

SEX

How Engels dared to tread

— *S. Pathiravitana*

LANKA

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TRENDS

Split in LTTE?

Rivalry within the LTTE was the cause of the February 10 bomb at the Jaffna Hospital, according to military and government sources. Prabhakaran had been favouring Pottu Amman, the Tiger intelligence chief, to the annoyance of Mahattaya, the supreme's deputy, and the bomb was meant for Mahattaya, a military spokesman told the weekly press briefing.

When it was suggested by a journalist that it would be more logical if Mahattaya had tried to eliminate Pottu Amman, cabinet spokesman Ranil Wickremasinghe said that Pottu Amman may have been attempting to consolidate his position.

Question: could it be a third force, RAW for instance? Neither the military nor the government was aware of a third force.

Mahattaya was due to visit the hospital on that day but did not do so. The bomb injured two others; one died.

PM unaware

Prime Minister D B Wijetunge told Parliament in answer to a question that he was unaware that employees of Lake House had requested a "peoplisation" of that institution. A second question asked by Mr Nimal Siripala de Silva (SLFP) was whether the Prime Minister would take steps to peoplist Lake House in keeping with government's policy of "peoplising" (privatising) state institutions. That, Mr Wijetunge said, did not arise.

Briefly . . .

Death toll

Documents seized by the army in Operation Vanniwickrema III at Vavuniya have revealed that the the Tigers lost 5,000 fighters since 1982. This figure excluded the 'baby brigade' and special task operatives, an army spokesman said.

Security forces destroyed three LTTE bases in the ten day operation. Twenty four light tanks were used for the first time.

Police join army

Sixteen thousand policemen have been deployed in the north-east to supplement the army fighting the LTTE. The police will man areas cleared of Tigers by the army.

SLFP joins in

The SLFP Central Committee has decided to join other Opposition parties in future in their protest campaigns on issues such as cost of living, privatisation, human rights, unemployment, waste and corruption.

TUs demand bank probe

A joint trade union rally demanded a parliamentary select committee probe into the "bad debts" of the two state banks running into billions of rupees. In addition to the Ceylon Bank Employees' Union the trade unions at the rally represented the SLFP and all Left parties.

PM to bank union

Prime Minister and Finance Minister D B Wijetunge has written to Ceylon Bank Employees Union President T R Siripala that the government will not convert the two state banks into companies under the Companies Act.

What the government will do is: "Provide the necessary autonomy and flexibility to enable the two State banks to conduct their business operations by suitably amending the Acts of incorporation".

Probe estates

The Ceylon Estate Staff's Union has called for a probe

into the causes of the huge losses of the state plantations. "We are not out of times to request the appointment of a commission", says union president Kingsley R Robert in staff News, the union journal.

Change in climate

Mr Lalith Athulathmudali, one of the leaders of the Democratic United National Front (DUNF) told a public meeting at Polonnaruwa that there was now a complete change in the political climate after they had left the UNP government six months ago.

"We assure you that we will not allow the government to take the country into another reign of terror or to recreate bogus JVP violence. We will not allow it to shroud the whole country in fear which we have removed in six months", he said.

Explaining the significance of the new party's symbol, the eagle, Mr Athulathmudali said that political observers were of the opinion that the DUNF will be the most powerful party within a short time and would capture power in record time.

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THE COMING CRUNCH

Mervyn de Silva

The Sri Lanka Aid Group meeting in Paris was a major victory for the Premadasa administration but only because it was a serious setback for the Opposition, especially the 'dissident' UNP breakaway group now known as the DUNF. Along with the SLFP, and some Left parties, strongly supported by several NGO's, all closely linked to the "punish Premadasa" camp of some European and Commonwealth donors, the DUNF felt certain that this campaign would result in a major aid-cut. The weapon of course was "Human Rights".

While this campaign did create an unfavourable climate pre-Paris, the World Bank-and-IMF argument that Sri Lanka's overall performance in response to the "structural adjustment" program, was satisfactory and encouraging, carried the day. In this, the US, the sole superpower, played an important supportive role... in keeping with its own strategy of global economic integration. The IMF and the World Bank are NOT creatures of the US government but American influence is increasingly all-pervasive. Which is why the 'new' Russia has expressed a desire to become a member.

Precisely because Sri Lanka has received the aid, the government must now push through the economic reform program even more resolutely. And that will bring in its wake new **political** troubles. Or more accurately: trade union pressure. But the trade unions in these areas are party-controlled or politicised. I refer to the banks and the plantations, the tea estates primarily.

The political-propagandist onslaught on the government, with

the impeachment motion as the climax, and the overthrow of the Presidency as the objective, failed in its over-ambitious maximal aims. It is no longer possible for the "dissidents", now out of parliament and party, to plan a re-run of that particular scenario.

The battleground cannot be Parliament. It has to be extra-parliamentary. It cannot be planned or led by **one** oppositional force, not even the SLFP, crippled by internal conflicts and demoralised by Mrs. Bandaranaike's illness. The second assault has to be of a different kind, perhaps extra-parliamentary but not necessarily with a clear political aim. It has to be a combined assault, led by an alliance, perhaps *ad hoc*, of party and non-party forces.

The events of the past month have created a new situation. In the current scene, the economic has edged out the familiar political, and the trade unions have been re-activated, particularly the bank unions. Even the weather has made a contribution, the drought in the south. The battle fronts are the State-owned banks and the plantations, two strategic sectors. On both, external rather than internal agencies have been dominant... the IMF and World Bank. Privatisation and commercialisation are the recommended IMF-IBRD remedies. Economic "rationalisation" is another word for cutting the fat from a swollen labour force. That means lay-offs — an irresistible invitation to trade union agitation, and action. That certainly is the prevailing mood in the State-run Bank of Ceylon and Peoples' Bank.

NEWS
BACKGROUND

Already a nervous management has issued denials, and re-assured a restive trade union leadership.

In the plantation sector, the agitational cry is the perhaps more dangerous anti-Indian, anti-Tamil, anti-Thondaman slogan.

In the plantations, still the island's main exchange earner, the economic merges into the ethnic, a deadly mix. Just the news that Indian firms like Birlas and Tatas would bid for management contracts brought forth a hysterical warning yell from the SINHALA DEFENCE LEAGUE. It would be another "EELAM", a MALAYNADU, a mini-state under the control of the big neighbour. Interestingly even the supposedly non-communal liberal DUNF, the favourite son of several foreign missions, could not resist the temptation to join the anti-Indian chorus as a continuation of the anti-Thonda campaign launched when Minister Thondaman announced his "peace mission" to Jaffna and talks with LTTE supremo Prabhakaran. (Thondaman of course made the tactical blunder of also announcing his plan for a negotiated settlement).

The drought-hit country tea estates are in the south, the old J.V.P. terrain. Recently Plantation Industries Minister Rupa Karunatileka met a deputation from the Private Tea Factory Owners Association. The PTFOA warned the minister that about a million people rely for their livelihood directly or indirectly, on this industry. 110 factories have been closed. Low grown tea, produced in about 300 factories, always enjoyed a steady market in the Middle-east and the Soviet Union. One of the largest buyers was Iraq. UN sanctions had restricted

Iraqi purchases, though Jordan was buying more.

Quoting a Treasury official, Reuters reported:

"Sri Lanka's cash-strapped economy will be in serious trouble by the middle of the year if tea prices continue to fall and drought persists. . . . we will face a severe cash crisis in June. . . the government would spend between 300-400 million rupees on drought relief and connected items. "A similar amount would be lost in production shortfalls in tea, rubber and coconut. In Privatisation of course is a crucial item in the structural reform program. The Bank representative at the Paris meeting said:

"Another major component of the Government's reform program is its commitment to privatise all commercially-oriented public sector activities. A good start was made in 1990-91 with the privatisation of a number of industrial enterprises and the bus companies, and the process is continuing in 1992. Fast privatisation is required if the twin objectives of reducing the fiscal deficit, and encouraging private sector expansion are to be achieved in the near future. Important tasks ahead include expeditious action to privatise not only the remaining manufacturing enterprises but also enterprises in the service and trading sectors. . . . A special case of the need for increased private sector participation, because of both its economic and social impact, is the publicly-owned tree-crop sector where the government has decided to enter into contracts with private enterprises for the management of the estates. The estates are currently generating large losses, and are an important source of the losses of the Government-owned commercial banks".

Thus the plantations-State banks linkage. The World Bank **"understands the political sensitivity" but warns that the international experience with this approach of private management contracts" not not been "successful" where**

the ownership has remained in the State sector.

The Bank is also concerned about the "costs of the civil conflict". The most obvious economic cost include: "foregone production, and loss of physical assets, increased military expenditures, and lowered investments as investors lose confidence".

Another basic aim of the 'structural adjustment' is public sector reform, meaning reducing staff. The agencies were glad about the 10% reduction through voluntary retirement with generous severance payments. But more cuts are urged.

On the banks, the Prime Minister (Finance Minister) provoked a heated controversy when he used the term "insolvent" in relation to the 2 banks, Bank of Ceylon and Peoples Bank. In a strongly worded statement, the Bank Employees Union, President, Mr. T. Rusiripala challenged the official statements and condemned any attempt to reduce staff. When a Union delegation met the Prime Minister, Mr. Wijetunge stated:

"At the discussions the Prime Minister assured the Union that the government at no stage decided to convert the two State Banks into Companies under the Companies Act. The government's intention is to commercialise the two State Banks and strengthen them by providing additional capital and also to meet the loan-loss provisioning requirements in terms of the Central Bank's guidelines and or in terms of international banking standards.

The Prime Minister indicated to the Union delegation that this was what he precisely stated in his statement to Parliament. He regretted that various disgruntled elements are distorting the actual position and trying to mislead the people and also the international community. He assured that the bank employees need not have any fears with regard to their future. What the government proposes is to amend the two Incorporating Statutes of the two State Banks and provide operational autonomy so that

the banks could compete on equal terms with the other commercial banks and render a better service to the people."

The Ceylon Bank Employees Union Delegation requested that they be consulted before the amendment to the law is finalised to which Prime Minister agreed. The Ceylon Bank Employees Union expressed their appreciation of the steps that are being taken by the government and assured the Prime Minister their fullest co-operation to the government in restructuring and commercialisation of the two state banks.

The SLFP however has demanded an independent Commission to inquire into the affairs of the two banks.

The Sri Lanka Freedom Party is to demand that a Special Presidential Commission be appointed to inquire into the affairs of the Bank of Ceylon and the People's Bank which are currently at the centre of a controversy over insolvency and restructuring.

The SLFP will also demand that the commission should hold this inquiry in public, that the offenders be identified, their identities and conduct made public and that they be at least deprived of their civic rights, for the purpose of cleansing public life and as a deterrent to others.

In all recent statements of the main Opposition parties, these 3 issues (privatisation and retrenchment, banks and plantations) figure prominently, just as these have become slogans in protest demos of the Opposition and the unions. As the old-fashioned Sri Lankan "socialism" (State capitalism-cum-social welfarism) is being dismantled, weather gods contribute to a marked change in the political weather. Mr. Premadasa has survived the impeachment, and there is no personality strong enough to challenge him but the pressures released by "structural adjustment" puts the Presidency under attack from diverse, but sometimes overlapping social-political forces.

The Generals speak

The primary internal security force is the 25,000 person police force/which includes 2,000 police commandos in the Special Task Force (STF). The para-military Home Guards, charged with providing security against LTTE attacks for Muslim and Sinhalese communities in the north-east number about 8000-10,000. Except for Muslim Home Guard contingents, security force personnel are overwhelming Sinhalese. The Sri Lankan army has carried the brunt of the fighting with the LTTE. The continuing need for larger forces to prosecute the north-east war and severe budgetary restraints have resulted in substantial numbers of army troops being poorly trained and inadequately armed and equipped.

(U. S. State Dept. annual report on S. L.)

The Sri Lankan armed forces have 'come of age' is the conclusion of an Indian analyst S S Mishra, whose brief assessment appears in this issue. It is not simply the professionalism that has seen a marked improvement. Nor the use of a more modern and sophisticated weaponry, now more freely available to the services. It is the total approach to the internal conflicts, and its overall impact on Sri Lankan society, the political nature of the armed revolt, and its external entanglements. The following are excerpts from interviews published in the SUNDAY OBSERVER, and the SUNDAY TIMES.

Gen Hamilton Wanasinghe JOC Commander

Q: The widely predicted Jaffna operation is seen by defence analysts as the ultimate testing ground of the Lankan security forces. How well prepared are your troops for the big push to Jaffna?

A: We are always ready for war. When the appropriate time

comes, you'll see how well prepared we were.

Q: As you prepare for an inevitable confrontation, you must be concerned about the operations of the enemy intelligence. Does the LTTE know what to expect?

A: The LTTE knows what we have and what we're capable of doing, and it knows it can't match us when it comes to a conventional war. Therefore they may go to the extent of trying to delay our push to Jaffna. The LTTE will not be able to thwart our movements but the Tigers can delay us by building defences and obstructing our path.

Q: The population in the Jaffna peninsula is estimated to be around one million. What steps are you taking to minimise civilian casualties?

A: We have already warned the people to move into safer areas and take refuge in schools, kovils and churches. We have given uttermost importance to making sure that the civilian casualties are minimised. We don't ask them to move out from the peninsula but the people can move out to safer areas within the peninsula.

Q: What would you do if the LTTE decides to use civilians as a human shield?

A: Well we will not attack but wait. The LTTE can't go on keeping a human shield. Just by winning the war, the problems will not be solved. At the end of the war, we want the people to be with us and say these are our security forces. I've instructed the troops to treat the civilians kindly.

Q: What special advices have you given the civilians to prepare them for a war situation?

A: We use a special radio transmission and air drop leaflets to keep them informed of what

is happening. We've told them not to panic but move into areas designated by us.

Q: Do you expect the troop casualty rate to be very high?

A: In a war we've to expect this. Since a large number of troops are going to be involved in the Jaffna operation, the casualties will be high but we'll do our best to minimize it. We hope to conduct the operation phase by phase and with maximum care.

Q: What do you hope to achieve through this operation?

A: Our aim is to establish law and order and get the government machinery functioning in Jaffna. We also want to free people from the tyranny and the shackles of the LTTE.

Q: Who is in charge of planning and controlling the military operations?

A: The overall strategy is planned by JOC with the support of the three service commanders who plan and execute the operations through the divisional and ground Commanders.

Q: Do you have full political backing for your operations?

A: We don't execute any operation without the political approval. War is a continuation of politics by other means. We've received formal approval for our operations.

Q: How do you estimate the LTTE?

A: We reckon the LTTE as the best guerrilla organisation in the world with the best training and discipline.

Q: What is your opinion about Prabhakaran?

A: He has proved himself to be a capable man who is leading the LTTE in the battle against the security forces since 1983.

Q: If Prabhakarn agrees to lay down arms, give up his struggle and show a willingness to join the troops with his cadres accepting the Sri Lankan army as the only national force, would you accept him?

A: If he is willing to change, why not?

Q: Will you call for the backing of other Tamil groups for the Jaffna operation?

A: Yes Groups like the PLOTE and the EPDP help us. We will use them to move the civilians into safer areas. Any group which is willing to help us can do so because this is a united effort. The entire country must support this effort.

Q: In what way can the country support the military?

A: The people should forget their differences, political or otherwise. I appeal to people to gather around their leaders and make a united effort to find a lasting political solution. If there's a political solution we'll call off the operations and lay down weapons tomorrow. As I always say, the sky is the limit if we all get together.

As for the military effort, I feel that the country is already with us. There's no dearth of sons and daughters of Sri Lanka wanting to join the security forces to defend their country

Q: When the Jaffna operation is finally launched, will the people know the correct picture?

A: We'll keep them informed just like the allied forces did during the Gulf War.

Q: Do you think Prabhakaran can be captured alive?

A: No. He'll never be caught alive. Probably he'll take the very famous cyanide capsule.

Gen. Denzil Kobbekaduwa

Q: The talk in Colombo is that your objective is expansion?

A: It is a part of it, we have made that very clear. We went up earlier but we left this area alone, hoping that there would be a build-up. We know that there are certain camps in this area. Just now we have overrun Vicky base which is just off Shastrikulankulam.

Q: How far would that be from your defence line?

A: Five kilometres away.

Q: Have you gone to Shastrikulankulam before?

A: Yes we have been to Shastrikulankulam before, but we have never been to Vicky base before. We are trying to get more information really. Right now we are consolidating and in the afternoon before darkness we will search the place to find out logistics of the camp. There have been some re-inforcements of the LTTE coming into take their casualties away, but they have been engaged by artillery and air force.

Q: So basically it is a case of going forward and then coming back?

A: I didn't say pull the troops back. You see the FDL is a way of clearing forward areas, for expansion later on. So when you are going to expand what we are going to do is something you will see later on. To expand the FDL is no problem and if you give us three days we can go to Sinnathambany, go across to Kullipankulam and put the troops down, that is a simple matter. But the development work takes some time to really settle down. By having a large amount of ground the development can't take place, I think it is much better to keep troops on the ground for the offensive rather than to hold ground.

Q: What happened in your last operation?

A: In the last operation we were looking around, to see how they were performing and what they would do. There are certain areas that we could go into, like what

we did today. It's the same operation but we did something else, to get the troops back again on the offensive. We waited to see whether they would take us on the flank and they did, so we knew that there was something in the North, so it merely confirmed our information. So we succeeded in the last one by getting the information that we wanted.

Q: In the present operation how many Tigers do you think are in the area?

A: No comment on that. I can probably tell you later on but not right now.

Q: Now today's operation and the last two days' operation is it the same thing that is going on?

A: Oh yes.

Q: Are you really moving into Jaffna as the papers keep saying?

A: There is no way I am going to tell you what we are going to do, and where we are going to do it. But, the North is north from the FDL forward, the area where we are operating in. Whether it be Jaffna, Mannar, Mullativu, it is not information you will get from me, a military officer, or from the Government either, I don't think they will ever talk about that. As a generic term they may speak about what we are going to indicate the political picture, other than for that I don't think you can get anything else from us really I can't comment on that.

Q: How long do you think it will take to develop the areas behind the FDL?

A: So many factors come into it. Whether the money is available, the resources have to come forward, the people have to come in and start the reconstruction of their houses. We have to rehabilitate them to get on with their economic life. In the Mannar island where fishing is the economic life, a lot of people want things like boats which have been damaged. The ministries are giving the necessary assistance within the controlled areas, but all these factors have

to be taken into consideration. How long does it take to build a road, it's an on-going thing. I don't think they can keep up with the directives given at the moment. It is a good thing that the directives are given so that we would know at the end of it really how long it will take to rehabilitate and reconstruct this area.

Q: Why did it take so long in Nellunkulam?

A: It only came under the controlled area in December. The LTTE may not have been there but it came under the controlled area only in December, and the GA had to get the people back and start rebuilding. So it has started. There are villages functioning in the non-controlled area. You have villagers functioning anywhere even in the North, but it does not mean that things have come back to normalcy. The damage to buildings in Vavuniya has been high. Some of those buildings have been damaged in 1985, especially those along the Nellunkulam road. Now people are coming back.

Q. In the refugee camp at Neelankulam one refugee said that they were caught between the devil and the deep sea.

A: That is a temporary period. They can go to their fields but they can't go to their houses. But we have refugees flowing in to that camp from Madhu. Therefore, I don't see that point you are talking about.

Q: While there is a military offensive going on what do you think of a political solution?

A: That you have to ask the Government. It is the strategy decided by the Government that we are going on.

Q: So far when the Government has asked you to stop the war you have stopped. Is that what you will do even now?

A: A government decision is a government decision. It is the country's government, and we have to obey.

Q: What is your present operation?

A: Wannu Wickrema three, which is an offensive operation.

Q: Can you explain your hearts and minds operation?

A: It is a simple strategy — one is that you fight the LTTE militarily to destroy them, and keep up the pressure to flush the LTTE out. The other thing is to win the hearts and minds of the people who are totally innocent of this. There may be sympathisers or people who are forced to believe that the LTTE is strong and the only people who are their protectors. So one is that you safeguard the people, win them onto our side, the government side, and to ensure that the minimum amount of casualties are sustained by the civilians.

Lt. Gen. Nalin Seneviratne, Governor N-E Provincial Council

Q: A full-scale military operation in the Jaffna Peninsula is being widely predicted. Do you think the troops should take on Jaffna?

A: If I were to talk in military terms alone, I think we should go for Jaffna. But the final outcome has to be a political solution. If I were in charge, I would have sought clarification on the political limitation and work within them. Even the two world wars were carried out according to political guidance.

Q: Taking into account the vast population and logistical problems, could you still say a crack-down in Jaffna is possible.

A: There are different methods and tactics through which we can crush the LTTE without harming the civilians. I retired from the Army in 1988, so I'm not fully conversant with the capabilities of the enemy. The LTTE can't take on a national army in conventional warfare. The security forces can smash all the Tiger defences.

Q: By delaying the military push to Jaffna, do you think the LTTE

will have time to prepare for a counter-attack?

A: In a conventional war, every day counts. The enemy can use each day to improve the quality of its fighting strength, prepare strong defences and all other aspects of war. Militarily speaking, we should give them the least possible time, but we also must take the political constraints into consideration.

Q: At a time when the troops claimed to have broken the back of the LTTE, do you think the government must invite the LTTE for peace talks.

A: From what I gather, the LTTE will now favour a ceasefire or a political dialogue. If the outcome is good the government will consider these options. As I said, finally it will only be a political solution which would bring peace. The military may crush the LTTE. But in another 10 or 20 years the problems will crop up again. Therefore we must tackle the problems after the military has contained the LTTE.

Q: Do you believe that the people in the North and East will be able to return to their homes and live peacefully in the near future?

A: The bullet can't rule forever. Certainly there's a ray of hope for peace. As soon as the areas are cleared the government machinery must move in to reap the best results and to establish normalcy. We're already doing this in many areas, including Vavuniya where more development is taking place now than in the last 20 years. We have done more than just achieving our objective.

Q: But if the LTTE favours a political dialogue right now, why is it continuing ambushes where more than 100 soldiers have died this year?

A: Those are guerrilla tactics. Till there is a political platform on which the problems can be solved, any war will go on. But I feel the government and the military are working closely to bring a lasting solution.

Gaining the upper hand

S. S. Mishra

In recent times the Sri Lankan military has carried out a series of successful campaigns against the Tamil Tigers who have been locked in a violent conflict with the state. In this context the latest revamping of the Sri Lankan armed forces with new changes at the top of the military establishment is noteworthy. The government has reconstituted the Joint Operations Command (JOC) in a bid to adopt a more aggressive and better co-ordinated military strategy against the Tamil Tigers in the north and east of the island. President Premadasa has appointed the last retiring chief of the army, Lt Gen Hamilton Wanasinghe as the General Officer Commanding the JOC. In his place, Major Gen Cecil Waidyaratne has taken over the command of the 77,000-strong military. These developments indicate that the present regime is intent on a full scale offensive against the Tamil guerillas.

The recent military successes of the defence forces against the Tamil Tigers have emboldened the army which has managed to advance towards the Jaffna peninsula. In this context, "Operation balavegaya" launched in July last is a positive development for the military, in the sense that the operation to rescue the 800-odd soldiers trapped in the Elephant Pass army camp proved to be a serious setback to the Tamil Tigers.

Nonetheless, the success cost the Sri Lankan military dear, as it mobilised its maximum resources in the battle for this strategic military camp situated on the causeway linking the Jaffna peninsula to the rest of the island. In this battle, the army sent an 8000-strong amphibious force backed by full air cover and artillery forces. But being confronted with the positional war-

fare of the Tamil Tigers, it took a long and bloody battle to reach the camp. In the final analysis, the Elephant Pass battle gave the military a much needed boost to its morale. Coming as it did in the wake of a sort of military stalemate in the war against the Tigers which began in June 1990 and long after the brutal suppression of the Janata Vimukti Varamuna rebellion in 1989-90, this victory has helped to renew the strength and vigour of the armed forces.

The success of military operations has been possible largely due to the complete involvement of the defence forces and the total commitment to their mission. This is evident from the growth of the national defence fund with donations from the armed forces' ranks. On his part, President Premadasa seems to be well-disposed towards the military as he has been liberal in meeting the periodic demands of the armed forces in terms of arms and ammunitions. For instance, in the recent past, the government has imported a dozen 150mm artillery pieces, six jet-fighter bombers, 43 armoured vehicles, and three Shanghai-class patrol boats from China in order to meet the LTTE threat.

The army has also been given a free hand in its operations against the Tamil Tigers. In exchange, the military has been faithful to the present regime. For instance when the president faced rebellion from a section of the MPs, the army stood by him, expressing full confidence in his leadership.

In this light, there is a lurking fear in political and bureaucratic circles that the ever-growing role of the military, may result in a gradual erosion of democratic culture, culminating in a military takeover.

Since 1983, the ethnic conflict has mounted in such a way

that there has been a massive increase in the defence expenditure. The relentless pursuit of a 'military solution' to the ethnic conflict by successive governments has been largely responsible for this and has seriously curtailed the economic growth of the country. According to an estimate, between 1983-1987 Sri Lanka imported over \$95 million worth of military equipment of which \$40 million came from China, which has been its biggest supplier of arms. The enormous expenditure in the defence sector has caused serious socio-economic problems.

Though the military expansion has been massive in nature, there is a lack of corresponding professionalism and discipline in the armed cadres. Moreover the ethnic character of the armed forces is predominantly Sinhalese and has contributed to it being viewed with distrust by the Tamil populace. Even during the suppression of the JVP uprising the brutal and ruthless operations of the armed forces led to a complete erosion of their general standards. This has been well documented by Amnesty International and other human rights organisations in their indictment of the Sri Lankan military.

Against this backdrop, the 77,000-strong military celebrated its 42nd anniversary last year. Boosted by the recent military gains, the army has further embarked upon an all-out final assault on the Jaffna peninsula. This current offensive against the LTTE is intended to weaken the outfit's military and political machinery, impair its mobility and cut off its political stronghold in the Jaffna peninsula from the mainland north and east and to bring the area of contest under government control. Hence the latest military operation code-named "Operation Valampuri" in its initial stages saw the well co-ordinated capture of the little

(Continued on page 24)

The writer is a wellknown Indian writer on defence matters.

Extradition of Prabhakaran

India has NOT asked for the extradition of LTTE supremo Velupillai Prabhakaran. Even if Delhi had asked for his extradition, Sri Lanka could not oblige since the LTTE leader was not in Sri Lankan custody. Even if Prabhakaran had been in our custody, Sri Lanka could not extradite him since there was no India-Sri Lanka Extradition Treaty said Mr. Harold Herat, the Foreign Minister at a press briefing.

While there is a treaty binding all Commonwealth countries, the procedure is complicated and time-consuming. The process could be "shortened if India enacts the SAARC convention

on terrorism and makes it an Indian statute explained Mr. Herat. When Sri Lanka asked for Mayor Alfred Durayappah's killers in 1975, Delhi had refused. Sri Lanka didn't seek extradition after that. This was true of Kittu in Switzerland. Though the UK had expelled him, the Swiss government refused to hand him over to the Sri Lankan authorities.

India has now asked for statements made by some LTTE militants to be recorded by a Sri Lankan court so that such statements may be used by the Indian High Court that is now

hearing the Rajiv Gandhi assassination case.

In the case of Prabhakaran, the issue is academic, say S.L. officials since neither the Sri Lankan nor the Indian army has been able to capture him.

The Sri Lankan A.G. has been asked by the government to have certain LTTE men now in custody produced before a judge and have their statements recorded. Material connected with the assassination, Prabhakaran and his intelligence chief Pottu Amman which could help the Indian Court is likely to be passed on to India.

Ostrovsky jubilant

Thalif Deen in New York

Victor Ostrovsky, the ex-Mossad intelligence agent who first revealed details of Israeli arms supplies to Tamil Tigers, said he felt vindicated after hearing reports that the Australian Federal Police had stumbled onto a multi-million dollar racket militarily linking the Tigers to the Israelis.

Sounding jubilant, Ostrovsky broke into loud laughter when told about the widely circulating story in Australia about Tigers buying Israeli weapons by defrauding six major airlines.

"I knew what I was talking about", he said in an interview repeating his original revelations about the clandestine supply of Israeli weapons to the Tigers and the training in land mines.

"I have a lot of respect for Shri Lankans," he said. "But I am sorry to say the guys who tried to prove me wrong are a bunch of idiots. And you can quote me on that," he said.

The Sydney-based *Telegraph Mirror* reported last month of Australia's big-

gest travel fraud ever involving secret Israeli arms deals by Tigers.

Ostrovsky who traced the link between the Tigers and the Israelis in his best selling book "*By Way of Deception: the Making and Unmaking of a Mossad Officer*", was an intelligence agent who defected from one of the world's most ruthless intelligence agencies.

In an interview with the *Sunday Observer* Ostrovsky said the Tigers not only bought weapons from Israel but also underwent military training at the hands of the Israelis.

"Would you buy a weapon you didn't train on?" he asked. Like most arms transactions, he pointed out, the Israelis make money not only on the sale of weapons but also in the training and—in the case of sophisticated weapons—in maintenance and the provision of spares.

Ostrovsky continues to maintain that the Tigers learnt the deadly use of landmines from the Israelis.

"You don't buy weapons in a vacuum" he said.

The report of the investigations, he said, is "not worth its weight in sand." "It's an absolute disgrace. Whom were they trying to protect and cover up?" he asked.

Ostrovsky said he had told the Shri Lankan investigators that they should interview a former Indian Cabinet Minister who publicly admitted being the link between Israel and the Tigers. "Did they talk to him? No. I don't think they did," Ostrovsky said.

Last May the *Washington Post* quoted an Indian official as saying that when former Indian Prime Minister Indira Gandhi made the initial order to help the Tigers she backed it up by an allocation of several million dollars to buy arms and other supplies.

"With help from the Research and Analysis Wing (RAW), Lebanese and Israeli veterans were hired to train the Tamils and a ship was purchased to ferry weapons from Hong Kong and Singapore to Tamil Nadu for transshipment to northern Shri Lanka", the *Post* reported.

WORLD BANK REPORT

Since our last aid group meeting sixteen months ago, Sri Lanka has achieved considerable progress in a number of areas. Recent policy reforms, good weather, and a more settled civil situation in the South have resulted in good economic growth exceeding 6 percent in 1990 and reaching nearly 5 percent in 1991, way above the average of 2 percent a year during the previous three years. Progress, is not shared by all parts of the country as economic activities in areas affected by civil conflict remain severely depressed.

A discussion of recent economic developments, policy measures already taken and important steps that lie ahead in the process of restructuring Sri Lanka's economy is included in the Country Economic Memorandum which we distributed to you earlier. Today, I will confine my remarks to a few salient points and to some personal impressions as a newcomer to the Sri Lankan scene. In particular, I would like to emphasize the linkages among different components of the adjustment program and the need to move ahead boldly in several areas at the same time. Also, let me emphasize at the beginning that a resolution of the civil conflict is a prerequisite for the country's achieving sustained high growth in the future.

The Government's adjustment program, launched in 1989, comprises four main areas. These are: (i) stabilizing the economy through a reduction of the high fiscal deficit; (ii) rationalizing and reducing the size of public sector by *inter alia* retrenchment of excess civil servants; (iii) restructuring the country's expensive poverty programs; and (iv) creating a business climate conducive to private investment by *inter alia* privatizing commercial public enterprises and eliminating distortions in external and internal trade. There

has been progress in all of these areas, particularly during 1990 and early 1991, but we are concerned that the pace of reform may be slowing down in recent months.

Macroeconomic Stabilization

The macroeconomic stabilization efforts were initially successful in reducing the fiscal deficit from 16 percent of GDP in 1988 to 10 percent of GDP in 1990. There has been, however, a reversal of this trend in 1991 when the deficit increased again. Initial deficit reduction and monetary management were instrumental in reducing inflation from above 20 percent in 1990 to about 9 percent at the end of 1991. This was helped by keeping the nominal exchange rate broadly stable since 1989. The increased fiscal deficit in 1991, which was partially financed by increased foreign aid disbursements, generated again a rapid monetary growth that may lead to renewed inflation in 1992.

The external sector has performed well in the last two years, with current account deficits of 5.2 percent of GDP in 1990 (way below the program target) and about the target level (6 percent) in 1991. Exports grew substantially in both years, but less so in 1991 than in 1990. Higher aid disbursements (increasingly in the form of balance of payments support) helped increase the gross official reserves to about three months of imports. While the export growth was still robust, the possible loss of Sri Lanka's competitiveness will have to be followed closely by the Government in consultation with the IMF. In addition, foreign exchange controls and import barriers need to be reduced to promote more competitive private sector environment. We would encourage the Government to continue its close collaboration with the IMF to achieve the

necessary macroeconomic adjustment in a manner that encourages efficient growth and we look forward to assisting in these efforts.

Public Sector Reforms

Control of public expenditures is high in the reform agenda. In an effort to reduce recurrent expenditures and to streamline the civil service, the Government took a major step in 1990 by reducing its staff by 10 percent through voluntary retirement with generous severance payments. We feel that, after a pause in 1991, further retrenchment should be effected in line with the Administrative Reform Committee's recommendations. This should be done with an eye on retrenchment costs as well as the quantity of staff which the civil service needs to maintain.

Sri Lanka's social indicators have long been exceptionally high and the Government continues to attach high priority to social sector development and poverty alleviation. At the same time, it is making efforts to reduce inefficiencies in the nation's three major poverty programs (Jana Saviya Program, Food Stamp Program, and Mid-Day Meal Program). This includes improved targeting of beneficiaries of the Jana Saviya and Food Stamp programs through community-level screening. In addition, it has been made mandatory that a person from each Jana Saviya beneficiary household participate in rural civil works or training. But, in our view, the mid-day school meal program should be replaced by a more targeted intervention. In implementing social programs, NGOs have an important role to play. We hope that the work of the NGO Commission will soon be completed and that the Government will promote a climate of greater cooperation with the NGOs operating in the country.

Efficient public sector resource allocation goes beyond the civil service and welfare program issues, and extends to each and every aspect of public expenditures. For this reason, we intend to work with the Government on a review of public sector expenditures during 1992. In the area of public investment, the large reduction from about 17 percent of GDP in the early 1980s to about 9 percent in this year is largely in line with the Government's strategy to increase the share of private to public investment, but also a result of the attempt to reduce the overall fiscal deficit and the inflexible nature of many recurrent expenditures. Thus, it is important to focus both on the level and the composition of the public investment program to maximize the returns and the complementarity to private investment. The tight fiscal situation will continue to make it essential to ensure that limited public funds (including public and publicly guaranteed borrowing) are only used for projects with high rates of return particularly those that complement and encourage additional private investment.

Private Sector Development

Another major component of the Government's reform program is its commitment to privatize all commercially oriented public sector activities. A good start was made in 1990-91 with the privatization of a number of industrial enterprises and the bus companies, and the process is continuing in 1992. Fast privatization is required if the twin objectives of reducing the fiscal deficit and encouraging private sector expansion are to be achieved in the near future. Important tasks ahead include expeditious action to privatize not only the remaining manufacturing enterprises but also enterprises in the service and trading sectors. In addition, we welcome the Government's intention to divest the 50 percent share of the "peopled" bus companies

still in the public sector hand at an early stage.

A special case of the need for increased private sector participation, because of both its economic and social impact, is the publicly-owned tree crop sector where the Government has decided to enter into contracts with private enterprises for the management of the estates. The estates are currently generating large losses and are an important source of the losses of the Government-owned commercial banks. Thus improvement in the financial performance of the estates is a prerequisite for sustainable improvements in the financial sector. While we understand the political sensitivity of the issue and wish the Government success in the use of private management contracts, we must note that the international experience with this approach has not been successful where ownership has continued in the public sector. The separation of ownership and management is frequent in the industry but should be accompanied by private ownership to ensure maximization of long term profits. Ultimate ownership of the land itself could, of course, remain with the Government and be combined with long-term leases to the private sector.

The ultimate objective of the Government's reform program is to generate strong, export-oriented private sector growth that would be able to move Sri Lanka in the direction of the fast growing East Asian countries. This requires a high level of private, and to a large extent foreign, investment operating in a policy environment that is free from relative price distortions and *ad hoc* Government interventions, open to domestic and foreign competition, and supported by efficient infrastructure and services, including financial sector services. Rapid movement towards the establishment of this enabling environment is a high priority and specific measures required include elimination of remaining price controls, continuing with trade reforms and streamlining of the

tax system (including clear and transparent fiscal incentives).

The Government is trying to address inefficiencies in the financial institutions including commercialization of the two state-owned banks. These are useful steps, but in the Bank's view, should be followed by privatization of these banks in a subsequent stage. Moreover, the public sector uses the financial sector to capture a large share of domestic savings which could otherwise finance private investment. This can only be solved by a reduction in the fiscal deficit but in the meantime, deficit financing should take place in a transparent way with the public sector competing openly for funds on market terms.

We at the World Bank are looking forward working with the Government in putting together a program of specific measures to accelerate the structural adjustment in the areas of public sector reform, privatization, and private sector development.

The Civil Conflict

Finally let me mention the economic cost of the civil conflict which have been undoubtedly high, not to mention the very unfortunate cost in human lives. Most obvious economic cost include: foregone production and loss of physical assets; increased military expenditure; and lowered investments as investors lose confidence.

In particular, the security expenditures, which have increased from around 1 percent of GDP in 1982 to over 4 percent of GDP in the last couple of years, have substantially reduced the flexibility in fiscal policy. In addition, the Government now needs to take care of nearly one million dislocated individuals for which it spent over 1 percent of GDP in 1991.

We understand the difficulties and political sensitivities associated with resolving the civil

(Continued on page 12)

IMF View

During 1991, Sri Lanka completed the final year of a three-year arrangement with the International Monetary Fund under the structural adjustment facility (SAF) and entered into an arrangement under the enhanced structural adjustment facility (ESAF). The latter arrangement will allow Sri Lanka to obtain loans from the Fund in an amount equivalent to SDR 336 million during a three-year period that began in September 1991.

Sri Lanka's graduation to an ESAF arrangement, which followed its improved economic performance over the last two years of the SAF, was based on the authorities' strong commitment to accelerate the pace of structural reforms. These reforms were considered to be a prerequisite for attaining noninflationary growth and a strong external position that would eventually reduce reliance on concessional assistance.

I would begin by briefly describing the main macroeconomic trends in Sri Lanka over the past few years. The improvement in the economic situation during this period is indeed remarkable considering the serious difficulties that Sri Lanka faced in 1988 and early 1989. The Government's firm economic policy response at that time helped restore confidence and formed the basis for a resurgence of growth which continued through 1991. The period was marked by generally unfavorable external conditions — a slowing international economy, the adverse impact of the Middle East crisis, and, more recently, a precipitous decline in tea prices. Domestically, as we are aware, the ethnic conflict also continued to slow Sri Lanka's economic progress. Despite this adverse environment, economic activity remained buoyant. Real growth in 1990 was about 6 percent and is estimated to be near the authorities' target of 5 percent in 1991.

A major concern at the time of the last Aid Group Meeting was the acceleration in inflation, which reached an annual rate of almost 20 percent in 1990. Since then, as a result of cautious credit policy, increased domestic output, and lower import prices for strategic items (wheat, sugar, and petroleum), inflation decelerated steadily, falling to an annual average of about 12 percent in December 1991.

The overall balance of payments positions has continued to improve. Sri Lanka's holdings of international reserves more than doubled during the past three years, reaching the equivalent of nearly three months of imports at end-1991. The current account deficit, which was substantially reduced in 1990 (as a result of higher exports), is expected to have been higher in 1991, but should have remained close to the target of 6 percent of GDP. From the preliminary data available, export performance continued to be strong; the rapid growth of nontraditional exports has more than offset the adverse impact of lower tea prices. In the capital account, disbursements of both program and project assistance proceeded at a brisk pace throughout 1990 and 1991. A welcome sign of increasing confidence is the rising, albeit still modest, level of foreign investment, which is estimated to have reached \$50 million in 1991.

Turning to policy implementation, a focal point of the SAF program was a marked reduction in the overall budget deficit through revenue measures and expenditure reductions. Significant progress was achieved in this respect, as the deficit was reduced from almost 16 percent of GDP in 1988 to 10 percent in 1990. During 1991, however, severe pressures on expenditures emerged from two sources: first, structural reforms — particularly the "peoplization" of the bus company and civil service retrenchment — proved to be costlier than expected; and second, there were continuing difficul-

ties in containing military expenditures and other costs associated with the civil conflict. In mid-1991, the authorities took some corrective actions — raising excise and import duties and trimming expenditures, including those on inefficient social welfare programs. Nevertheless, it is expected that the 1991 budget deficit will be higher than that in 1990.

The second prong of the stabilization program has been the maintenance of tight limits on bank credit. The authorities were quite successful in containing the expansion of credit to the public enterprises and private sector, but the reduction in bank financing of the Government envisaged in the 1991 program did not occur. Consequently, the credit program for 1991 appears to have veered slightly off track. With the stronger-than-anticipated balance of payments, the rate of liquidity expansion remained high. In the area of monetary policy, treasury bill rates remained positive in real terms and an important reform of the treasury bill auction system was introduced in August 1991. This latter reform represents an important step toward market-based instruments of monetary control.

The authorities have followed a cautious exchange rate policy. The rupee was held stable against the U. S. dollar through 1990, but was allowed to depreciate moderately during 1991. With the decline in the domestic rate of inflation during 1991, the real effective exchange rate broadly followed the movements of the U. S. dollar, appreciating by about 12 percent in the first half of the year and depreciating by an almost equal amount in the second. The policy of maintaining a stable exchange rate has contributed to the lowering of inflation, but its continued effectiveness requires supportive fiscal and monetary policies.

Before turning to the ESAF program, I should also mention some of the structural reforms undertaken under the SAF. These

included the following: a reduction of about 10 percent in the civil service; privatization of a number of public enterprises and restructuring of the bus company; a lowering of import tariffs; steps toward tax reform; and liberalization of foreign investment regulations.

The recent achievement in the areas of growth, inflation, and the balance of payments have placed Sri Lanka in a position to set more ambitious macro-economic objectives. Our assessment is that with appropriate economic policies, and requisite external support, the economy can sustain an annual growth rate of 5-6 percent; inflation can be further reduced to the level of trading partner countries; and the external current account deficit can be reduced below its present level. The attainment of these goals will be predicated on prudent fiscal and monetary policies, but it will also require a bolstering of systemic reforms designed to address longstanding inefficiencies in the public sector, to foster higher levels of savings and investment, and to accelerate industrialization. A number of specific measures have been mentioned in the statement by the World Bank representative. Above all, the reforms need to be aimed at releasing the untapped potential of the private sector to underpin economic development.

The Fund staff will have the opportunity to assess more fully the financial and structural policies during the mid-term review of the ESAF arrangement which is to take place in Colombo during the coming two weeks. It is clear that the implementation of the program, as envisaged, will require determined efforts to put in place the necessary adjustment measures. The financial program supported by the ESAF arrangement envisages a substantial fiscal adjustment and a restrained monetary policy. The authorities are, we believe, fully aware that a substantial strengthening of the budgetary position is pivotal to the

entire economic program. The medium-term fiscal goals, are to reduce the deficit, within the period of the ESAF arrangement, to 6-7 percent of GDP, a range that is considered sustainable, and to generate sufficient government savings to facilitate the implementation of the public investment program.

The fiscal objectives require a strong effort to correct the slippages that occurred in 1991. The 1992 budget contains several important steps toward tax reform and aims at holding the growth of current expenditure well below that of nominal GDP. The budget envisages a reduction in the overall deficit to 9 percent of GDP, a small surplus in the current account component, and no recourse to domestic bank financing. The implementation of the budget in this form will require strong measures. These include the following: a cautious wage policy; further public administrative reform; reduced transfers to public enterprises and provincial councils; additional progress in the efficient targeting of social welfare recipients; and, of prime importance, the avoidance of any further overruns in military expenditures.

On the structural side, the ESAF-supported program envisages a sharp acceleration in the divestiture and restructuring of public enterprises. Most public manufacturing enterprises are to be privatized and at least ten enterprises in the services and trading sectors are expected to be divested by mid-1992. The ESAF program also envisages the restructuring of the two state-owned plantation corporations and the full commercialization of banking policies in the two state-owned commercial banks. Foreign investment is to be encouraged within a well-designed incentive and taxation system. In the external sector, effective rates of protection are to be further reduced and nontariff barriers liberalized with the abolition of state trading monopolies. By mid-1992, the import and export licensing system will also be rationalized.

In concluding these remarks, I would underscore two points. First, overall economic performance over the past three years has been commendable, particularly in view of the circumstances that have tended to be unfavorable. Although policy slippages have occurred, the authorities have, by and large, attempted to take corrective actions whenever needed. Second, Sri Lanka now needs to embark on a broadening and acceleration of the structural adjustment effort. The authorities' reform program will thus require bold moves and resolve on the part of the Government as well as appropriate international support from donors.

World Bank...

(Continued from page 10)

conflict. Nonetheless, we encourage the Government to keep exploring ways to achieve peace; the economic cost of not doing so is too high and would delay Sri Lanka's progress towards becoming a rapidly industrializing country even if all the necessary economic reforms are made.

Conclusion

In sum, Sri Lanka has recently achieved respectable progress in reforming the economy toward a private-sector oriented open economy. The Government, however, can not afford to relax. Continued efforts are required to maintain tight macroeconomic management and accelerate the pace of structural reforms to realize the Government's aspiration to make the country a NIC. The donor community should support the Government's efforts, by providing sufficient financing and encouraging the Government's efforts, by providing sufficient financing and encouraging the reform process. Mr. Shishido will present to you this afternoon our estimates of aid requirements for 1992. Finally, peace and prosperity are dreams of nations. Nowhere as in Sri Lanka today, prosperity depends on achievement of peace.

A.D.B. Report

On behalf of the Asian Development Bank, I would like to thank the World Bank for the arrangements for this meeting and for the documentation it has prepared in support of our discussions. The World Bank's review of recent economic developments in Sri Lanka and the assessment of the external financing needs for the proposed development program provide the essential background for our discussions today.

Since our last meeting of this Aid Group, Sri Lanka has faced some severe shocks from the situation in the Gulf in early 1991, specifically: the loss of Iraq as Sri Lanka's second largest tea market, the reduction in remittances from the 100,000 Sri Lankans working in Kuwait and Iraq and the higher oil prices which placed additional pressures on the balance of payments. Sri Lanka weathered the crisis very well through astute and prompt action. It was indeed fortunate that the Gulf situation was quickly resolved and no significant long-term economic repercussions were felt. Although tranquility appears to have returned to the southern areas of the country, a permanent solution to the civil disturbances in the northern and eastern parts of the country continues to escape finality. It is our sincere hope that a lasting solution to this strife will soon be found and normalcy restored. This is a necessary pre-condition for the full economic potential of the country to be realized.

The Stabilization and Adjustment Programs

The Sri Lankan economy has labored under a number of significant structural constraints, including a low level of national savings relative to invest-

ment; a narrow export base resulting in a serious current account imbalance and consequently heavy reliance on foreign borrowing; a large and often inefficient public sector; and insufficient incentives for the private sector to play a greater role in the economy. These constraints, together with the civil disturbances, have prevented economic performance from achieving its full potential.

The ADB fully supports the four principles which underpin the Government's stabilization and adjustment program: (i) tight macroeconomic management especially fiscal management through the better control of recurrent expenditure; (ii) continued rationalization of the public sector; (iii) continued rationalization of the poverty programs; and (iv) provision of an enabling framework for the private sector. Nevertheless, the ADB is concerned that some of the macroeconomic targets have not been met and that some of the imbalances continue to deteriorate.

While the economy performed impressively in 1990 and 1991 with real GDP growth rates of 6.2 per cent and an estimated 5 per cent, respectively, it is noted that most factors supporting this performance were external to economic management, namely, good weather, a relatively stable security situation in the south and unexpected positive affects following the Gulf crisis. Economic growth has however been accompanied by increasing macroeconomic imbalances which, if allowed to continue, could jeopardize the country's future growth potential. Although the external current account deficit fell from 7.1 per cent of GDP in 1989 to 5.4 per cent in 1990, preliminary estimates indicate that it rose again in 1991 to 6.6 per cent of GDP. The worrisome aspect of this increase is the less than expected real growth in exports resulting from an appreciation of the real effective

exchange rate. Another concern is the growing size of the budget deficit which according to preliminary estimates for 1991 is expected to be 10.8 per cent of GDP compared to 9.9 per cent in 1990. The Government estimates that the budget deficit in 1992 will decline to 8.8 per cent of GDP, a figure which appears optimistic given wage pressures in the public sector and the demand for defence expenditures. Furthermore, to finance the budget deficit in 1991, the Government increasingly relied on bank financing which accelerated monetary expansion to 22 per cent over the October 1990-October 1991 period. Although inflation decreased to 10 per cent by the third quarter of 1991, indications are that inflation will rise again in the near future.

It is the ADB's view that without a reversal of the expansionary fiscal policy and accommodative monetary policy, confidence in the economy may be undermined and the economic gains achieved through reforms carried out in recent years will largely be negated.

The Government is to be commended for the positive reform measures undertaken in the past two years. The ADB supports the liberalization and deregulation measures introduced in most sectors of the economy, particularly in the agriculture and financial sectors. It is our hope that the Government's commitment to implement these reforms will be maintained.

Poverty Alleviation

Issues associated with poverty alleviation are of special interest to the ADB. A significant proportion of the Sri Lankan population has not benefitted from past economic growth and the alleviation of poverty has been an ongoing concern of the Government. The proportion of the population which is nutritionally at risk and in absolute poverty has persisted at about 20-25 per cent.

The Government recognizes the importance of maintaining and administering programs that alleviate poverty, specifically the Jana Saviya program, the food stamp program and the Mid-Day Meal Program for School Children. These programs have however suffered from inadequate targetting and leakages of resources to non-intended beneficiaries. The Government is to be commended for the considerable progress it has made in restructuring and improving the effectiveness of these programs.

Although the ADB supports the efforts currently underway to fashion a more focussed poverty alleviation program, it is the ADB's view that the key element in social development is an environment conducive to investment and enterprise, thus creating a base for a sustainable growth of income.

Prospects

Based on the performance of the economy in 1990 and 1991, the prospects for sustainable and higher growth in the longer term appear good. The private sector of the economy has continued to perform well and the Government's strategy

of relying on this sector to provide the lead role in growth is soundly based. However, while a tight macroeconomic management stance was largely maintained in 1990, it has become expansionary from the fourth quarter of 1991 and fiscal and monetary targets have been exceeded. For the economy to enjoy sustainable growth, it is essential that fiscal and monetary policies be tightened.

In addition, appropriate **follow-through actions** are required if maximum benefits are to be realized from the reforms already made and every effort should be made to ensure that the pace of reforms is sustained. The ADB supports efforts to increase the role of market forces in resource allocation and it recognizes the important contribution to be made by the public sector in areas where the private sector cannot be expected to provide adequate levels of service. In drawing up the annual, three-year rolling Public Investment Plan, the Government will need to identify a core level of investment which must be protected against spending adjustments, which must be more balanced

across economic sectors and which must focus on investments with high rates of return over a relatively short period. The Government's strategy for sustainable development aims at reducing the large resource gap which has to be filled by foreign saving. To contain debt service obligations in manageable limits, more emphasis should be placed on encouraging foreign direct investment. The increasingly export orientation of the growth strategy means that the whole policy framework relating to trade will need to be transparent and conducive to exporters. The foreign exchange regime will need to be managed flexibly to ensure the competitiveness of production and to maintain international reserves at prudent levels.

Closing Remark

In closing, let me assure the Government of the ADB's support for the efforts it is making to put the economy on a higher, sustainable growth path. The Asian Development Bank is confident that continued donor support for Sri Lanka is warranted and that it will prove to be effective in assisting the Government meet its development objectives.

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The Consequences of Conflict

V. L. S. Jayapalan

Introduction

This report is to provide an overview of environmental consequences of conflicts in Sri Lanka. It is not a comprehensive study covering all the aspects of the problem. This report is mostly based on my personal knowledge of the subject gathered as a nature poet.

The effect of Sri Lankan conflicts, especially the prolonged ethnic conflicts, on environment and human life is disastrous. Positive aspects if any are indirect.

* * *

Sri Lanka is a densely populated island. Competition for degraded resources and environment has been increasing throughout the century due to the increasing population. Carrying capacity of the land is not remarkably increased in this period. Almost all the effort to increase the carrying capacity such as irrigation projects and peasant settlements without the due consideration of the environmental aspects, have serious consequences on the degraded environment.

Thousands of Veddhas (tribal people of Sri Lanka) scattered in the south eastern part of the island are forced to assimilate with the Sinhalese and Tamils by the environmental degradation, the hegemonism of the Sinhalese and Tamils and the socio-political development.

Nuwara Elya district in the mountainous central province has become the stronghold of the Indian Tamils. Muslims form strongholds in Ampara district, the northern part of the Puttalam district and to some extent in Kandy district.

Communalism has become an inseparable and increasing by predominant aspect of Sri Lankan politics and resource manage-

ment. This trend began with the emerging elite politics at the turn of the century.

Population pressure is very high in coastal parts of the western province in the wet zone and in Jaffna peninsula in the dry zone. In the rest of the areas the population density and carrying capacity of the land are very low, carrying capacity of these are affected by serious environmental degradation and other constraints. The main constraint in the dry zone is the rainfall.

Rainfall is a very important and limiting factor of natural and man made vegetation. Therefore rainfall is an important factor in determining the carrying capacity in the predominantly agricultural regions. Since independence extending tank based settlements on the cost of the environment became the main answer to these problems.

These practices have destroyed buffer jungles that existed between predominantly Sinhalese and Tamil regions up to the mid 1950's. This together with the state aided colonialization of Sinhalese in the Tamil and Muslim dominated eastern province disturbed the century old ethnic harmony.

The resource base of the Jaffna peninsula is inadequate to support its huge Tamil population with its broader middle class. The financial resources transferred from the mainland and foreign countries through commerce and employment has become the life blood of the peninsula since the turn of the century. Growing communal competition for power and resources since the 1950's badly affected the basic strategy of existence of Sri Lanka Tamils living in north east provinces. This further deteriorated the situation. Tamils demanded a federal solution to

share environmental resources and establish political power over them. This leads to the present conflict situation and the prolonged guerrilla warfare in the north east provinces.

Areas mainly affected by social conflicts and insurgency in Sinhalese districts are dominated by forest farmers who are involved in slash and burn cultivation. This phenomenon is not typical for Sri Lanka. Similar situations exist in most of the third world, from Peru to the Philippines, countries which are effected by social conflicts and insurgency.

Insurgents and guerillas traditionally moved to jungle clad peripheris to create a base for support and clandestine activities. Most of the third world governments have not shown any interest to recognize the cause of the insurgencies and the problems of the forest farmers. This leads to a situation of mutual sympathies. Always forest farmers become the socially and economically easy target of the security forces.

In Sri Lanka the geographical map of slash and burn agriculture centered areas coincide in many places with the political map of 1971 and 1987-1988 insurrections. This is not a coincidence that can be ignored. Sri Lankan experiences provide additional evidence to the inter-relationship of degradation of environment and growing regional and social inequalities and conflict. This has a circular function.

The situation is also intensified by the civil war in the north east provinces. Scarce resources necessary for the sustainable development of the country have been transferred to the war efforts in the north east.

(To be continued)

The lessons learnt at Watawala

Ranil Senanayake

Home.....warm moist air, coconut palms, shades of green paint the landscape. The forest of the village gives way to carpets of tea clothing undulating hillsides. Finally, the mountains come into view, dark crags clothed in ephemeral morning mist. Watawala, once the highest rainfall site of the island, sits in the valley, which is stark barren, a grim reminder of wanton destruction of the original forest cover. Watawala, the site of the first government effort into growing forests with high diversity. Watawala is a statement about the effectiveness and commitment of our foresters. The lesson of the plantation at Watawala and its aftermath serves as a valuable lesson in forestry politics and greed.

It was early 1980's — The prosperous days of the Mahaweli project when the economic climate was a froth. Money was pouring into the project much like 'Hinguru' or fish-bait poured into the ocean by fishermen. The boiling froth created by Tuna in a feeding frenzy as a consequence, was analogous to the social froth created by the economic sharks of the period. It was in such climatic condition that work on vegetation and landscaping was begun, with consultants drawn into design the work for implementation by government agencies. The first work was to develop techniques of 'root balling' where large trees could be brought into urban landscaping. The success of these experiments driving the reorganization of a department to handle landscaping.

These were the times when the change in forestry practices from monoculture to polyculture was discussed and a consultant was appointed to develop models. Two plantings were desi-

gned and implemented; one on the east coast to investigate patch diversity and one in the mountains to investigate point diversity. The plantation at Watawala was the experiment on point diversity. The implementation and maintenance undertaken by officers trained in forestry, and seconded to the project by the Forest Department. The results were impressive. Nurseries were established, thousands of seedlings raised and planted out carefully by trained foresters. A broad hill-side at Watawala was one such place.

It is a fact that the plantation was established and growing successfully for an year. But today the land is bare as if no activity of reforestation had taken place. So one wonders why this plantation grown with so much care and experience has disappeared?

..... Was it, as some commentators from the forestry sector claim, due to the fact that the consultant to the project was suddenly dismissed? Was it a consequence of vengeful action by a guilty politician, sensitive over sustainability concerns voiced in the media? did the plants just 'pine' way missing the consultant? or did they die because all maintenance of the project stopped and the plants suffered the fate of plantation neglect? Even in these days it is hard to envision a forester who would let a plantation perish through neglect and then go around claiming that the plants pined to death. Perhaps the shadowy politician still pulls the strings. Watawala is a grim reminder.

The morning sun shines up the crest of the hills a liquid gold and breaks the contempla-

tion — The journey up the mountains continue. It still looks the same — these mountains. Just the same as the time when the great lake was formed at Castlereigh. The lake though, has changed. Its water once clear and clean, is now green thick, clotted with an algal bloom of massive proportions. The low waterflow of last August had concentrated scummy dense bands of dead and dying algal cells in every day. The reason was due to a phenomenon called eutrophication, which means adding nutrient into a system until it loses its natural balance and collapses.

The Darling river in Australia recently experienced eutrophication and a massive algal bloom that produced a toxic chemical capable of killing humans and livestock. The eutrophication of the Castlereigh reservoir seems not to have been addressed by environmental interests as yet, but it certainly needs to be. It may signal trends in reservoir ecology in Sri Lanka. The heavy dependence of this Nation on reservoirs requires us to consider these bodies of water as ecosystems as well as being an agricultural or energy resource.

As I finish my circuit, visiting various environmental projects, I head back through Norton valley. The day has been eventful. There is a great surge of goodwill and interest in creating better models of forestry. It is evening as I pass Watawala; the scene has changed, evening mists smoothing the stark, treeless landscape. Perhaps the scene has changed at various levels of administration too. Perhaps the lessons learnt at Watawala will have some impact.

THE WINGED EROS

S. Pathiravitana

Zeus the High God changed into an eagle
to slake his love roughly violently
on his god like Ganymede

Zeus the High God changed into a swan
to slake his love smoothly languorously
on Leda, his golden blonde

One can see how the two types of pleasure
are incomparable:
one appeals to some natures...

The other to other kinds...
I like
both

A little poem like this helps you to get just
the foothold you need to get a better view of
the great world of Greek Culture. Its author is
unknown, but many such poems on erotic
themes have been accessible all these years
only to scholars deep into Greek studies and
also to you perhaps if you had the time to
browse in a collection of Greek poetry found
in a place called the Loeb collection.

These poems also help you to answer some
of the questions that Keats raised so breath-
lessly when he burst into song after seeing
some drawings on a Grecian urn. Thou, silent
form, said Keats talking to the urn, dost tease
us out of thought. What teased him particu-
larly out of his mind was wondering what the
men and women on the urn were up to.

What men or gods are these? he asked,
What mad pursuit? What struggle to escape?
and what wild ecstasy? Had he dipped into the
Loeb collection, that is if there was a Loeb
around at that time, as he did into Chapman's
Homer, he would have discovered that those
divine forms on the urn were, nothing loath,
trying to escape into such ecstasies as contemp-
tated by the poet Nikarchos:

I like a firm, robustly built woman.
young, or not so young,
if she is young she will clasp me
firmly and strongly with the warmth
and eagerness of a large, buxom body.
if she is maturer and softer and plumper,
she will have the guts and experience
to feast on me with either mouth at will

No wonder there was such rejoicing in
Europe when they discovered, after Constan-
tinople fell to the Turk, the arts and crafts of
a people so free and uninhibited in the way
they frolicked and gambolled on those urns
and other bits of pottery.

The writer is a former editor of the DAILY NEWS

But Greek love has been often misunder-
stood. It is associated in the minds of most
people with the form of love depicted in the
first part of the poem at the beginning of this
article. Here, unbelievably, is what a Marxist
critic has to say on love:

"Engels says there could be no question
of individual sexual love before the Middle
Ages," because "for that ancient bard of
love Anacreon, sexual love in our sense
of the word was as unimportant as the
sex of his beloved.

"In those far offtimes, married men were
ashamed to reveal the slightest sign of
affection for their wives. But the men
paid for the humiliation of their women
by humiliating themselves, indulging in
perverse love for youths and disgracing
their own gods and themselves with the
myth of Ganymede." (Problems of Modern
Aesthetics p 166)

No wonder communism crashed. Had Engels
dipped into the Loeb collection he may have
saved himself one more of those sweeping
generalisations characteristic of Marxist thinkers
without exception.

To realise how profoundly wrong Engels
and his puritanical kind have been, not only
about politics but also on love, let us listen to
the wisdom of Marcus Argentarius:

To want to have a beautiful woman
is not love. It only shows
that one has eyes and taste.

But to fall in love with someone judged
plain. Overwhelmed, one's head lost,
all on fire. That is real love. That
is the true flame.

Beauty merely gives pleasure, equally
to any number who can perceive it.

So much for the absence of 'individual
sexual love' before the Middle Ages. In fact
there is a thing or two we can learn about
'sexual love' from the ancient world.

For one thing they were not obsessed with
the 'obscene and the pornographic' as we tend
to do. A modern local audience, for instance,
may find it even embarrassing to watch an
Aristophanes' play because of its liberal use of
'obscene' and erotic imagery.

Unlike the ancient world we have distanced
ourselves from the erotic experience. We would
rather call it sex and make an X of it than

see it as a natural function that comes with the lot of man. Our mechanical progress, the one we are constantly trying to improve, is only increasing our distance from the erotic and not bringing us any nearer to it in spite of exhortations from the flower children in the sixties to make love and not war.

The sexual liberation that swept the West in the sixties appears more a reaction against the puritanism that the industrialised world has created for itself rather than a re-discovery of the winged Eros.

Come to think of it these problems were there even in the times of the Greeks because there were strong advocates even then who argued that the object of love should be regarded more as a sex machine than something to lose one's head over or be overwhelmed by as Marcus Argentarius tells us when describing what real love is.

These are some of the things that Socrates himself raised with Phaedrus, the chief character in the dialogue known by that name, when he reports to him that a sophist named Lysias 'maintains that handsome boys should give their favour to non-lovers rather than to lovers.'

What is valuable, Socrates explains, about the erotic experience is that it has given man a chance to escape from himself. This experience which overwhelms you, makes you lose your head and makes you stand outside of yourself is, Socrates says, a form of 'divine madness' (theia mania).

But a word of caution. As Joseph Peier explains in his commentary on Phaedrus, not every one who is shaken with erotic emotion will find himself in this state of **theia mania**

or being possessed by a god, "Such romantic ideas," he says, "are not to be found in Plato.

"However, Socrates' speech does maintain that erotic emotion may **also** be one way in which man can partake of the 'greatest blessings'—provided man does not corrupt the erotic emotion by, for example, refusing to pay the price for the receptivity to the divine madness. The price is a surrender of his autonomy..."

Quite surprisingly we hear similar words from quite another direction. As in erotics so in poetics. Talking about poetic emotics Eliot says, "Poetry is not a turning loose of emotion, but an escape from emotion: it is not the expression of personality, but an escape from personality." And how odd that Shakespeare himself should sum this all up for us by saying that the lover, the poet and the lunatic are all alike.

To wind up this note on erotic love may I point out that not all Greeks of the time we are speaking of were inclined to slake their love roughly violently like Zeus on his Gany-mede. There were also those who were totally put off by it like Erasthenes who preferred the smoothness and the langour:

I leave males to others
I only want love making with women
their love endures
boys become unattractive so quickly
I loathe all those hairs
where their absence is so pleasant

The excellent translations from the Greek were done by Mike Kelly whose book **Jousts of Aphrodite** can be found in the British Council library.

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Bartering Swaraj For 'Economic Miracle'

Yashwant Sinha

The crisis in the Indian economy, coming as it does when the communist block is a shambles and the Third World in disarray has given rise to many myths. It is time we understood clearly both the nature of the present crisis and its relationship, if any, with global developments in order to explode these myths.

It is now accepted by all that the crisis in the Indian economy is the direct result of the profligacy of the eighties. The Economic Survey presented by the Narasimha Rao government to Parliament in July, 1991 gives a graphic account of the liberties which were taken with the economy by those in power in the eighties. But this crisis was largely fiscal with, no doubt, a serious spill-over effect on the balance of payments position. The Gulf crisis proved to be the last straw on the camel's back.

Fiscal Deficit

But even after this, the remedy was not so complicated. The need to reduce the fiscal deficit of the government was paramount. Steps were needed to curb non-essential imports and increase the earnings of the government through better tax compliance and of the country through a greater export effort. Some recession and a certain amount inflation was inevitable as a result of these steps. Other steps, therefore, which gave a powerful fillip to inflationary expectations like devaluation of the rupee and increase in interest rates should, therefore, have been carefully avoided.

The problem that we faced was of our creation and not the result of global developments. The complete retreat from whatever this country has stood for and held dear from

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the days of the freedom struggle and subsequently is not warranted by economic considerations. The reasons have to be sought elsewhere and they reveal a dark and sinister design.

The first myth which has been floated is that because socialism has failed in the Soviet Union and other eastern European countries and has been abandoned there, India must also abandon its past policies. Nothing could be more outrageous. The political and economic system which obtained in the Soviet Union and the other eastern European countries was totally different from the system which was evolved in India.

The second myth is that the whole world is changing and, therefore, India must also change. In fact, nothing has changed especially in the developed countries. If changes have indeed taken place they are for the worse. Integration is a one way street and the burden must fall on those least capable of bearing it. Dunkel's draft is ample proof of it.

The third myth is that the policies which we claim to have adopted now have wrought economic miracles in countries like South Korea, Taiwan, Singapore, Malaysia, Indonesia and Mexico and that such a miracle is about to happen in India also. In comparing these small countries with India, the yawning gap between their scale and conditions and ours, both political and economic is completely forgotten.

The fourth myth is that the mere development of industry in the country is a panacea for all our ills and that industrial development can only be achieved through unrestricted foreign investment and foreign

technology. When the present government came to power, a much-discussed draft agricultural policy paper was already there. It has not been finalised till date, while the industrial and trade policies were announced within weeks of the installation of the present government. Does it mean that agriculture and related fields have a lower priority?

And finally, there is the myth of the "caged tiger". Our finance minister has talked of releasing the "animal instincts" of the Indian entrepreneur. Such carefully chosen expressions are part of the capitalist marketing strategy to create a false sense of strength in order to subserve their own interests.

The international environment continues to be hostile to India, in fact, even more so today than in the past. Each country is fighting fiercely to protect its national trading blocks is an indication of the disintegration of global systems and when caution is the need of the hour we seem to be rushing in where angels fear to tread.

India is clearly under pressure on all fronts internationally. The world has not only become unipolar but in the collapse of the Soviet Union, India has also lost perhaps its only true friend. The US is in full cry and out to overcome whatever resistance there is to its policies and perceptions any where in the world India has for far too long been perceived by the U. S. as a country with very close relations with the Soviet Union and not at the back and call of the US. The US would like all that to change now and bring India within its net on its terms. The sudden insistence on India signing the NPT, the passage of Pressler's amendment in the US Senate

(Continued on page 21)

Educate Police On Human Rights

Soli J Sorabjee

There is often not enough realisation about the crucial role of the police in the protection of human rights. Indeed our freedom to move freely and be secure in our homes depends largely upon our police force and their ability to "keep" the peace". Apart from peace-keeping duties, the police have another important function to perform: To uphold the rule of law by protecting the law-abiding and getting the guilty punished.

A society where the offenders, especially the affluent and the well-connected are not brought to book, is bound to breed a large number of malcontents whose anger and frustration inevitably lead to attempts to overthrow the system and in the meantime generate myriad tensions and conflicts. The practice of untouchability and persistence of bonded labour with near impunity, and the abject failure to punish those who committed heinous crimes during the 1984 anti-Sikh riots are some instances.

Major Violators

More sinister than the sins of omission is the phenomenon that the protectors of human rights have become their major violators.

Violations of human rights by police occur partly because of the functions they have to perform and their manner of performance. Life and liberty, the

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most basic human rights amply protected by the Constitution are the main casualties.

There are numerous cases of death in police custody on account of physical torture. "Police encounters" is often a euphemism for murdering persons whom the police regard as dangerous criminals and whose prosecution and conviction according to the law of the land are very difficult because of serious handicaps in securing evidence against them.

Our Constitution guarantees protection against self-incrimination. Yet third degree methods and inhuman treatment during interrogation and detention of a person in police custody are rampant and make a mockery of this guarantee. Other casualties are freedom of expression and of assembly whose significance usually escapes the police. Political meetings where there is strong criticism of the government are often broken up and speakers are arrested.

Equality of treatment is another human right which is frequently flouted. The readiness displayed in dealing with the complaint of an industrialist or a politician about the theft of his transistor is in marked contrast to the callous treatment of a domestic servant's complaint of assault by his master. Unconstitutional commands from their superiors, both official and political, are the order of the day and for an average police-

man it is safe to yield to pressure and oblige the accuser or the accused in accordance with the "directives" received by him. A recurrent complaint, not always unjustified, concerns the partisan role of the police in handling communal riots.

The prevailing perception of the policeman by the common person is one who has vast powers to use force as the coercive arm of the state and which practice are exercised arbitrarily, unjustly and without accountability. Though the impression is not universally true, the main reason for it is that the concept of police befriending has not taken roots in India.

What are the causes for this distressing state of affairs? One of them is that the police have an old history as an instrument of state repression. They were a colonial force used as much to crush political dissent and punish freedom fighters as to combat crime. The hangover of this colonial mentality still persists.

Another cause may be the source of recruitment. Having witnessed discrimination and the accompanying unfairness and cruelty as a daily routine in their immediate surroundings, the average police person at the time of joining the force does not have much sensitivity to basic human rights. Above all, he has received no training or education worth the name which would help him to overcome these handicaps.

Excessive politicisation of the Police force is one of the main causes. The police will indulge in as much lawlessness as the government of the day wishes or tolerates, emboldened by assurance of official patronage and political protection.

Another factor is the belief that in dealing with hardened criminals and habitual offenders, third degree methods and inhuman treatment are not only legitimate but necessary for effective detection of crime and successful prosecution of the criminal.

Regrettably, apart from a cross section of the community, some top administrators and ministers also share this thinking, especially when the crime committed is a sensational or blood curdling one.

No doubt terrorism must be suppressed, insurgency tooted out and murderers of innocent people dealt with swiftly and sternly. The police and the security forces must be fully and adequately equipped and supported in every way to counter terrorist onslaughts. But to kill in cold blood a person suspected of numerous terrorist acts is murder plain and simple. Law-enforcers just cannot stoop to the level of the criminal. Government lawlessness is no answer to terrorism. The rule of law has to be observed even in the most trying and tempting situations.

How do we remedy the situation? First and foremost there must be radical improvement in the living conditions of the police force which are far from satisfactory. Their workload has increased substantially and it is reported that they work 16 hours a day and seven days a week which leaves them hardly any time for recuperation or recreation. It is difficult for the police to be civil and sensitive to human rights in these conditions. Indulgence in wholesale condemnation of the police without appreciation of their problems

is unfair and demoralising. There should be public acknowledgment of honesty and devotion to services whenever one comes across it.

Political Bosses

The politicisation of the police force by political bosses must be relentlessly eliminated. Nothing has contributed more to the degeneration of the police force than its manipulation by the power-wielders.

The crying need, however, is for proper, comprehensive education of police personnel at all levels. Knowledge of the various sections of the I. P. C and Cr. P. C is not sufficient.

There should be a compulsory course in human rights and it must be drilled into every police person that his primary loyalty is to the Constitution and the laws.

If we implement these measures we may be able to see the re-emergence of the law-abiding policeman with a sensitive conscience for human rights, who is not shunned or feared. □

Bartering Swaraj. . .

(Continued from page 19)

which we are wrongly lauding today, the insistence on reducing defence expenditure, the increasing one sided collaboration in the defence sector with the U.S., the "trial" of India under Special 301, Dunkel's draft in the GATT talks, the free unrestricted entry of multinationals on their terms, the other conditionalities imposed by the IMF/World Bank, are all indications of the pressure that the U.S is bringing to bear on us to make us fall in line.

There is much that is wrong with us. We have made mistakes in the past. The pace of our growth should have been faster. We should have solved the problems of poverty, unemployment, drinking water, health, education and communication faster. But ultimately a nation has to decide upon the final tradeoff between the rate of economic growth, the external ramifications of its economic policy and its foreign policy, its democratic framework and ultimately its sovereignty as a nation-state.

Economic Growth

Perhaps our people and their leaders in the early years of independence did work out this trade-off and consciously settled for a strategy under which the rate of economic growth could be slower but which gave full freedom of action on the foreign policy front and which preserved the democratic framework of the country and safeguarded its sovereignty. There is not one nation in the post World War II era which has achieved an economic miracle and at the same time followed an independent foreign policy.

In our quest for such an economic miracle, therefore, let this chilling thought not escape us. It is not merely the miseries this economic policies are going to heap upon us, especially on the poor and the helpless that will have to be paid as the price of this misadventure. The damage in the long term is going to be incalculable, both economically as well as politically. The clarion call of the father of the nation namely "Swadeshi and Swavalamban" which were the bedrock of Swaraj have been abandoned for a handful of dollars Swaraj itself is in peril.

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Western Hegemony Over News Flow

S. S. Gill

The United States has long regarded", said President Reagan, "the principle of free flow of information as a cornerstone of any democratic political order." Being the prime mover behind the information revolution, the American stake in the "free flow of information" is quite understandable. Also, this commitment to a noble democratic ideal is a many splendoured thing.

In 1983, the U.N. General Assembly adopted a non-binding declaration of "principles governing the use by states of artificial earth satellites for international television broadcasting." The right of *prior consent* by the host country embodied in this resolution was supported by 108 nations. But true to its loyalty to free flow of information, the U.S. opposed it tooth and nail.

Baby Food

Again, about the same time, when the W.H.O. drafted for national adoption, a resolution to restrict aggressive forms of marketing and advertising for baby foods, America happened to be the only country to vote against it.

The most notable instance of this "principled" stand was, perhaps the vigorous opposition by the U.S. and other industrialised countries to the UNESCO's resolution on the New World Information and Communication Order. This resolution, based on the MacBride Commission report, was a modest attempt to "correct the inequalities in the flow of information to and from developing countries and between those countries." As nearly 80 per cent of the world news-flow emanated from the Western news agencies, and 90 per cent of the radio frequencies spectrum had been cornered by developed countries, the UNES-

CO felt that this sort of extreme imbalance needed some corrective. There was a howl of protest from the first world delegates against this "sinister design" to throttle the free flow of information, and promotion of state intervention in the sacred precincts of democracy.

The fact of the matter is that the new information technology has radically changed the very character of information. The highly sophisticated, computerised methods for its generation, processing, transmission, storage, retrieval and dissemination have turned it into a high-priced commodity.

Of course, some categories of information always carried a price tag. Medicinal formulations, industrial or chemical processes, copyrighted products, were all proprietary items of commercial value. But today information has become the basic element in production, distribution, administration, work and leisure. All this information is of a specialised nature; it requires expensive equipment and trained personnel for its manipulation and, thus, it is accessible only to those who can pay for it.

Two simultaneous results of the information revolution are of particular relevance to the Third World. On the one hand we seem to be inundated by a deluge of information. Computers, optic fibres, lasers and satellites are the channels through which this information gushes forth. They are all creatures of high technology. And technology is always the handmaid of the culture which produces it. Created by advanced industrialised countries, this technology is a faithful servant of its masters. The computer programmes and data bases that we in India use were created in

America, and designed to serve their work culture and habits of mind. By borrowing them wholesale we begin to view our work environment through alien glasses.

At a more innocuous level let us look at a popular blessing of information technology. Bored stiff by the bland fare dished out by Doordarshan, television viewers are having their fill of entertaining programmes beamed from commercial satellites. First it was C. N. N., then Star T. V. then B. B. C. and now Pakistan T. V. Many more such ventures are in the offing, including a regular Hindi channel. The more influential sections of our society which watches these programmes, not only derives pleasure from this diversion, but also the social mores and political perceptions of the host country.

But this is only a small segment of the information colonialism to which technological advance exposes us. The second fall out of the information revolution is much more fearsome. There are two main agencies which finance and control the communication technology. First, the military establishments, looking for ever more sophisticated weaponry. The leading player in this arena is the Pentagon. But for its massive subsidies to the American multinationals it would have been impossible to mount the sort of research and development effort that led to major breakthroughs in this field.

Secondly, the multinationals themselves were quick to perceive the great commercial potential of the information technology and went all out to exploit its civilian uses.

As a result of these developments, the information revolution is completely dominated by the military-industrial complex

which has absolutely no motivation to promote free flow of information. Military affairs are traditionally cloaked in secrecy, and multinationals are not known to freely share the fruits of their research with others.

There were times when universities and research centres were public forums of free enquiry. Not so now. Scientific research has become highly expensive, and the universities depend heavily on liberal grants from the industrial giants. These grants are now given in such a slanted manner that research serves the best interests of the donors.

All these donors claim to be great champions of free flow of information. An executive of the largest computer firm once

Gaining . . .

(Continued from page 7)

islands of Mandaitivu, Kayts and Karainagar off the Jaffna peninsula. It is a serious blow to the LTTE's seafaring capabilities as the outfit is already operating amidst serious constraints due to Indian counter measures such as strict naval patrolling of the coastline and armed surveillance.

Hence the total capitulation of the LTTE in the Jaffna peninsula has seriously weakened its strength and morale in the ongoing battle. A recent proposal by cabinet minister S Thondaman for negotiations and the subsequent initiative by the Buddhist clergy for a dialogue with the militants have made little impact. Moreover, with noninvolvement of India in the peace process, there is no sign of an early end to this conflict.

At present, the Sri Lankan scenario presents a confusing picture. The Tamils, on their part, have been intransigent in arriving at a reasonable solution to the ethnic conflict. On the other hand, the Sri Lankan government has not been able to tackle the situation and has, instead relentlessly pursued a military solution to the protracted ethnic conflict. ●

stated, "IBM does business in over 120 countries. We are therefore, very dependent on free flow of information." All transnational financial institutions are strong advocates of this doctrine, as the trans-border flow of data along the international electronic highways is the life-line of their transactions.

Cornerstone

In a very real sense, information is power. And power is the domain of politics. In the international political arena, it is only the leaders of information technology who dominate the world. Their lofty pronouncements notwithstanding, they use the power of information only

to extend and tighten their hegemonic control, either directly or through their transnational corporations. And for the people, they have to keep alive the illusion of free flow of information which, as President Reagan asserted, is the "cornerstone of any democracy." But in actual fact, said H. Schiller, "People in the U.S. may be among the globe's least knowledgeable in comprehending the sentiments and changes of recent decades in the international arena." But that bothers not the grubby masses for whom "A supermarket is a democratic citadel, the place where democracy is practised daily by the shoppers in their numerous decisions and choices." *(3rd World)*

CORRESPONDENCE

Democratising the U.N.

This decade has seen the concepts of 'Democracy' gaining keen support throughout the world.

This unstoppable trend is bound to take root even in the United Nations. Unless its present "rulers" make timely efforts to democratize the International body's policy making and implementation processes, the U.N. may disintegrate.

At the time of the original UN Charter, four of the five permanent members of the security council had political and economic control over the majority of countries. Accordingly there could have been some justification for the special positions afforded to them.

However such mitigating circumstances no longer exist. Moreover, Japan, Germany and China who were defacto 'outcasts' of the International community during the earlier periods of the UN are now the most sought after countries by the developing and developed countries alike.

It is therefore regrettable that the recent meeting of the heads of state of the current Security Council failed to address such and other significant changes in international rela-

tions. This indifference has also been reflected in the recently announced reforms proposed by the new Secretary General.

The long overdue reforms to bring the UN to reflect current realities should include amongst other things the abolition of the system of permanent representation in the Security Council.

Other desirable measures could include the possible replacement of the Security Council by a democratically elected 'Peace Council'. Such a council would no doubt reflect the world's desire to secure genuine peace rather than the conspicuous proliferation of the conflicts which the world has witnessed under the domination of the Security Council.

Bernard Wijedoru

Austin Avenue, Hong Kong

Buddhaputra vs Bhumiputra

It would be very much appreciated if Mr. Sarath Amunugama (LG. of 01.03.92) could enlighten the readers as to why he referred the two Christian priests as Fr. Singaraiya and Rev. Deogupillai and to the two Buddhist monks merely as Tiranagama Ratnasara and Madulawawe Sobhita. If there is any political, social or emotional reason for drawing this daring distinction, it would be quite interesting.

E. M. G. Edirisinghe
Dehiwala.

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