

Gunning for Gaddafi, Reagan's Rambomania?

— Robert Hunter

**LANKA**

# **GUARDIAN**

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**LIVING BEYOND OUR MEANS**

**CORRUPTION AND  
THE OPEN ECONOMY**

— Jayanta Kelegama



**The Importance of  
being Thondaman**

— Mervyn de Silva

**Kipling : a male chauvinist empire-builder ?**

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## THE DEBT TRAP

The day the World Bank's Vice President David Hopper arrived for the first round of consultations before the Aid Group meeting in late June, the ISLAND quoted Finance Minister De Mel on his current worry — Sri Lanka's rising debt service ratio. In 1985 it was 20% of external income but this year Mr. de Mel thinks it can go up to 25%.

Mr. Hopper himself believes that 20% is a 'fairly favourable position' but for Mr. de Mel it is 'the bottom line'.

What makes both men a bit anxious though is Sri Lanka's credit-rating. From the socialist Dr. N. M. Perera, Finance Minister of Mrs. Bandaranaike's United Front to the liberal Mr. Ronnie de Mel in the capitalist UNP government, there has been a continuity of policy on the question of our credit-worthiness. Sri Lanka did not renege on its debts. It paid them always on time. A reputation worth protecting as the long, melancholy tale of Third World debtors proves beyond debate and doubt.

## NO SPLURGE

Sri Lanka had another point in its favour as Mr. David Hopper remarked in an informal conversation he had with the editor of the Lanka Guardian in his Washington office a few days after the World Bank's Seoul meeting. After the 1984 boom in tea prices, a splurge was not Sri Lanka's choice. The government won the respect of the banks, the international agencies and donors by settling as many debts as possible with the help of this unexpected windfall.

But percentage can be deceptive. If Sri Lanka's foreign income was on the up-and-up, the debt service ratio, though always an indicator of 'sound financial management', need not be so grievous a cause for concern as it is right now. The prospects for 1986 are quite bleak.

Colombo's newest hotel, the **RAMADA** is fighting to reach a

higher occupancy rate than 30%, and the tourist scene in general, despite some slight signs of recovery, is depressing. As the construction boom in the Middle east comes to a close, the remittances of our migrant workers will taper off. While tea prices have dropped, rubber and coconut have taken a bad beating.

That is why Mr. de Mel is so nervous about the runaway spending on defence. Mr. Hopper himself was diplomatic enough to find refuge in the politely evasive "it is an internal matter". In the present climate military spending cannot be cut; it can only be controlled up to a point.

Hence the World Bank-supported offensive by the Finance Minister on another front — commercial loans, by ministries and corporations. **No. 1 target: AIR LANKA.**

## MONITORING COMMITTEE

Although the situation on the ground mocked the C. H. in the C. M. C. H. (Committee for the Monitoring of the Cessation of Hostilities) the CMCH, despite many legal constraints and physical handicaps has done more good than harm. Its report on the Batticaloa incidents found large holes in the STF version of "a cross-fire" in which nine Tamil

(Continued on page 24)

## TRENDS + LETTERS

## Parliamentary Path

Mr. Shanmugathasan accuses the left leadership of betraying the Sri Lankan Revolution when they embraced the bourgeois system of parliamentary democracy. No body disagrees with him on this issue. But he does not tell the readers what he was up to during these years of betrayal. At least Mr. Keuneman has the intellectual honesty of accepting two most severe mistakes committed by the left leadership in the past, namely their failure to strike a balance between parliamentary politics and extra parliamentary activities and their failure to build up a second and third line of leadership. It is common knowledge that Mr. Shanmugathasan himself, was in the hierarchy of the C. P. for at least 25 years of this period and there is no record of him disagreeing with his colleagues on their decision to follow the path of parliamentary opportunism. So far as we all can remember Mr. Shanmugathasan chose the so called revolutionary path around 1964 and his first revolutionary exercise was to contest Keuneman in Colombo Central in the 1965 General Election and lose his poor deposit!

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# Thondaman — eye of the storm or storm in a tea cup?

NEWS  
BACKGROUND

Mervyn de Silva

On January 1st, Mrs. Bandaranaike, her civic rights restored after five long years, became once more a political person in the fullest sense. Mr. Thondaman, the CWC chief and Rural Industries Minister who had opposed the 1980 decision claimed that he had been recently pressing the government to restore the former premier's political rights.

On January 14, **Thai Pongal**, the CWC launched its neo-Gandhian "prayer-cum-protest" campaign. Already however, a UNP administration fully aware of the economic consequences of such a move in the strategic plantation sector, especially at a time when tea prices were tumbling, had begun talks with both Mr. Thondaman and Mr. Dixit, the Indian High Commissioner. By the 18th, the campaign on the estates was called off, and agreement was reached by which Sri Lanka would give citizenship to 94,000 'stateless', the shortfall from the Indian figure of 600,000 stipulated in the 1964 and 1974 Indo-Ceylon agreements. India undertook in turn to grant citizenship to 84,000 applicants and accept them as repatriates.

On January 30 and 31st, the last days of this highly eventful month, parliament debated a Bill incorporating these accords, and with this enactment, the most harrowing of human problems in post-independence Sri Lanka, and perhaps the most complex and daunting of challenges confronted by every Sri Lankan administration was "settled". The complexity of the issue is rooted in history, the colonial legacy of indentured labour. The social-political problem is also a consequence of history

— the uprooting of the Kandyan peasantry from their traditional lands and from their centuries-old vocation as farmers, and the introduction of an "alien community" which soon became an enclave or ghetto.

The human problem is founded in the grotesque fact of 'statelessness' an intolerable burden on those hundreds of thousands who readily earned the title of the wretched of the earth, an ugly blot on the fair name of a newly independent nation in the 20th century. The economic dimension was the most obvious. Tea was and has remained the principal pillar of a plantation economy. It accounts today for more than a third of our external income. Lastly, it was an external issue. Whose citizens? India's or Sri Lanka's. India could say — and Mr. Bajpai did advance that argument in the 1940's — that it was a British responsibility, not an obligation of independent India.

What could little Ceylon do? Dump them in the sea? Who then would work the estates? Certainly not the Kandyan peasant.

It is to Mrs. Bandaranaike's credit (and history may decide that it was her greatest achievement as primer) and indeed to the credit of Mr. Lal Bahadur Shastri that an agreement was signed which, technically at least, pointed the way to the ultimate elimination of this problem of 'stateless' involving nearly a million persons, a truly historic event and a unique diplomatic enterprise. India would accept 525,000 repatriates; Ceylon would confer citi-

zenship on 300,000. (By a second agreement, a balance 150,000 was split down the middle by the two countries). The implementation of the Indo-Ceylon accords would be phased over 15 years (later extended by two years to Oct. 1981) on a 7 to 4 ratio of repatriation to Sri Lankan citizenship.

The UNP government of Mr. Dudley Senanayake and again the 1977 Jayewardene government made basic changes in the law which Mrs. Bandaranaike now describes as "violations" of the pacts. The most significant of these amendments, she says, was the de-linking of repatriation and citizenship, and a new linkage of citizenship-to-citizenship. She also argues that the ratio was not strictly followed.

## Villain of the piece

Mrs. Bandaranaike has a straightforward explanation. Mr. Thondaman is the villain of the piece, and the 'violations' are the direct result of his machinations, first as a constituent member of the 7-party coalition of 1965, and now as a Minister of the government.

The SLFP sees something distinctly sinister in the CWC statement that the prayer campaign was only 'the first phase' of a larger strategy and the CWC's explicit reference to "the communal question or ethnic problem".

Slipping into unintentional irony, the architect of the two pacts says that the Sinhalese (like the Israelis!) would be driven into the sea.



And so, Mr. Thondaman ('the cleverest of trade unionists' according to National Security Minister Lalith Athulathmudali) is the eye of the storm. President JR, cool as ever, thinks it is a storm in a tea cup, and the SLFP protest campaign, supported or not supported by sections of the Maha Sangha, will collapse in the same dismal manner as the National Front of last year. But this time Mrs. Bandaranaike has flanking support from the MEP leader, Dinesh Gunawardene and the ex-UNP Minister and ex-JSS boss Mr. Cyril Mathew, the MP for Kelaniya.

While these are the domestic dimensions of the complicated and gigantic problem, there is an external aspect which is even more important.

### Ethnic Factor

Mr. Thondaman is not just a trade union leader, however skilful or successful. He is the leader of a community, the Indian Tamil plantation labour. It is Indian, but it is also Tamil and it is this ethnic factor which makes the community a vital part of the larger equation of Sri Lanka's ethnic conflict. It is Indian Tamil and this aspect of the issue gives India, the mediator in the island's conflict, a special interest, and therefore a direct right to be involved.

Hence the true significance of the tripartite talks in mid-January. It is not always that a Cabinet Minister, albeit in his role as a trade union leader, participates in negotiations with a fellow Cabinet Minister (the Minister of National Security, by the way, and not the Minister of Labour or the Minister of Plantations) with the representative of another government forming the third side of the triangle.

Mr. Thondaman is more than a union boss. He is the unchallenged leader of a community — a position from which the D.W.C., the Left parties, his TULF partner, the FP, and recently the governing UNP have each tried to oust

him with no success. The Sri Lankan Tamils are concentrated in the north, and separatist movement there has produced an armed struggle. The Indian Tamils are concentrated in the central hills, the labour force of the economically vital plantations.

### Deadly Pincer

This physical fact and the different nature of the challenge to the regime — armed struggle and economic pressure — would, if the two forces were coordinated in any way, catch Colombo in a deadly pincer. That is why, President JR, the government's supreme strategist, decided to close one potential front, already a bit turbulent and hostile.

This is also why paradoxically, the SLFP, more sensitive to Kandyan pressures than any other party, as well as the Madras-based Eelamists have expressed disappointment and anxious concern. Responsive to up-country interests, and thinking, always in electoral terms, the SLFP sees the new agreement as

a negative development. So do the Madras-based separatists who have called it a victory for the government. They have lost a strategic ally.

In short, JR has done his own 'de-linking' at a time when the rumblings in the thottam were becoming a bit ominous. Between JR and Thondaman there is a shared vested interest — NOT to allow the plantations to become a new theatre of political violence caused by deep-felt frustration and anger.

As long as there are Indian citizens in significant numbers or prospective Indian citizens or persons of Indian origin who are 'stateless', Delhi has a right to intervene, diplomatically or otherwise, according to the prevailing conditions. Thus, the Maha Sangha, at the APC, was exceptionally far-sighted. The Mahanayakes, for instance, agreed to grant citizenship to the whole lot. The only justification for Indian inter-

(Continued on page 18)

## Human Rights violated says LSSP

The Lanka Samasamaja Party (LSSP) has urged the government to immediately release those detained under Emergency Regulations, in various parts of the country.

In a press release, the LSSP said since those detainees had not been produced before magistrates within 24 hours it was clear that they were being held in Police lock-ups, contrary to the normal law.

"Those who had been similarly arrested earlier under this government were released after months of detention without a single among them being charged either under the normal law or any other law."

"This is without doubt the result of people being arrested without any valid evidence against them."

"The present arrests do not appear to be any different from the earlier exercise."

"These arrests and detentions were in flagrant violation of the civil rights of the people. From what the party knows of the treatment, which these people were subjected to there is no doubt that there is a violation of human rights as well."

"The party cannot help but conclude that the government in its anxiety to keep alive its propaganda stories of a Marxist-terrorist plot to subvert Sri Lanka has left the Police, completely free to interfere with the rights of the people."

The party has accused the government of gross injustice and abuse and its continuance was potent with the gravest dangers to political life.

● Bar Association submits interim report

## Amend CPC to protect people in custody

**T**he Sub Committee appointed by the Bar Association of Sri Lanka in its interim report to recommend measures to ensure safety of persons in Police custody pointed out there have been instances where nothing has been known for considerable length of time about persons after a Police arrest, for investigation purposes. Even lawyers are not permitted access to such persons.

The Sub Committee in its interim report has recommended amendments to the Criminal Procedure Code and Police Ordinance for the purpose.

It has recommended that amendments to the existing laws should be made to require Police to report immediately to the nearest Magistrate after an arrest of a person is made. Attorneys-at-Law should also be permitted to

watch the interests of detainees from the time of arrest.

The Sub Committee is of the view that Magistrate should be delegated additional powers to inquire into complaints on matters like detention of suspects upon application filed by lawyers in order to ensure that whereabouts of persons held in custody are known by relations and others concerned.

Another recommendation of the Sub Committee is that "B" reports filed from time to time by Police in Court should contain detailed information about time of arrest, detention, release and re-arrest, etc. The type of "B" reports filed by Police at present is not comprehensive enough, the Committee further observes.

A delegation of the Association will soon interview the Attorney

-General and the IGP and have discussions about the recommendations before finalisation of the Sub Committee report.

Mr. K. Balapatabendi, President of the Colombo Law Society and convenor of a series of Sub Committee Meeting at which these proposals were discussed and decided, said that all what could be done under the present law about persons whose whereabouts, are not known after arrest, was to file a Habeas Corpus application. "Since it is a tedious legal process which entails inordinate delays, a Habeas Corpus application does not serve the intended purpose. Quite a large number of applications in respect of persons about whom nothing is known after arrest, is still pending in the Appeal Court". Mr. K. Balapatabendi said.

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# CORRUPTION AND THE NEW ECONOMICS

Jayanta Kelegama

Open market policies while allowing free flow of imports and encouraging private enterprise, appear to have at the same time permitted excessive imports of some products and unchecked growth of certain business activities with perhaps harmful effects on the economy. One good example is private bus transport. The number of registered private buses and coaches rose from 1225 in 1976 to 17,999 in 1984 and the private bus fleet now exceeds the SLTB fleet strength of 16,425. There does not appear to have been much control over private bus transport with the result that a private service encouraged to supplement a public service is now threatening to oust its rival. Indiscriminate issue of stage carriage permits has eaten into the revenues of the SLTB; for instance, news papers reported that on route 103 (Fort-Narahenpita) the private sector operates 84 buses as against the SLTB 13. It has been further reported that about 150 private buses were operating without permits in Ratnapura, Badulla and Amparai districts alone as late as February 1984.

The expansion of private bus transport has been to some extent, at the expense of public transport. Thus the total number of passenger kilometers of the SLTB declined from 22,224 million to 13,786 million between 1980 and 1984 or by 38 per cent while SLTB's losses increased by 32 per cent to Rs. 376 million in the period. Passenger kilometers of the government railway fell also by 38 per cent in this period while its operating loss rose by 230 per cent to Rs. 582 million.

The substantial increase — more than doubling — of the number of motor vehicles on the road has caused a marked rise in the number

of road accidents by 37 per cent between 1979 and 1983. An alarmingly increasing proportion of these accidents are caused by private coaches; while private coaches constituted only 5.6 per cent of the total number of motor vehicles in the country, they formed 9.4 per cent of the total number of vehicles involved in road accidents in 1983. Most of the private buses are second-hand vehicles imported from Japan and condemned CTB buses sold after a fixed period of service; according to police reports about 50 per cent of them are not road worthy and are a hazard to road users. These buses in addition are often over loaded and are driven by inexperienced and reckless drivers who violate all the rules of the road.

It has been highlighted in some newspapers that as much as 30 per cent of private coaches are owned by Senior Police Officers and the main reason for negligent driving speeding and overloading with impunity is the protection the drivers have from the law enforcement officials. The *Daily News* editorial of August 7, 1985 stated:

"Official figures show that private buses outnumber the SLTB fleet. That by itself is no worry. What is deplorable, or more than that, outrageous is the reign of terror they appear to have imposed. Our private sector services are run with scant regard for public safety, public convenience or the needs of the community. They are driven in a wild rush for profits. They claim several lives daily, maim the young and mangle the old. They overspeed at every turn. They add to the destruction of public property. Some of them are not insured. These drivers and conductors wear no identity mark. They make a mockery of the law over a wide area of daily life. Meanwhile our roads are running red under a reign of recklessness by private buses. Does anyone care? Or is it true as some Mudallalis say — that they

*President JR told a meeting in Galle recently that corruption had become a major problem and promised to publish in all three languages Prime Minister Rajiv Gandhi's hard-hitting speech at the Congress centenary sessions in Bombay where Mr. Gandhi lashed out at Congress politicians, big business, the bureaucracy and the police. While a Presidential Commission on high-level corruption may be on the cards, we begin serialising today a paper prepared by Dr. Jayanta Kelegama for Association of Economists in which he places corruption and business malpractices, unregulated business Activities and moral degeneration in the wider perspective of the new economic policies.*

*The paper itself is a critical review of Sri Lanka's economic policies from 1970 to 1984.*

*Dr. Kelegama who was Permanent Secretary, Ministry of Commerce after serving in the Central Bank is now a consultant to UNCTAD and FAO. In that capacity he has been Economic Adviser to the Government of Gambia, and more recently a consultant in Ethiopia.*

*pay the right men to concentrate on lesser things?"*

How the private coach owners actually bribe the SLTB bus crews to sabotage the public transport system was revealed by the *Sunday Observer* of June 3 1984. It referred to a case of Rs. 400 being paid per day to some SLTB crews to see that their buses did not run on schedule.

Private hotel industry is another example. Absence of regulation of hotel charges resulted in the fleecing of tourists which in turn discouraged tourism. The Minister



of Finance in his address to the Tourist Hotels Association in July 1985 referred to this, in addition to the 1983 July communal disturbances and the world recession, as a factor responsible for the slump in tourism. *Daily News* of July 27, 1985 reported:-

"Another was what I would describe as the short-sighted greed of the hoteliers of Sri Lanka. During the boom period from 1977 to 1982, when tourist bookings were at their height, many hoteliers in Sri Lanka jacked up hotel rates to unconscionable levels and this would eventually have led to a sharp drop in tourist arrivals in any case," he said.

"Tourist Board figures have indicated a fourfold increase in rates during this period since 1977 a rise well over that justified by inflation. Moreover the Minister said.

"Many hoteliers failed to invest sufficient funds to effect improvements to their hotels and failed to build up a prudent level of financial reserves. Instead they paid out unduly high dividends to their shareholders in order to take advantage of the tax holiday they enjoyed."

How sharp businessmen including foreigners have taken full advantage of the open economy and played out many investors has been revealed by Minoli de Soysa in the *Island* of 22 July 1984:-

"Over 100 investors with more than 10 million rupees worth of investment are going to be left in the lurch as yet another Hongkong based commodity trading company bites the dust. This is the fourth such company to wind up operations in Sri Lanka during the past three years. The first three companies dealt in commodities such as red beans, cocoa, pulses and rubber. The minimum investment required was Rs. 50,000 as well as additional commission of Rs. 800 on each unit traded which was taken by the company. The first company to be established — Coribals started in early 1981. After collecting a conservative estimate (based on the minimum amount of Rs. 50,000) of Rs. 2.5 million rupees the Company folded up. The second company was Commodities Consultant and Service Company which had about 100 investors and raised at least 5 million rupees. The third Oriental Consultant Investment Trading Company collected another Rs. 2.5 million. All these companies had closed down by early 1983, after collecting a very minimum total of 10 million rupees from investors. The last Hongkong backed Company, told a potential investor who rang up to inquire this week that they would be winding up operations for

good. This company traded in gold and asked for a minimum investment of Rs. 100,000. It had over 100 clients. When companies fold up suddenly, there is little chance of recovering any money. The companies are winding up one by one after having made a fast buck at the expense of Sri Lankan investors. Part of the problem undoubtedly has been due to the unconcerned attitude shown by the authorities here. Even at this late stage no one will claim responsibility. The Trade Ministry says it is the Finance Ministry's responsibility. The Finance Ministry says "It's not us." Where does the buck stop?"

The absence of adequate regulations and lax enforcement of whatever regulations that may exist have resulted in a marked increase in illicit exploitation of timber which fast reducing the country's forest cover, poaching which threatens several species of wild life, indiscriminate mining of river sand, sea sand and coral which is causing coastal erosion, unsupervised sale of insecticides, pesticides and other dangerous drugs and unlawful employment of child labour.

#### **Corruption and Business Malpractices**

Twelve, open market policies, relaxation of controls, pumping of large amounts of money into the economy and expansion of opportunities to make money to the private sector by way of business operations or by performing services to government have also resulted in an increase in business malpractices, bribery and corruption.

It is often stated that controls and regulations breed dishonesty and corruption but the experience in recent years seems to indicate that dishonesty and corruption are perhaps more in an open market economy.

It was Rev. Dr. W. L. A. Don Peter, Rector of Aquinas College who stated at the graduation ceremony in July 1981: "Dishonesty has assumed such proportions in our society that one would not be far wrong, I think in concluding that it is our greatest vice." The *Daily News* of July 22 1981 endorsing this remark in its editorial, further added "the whole environment as Fr. Don Peter seemed to suggest betrays signs

of moral decay. But then morality itself, like religion — successful men of our times will urge — is outdated. For money, today is the measure of success: riches, the measure by which a man's worth is tested..." The *Daily News* as well as other newspapers have not hesitated to draw public attention to bribery and corruption from time to time. The *Weekend* of January 27 1985 for instance reported after an investigation that "Bribing has taken root at all levels in society like a slow cancer, until even the most healthy people are in danger of falling prey to its tentacles. Ironically the conditioning has become so complete that few people can still distinguish between a bribe and a service charge or tip, a *Weekend* investigation found."

If open market policies have enabled traders to make money as never before, it has also witnessed widespread tax evasion and defrauding of government. The *Daily News* of June 6 1984 reported a speech of the Minister of Finance as follows:-

"Finance Minister Ronnie de Mel yesterday stressed the need to streamline tax collection and stamp out tax evasion and default which he said has become a 'fine art' in the country. Large scale tax evasion was common in textile, jewellery and garment industries; among medical practitioners, lawyers, cycle and motorspares dealers and rice millers. Many of them had declared only one eighth of their income. A furniture dealer had declared his turnover as Rs. 226,000 when in fact it had been Rs. 6 million."

Malpractices in business and other dishonest dealings as smuggling are frequently reported in the daily newspapers. The Chairman of the Textile Manufacturers Association Mr. A. Y. S. Gnanam, for instance, has recently openly accused some of the garment manufacturers of smuggling substantial quantities of imported textiles thereby defrauding government of tax revenue and at the same time crippling the local textile manufacturing industry. He has alleged that these garment manufacturers sell in the local market fabrics imported duty free ostensibly for manufacturing export garments and export instead garments made of

cheaper locally produced material. Mr. Gnanam charged in February, 1985 that these defrauders were getting away 'scot free' as they were helped by influential people. He said, according to the Weekend of February 24, 1985, that the government was not taking any counter action in spite of their repeated representations. The Weekend of June 23, 1985 reported that in the last two years at least one container of contraband has found its way to the local market every month despite customs surveillance and that several prominent businessmen are involved in this racket in smuggling goods such as sarees.

It is almost paradoxical that there exists a black market in foreign currency despite an open economy, liberalised exchange control and floating exchange rate. It is known that foreign currency is purchased particularly from those returning from West Asia at a premium and thereafter smuggled to foreign countries. The attempt to smuggle foreign currency to the value of Rs. 28 million at the airport in August 1985 is an example of this organised smuggling to India in this way are sold to Indians who travel to Sri Lanka to shop in the duty free complex. Foreign currency smuggled to some other foreign countries are used to finance imports carrying highest tariffs. It is reported that letters of credit are opened for about half the actual value of these imports (the other half being paid by smuggled foreign currency) and the import duty payable being on the c.i.f. value, is actually much less than what is paid under normal import. Fraudulent practices thrive even at the Duty Free Complex which the Government set up with the good intention of earning foreign exchange. It is reported that instead of being as intended, a shop where foreigners and locals alike could buy only what they wanted for personal use, the complex at the time it was closed at the former site had become a thriving outlet for a wide range of domestic requisites that were being sold openly outside the complex for a small per-

centage higher than the duty free value.

Malpractices exist in the export trade too such as export without declaration to the authorities of high quality teas stolen from state owned estates in the guise of cheaper low quality teas as well as shipment of sub-standard teas in the guise of high quality teas. The Chairman of the Colombo Tea Traders Association Mr. H. Wijeratne himself stated at the Annual General Meeting in June 1981 as follows:—

"It is not unusual today for some unscrupulous person to deal in unlawfully procured tea, price undercutting and shipments of tea which do not match with agreed upon standards. Member may be aware of instances where stolen tea was found in buyer's ware houses for which action is yet awaited".

Smuggling of Sri Lanka's gems has become a thriving business. The Chairman of the State Gem Corporation has estimated the value of precious stones smuggled out of Sri Lanka at Rs. 2 Billion a year while S. A. Assen in the Sunday Observer Market Review of 16 September 1984, estimated the unofficial gem exports at Rs. 3 Billion annually. The Minister of Finance Ronnie de Mel, in his address to the Sri Lanka Gem Traders Association in August 1985, called upon the gem trade to help him restrict and curtail the vast amount of smuggling that was going on.

Among the other malpractices in private trade are import and sale of substandard goods such as electrical appliances which fall short of power ratings and functional capacities attributed to them and electrical bulbs which last only a few hours and sale of adulterated foods and damaged or defective articles. Daily News of July 4, 1984 reported, for instance, "Trade and Shipping Minister M. S. Amarasinghe has directed the Commissioner of Internal Trade to bring to book errant traders who resort to unfair trade practices. The Minister's order follows over 100 complaints reaching the Commissioner that most of the articles they have bought from private traders were found damaged

or defective upon delivery. Among the articles are television sets and rice cookers".

The moral degradation as a result of encouraging tourism under free market policies was highlighted by the Weekend of July 14, 1985:

"Colombo is fast gaining international notoriety as a city teeming with free sex, cheap drugs, high society gambling and loads of pornography—a paradise for underworld's brothel-crawlers, junkies and gays. Advertisements are appearing almost daily in the Western Europe's sleazy travel magazines offering 'package' sex tours to Lanka. Investigating the depths of this degradation, the Weekend team found more than 1500 female prostitutes, 500 male homosexual prostitutes, hordes of transvestites (male dressed as females) and at least six high class 'casinos' operating each night in Fort, Pettah and Bambalapitiya..... A senior police official, who wished to remain anonymous, told Weekend that there was increasing evidence linking high incidence of drug abuse, rising petty crime and male prostitution. "We believe that there are syndicates which are operating at high levels, using homo-sexual prostitutes as drug peddlars and female prostitutes to support petty crime" he said".

The Weekend also reported that "each month over 2000 patients call at the venereal disease clinic of the Colombo General Hospital for treatment of sexually transmitted disease. Experts estimate that another 14,000 people seek treatment from other general practitioners in the Colombo District". In addition to prostitution there are countless parlours showing pornographic or blue films and about 100 bookshops selling pornographic 'men only' literature.

The close link between the expanding tourist industry and increasing prostitution in the country has been highlighted by a study on "Tourism in Sri Lanka: the Social Impact" by Dr. Nandasena Ratnapala, Director, Sarvodaya Research Institute recently. It reveals how prostitution has eaten deep into the social fabric of society in the tourist areas and how it has gained a new respectability and acceptance which induce husbands to encourage their wives and parents to compel their daughters to take to prostitution. Daily News of August 22 1985 commenting on this study, added:

(Continued on page 24)



# TERRORISM AND THE APARTHEID STATE

FOREIGN  
NEWS

**R**ecording reactions to Mr. Reagan's characteristically gung-ho response to the latest terrorist blood-letting in Rome and Vienna, NEWSWEEK quoted a Third World diplomat at the UN as saying "This is RAMBOMANIA". And so, at least for the duration, Mr. Reagan forgot 'Star Wars' and began a new war-game that may have been titled in a Hollywood manner proper to both Mr. Reagan and his celluloid hero, Rambo, "Gunning for Gaddafi".

Not for Mr. Reagan the saner counsel of his close European allies nor their cautionary warnings about the costs of 'punitive' adventures besides the basic questions of law and morality.

Mr. George Schultz on the other hand was ready to lay down the law, his own version, blandly ignoring that his government was only last year arraigned before the International Court of Justice for mining the harbours of Nicaragua, which not even Mr. Schultz at the time claimed was preparing to mount an attack on the US!

Neither these two US leaders nor like-minded people bother to ask "Why this indiscriminate violence?" "What has bred such fanaticism?" Why do these Palestinians kill and freely run the risk of being killed in London, Rome, Vienna, Athens, Brussels etc etc...?"

Are these men born maniacs? Are they simply depraved? Why these suicide missions? And by young, often well educated persons?

Is there some deeper cause, some other explanation? In any case, is RAMBOMANIA and sabre-rattling the right response even in terms of self-interest?

Fortunately, there are many voices of reason, in the US debate on 'terrorism'. We publish excerpts from an article entitled "Anti-terrorism Has to be Pro-Peace" by Robert E. Hunter, director of European Studies at the Georgetown

(Continued on page 10)



WASSERMAN FOR THE NEW YORK TIMES

# Anti-Terrorism Has to Be Pro-Peace

Robert E. Hunter

Americans are confronted with the origins of U.S.-Libyan relations every time they hear the words "to the shores of Tripoli" in the Marine Corps hymn. Yet it is a great distance from Thomas Jefferson's disciplining of the Barbary pirates to the exchange of epithets between Ronald Reagan and Moamer Qadhafi. The contrast symbolizes changes both in the world and in the nature of demands on U.S. power.

The morning after the president's announcement, the acting U.S. representative to NATO set forth to "lay it on" the allies. So far, "tepid" would be too strong a word to describe their response. For example, expressing "relative surprise" at not being consulted, West German Chancellor Helmut Kohl said on Thursday that he would not support the sanctions.

Yet there is risk in inferring that the Europeans care less about terrorism than does the United States. This can hardly be true for societies that have endured the Red Brigades, Baader-Meinhof and the Provisional IRA. Nor, despite their economic ties with Libya, are all Europeans mesmerized by the chance to make a buck from consorting with Qadhafi.

U.S. difficulties in gaining allied support for dealing with Libya stem largely from the Europeans' more political approach to power and problems. Put simply, there is a widespread belief on the Continent that terrorists gain strength from conflicts that lack political resolution — most important, the Arab-Israeli conflict.

In 1980 the European Community declared support for self-determination in Gaza and the West Bank, and endorsed a direct role in diplomacy for the Palestine Liberation Organization. Both positions were a rebuff to American peacemaking efforts and were anathema to Israel, but both remain Community policy.

This departure from U.S. views derives only in part from the Europe-

ans' lack of responsibility for making diplomacy work. There is also a common European view that, because of domestic political pressures, the United States frequently mistakes its interests in the Middle East.

The United States now finds itself, along with Israel, to be remarkably isolated on the Libyan question. Not only are the Europeans reticent, but even Egypt, which has its own troubles with Libya, has joined the Arab League in condemning in advance any U.S. military move against Colonel Qadhafi.

Diplomatic isolation abroad may not matter at home, where creating the appearance of decisive action against terrorism is the key political requirement. But it does limit U.S. options in the Middle East, weaken

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the basis for U.S. leadership in peace-making and further erode American credibility, especially with moderate Arab states.

The goal of most terrorism is political change. The major results of the latest brutalities has been to demonstrate the degree to which the United States has been unable to promote changes that will serve the goal of peace in the Middle East.

## TERRORISM...

(Continued from page 9)

University's Centre for International Studies, Washington. It is from the L. A. Times.

The world-wide debate on 'terrorism' often overlaps, not surprisingly but nevertheless, confusingly with discussion of the wider problem of political violence. Nelson Mandela, the brave ANC leader who has spent most of his adult life in a South African jail, (his wife Winnie is now the victim of persecution and constant harassment) says: "We are now being blamed for violence. Apartheid is Violence. It is violence against this, OUR nation; against our body and soul, and against every notion of human dignity".

Yet, those western leaders who sermonise so casually on the subject of violence and terrorism hardly raised their voices against this barbarous racist state until the blacks took to violence! Why the long silence? Why the lamentations and nervous agitation today? With the permission of the editors of RACE AND CLASS we begin publi-

cation of an article by Raymon Lotta, an American political scientist who is the author of "AMERICA IN DECLINE."

The cartoon, also from the Los Angeles Times, adds a special irony to the situation. The Angolan government turned to Cuba for military assistance only after a South African armoured column had penetrated deep into Angolan territory to assist rebel leader Jonas Savimbi in ousting the newly installed Republic. The US supports Savimbi with money and arms, and so does South Africa which has withdrawn its troops.

South Africa's policy is aimed at either making its neighbours 'protectorates' or weakening them through constant military harassment, sabotage and economic pressure. Last month it imposed such a severe blockade on little Lesotho that food, fuel and medicine had to be airlifted. Finally, para-military forces, supporting opposition groups which had direct contacts with Pretoria, ousted the Prime Minister.



# The political economy of apartheid and the strategic stakes of imperialism

Raymond Lotta

**T**he extraordinary uprisings in South Africa have focused attention not only on the brutality of the apartheid system but also on the economic role of the US in that country. By any yardstick, US financial involvement is staggering: \$2.5 billion worth of direct investment, \$3.9 billion worth of bank loans, \$7.6 billion worth of shares in South African companies, and US exports to South Africa in 1983 totalling \$2 billion. Total foreign investment by the West in South Africa now stands at about \$25 billion.

Can anyone seriously believe that investors are unmindful of the pass system and torture chambers in South Africa? More incredible, can anyone seriously believe that the US and western imperialists have pumped billions of dollars of capital into that country, have shared nuclear technology with it, and licensed the production of weapons systems by the South African defence industry in order to create the economic foundations for a just social order? But wait, just as one is about to vomit up the last morsel of credulity, along come 'critics' to indict the US for 'legitimising' and 'lending its prestige' to apartheid. Prestige? Unintentionally, they've got a point: the 'prestige' of the million and more murdered by US Imperialism in Indochina; the prestige of the torture squads it trains in Latin America; the 'prestige' of Union Carbide in India. Legitimise? Lest we forget, as recently as 1967, racial intermarriage was a crime

in Virginia. And today the infant mortality rate for Blacks in parts of Chicago and the Bronx has more in common with thirty Third World countries than with the rest of the United States. US Imperialism and apartheid deserve each other indeed, they require each other.

## Apartheid and capital accumulation

### *South Africa in perspective*

The apartheid system has its origins in a particular form of settler colonialism and has its logic in the capitalist mode of production. Capitalism in South Africa has developed in a very specific context: it has utilised and transformed the rural African economy and has developed under the protective umbrella of, and in close conjunction with, Imperialist capital. Like the European settlers in the United States, the white settlers in South Africa sought to subjugate the indigenous people. But while the whites in North America exterminated the better part of the Native American population, the whites in South Africa did not wipe out the African peoples. These Europeans were and have remained a small ruling minority. With the discovery of diamonds in the mid-nineteenth century, and later gold, the demand for cheap labour stimulated the large-scale and despotic employment of blacks in the mines. The profits generated by the mining industry laid the basis for subsequent capitalist development and the emergence of a South African capitalist class.

Like Israel, South Africa is a strategic battlement — a regional settler-type gendarme for western Imperialism. But whereas the Israeli

economy lacks practically any independent economic viability — it is largely a military machine dependent on external assistance — South Africa has developed a modern capitalist sector. Yet while the industrial base of the South African economy is similar in many respects to that of developed capitalist countries, and while the white workers enjoy living standards that are comparable with those of European and North American workers, the specific dynamics of capitalist development and the structural division of the working class in South Africa condemn the vast majority of the population on the grinding impoverishment that characterises the Third World. At the heart of these particularities is apartheid — the systematic super-exploitation, oppression and enslavement of the majority of the indigenous population.

A system of racial segregation has long evolved in South Africa, codified in a body of law dating back to 1913, which has two objectives: to preserve the white monopoly on political power and to provide a reservoir of cheap and coercible labour for industry and agriculture. To these twin ends, the country has been divided territorially. The Land Acts have allotted about 13 per cent of the country as 'reserves' or 'homelands' for the African majority. But these densely populated and impoverished homelands were never intended to sustain the majority of the population. Only by working outside these areas under a migrant labour system administered by labour bureaux which assign workers to specific industries or employers can the Africans earn enough to provide for themselves and their families.

*Raymond Lotta is a political economist who resides in the US. Among his latest works is America in Decline (Chicago, Banner Press, 1984).*

Subsequent legislation has regulated the flow of black labour into the mines and industrial regions: when their contracts are fulfilled, the miners can be sent back to the reserves; male workers are discouraged from bringing their families with them (many are housed in carefully segregated and police-controlled areas): and, of course, there is the pass system. Such influx restrictions have not prevented the growth of an urban African underclass. But the territorial principle of segregation has been utilised effectively to deprive blacks of the most minimal civil and political rights. In fact, any African residing in a city, for whatever length of time and even if born there, remains officially an alien.

It is often suggested that South Africa is a society in which ideology has run amok. In other words, the racial restrictions and prohibitions are out of step with the requirements of modern industrial growth. Or it is sometimes argued that the very imperatives of capitalist industrialisation will gobble up apartheid. Such arguments overlook one overarching fact: the extraordinary growth of the South African economy in the post-war period not only rested on apartheid but reinforced it. The lives of black people are incomparably worse, the terror they face never more pervasive. Have the practices of US corporations mitigated any of this? As we shall see, they are accomplices, the more criminal for their honeyed and pious words; and, at this stage of crisis, they play an all-important role in preventing the regime from collapsing. The authoritarian conscription of and discrimination against black labour have yielded average rates of return that rank among the highest in the world available to western capital since the end of the Second World War. The modalities of superexploitation are the real issue lurking beneath the rhetoric and lies.

The benchmark according to which wages are paid is the labourer's necessary consumption fund, that is, the cost of sustaining and reproducing his or her labour power and rearing a new generation of proletarians. Yet, under specific historical circumstances, it becomes

possible to pay labour power below its value, not only for a time and exceptionally but ordinarily and as a rule. Such superexploitation is a predicate of imperialist rule in the colonies and neo-colonies.

To see this, one only has to look at the superexploited labour that can be found in the assembly plants set up by US companies on the Mexican side of the US-Mexican border, in the export-processing zones of Asia, on the agricultural plantations in Latin America and in South Africa. What are some of the defining characteristics of the labour process under conditions of superexploitation? First, lower wages, substantially longer working hours and a significantly higher intensity of work per hour (people work harder) than prevail for comparable activities in the advanced countries. Second, part of the costs of sustaining and reproducing this capitalist wage labour is often borne by pre- or non-capitalist relations of production, such as the 'informal' economy of the cities (or shantytowns) and, especially, the rural sectors, where the 'household' labour of women plays a pivotal role. Third, the work force is often subject to extreme extra-economic coercion — be it the hired thugs of latifundistas, tightly controlled labour compounds or repressive legislation — which enhances the appropriation of surplus value. It must be emphasised that these are not residual features of the labour process but elements that profoundly condition the profitability of capital in the world today.

#### *Apartheid as a form of superexploitation*

Table 1, based on official South African government statistics, shows the extreme disparity between the wages of blacks and whites in South Africa. What, then is the economic and social basis of cheap migrant labour in the South African economy? In part, it is the administrative control of wage levels, which results in a totally different and lower wage structure for blacks. In part, it is the pressure on the migrant worker: he or she has limited time to find a job and if fired may never secure gainful employment in the cities again. In part, it is legislation that up until recently forbade unionisation among blacks. But all of this interacts with, and is directly linked to, the specific framework of the production and reproduction of labour power. The migrant labourer in South Africa has access to means of subsistence outside the capitalist sector. More specifically, the indigenous system of peasant production has been transformed into a cheap reservoir of labour reproduction.

The extended family in the reserves — by caring for the very young and very old, the sick, and the labourer during times of rest, by providing education (for which Africans must pay) for the young — relieves the capitalist sector and the state of some of the expense of carrying out and paying for these functions. Thus, the relationship between wages and the cost of production and reproduction of labour power changes: the worker can be

Table 1: Numbers employed and average monthly wages (\$) in South Africa, 3rd quarter 1984

<i>Mining</i>		
African	636,722	346
White	85,238	1,772
Coloured	9,090	549
Indian	673	888
<i>Manufacturing</i>		
African	749,000	429
White	312,600	1,677
Coloured	245,300	486
Indian	88,600	604

Source: Republic of South Africa, Central Statistical Services



*paid below the value of labour power.* At the same time, the reserves furnish capital with an optimal selection of workers to replenish a brutally driven and rapidly exhausted labour force (labour turnover has been quite high in South African industry, and the life expectancy for black men is 55 years). The household and subsistence labour of women on the reserves is an important pillar of this subsidy to capital.

In 1981, 1.3 million blacks from the bantustans were working in white areas as migrant labourers under contract. An additional 745,000 were commuting from the bantustans on a daily basis. This arrangement presumes a certain level of production in the reserves. Enough must be produced as a necessary supplement to wages so that the subsistence requirement of the migrants and their families can be met, but not so much as to lessen migratory pressure to seek out work. The system known as influx control sees to the expulsion of rural blacks who try to find urban employment without coming through the officially designated channels.

Two fundamental features of the cheap labour system now come into focus: the tight control exercised over the movement and residence of the black labour force, and the preservation of forms of subsistence economy in the reserves, which enable capital to assess black living standards at a lower level than white. In point of fact, the family holdings in the reserves are grossly inadequate. The growing squalor has produced a tidal flow out of the reserves. The economic planners have responded in part by dispersing industrial development to new 'growth points' away from the existing industrial centres and closer to rural blacks whose job hunger has steadily worsened. Blacks from the reserves who do find urban employment can be authorised to live in the township like Soweto, which is outside of Johannesburg. In these overcrowded townships, single men may live in state-owned barracks — the continuing construction of these so-called hostels is an indication of the regime's commitment to the migrancy system. The state subsidises substandard

housing, while other costs of sustaining the workforce are thrown back on to the reserves.

Since 1960, the South African government has removed 3,500,000 Africans, Coloured and Indians from white to designated areas. At least one million more Africans have been forcibly relocated within the bantustans. A further 1,700,000 people are under threat of removal. All Africans over the age of 16 are required to be fingerprinted and carry a pass book at all times. A series of laws outlaws public gatherings and resistance organisations and provides for indefinite detention without trial and random police searches. South Africa has the highest per capita prison population in the world, and of the 130 people hanged in 1980, only one was white.<sup>2</sup>

The racial restrictions and the official violence rest on a definite economic foundation. The contradictions within this foundation and the increasingly mass and organised resistance to apartheid have jolted a system that many thought was impregnable. The declining productive capacity of the reserves has contributed to upward pressure on wages and accelerated the urbanisation process. Struggles have erupted against rural impoverishment and urban control. And the youth, particularly in the townships, have played a vanguard role in defying authority at every level and in every sphere of society. But why the stakes are so high only becomes clear when the apartheid system is seen in larger global perspective.

#### **Apartheid and imperialist expansion since 1945**

By the 1970s, multinationals provided about 40 per cent of all capital invested in South Africa's manufacturing sector. In 1982, foreign direct investment represented almost 16 per cent of the domestic capital stock and an additional 20 per cent of the capital stock was held by foreign capital in the form of portfolio investment. One-third of the growth in the domestic product over the past two decades has been attributed to foreign capital. In 1983, the value of US direct

investment was put at \$2.2 billion. America accounts for about 20 per cent of total foreign direct investment, trailing behind both Britain and West Germany (see Chart B). But it is strong in the growth and technologically advanced sectors: it controls about 40 per cent of the oil market, 33 per cent of the car market and 70 per cent of the computer market.<sup>3</sup> The big surge in multinational manufacturing investments came in the 1960s and 1970s. Two British banks, Barclays and Standard, are the largest foreign banks operating in South Africa — their domestic affiliates controlled about half of the assets twenty largest South African banks. But by the 1970s, the US Citibank had emerged as the fourth largest foreign bank in South Africa.

The foreign banks have played a critical role in channelling international and domestic capital into South Africa's 'growth machine', and have mobilised international credits for the apartheid regime during its most perilous moments. Furthermore, given South Africa's position as the world's preeminent gold producer, the banks have also been major actors in South Africa's international gold dealings<sup>4</sup>.

A few observations can immediately be made about the scope and character of foreign investment in South Africa. To begin with, South Africa has been a major outlet for investible capital in the post-war period. Fully one-third of US direct investment in Africa is concentrated in South Africa. Second, these investments have been highly profitable (See Tables 4 and 5). Third, these investments are marked by a high degree of collaboration with South African capital, both local banks and firms like Anglo-American (which is itself a transnational corporation) and by considerable interpenetration between units of foreign capital. Fourth, these investments have had from the outset an important strategic dimension, linked to the expansion and defence of the western alliance. And, finally, the US, though not the dominant investor, has

emerged as the imperialist chief-tain in South Africa.

### *Laying the foundations*

In viewing developments in the South African economy since the end of the Second World War, it is possible to discern three distinct periods. The first, dating from the accession to government of the Nationalist Party in 1948 to the Sharpeville Massacre of 1960 is marked by the systematic elaboration and enforcement of a system of racial segregation suited to the requirements of modern capitalist growth, and the provision of the necessary infrastructure and heavy industrial investment to spur capitalist expansion. The second period, dating from the aftermath of Sharpeville up to Soweto in 1975-6, is the period of the South African 'miracle'. Organised resistance to apartheid was temporarily drowned in blood and the instruments of repression perfected further, foreign capital flowed massively into the country and capital intensive industrial development saw the increasing interpenetration of different capitalist sectors, South Africa's rate of growth in the 1960s was exceeded only by that of Japan. The third period, dating from the mid-to late-1970s up till the present, is marked by the economic contradictions and social conflict generated by the structural conditions of cheap wage labour — all interpenetrated by the world economic crisis and the mounting tension between the US and Soviet-led blocs, rivalry which has found sharp expression in southern Africa.

The US and the West in general needed South Africa both as a strategic outpost and regional gendarme. And the country's settler population and previous history provided the framework for this. In the beginning, the British managed to continue holding the baton in South Africa. But, in doing so, they paid much of the political cost of western domination and took most of the flak of anti-apartheid struggle and sentiment within and outside of South Africa. Meanwhile, the US manoeuvred to take advantage of the fact that

South Africa was more than a rampart for the West: it was a highly lucrative one. In general, the US was slow to wrest overt political control from the West Europeans in Africa. But it moved with great dispatch to monopolise sources of raw materials. By the early 1960s, the British were no longer able to provide the kind of shield necessary for western and, particularly, for US penetration into South Africa. Yet, by this time, the US was able to use its economic reserver to re-fortify the imperialist hold over South Africa but now under clear US leadership.

The immediate post-war years in South Africa saw a boom based largely on developments within gold and uranium and in which the British were the principal beneficiaries. More important, the 1950s set the basic patterns for South Africa's economic development. The migrant labour system of cheap African labour, and its superstructural overlay, were put in place. And on this basis, a series of initiatives was taken to encourage and facilitate investment in manufacturing. Central to the process was the role of state investment. Targets for annual production were set and a highly integrated network of state corporations created a modern industrial infrastructure, with large-scale investments in iron and steel, power generation, oils and petrochemicals, and railway and harbour development. From the beginning, this 'parastatal' structure was heavily penetrated by foreign capital, particularly loan capital and principally from official lending institutions. In 1951, a consortium of US banks extended a \$10 million credit to the railway and \$30 million to the state electrical utility. The World Bank loaned South Africa some \$200 million in the 1950s for similar endeavours. The purpose of these loans and public capital outlays was to induce investment by providing low-cost industrial and infrastructural inputs. The imposition of apartheid would provide lowcost labour.

The South African 'miracle' of the 1960s and early 1970s was

appropriately inaugurated by Sharpeville. Fittingly, a year before Sharpeville, Chase and Citibank led a consortium which extended \$40 million of revolving credits to the regime; while in the immediate wake of the bloodbath, Chase made a much-publicised loan of \$10 million, and soon joined a consortium to lend the regime \$150 million. American bankers saw the chance to get on the 'inside' track and push the British into a subordinate position. What followed was an incredible inflow of foreign capital. Substantial American and Canadian investment went into the mining and processing of South Africa's nongold minerals. At the same time, American and European capital entered the high-growth, capital-intensive and technologically advanced sectors, including chemicals, electrical machinery, cars and computers. In general, US investments in South Africa have been more concentrated in manufacturing than those of Britain, and have more often taken the form of direct ownership and overt control, although for political and economic reasons this has changed recently.

Foreign capital has thus played the critical role in the development and configuration of the South African economy. It has not only pushed forward the strategic and technologically sophisticated sectors but also provided the linkages between manufacturing, mining and agriculture. Moreover, the repressive capabilities of the regime are very much a function of foreign capital. As a UN-commissioned study pointed out in 1979:

A crucial element in the South African minority regime's military planning is the expanded capacity to transport military equipment and personnel rapidly at low cost over widespread geographical areas. Large bodies of the limited numbers of white troops need to be able to shift rapidly from one potential trouble spot to another. Transnational corporate investment has helped build up the most modern transport industry on the continent.<sup>5</sup>

In addition, the sheer magnitude of foreign investment, including



Table 2: South Africa's reserves of selected minerals

Mineral commodity	% of world reserves	Rank
Manganese ore	81	1
Platinum group metals	72	1
Gold	49	1
Chrome ore	58	1
Vanadium	29	2
Andalusite, sillimanite	38	1
Fluorspar	34	1
Vermiculite	28	2
Diamond	22	2
Uranium	16*	2
Zirconium	11	2
Coal	10	2
Phosphate	9	3
Antimony	7	3

Source: Republic of South Africa Yearbook, 1984

\*excluding COMECON countries

Table 3: US import dependency, selected critical metals (1984)

	Net import reliance (imports as % of) total US consumption)	Share of imports from South Africa, % of total imports (rank as supplier)
Antimony	54 (1983)	ores and concentrate — 8 (4) oxide — 40 (1)
Chromium	82	55 (1)
Manganese	99	ore — 31 (1) ferromanganese — 39 (1)
Platinum	91	49 (1)
Vanadium	41	44 (1)

Source: Estimates from US Bureau of Mines, *Mineral Commodity Summaries*, 1985Table 4: Raw materials and the post-war boom:  
rate of return on total book value, US firms' direct  
foreign investment in mining and smelting, 1953-72 (%)

	Canada	Latin America and the Caribbean	South Africa
1953-57	8.3	10.4	25.7
1958-62	5.9	14.5	20.8
1963-67	9.9	19.9	43.3
1968-72	5.3	12.8	31.6

Source: US Department of Commerce, *Survey Current Business*, various issues.

timely loans, has cushioned the regime, freeing resources for an awesome military machine (ARMS-COR, the public-sector arms manufacturer, is now the third largest corporatino in South Africa). To sum up, foreign capital, 'sometimes in competition, sometimes in consortia, collaborated with the parasitals and mining finance houses to mold South Africa into an increasingly dominant regional sub-center.<sup>6</sup>

By now the reader should have some sense of the western bloc's enormous economic role in South Africa. But the implications for imperialist accumulation deserve fuller examination. International capital has, on the one hand, been able to tap South Africa's mineral resources profitably, and, on the other, been able to sustain high rates of return in capital-intensive sectors and operations in that country. South Africa has figured prominently in the post-war expansion of western capital.

#### The minerals connection

Table 2 highlights South Africa's share of the total world reserves of selected minerals. Southern Africa is a veritable storehouse of strategic metals. Consider the case of chromium (sometimes called chrome). It is used to harden steel, and mixtures of chromium are used in armourplate for ships, tanks, safes and the cutting edges of high-speed machine tools. The average jet engine contains 5,000 pounds of the metal. Europe and Japan have no domestic sources of chromium, and US import reliance amounts to over 80 per cent of domestic consumption. Table 3 shows what percentage of total US consumption of chromium and four other strategic metals is met by imports from South Africa. The numbers speak for themselves.

But import dependency is not the only issue here. Fabulous profits have been reaped in the mining, smelting and refining of these resources. From the 1960s to the mid-1970s, US investments in mining and smelting grew rapidly. In the 1968-73 period, this investment grew at an annual rate of 15 per

(Continued on page 23)



# CEYLON WORKERS' CONGRESS PRAYER CAMPAIGN SUCCEEDS

## Statement on calling off the Prayer Campaign

Following the discussions, Mr. Thondaman President of the Ceylon Workers' Congress, had with the Government of Sri Lanka and the Government of India on the long standing problem of the statelessness of Tamils of recent Indian Origin, the official communiques issued by both governments set out the manner in which the problem is to be ended once and for all.

The stigma of statelessness which has been a blot on the fair name of Sri Lanka for over three decades has now been ended by the efforts of the Ceylon Workers' Congress through peaceful and democratic methods. This has been done while Mr. Thondaman is a Minister and the Ceylon Workers' Congress a constituent member of the Government.

## A NOVEL CAMPAIGN

To secure the ending of the statelessness the Ceylon Workers' Congress had embarked on a novel campaign of meditation and prayer not only to focus attention on a problem that had defied solution for a long time but also to demonstrate the value of prayer in human affairs.

This call of the Ceylon Workers' Congress for a prayer campaign not only generated mass enthusiasm in the plantations but has also demonstrated in no uncertain terms that problems can be resolved through peaceful dialogue and prayer without resort to conflict and confrontation.

and in view of the agreement that has been arrived at to end statelessness, the Ceylon Workers' Congress has decided to call off the prayer campaign.

The C.W.C. takes this opportunity to thank the workers who wholeheartedly responded to its call for a campaign of meditation and prayer. The C.W.C. also wishes to thank all Trade Unions and Organisations for their unstinted support and solidarity.

## CWCS COMMITMENT

We also wish to thank the Governments of Sri Lanka and India for their understanding and co-operation in the negotiations to end statelessness. Finally, the Ceylon Workers' Congress reiterates its commitment for peace, amity and national reconciliation and renews its pledge to work unceasingly towards the achievement of these objectives.

## AN OBJECT LESSON

This is an object lesson for many people in the country who scoffed at prayer specially those who masqueraded as trade union leaders. It is also necessary to point out that many in the press and outside were concerned about the possible dangers of the outcome of the prayer campaign without paying the least heed to statelessness that many regarded as a kind of mini-apartheid. It is also a sad commentary on sections of the press which had refused to publish even as a paid advertisement the Declaration of the Ceylon Workers' Congress to make 1986 a year of peace, amity and national reconciliation.

The prayer campaign which began on January 14th was the first phase in a Programme of Action set out in the declaration. With the two days of the prayer this phase has been concluded

## 1986 A YEAR OF PEACE, AMITY AND NATIONAL RECONCILIATION



# CAT'S EYE



THE WELL-KNOWN  
SRI LANKAN HISTORIAN,  
L. H. HORACE PERERA  
WRITES FROM GENEVA

Dear Cat's Eye

I have read with considerable interest, your feature, particularly the section on "Prostitution" "Legal Aid for Women" and "Believe it or not."

1. It appears that what you call "our priceless colonial legal code" is, as far as women's rights are concerned, in conflict with some of the provisions of the United Nations Convention on the Elimination of all Forms of Discrimination against Women "— a Convention which our Government has ratified and is therefore under an obligation to implement, as it is a "State Party".

2. As for "prostitution", Article 6 of the Convention states categorically that "State Parties shall take all appropriate measures, including legislation, to suppress all forms of traffic in women and exploitation of prostitution of women." While some people, myself included, may consider prostitution, by the women and men involved, an aberration, this particular article of the Convention, and the Convention taken as a whole, implies that women have a right to decide on the use of their bodies. What the Convention condemns is not prostitution as such but "all forms of traffic in women," and the "exploitation of prostitution of women". In fact State Parties in the Convention are expected to take **all measures, including legislation** to suppress such traffic and such exploitation.

The immunity which our country's law extends to the **male prostitution** is the violation of the intent of the entire Convention in that it is discriminatory on the basis of sex.

Prostitution is, in a sense, a commercial transaction. Hence we have, not only in Sri Lanka but in many other countries, the strange phenomenon of the seller of a commodity, in this particular transaction, being penalised by law, but **an immunity extended to the purchaser**. In Washington, soliciting in public by prostitutes as well as by prospective clients is illegal.

3. That a Jaffna Tamil woman may not **buy property, or sell even her property without permission or consent of her husband** is a violation of Section 2 of Article 15 which calls on State Parties to extend to women "equal rights to conclude Contracts and to administer property...". Clause (h) of Article 16 declares quite unequivocally "The same rights of both spouses in respect of ownership, acquisition, management, administration, enjoyment and disposition of property, whether free of charge or for a valuable consideration."

With regard to the right of Muslim women to divorce, one has, only to draw attention to clause (c) of Section 1 of Article 16 which calls on State Parties to ensure to women, on the basis of equality with men "The same rights and responsibilities during marriage **and at its dissolution**" (The underlining is mine).

4. You have cited two instances of discrimination against **plantation women workers**. Unless husbands collect their wives' salaries or maternity benefits at the request and with the consent of their spouses, they are in violation of a number of articles (eg. Article 11), Article 14, Article 15 and Article 16) of the Convention. A question I would raise here is whether women plantation workers are aware of these rights in this connection.

5. As for **circumcision** it must be pointed out that male circumci-

sion and female circumcision are performed for entirely different reasons. To that extent, female circumcision is discriminatory and therefore contrary to the whole intent of the Convention, even though the Convention contains no specific reference to it.

I have during the last ten years conducted a series of seminars for women teachers in Asia and the South Pacific on "The Rights of Women in Education" and on the "Role of Women in Teachers, Organisations". To ensure that they are familiar with the Convention referred to earlier I have reduced the entire Convention to a Questionnaire calling for "Yes" or "No" Answers. This Questionnaire has already been translated into six languages.

Incidentally I do not think that it is necessary to worry about the Victorian distinction between a "Lady" and a "Woman". As far as the Convention mentioned, as well as a few ILO Conventions are concerned, there are no "ladies" today there are only women, and I am sure that our local law courts will take this into consideration, in spite of the letter of the law in "our priceless colonial legal code".

## WOMEN FOR PEACE

The 'Women for Peace' organisation is in the news again with the production of its first news bulletin 'Samakali'. The organisation (at 25, Kirula Road, Colombo 5) was launched in October, 1984 when 100 women from all walks of life and all ethnic communities took two large advertisements in the 'Island' and 'Divalna' calling for a political rather than a military solution to the ethnic problem. Subsequently a petition to the President on these lines with 10,000 signatures of women was sent on March 8th 1985.

In addition the educational committee of the 'Women for Peace' has published 3 pamphlets in Sinhala, Tamil and English, 10,000 copies of which were distributed at mass meetings on International Women's Day, May Day and other meetings.

The pamphlets the plight of women of both the North and the South whose children are victims of the war. These aimed at creating an awareness among women of their crucial role in creating constructive political climate in peace. The women for peace group also runs an educational programme in which teams of women conduct seminars in schools on the need for ethnic harmony and peace. Recently the organisation has clarified its aims as follows:

To unite women of all communities in Sri Lanka to oppose all forms of societal violence. This shall include ethnic and religious violence, external aggression and nuclear threat. The particular aim of the organisation shall be to foster understanding and unity among women in Sri

Lanka in working towards ethnic harmony on the basis of inter-communal justice and equality, through the following:

1. Support for a just negotiated settlement of the ethnic conflict without recourse to arms.
2. A campaign to educate the public on the social cost of ethnic violence.
3. Creation of a climate of mutual confidence and trust among the various communities.
4. Combating instances of racial prejudice/discrimination in all spheres.
5. Safeguarding the interests of women, who are vulnerable to specific forms of harassment and violence, e. g. rape, the danger of which is heightened during ethnic conflict.
6. Support for the equality, democratic and human rights and civil liberties of both men and women of all communities.

## Thondaman...

(Continued from page 4)

vention, on humanitarian or other grounds, would be removed.

## Re-linking

For his part, Mr. Rajiv Gandhi has re-linked the two in an unusually astute pre-emptive counter-move. In his December 23 statement he linked repatriates to India with Sri Lankan Tamil refugees returning to Sri Lanka in "honour and safety". The Indian High Commissioner, Mr. Dixit has flatly rejected Mrs. Bandaranaike's allegation of "violations". Much more important is the new equation that has emerged from last month's hectic events. Mrs. Bandaranaike's objection is that citizenship has been linked to citizenship and not as the pacts envisaged citizenship to citizenship-cum-repatriation. Mr. Gandhi has linked the actual act of repatriation to the return of the refugees i. e. Indian Tamil repatriates to Sri Lankan Tamil refugees.

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# Life and career: The road not taken

To what extreme Jones' dissociation from the Western literary tradition carried him will be apparent to those familiar with his later career. After leaving Greenwich Village, he sought consciously to abandon his White audience at the same time that he began to establish a continuing dialogue with Black people. The aim was to inculcate a sense of racial pride in and among Blacks. Jones has expressed this aim very clearly in his preface to *Black Magic Poetry*:

The Whole race (is) connected in its darkness, in its sweetness. We must study each other. And for the aliens we say I ain't studying you.<sup>1</sup>

In *The Slave*,<sup>2</sup> produced only eight months after *Dutchman*, we encounter in the Black protagonist Walker Vessels, the poet-revolutionary. Clay, who sought refuge behind his mask of respectability, Walker is violently aggressive. The background of *The Slave* is a revolutionary race war and its action revolves around Walker, the leader of the Blacks in this war. The interplay between Walker his former wife Grace, and her husband Bradford Easley (both White) in the home of the Easleys constitutes the drama. A university professor, Bradford Easley is a former teacher of Walker's. The Easleys, who have known Walker as an intellectual and poet, are aghast at the change in him and seem unable to comprehend this drastic transformation in his personality.

The ostensible purpose of Walker's return is to take away his two daughters, by his marriage to Grace before his conquering troops take control of the city where the Easleys live. The real purpose, however, seems to be Walker's desire — perhaps Jones's as well — to make an extremely wordy analysis of the racial (Black/White) conflict. The Easleys take Walker on, and the resulting verbal battle is as violent as the revolutionary battle raging outside. To Grace, Walker is now a "nigger murderer!" (p. 54), and to Easley he is "just filth. Pure filth" (p. 56). Walker, not to be outdone, himself resorts to name-calling. He calls Grace "a... whore of the middle class" (p. 62) and Easley "Professor No-Dick" (p. 57). Through Walker Jones gives us his resolution to the racial problem that the Blacks and Whites are faced with. It is now the turn of the Blacks to take over America and rule it in any manner they see fit. "What does it matter," says Walker.

If there's more love or beauty. Who the fuck cares? Is that what the Western ofay thought while he was ruling...that his rule somehow brought more love and beauty into the world? Oh, he might have thought that concomitantly, while sipping a gin rickey and scratching his ass...but that was not ever the point. Not even in the Crusades. The point is that you (Whites) had your chance, darling, now these other folks (Blacks) have theirs.

(Quietly)

Now they have theirs (p. 73).

Jones continues along these extreme lines in the *Four Black Revolutionary Plays*,<sup>3</sup> "A Black Mass" "Great Goodness of Life" "Mad-heart," and "Experimental Death Unit" which are simply attacks on White society and on those Blacks

whom Jones sees as reflecting White attitudes. The extremity of Jones's position becomes clear to anyone reading his introductory comments to these four plays:

Unless you killing white people, killing the shit they've built, dont read this shit, you wont like it, and it sure wont like you.<sup>4</sup>

All of the above is consistent with the stance of "Nationalist Separatism" that Jones came to embrace, a stance that unfortunately has served only to deflect him from a resolution of the true dilemma of the Afro-American, namely, the duality of his/her nature. There is in Afro-Americans an inherent conflict between their Africans heritage and their American present, a conflict explicated by W. E. B. DuBois in 1903:

...the Negro is a sort of seventh son, born with a veil, and gifted second-sight in this American world—a world which yields him no true self-consciousness, but only lets him see himself through the revelation of the other world. It is a peculiar sensation, this double consciousness, this sense of always looking at one's self through the eyes of others, of measuring one's soul by the tape of a world that looks on in amused contempt and pity. One ever feels his twoness—an American, a Negro his two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder.<sup>5</sup>

Because of this duality, the Negro finds himself in a difficult predicament, a predicament which has been spelt out by DuBois:

The history of the American Negro is the history of this strife,—this longing to attain self-conscious manhood, to merge his double self into

<sup>1</sup> LeRoi Jones, *Black Magic Poetry*, (New York: Bobbs-Merrill Company, 1969), p. (ii). Jones's punctuation and syntax on occasion deliberately deviate from the norms of Standard English. Throughout this study I have reproduced his texts without alteration.

<sup>2</sup> Jones, *Dutchman and The Slave*, pp. 43-88.

<sup>3</sup> LeRoi Jones, *Four Black Revolutionary Plays* (New York: Bobbs-Merrill Company, 1969).

<sup>4</sup> Jones, *Four Black Revolutionary Plays*, p. vii.

<sup>5</sup> W.E.B. DuBois, *The Souls of Black Folk, Three Negro Classics* (New York: Signet, 1903), pp. 214-215.

a better and truer self. He would not Africanize America, for America has too much to teach the world and Africa. He would not bleach his Negro soul in a flood of White Americanism, for he knows Negro blood has a message for the World. He simply wishes to make it possible for a man to be both a Negro and American, without being cursed and spit upon by his fellows, without having the doors of opportunity closed roughly in his face.<sup>6</sup>

As is evident, what DuBois has aimed at is the achievement of a "Cultural Nationalism" which would harmonize the "two warring ideals" that constitute this duality within the Afro-American. Most moderate scholars and observers — John Hope Franklin, Martin Luther King, Jr., to name two notables among them — have agreed with DuBois and advocated a true integration of the races — process by which Afro-Americans become a vital part of mainstream American society without losing their distinctive racial or cultural identity.

America seeks to view the world through the European tradition, that is, through the eyes of Western Christian civilization. It thereby places heavy emphasis on the rational, on the individual, on the physical. This state of affairs, it is argued, implies an experience of life that is radically different from that which comprises the African experience which emphasizes the intuitive, the communal and the spiritual. This radical difference creates for the Afro-American, who is part African and part American, a dilemma: he is irreconcilably torn between the two strands of his heritage. The solution to the dilemma, as suggested by DuBois (cited above) is a reconciliation of these two strands a seeking after, to use an apt cliché, unity in diversity. The moderate approach to a satisfactory resolution of the racial problem of the Blacks (that is, the achievement of a cultural nationalism) does not, as Jones's approach does, advocate a parting of the ways from White society:

We Americans have a chance to become someday a nation in which all racial stocks and classes can exist in their own selfhoods, but meet on

a basis of respect and equality and live together, socially, economically and politically. We can become a dynamic equilibrium, a harmony of many different elements, in which the whole will be greater than all its parts and greater than any society the world has seen before. It can still happen.<sup>8</sup>

In the moderate approach, therefore, the door is wide open for a humanistic resolution of the crisis in Black and White relations. The flaw in the Jonesian concept of nationalist separatism is that it leaves out the possibility of reconciliation. It fosters, regrettably, according to the moderate view, a mood of recrimination rather than a mood of renewal. It causes men and women to look back in anger rather than to look forward in hope and confidence. The nationalist-separatist path, the road taken by Jones, has been and will surely prove to be a barrier to a humane resolution of the racial conflict. As even Walker admits in *The Slave*, a nationalist-separatist approach "will only change... the complexion of tyranny..." (p. 66).

### Conclusion

Mahatma Gandhi observed that any philosophy based on the logic of an eye for an eye will only make the whole world blind.

One can certainly understand Jones's anger, frustration, and moral outrage. The injustice that has formerly characterized the White American attitude to Blacks is admittedly repugnant. To the extent it exists today it is equally repugnant, and Jones's denunciation of it is perfectly justified. What one can understand but not justify, however, is the note of vengeful retaliation that underlies his proposed panacea for the evils engendered by racism. Unlike Jones, Black Americans have on the whole set a splendid moral example for America and the rest of the world by rising above the depravity of extreme White racism. Jones was not able to do this.

Jones's deviation from the norms discussed above has weakened his aesthetic sensibility. Like most "agitprop" artists, he has diffi-

culty in weaving the many strands of his art — protest, frustration, anger and the like — into an organic whole. As he "progresses" in his career, one notices a deterioration in the quality of his art. What one hears in the later stages is more the shrillness of Baraka than the powerfully articulated criticism of Jones. Sadly, the sureness of artistic touch one senses in *Dutchman* gradually deserts Jones in his later drama. *Dutchman* marks a watershed in the career of Jones the dramatist. From this moment onward he abandons one half of his dual nature — the Americanness of the Afro-American — and relentlessly moves towards the cultural cul-de-sac he ended up in the late 1960's. Imamu Amiri Baraka the Black Nationalist gets the better of LeRoi Jones the artist. As Harold Cruse so aptly points out, the "crisis in culture is not solved when the creative artist turns politician; it only intensifies."<sup>1</sup>

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(Continued on page 23)

<sup>1</sup> Harold Cruse, "The Creative and Performing Arts and the Struggle for Identity and Credibility," in *Negotiating the Mainstream: A Survey of the Afro-American Experience*, ed. Harry A. Johnson (Chicago: American Library Association, 1978), p. 72.

<sup>6</sup> DuBois, *The Souls of Black Folk*, p. 215.

<sup>8</sup> Shirley Chisholm, 1973, quoted in the *Christian Science Monitor*, 18 Feb. 1974, p. 23.



# KIPLING — brilliant Soviet critique

Reggie Siriwardena

**I**t was with curiosity that I picked up at the Soviet Book Exhibition in December a volume of Kipling, published by Raduga Publishers, Moscow. Most left-wing intellectuals, whether in Britain or in our part of the world, have found it hard to do justice to Kipling: they have been so conscious of his reputation as the 'bard of empire'—and of that part of his work which deserves that reputation—that they have been deaf to the poet of 'Danny Deever' and 'McAndrew's Hymn', blind to the fiction-writer of 'Kim' and 'The Miracle of Purun Bhagat'.

The Raduga publication was clearly intended for Soviet readers and students of English literature: it had a selection of Kipling's poems and short stories in their original English, a small group of his poems in Russian translation, and notes and a critical introduction in Russian. Kipling, already in his lifetime, was popular with Russian readers, probably saw him in the perspective of their own literature of the frontier. Not many Britishers with literary gifts went out to serve in the outposts of empire, and Kipling was the only writer of genius that Anglo-India produced. In nineteenth-century Russia, on the other hand, the gentry from whom most of the writers came had a propensity to take to military service as a vocation, and this combined with the phenomenon of political exile, produced a body of Caucasian tales by three major writers of the century—Pushkin, Lermontov and Tolstoy. The familiarity of the Kipling genre of colonial fiction to Russian readers help to explain why several generations of them have read him with great interest. But how does a Soviet scholar evaluate him today in the post-imperial and post-revolutionary

epoch? I turned for an answer to the introductory essay in the Reduga volume.

However, A. A. Dolinin, the author of the introduction, is no ordinary scholar; he is clearly a subtle and sophisticated critic, free of the rigidities of official 'socialist realism', and his essay, suggestively titled 'The Enigma of Rudyard Kipling', is one of the most brilliant studies of Kipling I have come across, worthy to be placed alongside Edmund Wilson's 'The Kipling that Nobody Read'. But together with his rejection of narrow and mechanistic political approaches to literary judgment, Dolinin also has certain advantages over the British literary intelligentsia, deriving from the Soviet context in which he writes, in approaching Kipling.

In tracing the course of Kipling's literary reputation, Dolinin shows how, in the period between the Wars, Kipling was rejected by the avant-garde of British literary intellectuals, not only because of his illiberal and pro-imperialist views but also because his very status as a popular poet using popular forms seemed to place him outside the artists' pale. 'And when', writes Dolinin, in 1936 "the forgotten celebrity" was laid to rest in Westminster Abbey (an honour which few attain), not a single major English writer consented to participate in the ceremony—for the cultured, Kipling's funeral had taken place several decades earlier.'

It might be recalled also that when in 1941 T. S. Eliot, who as a conservative wasn't hostile to Kipling's politics, wrote what was meant to be a rehabilitatory essay on him, he thought it necessary to equivocate with the terms

*In the 50th anniversary of his death Rudyard Kipling was the subject once again of heated debate among the critics. Here Sri Lanka's foremost literary critic, himself a translator of Russian verse, discusses a Soviet study.*

'poetry' and 'verse' and praise Kipling as 'a great verse-writer', and even then everybody from the 'Scrutiny' critics to Professor Ludowyk protested

Dolinin, on the other hand, regards it as one of Kipling's claims to distinction that he broadened the range of literary expression in his time by drawing sustenance from the speech of class and regional dialects and from popular 'non-literary' forms. I translate:

'In poetry, as in prose, Kipling bases himself on peripheral genres found in the "backyards of literature". He renews the life of the verse forms and syntax of popular ballad, which after the Romantics were considered totally exhausted and were used mainly for verse feuilletons in newspapers and comic paper; he turns to the rhymes and intonations of the comic operas of Gilbert and Sullivan; he constructs poems as a subtext to the melodies of widely current songs, marches and romances. Even when the outline of a genre canonised as "high" poetry serves him as source, he transforms it to the point where it is unrecognisable: thus, for example, borrowing from Browning the idea of the "dramatic monologue" for his poems "Mary Gloster" and "Mc-

Andrew's Hymn", Kipling applies to them a metrical form and a rhyme-scheme unthinkable for the Browning tradition'.

It can be said that Dolinin values these qualities of Kipling's work for the same reasons that Bertolt Brecht and Anden in his left-wing period were influenced by him. But where Dolinin is most original, and most unusual in his views for a Soviet critic, is in his discussion of the relation between Kipling's politics and his creative writing.

Dolinin gives the same importance that Edmund Wilson did in his famous essay on Kipling's tormented childhood as the source of his later psychological insecurity, which left him with the need to identify himself with some larger entity — and he ultimately found this in the mission of empire. Yet, as he shows, Kipling was conscious of the gulf between his ideal of empire and the reality, and this contradiction he could never resolve. But the ambivalences that Dolinin finds in Kipling's writing lead him to a much more complex judgment than any that an orthodox 'socialist realist' critic would make. Thus, on Kipling's Indian fiction, he writes:

'Contrary to a widely disseminated view, Kipling never denied the virtues of Asian culture. Moreover, he patiently tried to understand the Law of the East, to decipher its code, and even to look at the world from its point of view. The problem of choice, which the principal hero of his best novel 'Kim' (1901) confronts, wavering between eastern and western systems of values, is partly his own problem. In his short story, 'The Miracle of Purun Bhagat', for instance, he sympathetically portrays the spiritual quest of an Indian sage, forsaking a brilliant career to grasp the secret of existence in mystical introspection and contemplation. And yet the spirit of the East, in which Kipling saw above all the passive principle, could not satisfy his insatiable need for action. Like Kim too,

he always in the last resort chooses the West, chooses the ardour of "the Great Game"; and even his Purun Bhagat forgets that by the law of the East a sanyasi should not meddle with divine providence, and goes out to save the inhabitants of the doomed village'.

But the passage that I find most interesting of all in Dolinin's essay is that in which he discusses Kipling as a moralist. Most of us are turned off by Kipling's ethics with its flavour of the British public-school code of manliness and the stiff upper lip, and we would find it embarrassing to quote 'If' seriously. It is intriguing to that Dolinin, as a Soviet critic, finds it possible to defend Kipling's ethics and even to see in it a positive value:

'Indisputably, Kipling is a moralist, but however paradoxical this may sound, he is a moralist without a defined morality. Ceaselessly appealing to the moral Law, and demanding from men the observance of the most rigorous principles of conduct, he, however, nowhere defines directly what exactly from his point of view is virtue and what is sinful. He attributes an absolute ethical value only to such human qualities as manliness, energy, devotion, steadfastness, which can be positively valued in any system of duty. When, for instance, he proclaims: 'If you can keep your head when all about you/Are losing theirs and blaming it on you,/If you can trust yourself when all men doubt you,/But make allowance for their doubting too', every man — from the villainous to the righteous — can accept the commandment 'Trust yourself' as a guide to action. His ethical code, in this manner, amounts to the acceptance of the necessity for such a code: it is a structure in which the elements

are undefined; it is, so to speak, the grammar of morality, and not its lexicon'.

For all the brilliance with which it is stated, this argument is to me unacceptable, for the code that Dolinin thinks of as socially neutral in fact that of a male-dominated world of action. But more revealing that a writer in a post-revolutionary society can find a value in the ethical principles that Kipling set up as ideal.

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# Life and . . .

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## Note:

While I alone am responsible for ideas expressed herein, this essay has benefitted immensely from discussions I have had with Prof. Lee H. Potter of the Dept. of English, Wake Forest University, North Carolina, U. S. A. and Prof. Johnella Butler, Head, Dept. of Afro-American Studies, Smith College, Northampton, Massachusetts, U. S. A. It is a pleasure to acknowledge my debt to them.

— Tissa Jayatilaka

# The political . . .

(Continued from page 15)

cent, compared to 5 per cent for the rest of Africa. Table 4 provides some explanation for the robustness of this growth in the expansionary phase of the post-war spiral. Rates of return ranged between 20 and 43 per cent over a twenty-year period. In the mid-1970s, Union Carbide opened a chrome refinery in South Africa. In 1976, all but about 10 per cent of Union Carbide's African workers earned less than a minimum health and decent living standard for a typical South African family. In 1976, mineworkers in the US were earning on average almost six times the average wage of black workers employed by Union Carbide in South Africa.<sup>7</sup>

Capital is always eager to exploit cost advantages. And in the

post-war period, the increased demand for raw materials, given the exhaustion of domestic supplies and new industrial requirements, heightened the search for mineral resources, while advances in international transport rendered overseas investment even more profitable. On the foundation of superexploitation, it was possible for a time to obtain high profits from such raw materials investments and to pass on benefits in the form of lower input costs to other capitals using these materials. Furthermore, one of the specific features of the post-war alliance erected on the ashes of the Second World War is its highly integrated economic character. Thus, West Germany and Japan, both heavily dependent on imported raw materials, oriented economic development to a new spatial configuration of capital that included, importantly, wider access to Third World raw materials (Japan obtains well over 50 per cent of its chrome from South Africa). Cheap raw materials were an essential ingredient of the post-war boom. The story is etched, in part, deep in the veins of the South African mines, if not in the veins of the black mine labourers.

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- 1 For analysis of the historical development and functioning of cheap wage-labour in South Africa, see Harold Wolpe, 'Capitalism and cheap labour power in South Africa: from segregation to apartheid', in *Economy and Society* (Vol. 1, no. 4, November 1972); and Martin Legassick, 'South Africa: capital accumulation and violence', in *Economy and Society* (Vol. 3, no. 3, August 1974).
- 2 Data from American Committee on Africa, *South Africa Fact Sheet* (January 1984).
- 3 UN Commission on Transnational Corporations, *Transnational corporations in South Africa and Namibia* (30 January 1985), p. 19; 'America and South Africa', *The Economist* (30 March 1985), pp. 29, 30.
- 4 See United Nations Centre Against Apartheid, *Transnational Corporations and the South African Military-Industrial Complex* (September 1979), pp. 45-8.
- 5 *Ibid.*, p. 18.
- 6 Ann Seidman and Neva Makgetla, *Outposts of Monopoly Capitalism* (London, 1980), p. 177. This work has been a valuable source in the preparation of this article.
- 7 *Ibid.*, p. 111.

## TRENDS...

(Continued from page 1)

civilians were killed. That report in particular enhanced the Committee's credibility and public confidence in its independence.

Working in conditions better suited to a thorough-going inquiry, the CMCH has produced a report on Welikada which only a government impervious to all criticism will ignore.

The talk in political circles now is of another Committee with a slightly different objective. A National Reconciliation Committee comprising respected leaders of all the main communities in the island is certainly a laudable project. But can it function effectively in the climate of 'war'? Many an enlightened opinion leader, whatever his party affiliations, agrees that sooner or later a "reconciliation and recovery" operation will have to be undertaken but a Reconciliation Committee at this point of time will make little impression on those in the administration who are hell-bent on 'war' and have already got a vested interest in its continuation.

## SIXTH AMENDMENT

Is the Sixth Amendment Mr. Thondaman's second target? According to the Bandaranaike thesis (*mere et fils*) the CWC chief is the second most powerful man in the country, and the most powerful man in Parliament. The thesis holds that the 'stateless' issue has been 'solved' to Mr. Thondaman's entire satisfaction.

And now Mr. Thondaman has asked for the withdrawal of the Sixth Amendment which forced all MP's to take an oath renouncing separatism, and thus led to the TULF quitting parliament in late 1983.

## Letters...

(Continued from page 1)

Since then he has been faithfully repeating the quotations from the now infamous Red Book of his Guru — Mao Tse Tung, but the Protean Revolution is as far away

as it was before Mr. Shanmugathasan launched his revolutionary Marxist Leninist party. It may be true that people who laugh at Mao Tse Tung's theory that "Political power is born out of the barrel of the gun", have never even been within a hundred miles of a genuine revolution, but one would like to know within how many miles Mr. Shanmugathasan has been of a revolution, genuine or otherwise.

Mimal Dias

Moratuwa

## A Vanishing Species?

Dr. Carlo Fonseka was recently characterised as a Marxist by Mr. V. P. Vittachi (Lanka Guardian, 1st. Dec. '85). A month later the same Dr. Fonseka has been called Przewalski's Horse, a nearly extinct animal, for his world view which obviously is Scientific Socialism. (Lanka Guardian 1st. Jan. '86.)

But this makes one wonder whether Mr. Vittachi is in touch with current political reality. According to the 'Time' magazine, in 1978, 36% of the earth's territory and 42% of the world's population lived under socialist systems of government, inspired by Karl Marx. Never before in human history has one man's influence affected the lives of so many in so short a time. Even in Sri Lanka, the government that Mr. Vittachi openly supports shrieks that Marxists are trying to subvert this five star democracy. And yet Mr. Vittachi says that Marxists are a nearly extinct species. One cannot help but wonder; "What exactly does Mr. Vittachi mean?"

Marxist

## Marilyn Rice-Davies

Apropos the correspondence between Dr. Carlo Fonseka and Mr. V. P. Vittachi, may I be permitted to say that Marilyn Rice-Davies was described by Lord Denning as a model and not by another name, may be because she had the privilege of having an affair with a Cabinet Minister.

I do not think for a moment that any reader of your esteemed journal can influence minds which

have been made up. To join this chorus would be merely to lose the voice of moderation in the fashionable babel of accusation and counter accusation.

Editors have codes of etiquette germane to their profession. It is time you intervened with your gavel.

Damayanthi Seneratne

Colombo 6

## Corruption...

(Continued from page 8)

"The truth is that whatever the future of tourism, our people will be left drained of all standards, of all values and all loyalties. Will that not spell our ruin? Even if we live in a country where men seek to conceal their wrongs and women to vindicate them?"

## Living beyond means

Finally, everything points to the fact that the country is living beyond its means. Foreign earnings from exports of goods and services and transfers of migrant workers financed 63 per cent of the country's foreign payments in 1974-76 but only 55 per cent in 1981-83. One of the most significant developments in recent years has been the marked increase in inward remittances from the large number of Sri Lankan emigrant workers in the West Asian oil exporting countries. Their gross remittances have risen from Rs. 109 million in 1976 to Rs. 6,857 million in 1983. Such transfers financed 9 per cent of total external payments in 1981-83 as compared to one per cent in 1974-76. Exports of goods and services excluding private transfers met only 46 per cent of total foreign payments in 1981-83 in contrast to 62 per cent in the period 1974-76. The country was increasingly spending far more than her earnings.

The external resources gap widened between these two periods from 37 per cent out of total foreign payments to 46 per cent and it was filled increasingly by short term credits.



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GARADS

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— the colossal drama behind the crisis —  
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From 7 p.m. to 8 p.m.

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and

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*'An Invitation to think'*