Yugoslavia.

All this made the previous government realise that its Sri Lanka policy had gone awry and that it had gone so far in its retreat that there was no way it could reassert India's concerns to Colombo. The former foreign minister, Mr I. K. Gujral's proposal to visit Sri

Lanka and engage the Premadasa government in a serious dialogue on the Tamil question were also politely turned down because Colombo had nothing to offer.

Ignoring the uncharitable comments on Mr Chandra Shekhar's assumption of office in the Sri Lanka press, Mr Shukla, during his forthcoming visit may have to impress upon the Premadasa regime that the interests of New Delhi and Colombo converge on the question of meeting the LTTE's challenge. The new Indian government has established its bona fides in this respect by forcing the Tamil Nadu government to act against the LTTE infiltrators in the state. The best way for Colombo to respond would be to reiterate the significance of the July 1987 agreement and the principles of devolution of power to the Tamil worked out therein.

Mr Shukla may have to urge upon his hosts in Colombo that instead of fiddling with the idea of merger of the north and east into one province and playing Muslims against Tamils, they should expeditiously and sincerely implement the devolution package evolved in the form of the 13th Constitutional amendment in the Sri Lankan parliament soon after the conclusion of the July 1989 agreement.

Karunanidhi: Sack or not sack

Anikendra Nath Sen

There seems to be no immediately apparent reason for the dismissal of the Tamil Nadu government. It is true that Mr Karunanidhi himself gave his opponents an opening by the lackadaisical manner in which he tackled the depredations of Sri Lankan Tamil militants — the LTTE in particular — in his state. There were, at one time, as many as 31 camps imparting weapons training to militants in Tamil Nadu. Mr Karunanidhi made his sympathies all too clear by denying their existence, and roundly denounced the role played by the IPKF in Sri Lanka.

That Mr Karunanidhi was either unable or unwilling to tackle the situation is evident from numerous complaints made to the then Prime Minister, Mr V. P. Singh, by his political allies — the CPI, the CPM and the BJP — last year. But it is by now fairly obvious that the chief minister has turned over a new leaf. As far as one can judge, the training camps have disappeared, although the state Congress chief persists in saying that some of them are still operating. Around 1,200 militants have been rounded up and the Tamil Nadu government has expressed its willingness to consult the Centre about a plan to deport the more intransigent elements amongst them. There is no longer any serious indication of a major breakdown of authority in the state.

However, much still remains to be done if militancy is to be effectively curbed in the state. Of late there have been reports of collusion between the LTTE and the ULFA. There is no hard evidence of this apart from the fact that two ULFA activists were arrested while undergoing treatment in a Vellore hospital. But too much seems to have been read into this fact. Assamese suffering

from serious disabilities have been routinely treated at Vellore according to practices established by the Assam government long ago. However, the Prime Minister in his latest statement on the matter has said that six training centres were being run for the benefit of ULFA activists in Tamil Nadu until recently. Although an Assamese would stand out like a sore thumb in the midst of large numbers of Tamils, especially if he were to be brandishing an AK-47, the charge, nonetheless, needs to be looked into. As Mr Karunanidhi has pointed, the responsibility for curbing the movements of ULFA activists rests

squarely with the Centre since Assam is currently under President's rule.

Mr Karunanidhi's political critics have obviously realised the folly of persisting with a campaign for his dismissal based almost solely on the charge that he is presiding over a breakdown of the state's authority. They have, therefore, turned their attention to allegations of corruption and economic profligacy in their bid to topple the government. This has placed Mr Karunanidhi in the position of the lamb faced by the proverbial wolf hell-bent upon finding him guilty.

(Times of India)

FOREIGN OPINION

LTTE: Another round

It never was a proper ceasefire. Both the Sri Lankan government and the Tamil Tiger guerrillas accused each other of many violations before the government decided enough was enough. On January 11th, after ten days of a dubious truce, it was on with the war.

The Tigers say they intend to continue their part of the ceasefire, while reserving the right to defend themselves. The role of the injured innocent does not suit them too well, though, and it may not be long before they are back on the prowl.

Why has President Ranasinghe Premadasa, who in the past has seemed near desperate for peace, turned down this possible opportunity? Partly because he now shares the deep distrust of the Tigers felt by most Sri Lankan politicians. He believes the rebels were to blame for breaking a previous ceasefire last June, after more than a year of peace talks.

Sri Lanka's generals began to resume the fight once it became clear that the ceasefire was not sticking. For perhaps the first time, the army really flexed its political muscle. That, it seems, was decisive. The army says the Tigers are now vulnerable. They have been weakened by a clampdown on their activities in the Indian state of Tamil Nadu, from where they used to get much of their arms and fuel.

The army has been promising to wipe out the Tigers "within six months" for at least the past five years. It has grown dramatically in size, from some 12,000 in 1984 to 60,000 plus today. But it is still fighting against a guerrilla force that most people think can hold out almost indefinitely. The Tigers still command a good deal of support in the north and east of the country, which may have been increased by the government's policy of bombing suspected guerrilla targets from

(Continued on page 23)

1990 TAMIL NADU

DMK ups and downs

S. Murari

When the V.P. Singh Government was voted out on November 7, Tamil Nadu Chief Minister M. Karunanidhi hailed the Prime Minister as a martyr to Mandal and mandir and said, "It is better to die like a (jungle) cat than live like a rat."

Mr. Karunanidhi could not have chosen a more ill-suited expression for he himself is now in the position of a man who has caught the tiger by the tail and is trembling like an aspen before a Prime Minister who threatens to dismiss him if he does not stop patronising the Tigers.

The year that was revealed the many faces of Mr. Karunanidhi. If he was restrained in 1989, it was because Mr. Rajiv Gandhi was at the helm at the Centre. At one stage during that year, Mr. Karunanidhi even went to the extent of saying that the Lanka problem had gone out of his hands. The other side of Mr. Karunanidhi came out during the 11 months of Mr. V. P. Singh's rule this year.

Mr. Karunanidhi's pro-LTTE bias was evident in the negotiations he conducted with all Sri Lankan Tamil groups, at the behest of the V. P. Singh Government, in December last year to explore the possibility of forging an agreement which could pave the way for the smooth return of the Indian Peace-Keeping Force from the island. The EPRLF, which was then ruling the North-eastern province, offered to accommodate the LTTE in the Provincial Council, but Mr. Karunanidhi pressed the Chief Minister, Mr. Varatharaja Perumal to step down so that the Council could be dissolved and fresh elections held.

When Mr. Perumal refused to oblige, Mr. Karunanidhi turned

hostile towards the non-LTTE groups and rolled out the red carpet for the Tigers. The speed with which the State police seized a huge cache of arms belonging to the ENDLF at Dargavalasai village in Ramanathapuram district has not been equalled since. This has to be contrasted with the failure of the police to get at the Tigers who shot their way through a police checkpost at Ramanathapuram in February, killing a policeman and bystander, and massacred EPRLF leader K. Pathmanabha and 15 others in a residential flat in Madras in May.

As Prime Minister Chandra Shekhar put it, Madras was dictating to New Delhi when Mr. V. P. Singh was in power.

When the Opposition repeatedly complained in the first quarter of this year about the increasing infiltration of LTTE men into Tamil Nadu, Mr. Karunanidhi asked, "Why should they come here and live in hiding when they have become de facto monarchs of Tamil Eelam?"

The same Mr. Karunanidhi now sees a Tiger in every bush, or so he wants the Centre to believe. In the last one month, nearly 1,000 militants have been rounded up and detained in special camps. That only about 100 of them belong to the LTTE, only goes to prove that the Tigers do not come to the State, according to him. When complaints about large-scale smuggling of diesel and other essentials from Tamil Nadu to Sri Lanka became louder and louder, Mr. Karunanidhi first denied it and then put the blame on the navy and the coast guard until Admiral Ramdas came out with the disclosure that over 100 suspected militants, apprehended at sea over a period of one month

and handed over to the State authorities, had all been released.

Mr. Chandra Shekhar, who has been blowing hot and cold ever since he equated the situation in Tamil Nadu with Assam, has now come out with a categorical assurance that the Centre has no intention of imposing President's rule in the State. But developments in neighbouring Pondicherry, where the DMK-led coalition Government has fallen following a split in the Janata Dal (S) and the Congress (I) should give Mr. Karunanidhi cause for worry.

The brief reign of the National Front Government, in which the DMK was represented by Mr. Karunanidhi's nephew "Murasoli" Maran, saw the Chief Minister wield the stick in a big way. He slapped a fraud case on TNCC (I) chief K. Ramamurthi in March on the eve of the Congress (I)'s agitation demanding that K. Kamaraj's name be retained for the Maraimalai Nagar railway station in suburban Madras. Thousands of agitators were arrested for picketing railway stations and trains and remanded to 15 days judicial custody.

When the Congress (I) launched an agitation against the Government's "cheap liquor" policy a couple of months ago by picketing arrack shops, even old Gandhians were picked up and put in jail.

The AIADMK split in July after Ms. Jayalalitha expelled senior leaders like Mr. S. Thirunavukkarasu, Mr. K. K. S. S. R. Ramachandran and Mr. S. D. Ugam Chand. The rebels raided the party headquarters and the two groups came to blows. The police then moved in and sealed

the office. Ms. Jayalalitha was dispossessed of the party headquarters building which found its way into Mr. Thirunavukarasu's custody. The Supreme Court intervened early this month and appointed Ms. Jayalalitha as the receiver until the disposal of the case relating to the disputed property.

Mr. Karunanidhi, in September, organised a massive rally to felicitate Mr. V. P. Singh for his "bold and historic decision" to implement the Mandal Commission report. Yet, when the Pattali Makkal Katchi of the backward Vanniyar community called for a bundh in October to protest against the stay on the Mandal report by the Supreme Court, he upstaged it by calling for another bundh.

On the positive side, Mr. Karunanidhi's good equations with Mr. V. P. Singh brought some benefits to the State. For example, the vexed Cauvery waters dispute with Karnataka has now been referred to a tribunal. Immediately after the National Front assumed office, Mr. Karunanidhi was able to get the monthly quota of rice released from the Central pool raised to 75,000 tonnes. Towards the end of its term, V. P. Singh Government even cleared the Rs. 1,300-crore aromatic project. Unfortunately, the Chandra Shekhar Government has decided to review this decision along with other decisions taken by the previous regime after the BJP withdrew its support on October 22.

If Mr. Karunanidhi treated the opposition with contempt during the most part of this year, it was not merely because he had a friend in Mr. V. P. Singh but also because Ms. Jayalalitha could not measure up to him despite her popular support. Ms. Jayalalitha has not been attending assembly since she provoked violence and was at the receiving end of it in March last year. She has not been in the public eye for almost the whole of this year.

The dethroning of the Congress (I) at the Centre in December last year, the AIADMK's

poor showing in the Pondicherry Assembly elections in February and her road accident around the same time all combined to push her into a long spell of hibernation. After purging the party of the so-called rebels, she visited the party headquarters once to signal to the rank and file that she was as fit as a fiddle. When the office was sealed, she observed a fast for a few days in her house.

She came out again in October when Mr. Rajiv Gandhi unveiled a statue of MGR in the city in October. Thousands of partymen, supporters and followers poured into the city to pledge their loyalty to Ms. Jayalalitha. After proving her strength, Ms. Jayalalitha retreated to Hyderabad even as the tumultuous events in Delhi culminated in the fall of the National Front Government.

Now that the days of the DMK Government seem to be numbered, Ms. Jayalalitha is back in active politics. She has since met the President and the State Governor and submitted a memorandum on the law and order situation in the State as well as the Prime minister. Strangely, she has not publicly reiterated her old demand of dismissing the DMK Government.

The Congress (I) has been affected by the cold war between the legislature and organisational wings led by Mr. G. K. Moopanar and Mr. K. Ramamurthi. Mr. Moopanar being a low-profile man who has natural empathy for Mr. Karunanidhi, it has been left entirely to Mr. Ramamurthi to keep up pressure on the State Government.

Mr. Karunanidhi, meanwhile, resorted to a series of populist measures like waiver of farmers' loan amounting to Rs. 500 crore, free supply of electricity to all agricultural pumpsets, and reduction in the issue price of rice to strengthen his base. Now that the Samad faction of the IUM has also distanced itself from the Congress (I) and is supporting Mr. V. P. Singh, Mr. Karunanidhi can count on the support of a substantial section of the Muslims.

MK's letter rebuts PM's charges

MADRAS

Tamil Nadu Chief Minister M. Karunanidhi had a 30-minute meeting with Governor S. S. Barnala at the Raj Bhavan and followed it up with a detailed letter to Prime Minister Chandra Shekhar rebutting point by point the charges he has made regarding the activities of the LTTE and its links with ULFA.

Mr. Karunanidhi believed to have apprised the Governor of the recent steps taken by his Government like the detention of over 2000 Sri Lankan Tamil militants belonging to various groups in special camps, the help extended to the Assam police to nab three ULFA extremists in Vellore last month and the beefing up of the police force deployed along the coast.

Mr. Karunanidhi's letter to the Prime Minister replies to charges that information passed on to him had reached the LTTE in Jaffna, and the LTTE had nexus with ULFA and that arms are freely available in Tamil Nadu.

Mr. Karunanidhi had already dismissed the charge of LTTE-ULFA tie up as a concoction of the Congress (I) which has been demanding the dismissal of his Government on the alleged ground of break down of law and order.

UNI adds: Union Minister of State for Home Subhodh Kant Sahay said the activities of Liberation Tigers of Tamil Eelam were on the rise in some coastal districts of Tamil Nadu with the connivance of the Karunanidhi Government.

Talking to reporters in Nagpur he said that it had been proved beyond doubt that there was a link between the LTTE and ULFA extremists of Assam. The Centre took a serious note of it because of the increased extremist activities in border areas of the country.

Mr. Sahay was here on his way back to Delhi from Madras where he met Tamil Nadu Chief Minister M. Karunanidhi.

TN Govt sacking won't be tolerated: Paswan

MADRAS

Former Union Minister Ram Vilas Paswan said the people would not tolerate any move to dismiss the democratically elected Government in Tamil Nadu by a "Defector Government" at the Centre, under pressure from its allies.

Addressing a press conference here, he alleged that a conspiracy was on to dismiss the DMK Government at the behest of the Congress (I) and the All-India Anna DMK.

Any move to dismiss the Karunanidhi Government under the pretext of breakdown of law and order in view of alleged increase in the activities of Sri-Lankan Tamil militants was unjustified as the law and order situation in the State was far better than any other Congress (I)-ruled States, he said.

It will be a mockery of democracy if the duly-elected State Government is dismissed he added.

ALLEGATIONS: Replying to question, Mr. Paswan said the Tamil Nadu Government cannot be accused of aiding the extremists belonging to the United Liberation Front of Assam just because two ULFA members were arrested in that State while they were undergoing treatment.

Declining to comment on the alleged nexus between the LTTE and ULFA, he said the Centre's move to dismiss the Government was not in view of the alleged deterioration in law and order but to please the Congress (I) and AIADMK.

If at all any State Government is to be dismissed on the ground of deterioration in law and order, Andhra Pradesh and Uttar Pradesh government should first be dismissed, he said.

Referring to Prime Minister Chandra Shekhar's statement that 'days have gone when the Centre was ruled from Madras,'

Mr. Paswan said it was an insult to the Tamils and deserved condemnation.

DUAL POLICY: Charging the present Union Government with ruling all the States from the Centre, Mr. Paswan said that for the first time after independence, it was during Mr. V.P. Singh's rule that the federal structure of the Constitution was honoured and preserved.

He accused the Congress (I) of adopting a dual policy on the Mandal Commission and the Ram Janmabhoomi-Babri Masjid issues.

He said the National Front, which had sacrificed power at the Centre for secularism and social justice, would continue to fight for the two causes.

Mr. Paswan later unveiled the statue of Dr. B. S. Ambedkar at the Post and Telegraph Audit Office premises here.

S. S. A. SOCIAL SCIENTISTS' ASSOCIATION

129/6A, Nawala Road, Narahenpita,
Colombo 5.

Newton Gunasinghe's PhD thesis

"Changing Socio-Economic Relations in the Kandyan Countryside"

now available at
Lake House Bookshop

or
write to the S S A.

Hard Cover : Rs. 450.00

Paper back : Rs. 350.00

SOUTH ASIA:

Arms Spending: No Money for Development

A Group of concerned citizens of South Asian countries met in Kathmandu, Nepal, from 10 — 13 December, 1990 under the auspices of the United Nations South Asian Perspective Project to share their concern over the prevailing internal economic and other crises within their countries and to consider in the context of the great changes sweeping the world, ways and means of ensuring the well-being and progress of the peoples of the region as a whole.

The Group felt that the dominant strategy of development adopted by South Asian countries in the post-war era is no longer adequate for their needs. In fact the prevailing development patterns are undermining the real, natural and financial resources bases, pushing the region deeper into a foreign debt trap. Internally, too, it has failed to eradicate the worst forms of poverty and human deprivation, resulting in the generation of social polarization, ethnic conflicts and youth alienation. Ever rising military and other governmental expenditure have left the countries virtually without any surplus for investment in their development.

The Group is of the view that the flow of real external resources to the region is diminishing and the generally inhospitable international economic climate has been further aggravated by the Gulf Crisis, and there is little choice before our countries except to develop collective self-reliance through intensive regional cooperation. The dangers to the economic and political stability of South Asian countries can be averted only through such cooperation.

The Group supports the inter-governmental SAARC process currently underway. But it considers that its pace is painfully slow and does not respond sufficiently either to the multifaceted crises facing individual countries and the South Asian region as a whole or to the aspiration for cooperation, peace and progress of its peoples.

At the recent SAARC Summit meeting at Male there was evidence of a recognition of these realities and interest was expressed in more positive and tangible forms of cooperation. Leaders of the region have recognized that academics, research, and others outside the purely official process have an important role to play in promoting the SAARC spirit, outlining policy choices and formulating regional programmes and projects.

At its First Meeting in Kathmandu, this INDEPENDENT GROUP FOR SOUTH ASIAN COOPERATION (IGSAC) has envisaged a programme of study, interaction and policy dialogue on South Asian cooperation. The first phase of its activities will include the preparation of:

- (a) a conceptual framework for a South Asian Economic Community.
- (b) a coherent strategy for sustainable development, which while maintaining the gains of modernization and industrialization, is based primarily on the mobilization of local human and material resources for the alleviation of

poverty. Population Planning, Compulsory Primary Education and Environment Protection should form an integral part of such a strategy.

- (c) a pre-feasibility study on the establishment of a South Asian Fund for Development.
- (d) a study of the region's Food System as a whole with a view to ensuring that every human being is provided with the minimum nourishment necessary for a decent dignified and creative life now.

As its work progresses, the Group will consider enlarging its membership as well as the scope of its activities in support of the SAARC process.

The Group expresses its thanks to Mr. K. K. Bhargava, the Secretary General of SAARC for sharing with it his personal assessment of the ongoing SAARC process.

The Group had the privilege of calling on the Prime Minister of Nepal, the Right Honourable Krishna Prasad Bhattarai. It wishes to place on record its deep appreciation of his sharing with the Group his views and for his encouragement and support to the Group's initiative.

A. K. H. Morshed
Dawa Tsering
M. Rasgotra
Ahmed Latheef
Bheka Thapa
Akmal Hussain
Ponna Wignaraja

Bangladesh
Bhutan
India
Maldives
Nepal
Pakistan
Sri Lanka

GULF AND SOUTH ASIA

Geopolitics worries the Subcontinent

Too close for Comfort

By Hamish McDonald in New Delhi, Salamat Ali in Islamabad and S. Kamaluddin in Dhaka

The three major countries of South Asia — India, Pakistan and Bangladesh — while supporting UN resolutions on Kuwait, have shown a distinct ambivalence to the US-led moves against Iraq in recent months. Although all three have condemned Iraq's aggression, they have reservations over the post-war course of events in the Middle East.

The Subcontinental stance is a result of mainly domestic compulsions and the economic impact of the Gulf crisis, but there are also major questions of the countries' interests—geopolitical as well as Islamic—in a region adjoining South Asia.

Those oil-deficit nations, heavily dependent on Middle Eastern imports, are already groaning under the burden of higher fuel prices and spiralling domestic inflation. Even as their governments strive to ensure adequate imports from other sources, long lines of panic-buyers have become a common sight at petrol stations in the major cities. If the crisis drags on, supplies will be scarcer and prices higher—posing economic problems that are unlikely to be overcome by increased foreign aid.

For India, the intangibles of the crisis include some galling lessons on its international irrelevance — once it became clear late last year that New Delhi could not back the UN trade embargo on Iraq and was condemning the invasion of Kuwait none too vehemently. India's shaky minority government has been unable to make its presence felt in the UN Security Council, where its two-year term began this month.

India could have a lot to say. Many opinion leaders are quick

to point out the inconsistencies and double standards — the US interventions in Grenada and Panama, continued aid to a nuclear-armed Israel still occupying the West Bank and so on.

Yet, Indian officials seem to have moved away from any knee-jerk anti-Americanism. They acknowledge a distinction between US interventions in the Caribbean and Central America or the French in Africa—not to ignore their own forays into Sri Lanka and the Maldives—and Iraq's annexation of a neighbour.

Given the US' economic problems and the assertiveness of its allies, New Delhi does not fear the emergence of an American world policeman. However, India is against the war option in the Gulf. "We are really concerned about what a war, even a short one, will unleash in the way of long-term instability" a senior diplomat said. Among other things, an Arab backlash could threaten the other monarchies in the region. In the aftermath of the current crisis, India could favour a new world order partly through a revived military role for the UN and partly through strengthened regional organisations. India will be looking to expand its own economic profile in the Gulf.

Ever at the mercy of external aid, Bangladesh was quick to support the UN resolutions and please Western and Gulf donors. It even sent emissaries at the behest of Riyadh to other Muslim countries to lobby on behalf of Kuwait and Saudi Arabia. Although Bangladeshi workers returned from Kuwait and Iraq late last year, the Saudis have begun employing others in order to replace Yemenis—who Riyadh now views with suspicion. While all this increases the

prospects of further aid, Dhaka fears a prolonged conflict might jeopardise its chances of external economic help.

Dhaka was one of the first Islamic countries to voluntarily send troops to Saudi Arabia, but its stated purpose was to defend the country's Islamic holy cities. This was also the stated intent of Pakistani troops sent to the Gulf.

Pakistan's ambivalence over taking part in a Gulf war also stems from strong domestic sentiment against the presence of non-Muslim troops in the Islamic holy land. This religious view has been reinforced by Iraq's linkage of its invasion of Kuwait to the Israeli pullout from occupied Arab territories and the broader Palestinian question. The Gulf crisis coincided with the suspension of US aid to Islamabad because of Pakistan's nuclear programme, which has been seen as a US move to block the Muslim world's access to gaining nuclear weapons capability. As a result, most Pakistani political leaders have advocated a neutral position on the crisis.

Even middle-of-the-road politicians maintain that by sending troops to the Gulf, Pakistan has lost its traditional role of mediator in intra-Muslim disputes. The decision to send troops was made by the army last August during the uncertain period of an interim regime. Only a few conservatives support the US position. Further, army chief Gen. Mirza Aslam Beg known to consider Iraq's armed forces as a source of strength to the world's Muslim community, would not want to see them destroyed.

(F. E. E. R.)

BLINKAGE

As a geopolitical tool, "linkage" has been popular since the 1970s. The word, that is. There's nothing modern about the meaning. It means: We'll agree to discuss that if you'll agree to talk about this. The concept is as old as conflict itself, which is to say it goes back to times when men settled disputes by throwing rocks. That is how young Palestinians address political issues today in Hebron and Gaza. Saddam Hussein, as clever a manipulator as this most cynical of centuries has seen, tried to link Israel's occupation of the West Bank and his occupation of Kuwait.

It didn't work. It was recognised as a ploy. But a parallel drawn by an unjust man is not thereby unjust. There are great differences between the two armies of occupation and how they came about. But there are also many similarities. For instance, in both places foreign soldiers govern local people against their will.

Dr. Henry Kissinger, when he was in charge of U. S. foreign policy, was especially adept at linkage. He invoked it often to jump-start simultaneous negotiations on unrelated subjects. The emigration of Soviet Jews was linked to improved trade relations with the U. S. Withholding the bounties of capitalism eventually caused the communist system to crumble. This released a flood of Jews to swell the population of Israel and, surely, gladden any heart not made pitiless by ancient squabbles.

War in the Gulf was legitimised by Security Council Resolution 678 requiring Iraq to get out of Kuwait. In 1967 Resolution 242 required Israel to withdraw from conquered territory. To be sure, 242 did not mention a date, never mind a deadline. But 23 years was not what the U. N. had in mind. The 1967 resolution did not say Israel could keep the West Bank and Gaza if Arab states failed to recognise Israel's right to exist. On many occasions since, the General Assembly has called for "the unconditional

withdrawal of Israel from the Palestinian and other Arab territories occupied since 1967, including Jerusalem" and demanded that Palestinians be granted "their inalienable rights."

For those who have the power to bring a just peace, all this need not degenerate into argument over whether one U. N. resolution is more moral than another. Security Council decisions carry more legal weight than General Assembly ones, and nothing outweighs a deadline. The Council did once condemn Israel, for attacking Iraq "in violation of the U. N. Charter." On June 7, 1981, the Israeli F-16s escorted by five F-15s intruded through Jordanian and Saudi Arabian airspace and destroyed a French-built nuclear reactor in Baghdad's southern suburbs. The U. S. voted with other fourteen.

Just as the Palestinians' land endured for centuries as a Turkish province, it is no slur on their own freedom struggles to keep in mind that Israel and Kuwait achieved nationhood by virtue of that great shift of circumstance, "decolonisation." Israel was allowed to evolve to satisfy the Zionist claim for a homeland, though linkage of eastern European ghettos and David's kingdom requires the kind of faith and perspective that Arab scholars necessarily cannot have. Kuwait was invented as a buffer between Hashemite Iraq and Jordan and the new kingdom of the al-Saud dynasty.

If the West permitted Israel to come into being, if the infant U. N. gave its blessing and if the Israelis' own courage consolidated the state, it was Western arms, money and diplomacy that guaranteed its existence. In the case of the U. S. this was accomplished through the technique of you've got it: linkage. No nation on earth sees itself more lucidly than the U. S., so Asia can be sure that Americans already see irony in Washington's resolute opposition to the linkage school of diplomacy. Israel is now being culturally enriched with settlers from Minsk and Kiev — talented educated descendants of Jews, cruelly persecuted in Czarist,

Stalinist, Nazi and, for all we know, Gorbachevian pogroms. They will raise families on lands where 'Palestinians not so long ago watched their flocks and tended their fields of barley.

They have that right. Even a refugee knows in his heart that possession is nine points of the law. But the world concedes to the Jewish state only that portion of Palestine known as Israel. The way the other, occupied, part has ybeen governed over the past three lears has not pleased anyone, east of all a large section of the Israeli population. Even had there been no Gulf crisis, post-Cold War perceptions of justice would surely soon have focused on what has been happening in Gaza.

But now the world's motor is running. When Saddam Hussein has been dealt with, Egypt and Syria will call in the chips. It will be difficult for "the Allies" to enter comfortably into any settlement that does not address the West Bank. Israel must know it will never have its 1948 borders affirmed unless it retreats to those borders. Americans should expect that many nations will want the U. S. to link its goodwill to progress on human rights as firmly in Jerusalem as it does in Moscow.

The P. L. O. will surely never get another penny from Saudi Arabia or other Gulf paymasters. Yassir Arafat has backed the wrong side; he may not survive. As the danger from him and Saddam evaporates, so too should Israel's intransigence. It has made peace with Egypt. It can make peace with Jordan under another name (starting with P). the Gulf states would be well-disposed to compromise. They would start by recognising Israel. Even peace with Syria would not be impossible in a new postwar climate of concession. There will be, briefly, a window of opportunity to forge a lasting peace. If it is not seized Israel can be sure the *intifada* will soon spawn a new P. L. O.

(EDITORIAL, ASIaweek)

The Rage of Caliban

Zuhail

The flag of the Arab national movement was devised by an Englishman, just as the flag for the Buddhists' revival was designed by an American. Col Olcott of course was not conspiring with the Christians to cause the downfall of the Buddhists when he was designing the flag, but that is the sort of thing Sir Mark Sykes, British diplomat and historians of the East, seemed to have been up to with one of his hands while the other was devising an emblem for Arab unity.

Arab unity is still very far away. But the colours green, black, white and red he chose and found today in different combinations in the flags of a variety of Arab states cheered the Arabs quite a bit with their religious and historical associations. The green stands for the Prophet and the first Caliphs.

The rest of the three colours represent two great dynasties the Omayyid (white) and the Abbasid (black) and the third the Hashemite (red). The last was the one to which T. E. Lawrence was political tutor. While designing the flag of unity Sir Mark Sykes was also, as I said conspiring with two other European powers to undermine the very unity he was setting up.

Sykes was the partner in that infamous pact known as the Sykes-Picot Agreement which brought together three imperialistic nations in 1915, the British, the French and the Russians who sat like vultures to carve up Arabia, that soft under-belly of the dying Ottoman empire, into 'spheres of influence'. Thanks to the Bolsheviks this plot was soon made known to the world when they published the terms of this dastardly deed. But that did not

thwart the imperialistic plot; Russia dropped out because the Bolsheviks came into power and the conspiratorial skills of the British deceived the Arabs for a while.

Historians, however, praise this conspicuous act of treachery as a fine exercise of British diplomatic skills. May be you can look at it like that, too, but when you see the denouement now unrolling before you in the Gulf with Iraq Britain's obedient pupil at one time, standing up to the mightiest power on earth you begin to wonder where all that tutelage and diplomatic skill went.

Do I hear a Caliban raging somewhere?

This Kuwait's mine...

When thou camest first,

Thou strok'dst me, and made much of me; wouldst give me

Water with berries in 't; and teach me how

To name the bigger light, and how the less,

That burn by day and night: and then I loved thee

And showed thee all the qualities of...

The fresh spring, oil wells, barren place and fertile;

Cursed be I that did so! All the charms of high tech war

Scuds, Wild, Weasels, Cobras, Jaguars light on you!

The Arab-Persian Gulf

I used the word Gulf now, and thereby hangs a tale. This time it concerns the Americans, the incompetent successors to British imperialism in the Gulf, which the Americans continue to call the Persian Gulf until August 2 last year when there

was a surprising and sudden shift to "the Arabian Gulf, also known as the Persian Gulf".

William Safire, that lively commentator who exposes the shifts and nuances of contemporary politics by examining the use of contemporary English, recently drew attention to this shift by quoting a letter from a Middle Eastern political expert to an American radio commentator.

"In your commentary," wrote Habib Ladjervardi, an associate director of the Centre for Middle Eastern Studies at Harvard, "you said that the president would be speaking on the situation in 'the Arabian Gulf, also known as the Persian Gulf'. I believe that that this is the first time that any of the networks have referred to the Persian Gulf as the Arabian Gulf".

It may be the first time an American journalist used this term but those we have had to deal with the Arabs ever since Nasser began to stride the Middle Eastern world have been careful about when to call the Gulf "Persian" and when to call it "Arabian".

None the less, the fact that an American journalist has ventured to call the Gulf Arabian and has been taken notice of in important circles is a significant event indeed. For one thing if you have grown up with the Persian Gulf it is quite a problem half way down your life to do away with the Arabian Gulf. As difficult an adjustment, indeed, as those who grew up as Ceylonese discovering one day that they had to call themselves Lankans.

Anyway, a change has come to America even though it has taken Saddam not Nasser to do it. A pity, a country that pride itself as being the acme of civilisation has been unwilling to bend to pleas and sighs, but jumps to it the moment the words are spelt out from the barrel of a gun.

(Continued on page 17)

How the West will win the war

Robert O'Neill (Oxford University Professor of war history)

War in the Gulf, if it comes in the next few weeks, will be a major conflict in historical terms. The Americans had higher peak strengths in both Korea and Vietnam, but the magnitude of the forces deployed by presidents Truman and Johnson are comparable to those sent to the Gulf by Bush.

Allied forces in the Gulf, with reinforcements still joining them, total well over 500,000. In Vietnam the Americans, at their maximum, had 600,000 troops in the field. In Korea, at the most dramatic period 10 months after the war began, the great Chinese Fifth Phase Offensive of April 1951, 700,000 Communist troops drove against 420,000 United Nations Command defenders. For much of the war of attrition which continued at an all too bloody intensity from November 1951 to July 1953, the UN Command held the front some 130 miles across the Korean Peninsula, with 16 divisions in the front line. In the Gulf a front of about 200 miles is manned by some 10 allied divisions or equivalent forces.

While there are similarities in terms of scale between the Gulf confrontation and the US's two biggest wars of the post 1945 period, there are important differences.

First, the allies are not fighting an enemy which has the support of an inviolable great power across an adjoining frontier. Second, the accuracy and intensity of the available firepower on both sides is far greater than in either Korea or Vietnam, and there is virtually no cover for ground forces advancing to attack over much of the front. Third, the war, if it comes, will be conducted in the heart of one of the world's greatest concentrations of natural resources. Fourth, for all the talk of Vietnam having been the television war, satellite tech-

nology, more professional journalistic techniques and the broader international penetration of television will involve mass opinion around the globe in a way that no other conflict has yet achieved.

A war in the Gulf will be a flash in the pan compared with the duration of the Korean and Vietnam wars. Saddam does not have a powerful ally waiting to rescue him as the Chinese saved Kim Il Sung in 1950-51.

Saddam cannot even count on friendly logistic backing against the Americans. Saddam is isolated, enemies abound on every side except for weak Jordan, and on the other side of Jordan stands Israel. Shamir will respond like a tiger if he feels that Israel's security is threatened in any way by Saddam.

It is conceivable that Iranians could prove a wild card, but such a turn around is extremely unlikely. For the first time since 1945 the Americans seem to have a major enemy isolated diplomatically, economically and militarily.

The Iraqis may prove capable of resisting for several weeks the onslaught which will be delivered against them. If they were a really good army, like the Wehrmacht in 1944, they could successfully fight a bloody series of delaying battles, falling back from prepared position to prepared position. But the Iraqi performance in mobile operations against the Iranians suggests that they are not in this class.

The combat preparations were likely to see will be over in a matter of weeks, not years. This is not to say that US and allied forces will all be able to return home in time. There will be a prolonged period of manning the defence of Kuwait, or of attempt-

ing to put together the pieces of a shattered Iraq. There may be a sustained, low intensity terror campaign waged by Saddam's supporters against the west. But unlike Korea and Vietnam, there should not be a long period in which Americans and their allies are dying in large scale military operations for no apparent change in the outcome.

Although a Gulf war would be much shorter than the Korean and Vietnam wars, it stands to surpass them by far in terms of intensity. The Korean war caught the Americans and their allies unawares and it was not until mid-1951 that they were able to develop their full concentration of air power. The commitment in Vietnam was gradual and much of the enemy's operational and logistic facilities were protected by dense jungle.

In the Gulf a mighty force has been concentrated, poised to strike a devastating series of blows, and it will not be hard to see where the main targets are.

The opening phase of a Gulf war will be a dramatic aerial bombardment, probably not as pulverising as the air power hawks fortell, but it will look spectacular and allied losses should be light.

It will still be necessary to send the ground forces in to close with and overcome the Iraqi defenders. We have no idea as to what their condition will be. The Iraqi will to fight may disintegrate under the force of the aerial onslaught, but the doggedness of the Iraqi defence against the Iranians suggests that a good number will come out fighting when the allied ground attack goes in. Then it will be the allies who lack cover from the accurate weapons of dug in defenders. The close fighting which follows promises to be the bloodiest phase of the conflict.

In contrast to Korea, where the enemy held a line from coast to coast, Saddam can not close off all of his 600 mile frontier with the Saudis. He has a defensive line which runs inland some 200 miles. It then becomes very thin. In other words his position has an open flank and there is potential for a war of manoeuvre which did not exist in Korea.

His other flank, on the Gulf, may be taken by amphibious assault. This may prove costly to the attackers but the double envelopment strategy opens very interesting possibilities for penetrating the Iraqi rear areas and isolating the greater part of its army in its forward defences. General Schwartzkopf, chief of US central command, has an opportunity for carrying through a Napoleonic strategy of holding the Iraqis on the southern front while concentrating an intense allied forces against the enemy rear. If the allied operations are well conducted they stand to be a textbook example of battlefield strategy for decades.

Because the conflict is essentially about the control of oil and the war will be waged through an oilfield, there will also be an economic impact. Both the Korean and Vietnam wars had powerful effects on the world economy. The commodities boom of the 1960s transformed the prospects of resource producing countries.

Lyndon Johnson's refusal to pay for the Vietnam war through increased taxation led to severe inflation a weakening of the US position internationally and the cutting of the Great Society programme inside the US.

The Gulf conflict has sent up the price of oil and it may be driven higher in the heat of battle. But unless the Iraqis can find some way of striking at the Saudi oilfields, not enough oil production will be lost through battle to have a dramatic effect on prices. More important economically will be the subsequent impact of the conflict on general Gulf security.

A war in the Gulf promises to have a major impact on public opinion. President Bush will not have to bear the heavy burden of his predecessor in Korea and Vietnam that of mass disapproval of administration policy during the war itself. But he will surely face it, afterwards unless contrary to Pentagon expectations, his forces achieve a swift and relatively painless victory.

Statement of the LGSU on the Gulf War

The Lanka General Services Union joining with the anti war forces and the peace movements in the whole world vehemently condemn the Bush Administration of the United States of America and its allied forces for the commencement of the war against Iraq under the pretext of liberation of Kuwait. We strongly urge that war should be stopped. We categorically state that the UNO resolution should be executed by the UNO and not by USA.

In this context, this Union very much regret the failure of the UNO to avoid the war and bring about a settlement in this crisis, and as a result, the developing nations have to face the consequences of the war which is inevitable.

It is evident that the fundamental objectives of the UNO is totally eroding and in this particular juncture, the possibility of the UNO playing a second fiddle to the USA cannot be ruled out.

The LGSU call upon the working class and peace loving people of those countries not to support this war and raise their hands against war.

The LGSU also appeal to the leaders of the developing countries to take meaningful steps to rally around with the anti war forces with a view to stop the war.

*On behalf of the
Lanka General Services Union,
Jayaratna Mallyagoda
President — LGSU*

Briefly. . .

(Continued from page 1)

DEFINITE LINKS

● Indian Prime Minister Chandra Shekhar told the Indian parliament that Tamil Nadu had become the cheapest place to buy arms like the AK 47 and that Punjab militants and Assam ULF separatists were regular customers. The Prime Minister also said that there were definite links between Sri Lanka's LTTE and militant organisations in India.

ARMS FOR LTTE SEIZED

● Boats loaded with arms for the LTTE were seized in the straits of Malacca off Penang by the Malaysian Customs, according to agency reports. The Malaysian High Commission in Colombo which asked the Foreign Office in Kuala Lumpur about it had no further information.

POSITIVE RESPONSE NEEDED

● Ceylon Workers Congress President S. Thondaman, who is also Minister of Tourism and Rural Industrial Development has told President Premadasa in a letter: "Government ought to positively respond to any overtures that may be made to open up a dialogue leading towards the eventual fulfilment of the aspirations of the Tamil people in the Northern and Eastern Provinces".

Such an approach, the minister has said, could result in isolating the LTTE which is seeking an armed solution to the problems of the Tamil people in those areas.

Some Macroeconomic Implications

Saman Kelegama and Nimal Gunatilleke

The Budget proposals for the fiscal year 1991 hardly contained any surprises. Wage increases were announced in the face of high inflation before the Budget. Fuel prices were increased as a result of the Gulf crisis reinforcing the already existing inflationary tendencies. These types of price/wage changes before a Budget have been common during the last decade and thus the Budget is no longer watched with anxiety for major announcements by the general public.

Since lately the Budget has assumed great importance as an instrument of macroeconomic management. Restructuring the economy is now a key element of policy reform. For example, implementing the changes ad-

vocated by the Administrative Reform Commission, Taxation Commission, and the Tariff Commission require far reaching changes and consequently these have to be put into action by the Budget. Furthermore, growth and development of the private sector — which is now considered as the "engine of growth" — demands lower Budget deficits, low inflation, and so on, or, in short, macroeconomic stability. The 1991 Budget is part of this restructuring programme which attempts to reduce the role of the state, reduce fiscal deficits, reform the tax system, and restructure public administration. Thus for any realistic analysis of the Budget, the entire policy setup that surrounds the Budgetary proposals have to be taken into account.

The Budget for 1991 estimated an expenditure of nearly Rs. 135 billion and a revenue of nearly Rs. 75 billion which would lead to a deficit of nearly Rs. 60 billion. As Table 1 shows, total expenditure in 1991 will be the lowest expenditure recorded during the post-1977 period and will amount to 28.5 per cent of GDP. Keeping expenditure at such a low level may appear to be a remarkable achievement. But closer examination of disaggregate figures reveals that this is made possible because of reduced capital expenditure (9.0 per cent of GDP as compared with over 10 per cent during 1978-88). This has in turn been made possible due to unspent capital expenditure in the North-Eastern provinces engulfed by the on going war. Thus the govern-

Table 1

Internal and External Balance (as a percentage of GDP)

Fiscal Operations

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	*1990	*1991
Revenue	26.2	23.1	19.9	18.0	16.3	19.2	22.2	22.3	20.8	21.4	18.7	21.6	20.4	19.2
Expenditure	40.4	36.9	43.0	33.5	33.8	32.6	31.1	34.0	33.0	32.5	34.3	31.6	31.2	28.5
Current	23.5	20.9	19.1	17.9	18.5	18.1	16.0	20.1	18.9	20.1	20.7	22.4	22.4	19.5
Capital	12.4	14.1	19.3	13.8	15.6	13.0	13.0	13.3	13.0	11.6	10.3	9.2	8.8	9.0
Deficit	-13.8	-13.8	-23.1	-15.5	-17.4	-13.4	-9.0	-11.7	-12.2	-11.1	-15.6	-10.0	-10.8	-9.3
Foreign Grants	1.6	2.7	3.9	3.2	3.4	2.9	2.1	2.0	2.1	2.4	3.0	2.6	2.0	2.3
Foreign Borrowing	7.5	4.5	5.2	5.7	4.8	5.2	4.2	4.4	5.1	2.9	3.2	2.3	5.4	4.7
Domestic Borrowing	4.7	6.7	13.9	6.6	9.3	5.4	2.6	5.3	5.1	5.8	9.4	5.1	4.5	2.2
Bank Borrowing	0.4	1.2	10.6	4.5	3.7	0.4	1.4	2.9	1.7	1.8	4.6	-1.5	0.3	0.0
Inflation (CCPI)	12.1	10.8	26.1	18.0	10.8	14.0	16.6	1.5	8.0	7.7	14.0	11.6	**19.7	**11.7

External Trade Sector

Current Account	-4.5	-11.1	-19.8	-13.8	-15.4	-12.4	-4.2	-9.2	-9.5	-7.8	-8.7	-7.8	-8.1	-7.0
Debt Service Ratio	15.5	13.0	13.3	16.9	18.6	21.0	17.5	21.0	26.4	28.6	29.9	24.4	19.7	20.3

Source: Central Bank of Sri Lanka, Review of the Economy, various issues and Public Investment, 1990-1994 (PI, 1990).

Notes: CCPI-Colombo Consumer Price Index; *-Estimates;**-Inflation estimated using the GDP deflator (PI, 1990, p. 23). For 1990, according to unofficial CCPI, inflation was around 23 per cent.

ment has been able to maintain the current expenditure as a share of GDP close to 20 per cent — the usual level as in previous years — in order to sustain new expenditure programmes related to poverty alleviation.

Bulk of the current expenditure in 1991 will be allocated to the Ministry of Finance (for domestic payments such as wages, salaries, debt repayments, etc.), Ministry of Defence, and the Ministry in charge of Provincial Councils; the amounts being Rs. 53 bn., Rs. 11.8 bn., and Rs. 17.4 bn respectively. Among others, Mahaweli and Highways will absorb Rs. 5 bn., Power and Energy — Rs. 5 bn., Janasaviya — 4 bn., Education and health — 3.5 bn., Food stamps — 3.5 bn., and mid-day meals for schools — 1.0 bn.

On the revenue side, as Table 1 shows, revenue as a percentage of GDP will remain at 19.6 per cent — very much in line with the trend during the eighties. As Table 2 shows, the composition of the revenue structure has changed markedly during the late eighties in favour of taxes on domestic goods and services compared with the late seventies where high taxes on the external trade sector dominated. Export duties have declined from 42.9 per cent of total revenue to 4.7 per cent of

total revenue over the past decade, and this is expected to decline further in 1991 since export taxes for tree-crops are gradually going to be phased out. With regard to import duties, although they have increased from 16.6 per cent to 29.5 per cent over the past decade, they will decline in 1991 because import duties have been reduced in the Budget. On the other hand, excise tax will increase its share significantly because of the imposition of excise duties on a selected list of both foreign and local luxury and semi-luxury products. Although the revenue composition has changed, revenue growth vis-a-vis GDP has been slow. The Minister of Finance referred to this in the Budget speech and stated that "the low revenue elasticity has been a fundamental weakness in (the) revenue structure which needs correction specially when (the) expenditures are growing rapidly". It is worth noting however that revenue as a percentage of GDP is quite high in Sri Lanka compared with most LDCs; yet the country has to maintain a high level in order to meet the growing expenditures.

Several measures were undertaken to enhance revenue in the Budget. Reforming the indirect tax structure occupies an important position among these measures. The BTT is to be

phased out and replaced by a VAT system. This conversion will take time and require careful study before implementation. Meanwhile BTT rates that were imposed on goods considered to be luxuries and semi-luxuries will be adjusted on the basis of the new excise duties and Provincial Councils will be authorized to collect BTT during the interim period. The proposed changes in customs duty (or rationalization of the tariff structure to maintain four bands below the nominal tariff rate of 50 per cent) will be accompanied with the earlier mentioned new excise duty scheme covering a wide range of goods falling into the middle income basket. Significant net revenue gains are anticipated from all these policy shifts.

There is large scale tax evasion in Sri Lanka. This may be owing to the low taxable income in the country. There are only 143,000 tax payers and 97,000 turnover tax payers in the country. Recent estimates show that the state loses an additional revenue amounting to nearly one per cent of GDP annually by various forms of tax evasions. Recently the Commissioner General of Income Tax said: "It is more profitable for people to delay tax payments and invest that money and later pay the low penalties levied by the department". In the Budget some steps were taken to improve the efficiency of tax collection in the country which the authorities expect would result in additional revenue of Rs. 1 bn. However, it is only one-seventh of income tax revenue expected in 1991. No new drastic measures have been taken to tap some of the black money in the economy which amounts to nearly 20 per cent of GNP. Treasury Deposit Certificates are expected to perform this task.

The disparity between revenue and expenditure explains the deficit which will amount to 9.3 per cent of GDP — a low figure compared with the general deficit pattern during the eighties

Table 2
Revenue Composition of the Tax Structure

	1978/79	1988/89
Tax on Income	11.5	12.9
Tax on Domestic Goods and Services	24.9	46.2
Turnover Tax	10.6	32.5
Excise Tax	14.3	13.7
Taxes on External Trade	59.5	34.2
Export Duties	42.9	4.7
Import Duties	16.6	29.5
Taxes on other transactions	2.6	5.3
	100	100

Source: Central Bank of Sri Lanka, Review of the Economy, various issues.

(see Table 1). According to current estimates in current rupee terms it will amount to nearly Rs. 60 bn. The Budget envisaged that there would not be any bank borrowing (or money printing). Consequently, the deficit will be financed using foreign aid and grants amounting to Rs. 35 bn. and non-bank borrowing amounting to Rs. 25 bn. The non-bank sources will comprise the Employment Provident Fund (EPF), National Savings Bank (NSB), Employment Trust Fund (ETF), Insurance Corporations, and other non-bank public and private institutions. The government will sell treasury bills to these institutions in order to borrow the required sum. In other words, this is called 'mopping up excess liquidity' from the public. Long-term borrowing using Government Securities will be almost nil.

The sum of Rs. 25 bn. which the government intends to borrow from non-bank sources appears to be realizable because 1991 will be a particularly good year in regard to loan maturity in non-bank sources. Loans amounting to Rs. 37 bn will be maturing in 1991 in the captive sources: NSB (Rs. 14 bn.), EPF (Rs. 17 bn.), and others (Rs. 6 bn.). But caution is necessary in interpreting these figures because the required sum of Rs. 25 bn. is purely based on the estimated expenditure and revenue figures. These figures do not mean much because the final outturn of revenue and expenditure can be very different from those presented in the Budget. For example, in 1988 the revenue (including grants) which was estimated at Rs. 51 billion turned out to be only Rs. 48 billion while the expenditure which was estimated at Rs. 73 billion turned out to be Rs. 77 billion.

The revenue targets have usually been met in most years but in some years they are not met owing to fluctuations in the external trade sector. The expenditure targets are difficult to maintain owing to various supplementary estimates (such as defence expenditure). For example, in 1990, 77 supple-

mentary estimates were presented in parliament amounting to a net value of Rs. 8.2 billion — nearly one ninth of the 1990 current expenditure. Thus supplementary estimates play a major role in exacerbating the deficit. If these net estimates exceed Rs. 12 bn. (Rs. 37 bn. — Rs. 25 bn.) in 1991, bank borrowing could take place. An example to elucidate this point will be useful. Defence expenditure for 1991 has been estimated at 11.8 per cent of total expenditure. With the ongoing war in the North it is difficult to imagine that the defence expenditure will remain at the above level when it was 15 per cent in 1990. Thus supplementary estimates may lead to bank borrowing and consequently to inflation. Clearly, the resolution of the Northern conflict is of paramount importance for the desired Budgetary management.

It is vital to note however that the determinants of inflation in Sri Lanka are not confined purely to bank borrowing. If this was the case, then in 1989 when the government was able to repay to the banking system and in 1990 when bank borrowing was almost negligible, inflation should have been low. As Table 1 shows, this was certainly not the case. Import price increases, wage increases, currency depreciation, etc. play a significant role in determining the level of inflation. Moreover, those who have profound faith in the Rational Expectations hypothesis attribute inflation to the prevailing Budget deficits, rather than the current rate of increase in money supply. In overall terms therefore the envisaged strategy in the Budget may not be effective in bringing down inflation to the envisaged level of 11.7 per cent (see Table 1).

Under the circumstances, the most effective way to reduce inflation is to cut down the Budget deficit by contracting expenditure. One way is to drastically reduce conspicuous consumption. The steps undertaken to cut-down fuel consumption of the public sector by 25 per cent will marginally help in

this regard. The public sector restructuring and peoplization programme will also help significantly to curtail expenditure. The funding of Provincial Councils (PCs) may also need some consideration for the purpose of expenditure restraint. In this regard several factors need to be highlighted. PCs have to attract more financial resources from the central government if the functions are properly devolved. And if this is the case allocating large funds for PCs is justifiable. But what appears to be the case is that the PCs have become a drag on the central government owing to overlapping of its functions in several areas with that of the centre. Thus the overlapping expenditure on these councils will have to be drastically reduced. If not the kind of expenditure that is expected to take place in 1991 will certainly contribute to inflation. This is because bulk of the expenditure will be absorbed by defence and PCs which will not lead to any increase in supply of goods but only to expand demand and thus to increase in inflation.

Set against this is the expected increase in supply in the economy from the financial, tax, and tariff reform process. Furthermore, the Janasaviya programme is also expected to increase the supply.

The Rage...

(Continued from page 12)

And another thing. All the pleas of the Arabs and non-Arab to America to keep that Israeli brat under control have fallen all along on those proverbial deaf ears. Until again, Saddam cleared his throat with a missile or two.

And then the frantic telephoning to Tel Aviv. The astonishing self control of the trigger happy Israeli brat that Bush has been able to secure won't certainly go unnoticed from the edges of Morocco to the ends of Cathay. Why couldn't the White House do it all these days? Must America always have a Saddam to keep pushing it?

CAN YOUR FUNDING OPTION GIVE YOU THE FOLLOWING ?

- **TAX CONCESSION**
- **OWNERSHIP**
- **LOW INTEREST RATES**

Lease Purchase Can !

Contact: Shirley Perera
Senior Asst. General Manager
Lease/Lease Purchase & Corporate Finance



MERCANTILE CREDIT LIMITED

**55, Janadhipathi Mawatha
Colombo 1**

Telephone: Direct 422611 or 438471, 438476, 540347

Senior Asst. General Manager

REGIONAL OFFICE:

15A Hill Street, Kandy.

Telephone: 08-24196

Asst. General Manager

CITY OFFICE:

586, Galle Road, Kollupitiya, Colombo 3.

Tel: 500463, 500578, 502144, 500579

Or our Managers through the following

OUTSTATION BRANCHES:

**Anuradhapura, Bandarawela, Gampaha, Jaffna, Kalutara, Kurunegala,
Matara, Negombo, Ratnapura, Thambuttegama, Galle.**

PART II

Democracy and Development

Richard I. Hofferbert

(State Univ. of New York)

Cultural, material, and interpersonal behavioral elements are incorporated into the model. Key, ultimately, to the establishment of democratic practices is the evolution of trust among strangers trust based upon "strong and reliably enforced norms of reciprocity..."

Persons for whom traditional ethnic or family ties exclude all other points of identification, or persons who see life as a zero-sum struggle for survival, cannot develop such trust and confidence in the processes of democratic bargaining — in sociopolitical give-and-take.

My central challenge to the requisites model is: if it were possible to attain by other means the end state individual conditions which the model poses as resulting from economic development, would the results for democracy be just as salutary? More specifically, can policy-makers alter the attitudes and behaviors of citizens through the policy process, even though the country is not as rich as it "ought" to be to move along the road toward democracy?

Tallying of political conditions throughout the world clearly indicates that (regardless of the metric used) some economically rather well-off countries have often not been very democratic (e.g., Algeria or Chile) and some pretty poor countries are fairly democratic (e.g., India). Economic development is neither necessary nor sufficient for democracy.

There must be some other way to get the trust based upon "strong and reliably enforced norms of reciprocity" that Inglehart posits as the key link in the democratic development model. And there must be identifiable factors other than economic affluence that account for the endurance of democratic experiments.

Alas, recent history has provided clear evidence that is no ratchet process in democratic development. Many democratic efforts in poorer countries have broken down. Linz and Stepan provide a simple reciprocal model which guides attention to the performance standards most promising for explanation of democratic breakdown.

Those who recall Lipset's "Social Requisites..." will find the elements of this model familiar. Legitimacy is the widespread belief that the regime in charge belongs there. Efficacy is the capacity of governments to formulate policies dealing with public problems. And effectiveness is the relative extent to which those policies have their intended impact, with minimum negative side effects. I suggest that these concepts are what link trust in "strong and reliably enforced norms of reciprocity" to political institutions.

The broader and deeper the legitimacy; the more inefficacy and or ineffectiveness can be absorbed without serious threat to the democratic nature of the regime. Conditions can get relatively lousy in Britain, Costa Rica, or even Israel or India with no threatening wounds to the body politic. Strange people can be elected in highly legitimate democracies and be tolerated with a collective shrug of the shoulders and a "better luck next time." Comparable conditions in Chile, Greece or Turkey, however, have brought a halt at least temporarily to democracy. The shock-absorbing value system was simply too shallow for the threat.

Zehra Arat has gone further and tested the conditions of democratic decline, with interval scale measures, in a set of 60-125 countries over a thirty-year period (Arat, 1984). She has begun the process of

exploiting the statistical potential now offered by the lengthening line of experience among LDCs. She examines decline in "democratization" scores and the temporally proximate conditions associated with such decline. She employs both cross sectional and longitudinal analyses to test an elaborate model of democratic development and endurance. Consistent with prior cross-sectional work, she finds indeed that democracy is more precarious among the less-well off countries. But, exploiting time series potential of up to 30 years experience among same LDCs, and building on the suggestions of Linz, et. al... she finds decline in democracy scores occur under conditions of economic ineffectiveness, most notably in conditions of high maldistribution of income and of high inflation.

Toward a Policy Model of Democratization

Clearly policy and policy makers are not irrelevant to the dynamics of democratic stability. Arat draws no specific policy recommendations from her analysis. The implication is left, however, that fiscal stability, coupled with steady application of redistributive measures would reduce the threat to otherwise tenuous democracies in rather poorly off countries.

Almond and Powell acknowledged the relevance of domestic decisions in their attention to "political investment strategies" (1966, p. 326). They speculated that different political investment strategies could lead to quite different outcomes in terms of political development. Thus, over twenty years ago, Almond and Powell identified an aspect of political development which suggests that a government's choice of policy emphasis can have a significant effect upon subsequent political developments. As such, this proposition has not been extended nor rigorously examined in the existing empirical literature on the correlates of democracy.

Without time series data on a country-by-country basis, it is unlikely that a reasonable test can

be conducted on any of several alternative models implied by by prior research and/or speculation on the role of policy choices in the evolution, stimulation, or maintenance of democratic processes.

This model says that socioeconomic conditions today affect policy choices ("political investment strategies"), social tranquility, future socioeconomic conditions, and future political conditions. Policy choices today, affected somewhat by yesterday's socioeconomic conditions, also condition tomorrow's tranquility (or the absence of it), tomorrow's socioeconomic conditions, and, both directly and indirectly, the future political situation. In general, we would expect democracy to take root and grow better in socially tranquil conditions. But the "tree of liberty is watered by the blood of patriots", at least on occasion. (E.g., would the Philippines or South Korea be moving toward democracy at their present rate prior without disruptions, demonstrations, etc.?)

The elements of the model to be tested, in a very preliminary fashion, in this paper are those highlighted in the middle, horizontal lines, i.e., socioeconomic development (T_1) → Political Investment Strategy (T_1) → Democratic Development (T_n). The role of socioeconomic disruption and of feedback of policy to socioeconomic development at T_2 must await future time series analyses. Particular attention here is given to the central term, which will be examined as the zone of choice available to domestic policy makers. Economists have labored long over the appropriate mix of policies to enhance economic development (e.g., World Bank, 1988). But current development "theory" provides hardly a hint as to mixes of investment strategies which might yield positive results on the political side.

Research Design, and Measurements

The units of analysis are a random sample of up to 55 (depending upon data availability) less developed countries. The sample

is drawn from the set of countries listed by World Bank as other than "high-income oil exporters", industrial market economies," and "East European non-market economies."

The model hardly contains the seeds of its own operationalization. And only a portion of the hypothesized paths will be examined here. For the hypotheses being tested now, however, a few measures are needed. Most of them are discussed in detail elsewhere, so only a brief sketch will be presented here. Measures are needed for the dependent variable, democratic development, for political investment strategy, and for socioeconomic conditions. More elaborate time series analyses, as well as examination of the role of social disruptions—both called for by the model—must await future inquiry.

Democracy Index. The index of democracy is borrowed from Zehra Arat, who has combined measurement strategies of several scholars, but most notably Kenneth Bollen and Arthur S. Banks. (Arat, 1984; Bollen, 1980; Banks, 1984) Arat's major contribution has been to extend what were formerly single or, at most, two-time indicators to cover several decades, thus enabling her to validate the indicators much more rigorously than have previous scholars.

The Arat index includes weighted indicators of popular control of legislative selection, legislative effectiveness, competitiveness of the nomination procedure, party legitimacy, party competitiveness, and governmental coerciveness. Banks' indicators of legislative and party conditions have been commonly used in research prior to Arat, s. Her incorporation of the governmental coerciveness variable, however, is novel. This element is the residual from a regression between indices of domestic violence and forceful governmental response. Those governments which are most restrained in response to comparable disruptive behavior get a higher score.

The democracy index denotes attributes of institutional performance. The elements seek

deliberately to capture a relatively narrow "liberal" institutional conception of democracy. Not included are indicators of voter turnout and governmental stability. This exclusion is well-argued by Bollen (1980).

Political Investments Strategy. The theoretical gauntlet calling for a systematic investigation of the political consequences of policy choices in newly emerging countries was thrown down over twenty years ago by Almond and Powell. In 1966, when they were writing, the set of newly independent countries had not had sufficient time to provide a record either to guide refinement of policy performance hypotheses or to support a test of those hypotheses. Twenty years later, however, the first steps toward refinement and test can be undertaken. The data string is beginning to fill, in no small part due to the record-keeping and recording requirements of multi-national aid agencies.

In this article, my main focus is on indicators of fiscal priority that is, the percentage of general (i.e., national plus sub-national expenditures on each of six major functional categories (IMF, annual):

- Education, including all educational programs and services;
- Health, including hospitals, clinics, public health, medicine, related research, etc.;
- Welfare, including social security, welfare services, housing and community amenities, sanitation etc.
- General government, including costs for the executive, legislature, fiscal affairs, external affairs and aid, public order and safety.
- Economic services, including aid to industry, agriculture, fuel and energy, transport and communication, etc.
- National Defense, including military forces and equipment, research, training, military aid, civil defense etc.

(To be continued)

Trotsky's morals: the politics of violence

Reggie Siriwardena

On the night of July 17, 1918 in a cellar of a house in the town of Ekaterinburg in the Soviet Union, eleven people were shot. They were the ex-Tsar Nicholas II, his wife Alexandra Fyodorovna, their children — Alexei, Tatyana, Olga, Anastasia and Maria — and members of their household — a doctor, a cook, a footman and a maid. Also the princesses' dog.

During the last two years I have read at least six articles about this execution in different Soviet newspapers and magazines that have come my way (probably there are many others I haven't seen). What was very striking was that everyone of these articles described the event as a "tragedy" or used words to that effect — something that wouldn't have been possible in the years before perestroika.

It has been reported also that the site of the shooting has become something resembling a centre of pilgrimage in the Soviet Union. Why this popular concern about the execution of eleven people seventy years ago in a country where since that time millions of people have died arbitrary deaths? I don't think this phenomenon can be explained on the supposition merely of some morbid curiosity about a sensational event or some surviving monarchist mystique among a section of the Russian people. Confirmation of this fact comes in a sample public opinion poll conducted by the Centre for the Study of Public Opinion in the USSR. Asked whether the execution of the Tsarist Royal Family was justified, 77 per cent of those polled said, No.

It is apparent that democratic opinion in the Soviet Union sees this event as significant for a good reason. The shooting was the first recorded event in post-revolutionary history when innocent people were exterminated

for a political end. Even if one believes that the Tsar was responsible for what are called "crimes against the people", and even if one adds the Tsarina as friend of Rasputin etc., one could hardly hold the children and the other members of the household guilty, not to mention the dog.

Why were these eleven people killed, and who took the decision to carry out the executions?

To the first question, there is an answer which has been widely believed. The shooting took place at a fateful time during the Civil War, when it was feared that if the advancing White Guard armies took Ekaterinburg, where the royal family was imprisoned, the latter would be released and serve as a rallying point for counter-revolutionary forces. This was the argument for killing not only the Tsar and Tsarina but also the children, for it was held by those who took the decision that even one of them, if rescued by the White Guards, could become a symbol of counter-revolution. Why kill the doctor and the servants? Presumably so that no hostile eyewitnesses should survive. Why the dog? Perhaps he was a lapdog of the princesses and therefore incurred revolutionary odium.

I have referred to "those who took the decision" without specifying who they were. On this question the investigating journalists and researchers disagree.

According to some accounts it was the presidium of the regional Soviet which ordered the shooting on their own responsibility. Those writers who offer this version of the events add that the local Soviet at first informed Moscow that the Tsar alone had been executed, and only later revealed that

the entire family had been wiped out. However, other researchers tell a different story — that the decision was taken at the centre, primarily by Lenin himself, and that the regional authority only carried it out.

I tend to favour this latter version — for two reasons. One, that it is highly unlikely that party men on the spot would have made so momentous a decision without orders from the top. Secondly, there is the testimony of Trotsky in his *Diary in Exile*, 1935, which I shall cite below. Trotsky clearly states that the decision was fundamentally Lenin's. As we shall see, Trotsky doesn't record this in order to denigrate Lenin; on the contrary he holds that Lenin was right and that the execution was justified.

However, the question whether Lenin and his government authorised the execution isn't of fundamental importance because they upheld it anyway. In fact, until the last few years all accounts of the execution officially published in the Soviet Union justified it on the ground that it was a necessary measure for the protection of the revolutionary state. That the issue has now become controversial is a symptom of the fact that the ethics of revolution are today a matter not only of intellectual debate but also of heartsearching in the Soviet Union.

Let us return to Trotsky, whose point of view on this question is particularly interesting because he both participated in the Bolshevik regime which killed the Tsarist royal family and was later himself executed extrajudicially by Stalin's agent.

In his last years, Trotsky, who was condemning Stalin's repressions and purges, was accused by Victor Serge, Boris Souvarine and others of not having a blameless record himself. They

pointed to his own complicity in the repressions of the Leninist era — particularly, to his role in the bloody suppression, which he personally directed, of the Kronstadt revolt of 1921.

In answer the unrepentant Trotsky wrote an essay, 'Their Morals and Ours', which tried to draw a line of distinction between the actions of Stalin and those of himself and the other Bolsheviks in the Lenin era. According to Trotsky, the issue is not whether revolutionary action conforms to some absolute principle of morality, whose validity he denies. In Koestler's novel *Darkness at Noon*, the old revolutionary Rubashov reflects in his prison-cell: 'Politics can be relatively fair in the breathing spaces of history; at its critical turning points there is no other rule possible than the old one, that the end justifies the means.' Trotsky holds the same view in his essay, but he adds the proviso: provided the means really lead to the end. In Trotsky's eyes the end — that is, socialism and the liberation of man — is given by the historical process itself, but so are the means — class struggle and revolutionary violence in its furtherance.

"Permissible end obligatory," wrote Trotsky, "are those and only those means which impart solidarity and unity to revolutionary workers, which fill them with irreconcilable hostility to oppression... which imbue them with the consciousness of their historic tasks, and raise their courage and spirit of self-sacrifice."

"Consequently," he went on, "not all means are permissible." Stalin's instruments of falsification, terror and extermination of his opponents were to be rejected because they were a means to the perpetuation of the power of a bureaucratic clique, and their baseness was in keeping with the character of this social group.

I shall suggest later in this paper that the issues aren't as simple and self-evident as

Trotsky tried to make out. But first, I must refer to Trotsky's observations on the execution of the Tsarist royal family.

Trotsky made these observations in this diary in 1935 at a time when not only had he been exiled from the Soviet Union but also members of his family were under attack by the Stalin regime. His daughter Zinaida had committed suicide in Berlin in 1933, partly at least because she had been deprived of Soviet citizenship and was permanently cut off from husband and home. Now Trotsky learnt that the son who had stayed behind, the completely a-political scientist, Sergei (or Seryozha, as he is referred to by the familiar diminutive in the diary), had been arrested. In the diary Trotsky's reflections on the execution of the Tsarist royal family occur in between expressions of anxiety about Seryozha. As Isaac Deutscher has suggested in the third volume of his Trotsky biography, there is probably an unexpressed psychological link between these two circumstances. What Trotsky must have seen as Stalin's vindictiveness against his son must have, consciously or unconsciously, stimulated the surfacing in his mind of the fate of those other children who were killed by the regime to which he had himself belonged.

However, Trotsky didn't recall the killing of the Tsarist children as an appeasement of a sense of guilt. There was no direct personal guilt in any case; he records that he had been away from Moscow at the front during the Civil War, and he was not a party to the decision. Trotsky doesn't state this with any intention of exculpating himself. On the contrary, he reiterates in the diary his endorsement of the action.

Trotsky mentions the fact that the idea of putting the Tsar on trial had been mooted (the historical precedents would have been those of Charles I and Louis XVI who, however one-sidedly, had been accorded the

formalities of a trial before being executed). Trotsky himself had proposed 'an open court trial' which would partly serve a propagandist purpose in publicising the enmities of the regime. One wonders whether Trotsky saw himself in the role of prosecutor: he would certainly have given a flamboyant performance. 'Lenin replied,' records Trotsky in the diary, 'to the effect that it would be very good if it were feasible. But... there might not be enough time... No debate took place, since I did not insist on my proposal, being absorbed in other work.' (Dots in original.)

Trotsky next records his return to Moscow some time later. 'Talking to Sverdlov, I asked in passing: "Oh yes, and where is the Tsar?" "It's all over," he answered, "he has been shot." "And where is the family?" "And the family along with him." "All of them?" I asked, apparently with a touch of surprise. "All of them!" replied Sverdlov. "What about it?" He was waiting to see my reaction. I made no reply. "And who made the decision?" I asked. "We decided it here. Ilyich believed that we shouldn't leave the Whites a live banner to rally around, especially under the present difficult circumstances..." I did not ask any further questions, and considered the matter closed.'

There is one element of this story that needs to be clarified. Sverdlov was evidently doubtful what Trotsky's reaction would be to the news of the execution. I suggest that this uncertainty was due to a fear that Trotsky would react against the execution not on humane but on other grounds. We have to remind ourselves how unprecedented this killing was for a Marxist party at the time. Marxists had always condemned violence against individuals, like the assassination of Alexander II by the terrorists of the Narodnaya Volya, not as immoral but as futile. It was part of Marxist doctrine that one didn't change anything by eliminating

individuals; one had to overturn the system by mass revolutionary action. But what were the principles for a revolutionary party after the seizure of power? It had been accepted that the revolutionary state would need to suppress counter-revolutionary activity by the dispossessed classes. But how could this extend to the elimination of the royal family and their dependents? In 1918 the execution of the Tsar, and — at a pinch — of the Tsarina, might have been defended by Marxists as a punitive measure; but clearly that could not have been said about the killing of the other nine. That may be who Trotsky was surprised — notice, 'surprised', not shocked — to learn that the family had been killed together with the Tsar.

Seventeen years later Trotsky could confide to his diary the fact that Lenin had ordered the execution. But however expedient Lenin may have felt the elimination of the royal family to be, he could not — in the face of the Marxist tradition of rejecting arbitrary violence against individuals — have publicly acknowledged his responsibility. That is why, I suggest, the fiction has been circulated of a hasty execution ordered by a local soviet.

In spite of Trotsky's initial reaction of surprise, he overcame it, for in the diary he went on to say:

'Actually, [the decision was not only expedient but necessary. The severity of this summary justice showed the world that we would continue to fight on mercilessly, stopping at nothing. The execution of the Tsar's family was needed not only in order to frighten, horrify and dishearten the enemy, but also in order to shake up our own ranks, to show them that there was no turning back, that ahead lay either complete victory or complete ruin. In the intellectual circles of the Party there probably were misgivings and shakings of heads. But the masses of workers and soldiers had not a minute's doubt. They

would not have understood and would not have accepted any other decision. This Lenin sensed well. The ability to think and feel for and with the masses was characteristic of him to the highest degree, especially at the great political turning points...'

This passage from the diary should disturb those naive admirers of Trotsky who have formed an image of him as a great humanist. It shows that in relation to those he thought of as the class enemy he could be just as ruthless as anybody else — a fact that is fully borne out by his record at Kronstadt or in the Ukraine during the Civil War. In fact, his condescending reference to the party intellectuals who might have had misgivings over the executions is fully in keeping with his sneers at Serge and Souvarine during the debate with them over revolutionary morality in 1937-38.

(To be continued)

LTTE...

(Continued from page 5)

the air. Sympathy for the Tigers, the government claims, is beginning to fade. It will have to fade much more before the Tigers' days are numbered.

Meanwhile, the government has little choice but to continue fighting. The Tigers demand independence in all but name for a north-eastern state. They want the government to accept their call for Tamil (meaning Tiger) self-determination. They also want it to agree that the northern and eastern provinces are the "traditional homeland" of the Tamils (even though non Tamils make up at least half the population in the east), and to allow a separate Tamil army. "These aren't conditions," says a senior Tiger leader puzzlingly. "They are basic problems."

The government has decided it will henceforth talk to the rebels only if they agree to sign a declaration that unauthorised groups should not use or possess arms. It also wants to negotiate face to face with the Tigers' supreme commander, Velupillai Prabhakaran, who does not make a habit of appearing in public. The chances of these conditions being met are slim. Some 4,000 civilians may have been killed in the past six months, and hundreds of thousands more are refugees inside their own country. There could be more misery to come.

(ECONOMIST)

REQUIEM

*The wind too, an actor of this afternoon
Pursuing its old pathways on this hill
Pushing gently the soft fluff of grasses
Bleached white and released for Renewal.
The wind pauses, veers and stirs
Lichens on stone, wild buds.
Bright feathers flashing while guns pause,
Flutter also this toppled, scarecrow sleeve
Blood soaked, but not quite crimson. Another actor
Face down as if in veneration before the Priest,
(Who said his cause was just).
No Renewal here. Mongooses lurk
Who saw him play his part,
Earlier on. Now the sun drops,
And the wind scurries to scatter,
Where war rolls ahead, foul smoke,
To Replace these bitter smells,
With sad, familiar, scents
Lost on that toppled form.*

U. Karunatilake

Indo-Sri Lankan Economic Cooperation

Since his taking over recently as High Commissioner for India in Sri Lanka. His Excellency N. N. Jha has, of late, emphasised upon economic-cooperation between our two countries, presumably also as a means in achieving broader friendly ties between the two countries. Mr. Jha's pronouncement must be taken in all seriousness, as he is reported to be the architect of several Inter-country Economic arrangements, many of which are reported to be successfully working to the benefit of the countries concerned. The highly successful Indo-Kuwaiti Fund, which was very active until the interruption by the Iraqi invasion, is one of them.

One area in which Mr. Jha has focussed in his several public addresses is the area where he sees potential in both India and Sri Lanka engaging in two-way trade, without incurring Foreign-Exchange expenditure. This can be done by exploring the possibility of selling into India what we are constrained in selling elsewhere and items in which, nevertheless, there is a market in India. Payment of these sales can be realised by Sri Lankan purchases of vital items for which we would have to pay in hard currency, if these were to be imported from elsewhere.

Perhaps the Coconut Industry, which is in some difficulty now, in relation to its 2 main Exports viz: Coconut Oil and Desiccated Coconut — can be a beneficiary if both Sri Lanka and India can put Mr. Jha's proposals into early practice. India produces very little of both items while her requirements of Desiccated Coconuts for the Manufacture of Biscuits and Chocolates — considering its vast 800-odd Million population — is somewhat limitless. India has reason to claim rapid growth of its Middle-class as a consequence of India's growing economic prosperity and it is this class that will be the

target-market for these 2 items. The world demand of Desiccated Coconut is in the region of 150-175,000 tons annually and the traditional Desiccated Coconut producing countries Sri Lanka, Phillipine, Cameroons, East Africa the South Pacific region — all combined produce sufficient D/C to meet this demand. Malaysia and Indonesia, in the past few years, have become significant Exporters of D/C and have made steady intrusions into the traditional markets of the earlier producers named above. The situation today is, under normal weather conditions and with the added producing capabilities of both these new entrants, the world will have much more D/C than required. Consequently, producing countries all over will suffer depressed prices. As such, it would appear that examining the possibility of selling 10-20,000 tons of D/C into India will be welcome by Sri Lanka, which produces 40-50,000 tons annually and can market about 20-30,000 tons with ease to our age-old, buyers. From India's point of view they can enhance the Quality of Life of their people and particularly their growing Middle class, without straining their own Foreign-Exchange expenditure. One must remember here that India has in the form of the 20th century Biscuit Company — Asia's largest Confectionery producing Company.

There is considerable demand for Coconut Oil in India. Due to Foreign Exchange considerations imports there are drastically reduced. The State Trading Corporation of India does, however, enter the world market periodically for her Coconut Oil purchases. Sri Lanka has been one of her regular. If Mr. Jha's proposals can be given effect to I see good potential in increased and regular Sri Lankan Coconut Oil exports, which is presently almost dependent on an uncertain, single (Bangladeshi) market. Some un-

expected buoyancy to the Coconut Industry via large exports of both Desiccated Coconuts and Coconut Oil to India will inject a badly-needed booster to our ailing Coconut Industry.

Rubber is yet another item which can play an important role in this proposed two-way trade. Sri Lankan's quality and performance is recognised and respected in India, who has been a regular user of Sri Lankan Rubber, though in marginal quantities.

If India can be persuaded suitably we can also re-capture the market for Sri Lankan Cloves there. Between 1980-83 the local market of Cloves oscillated between Rs. 200-300/- per kilo when the U. S. Dollar fetched much less than now. The Sri Lankan Clove production sector (Annual production 1,500-2,000 tons) can benefit immensely under this scheme. The reason for India taking Cloves off their OGL Scheme, which hitherto permitted the inflow of 500-1,000 tons of Cloves into India annually, is believed to have politico-economic undertones demonstrating the state of health of the relationship between New Delhi and Colombo at various points of time.

India can give us badly needed Transport Equipment, Pharmaceuticals, Chillies etc under this scheme of economic cooperation.

Clearly Mr. Jha is extending his hand of friendship to overcome, in the words of his earlier predecessor the erudite Lankan Lal Mehra, who described that India's centuries old friendly relationship with Sri Lanka "there are times when one has to wade through muddy pools of water" I do believe we must extend our hand in response to Mr. Jha in the friendly spirit in which he is attempting to reach us.

A. Kandappah



Black Knight
It's your move

**To Provide Financial Security to your
loved ones**

JOIN THE

BANK OF CEYLON

CHILDREN'S SAVINGS SCHEME

***Give your child one of the most important things
in life —***

Financial security for a stable future.

If you have not, it's time you thought about it.

Your savings today is your child's security tomorrow.



BANK OF CEYLON

BANKERS TO THE NATION