LANKA

Vol. 14 No. 9 September 1, 1991 Price Rs. 7.50

Registered at GPO, Sri Lanka QD/09/NEWS/91

Piyal Gamage

on J. R.'s Joke

Mervyn de Silva

Mangala's Move on

Douglas Allen

American Mythology On

Mushahid Hussein

Nepal's perceptions on

Rajiv Wijesingha

Laos and Lanka on

Jayantha Dhanapala on the United Nations



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

There is laughter and light banter amongst these rural damsels who are busy sorting out tobacco leaf in a barn. It is one of the hundreds of such barns spread out in the mid and upcountry intermediate zone where the arable land remains fallow during the off season.

Here, with careful nurturing, tobacco grows as a lucrative cash crop and the green leaves turn to gold... to the value of over Rs. 250 million or more annually, for perhaps 143,000 rural folk. Tobacco is the industry that brings employment to the second highest number of people. And these people are the tobacco barn owners, the tobacco growers and those who work for them, on the land and in the barns.

For them, the tobacco leaf means meaningful work, a comfortable life and a secure future. A good enough reason for laughter.

Ceylon Tobacco Co. Ltd.

Sharing and caring for our land and her people.



Briefly . . .

DOOR OPEN, TIGERS

© Cabinet spokesman Ranil Wickremasinghe told the weekly media briefing that the door was open for negotiations for the LTTE. The next move must come from the Tigers, he said.

A military spokesman said that the role of the army was to weaken the LTTE, which the army had done with the victory at Elephant Pass; the rest was up to the Government.

TIGERS WILL TALK TO THONDA

The Tigers are willing to talk to Mr S. Thondaman, minister in the government

GUARDIAN

Vol. 14 No. 9 September 1, 1991

Price Rs. 7.50

Published fortnightly by Lanka Guardian Publishing Co.Ltd. No. 246, Union Place, Colombo – 2,

> Editor: Mervyn de Silva Telephone: 447584

CONTENTS

News Background	- 13
J. R. Rides Again	
The Region	
South Commission (2)	10
The Persian Gulf War	13
Indo-US Relations	14
Indochina Revisited (4)	19
The U. N. in Disarmament	
and Security	21
Correspondence	24

Printed by Ananda Press 82/5, Sri Ratnajothi Saravanamuttu Mawatha, Colombo 13.

Telephone: 435975

and leader of the Ceylon Workers' Congress (CWC), a trade union of plantation workers who are mostly of Indian Tamil descent.

Announcing the acceptability of Mr Thondaman, LTTE ideologue Anton Balasingham told a press conference in Jaffna that Mr Thondaman would have to come to Jaffna. "If he is genuinely concerned about peaceful negotiations he can come to Jaffna", Mr Balasingham said.

ARMY EXPANDS CONTROL

Troops at Elephant Pass expanded their territorial control to a radius of four kilometres from their camp. The stretch from the beach head at Vettilaikerni to the camp was also under security forces control, an army spokestold a media briefing.

Referring to air raids at Paranthan, the spokesman said that a gathering of terrorists had been observed and they had been dislodged by air strikes; there had been no 24-hour bombing.

THARASU' ATTACKED

A gang of Sri Lankan and Indian Tamils attacked the Madras office of Tharasu, a controversial Tamil political weekly. Mr Shyam, the editor (who had not been in at the time) has accused the LTTE, the Hindu reported.

The Tharasu office is on a floor immediately below the office of a Sri Lankan Tamil leader, S. C. Chandrahasan who is domiciled in Madras; the three policemen guarding Mr Chandrahasan apparently ignored the attack on the Tharasu. Two press workers were killed.

LAST HOURS OF SIVA

Sivarasan and Subha, prime accused in the Rajiv Gandhi assassination case, committed suicide along with five associates in a hideout

(Continued on page 24)

TRENDS

MERIT, NOT RATIO

Promotions in the public service in future will be on merit, not ethnic ratio, the government has decided, rescinding an earlier decision.

Also, all appointments in future will be only after clearance by the National Intelligence Bureau.

OPPOSITION MP HAILS GOVERNMENT DECISION

Mr Stanley Tillekeratne. MP, (SLFP) has called President Premadasa's decision to appoint SLFP MP Mangala Moonesinghe as chairman of the parliamentary select committee on the national question "a great move in the correct direction". In a statement in the Daily News Mr Tillekeratne said: "This is undoubtedly a splendid opportunity for all political parties to prove to the people that they should stand above party politics in the greater national interest".

Mr Moonesinghe was the proposer of the motion to appoint a Select Committee of Parliament to recommend ways and means of achieving peace and political stability in the country.

RANDOM RAIDS, NEXT?

After the end of major confrontations in the North, security forces believe that the Tigers will mount random raids on civilian targets, according to sources quoted in the Daily News.

RECENT MARGA JOURNALS

Vol 10 No 4

For mortality's sake!

Syed Nawah Haider Naqvi

The nature of the rural informal credit market in Sri Lanka
Nimal Sanderatne

Tea policy in Sri Lanka
Joachim Betz

Economics of 'Tourist Pollution'
Pani Seneviratne

Book review
Towards a theory of rural
development
Paul Ekins

Rs. 47.50

Vol 11 No 1

Development of development thinking

Sukhamony Chakravarty

Environmental impact assessment and developing countries

Rohan H. Wickramasinghe

Industrialisation and social development: comparisions of South Asia with East Asian NICs Ganeshan Wignaraia

The Sri Lanka formula
Carlo Fonseka

Book review

Iconoclastic and courageous Premadasa Udagama

Rs. 55.00

Vol 11 Nos 2 & 3

Nutritional status of the pre-school child

Priyani Soysa

Child mental health: meeting needs of the young child

A. D. Nikapota

Training of pre-school teachers

D. E. M. Kotalawala
The household and the care of the young child

Myrtle Perera

Western theoretical perspectives & upbringing of the child in the traditional family in S. L

Malkanthie Gunawardene Interactions between care-giver and pre-school child — a case study

Gameela Samarasinghe The Child's need to play Myura Goonesinghe

The pre-school child in the urban Shanty

Namali Kannangara

Rs. 87.50

Vol 11 No 4

National planning in an open economy — The Challenge for S.L. Godfrey Gunatilleke

Trade policy and industrial development in Sri Lanka

Saman Kelegama & Ganeshan Wignaraja

Sri Lanka's continuing thrust on the plantation exports: some explanations

Raghunath Pradhan

A survery of estate and tea productivity debate in India, Sri Lanka and Kenya

Patrick Mendis

Rs. 49.50

MARGA PUBLICATIONS

61, Isipathana Mawatha, Colombo 5.

Mangala's Motion:

A window on Lanka's crisis

Mervyn de Silva

The Hon. M. H. Mohammed, the speaker, is a veteran top-flight UNP'er, who has held ministerial office. As the natural symbol of an elected, multiparty assembly, and as a Mos-lem, he had reason to believe that an initiative by the Speaker to use the House for a free and frank roundtable on the ethnic conflict could yield better results than any other forum. The All-party Conference, a UNP-promoted exercise has not proved, for instance, a truly "all-party" forum. The ethnic issue, moreover, is widely understood to be a conflict between the majority Sinhalese and the Tamils, the main minority. So what better "neutral" than a Moslem Speaker? But

The UNP preferred to support a motion by the SLFP MP, Mr. Mangala Moonesingha than Speaker Mohammed's move, which interestingly, found an eager backer in the SLFP President and Opposition Leader, Mrs. Bandaranaike no less. And so Mr. Moonesingha's motion was unanimously approved. What's more President Premadasa, the President of the UNP, gave a UNP 'green light' to the choice of the mover of the motion, an Opposition backbencher, as Chairman of the Parliamentary Select Committee. I don't recall a parliamentary committee on a matter of such immense political importance chaired by a junior Opposition MP. It has made parliamentary history, of course.

To make the unusual stranger still, we had Mr. Stanley Tillekeratne, SLFP MP and the Speaker of the National State Assembly in the days of SLFP-dominated United Front government (1977), respond to these developments by showering praise on President Premadasa for his "magnanimous decision". Recognising the step as a "departure from the normal procedure", Mr. Tillekeratne observed that this move "shows the firm resolve of the President and the government to explore the possibilities of a just solution to a pressing problem".

"Let this forum not be used for propaganda and petty political advantage. Let us rise above all other considerations to look for a lasting solution for this grave national issue".

POLITICAL COMMENTARY

While each action, Mr. Moonesingha's, President Premadasa's and Mr. Stanley Tillekeratne's, is praiseworthy, the conduct of all three taken together, as well as each individual decision, in these particular circumstances, constitute a commentary on politics and society today.

To some extent, the two-party game which helped to aggravate the Tamil problem (some analysts say the problem was in fact a by-product of that two-party contest for power and the opportunism it promoted) still goes on. But the constitutional changes that Mr. J. R. Jayawardena introduced in order to centralise power in an Executive Presidency at the expense of Parliament, the extension of the UNP-dominated Parliament's 6 year term to 12 years, the deep divisions in the Opposition,



the dramatic decline of the 'Old Left', the chaos and bitter squabbles in the SLFP after Mrs. Bandaranaike was deprived of her civic rights, have all taken quite a toll. While these devellpments were altering, often imperceptibly, the traditional structure of politics in Sri Lanka, two other pa-rallel processes were underway. The Tamil agitation moved out of parliament, the traditional Tamil leadership was soon marginalised with whatever token gains they had made through Parliament becoming more and more meaningless. In that area, the DDC polls in Jaffna and the manner in which these were conducted, together with the campaign of terror unleashed by UNP "goon squads", stand out as the turnion. stand out as the turning point. From murder and terrorism, the violent Tamil agitation of the new generation grows into a full-scale insurgency calling for the total mobilisation of the armed forces, and their steady expansion.

THE ARMY

The expansion and modernisation of the army introduces a new factor into Sri Lankan politics and society—a distinctive Third World characteristic that became quite prominent in many countries of Asia, Africa and Latin America, in the 60's-70's. The politicians find it necessary to expand the army to protect their increasingly isolated and unpopular regimes; the army and the defence budget expand, and soon the military become a dominant feature of the political-social landscape. Militarisation, a sharing of power

between civilians and the services, the advent of juntas, growing economic distress caused by ever-swelling defence budgets are all part of the pattern. As a rule, the ever-increasing use of force almost always deepens the crisis, particularly if the 'civil war' is ethnic or tribal, and the army is drawn from the 'majority'. Such ethnic strife rather than "revolution" soon becomes a prominent feature of Third World politics.

While such common features can be recognised in the South Asian scene too, and Sri Lanka is no exception, what makes this island different is that democratic system did not wholly collapse and the party competition continued, albeit under the restrictive "new rules" introduced by President JR. The other crucial change of course was in the area of economic policy. To simplify, the JR years represents another rupture with the past, the rejection of social welfarism as a component of Sri Lanka's "caring capitalism" The total integration of the island's economy to the global economic system under IMF-World Bank supervision became the central objective of the JR administration. It now remained the inheritance of all parties. At first, the new UNP administration of President Premadasa, with its distinctive populism, resisted the trend. Premadasa "populism" went back to the welfarism of the "old" UNP, and the policy outlook of the island's post-independence elite. a more socially aware, conscience-stricken governing group.

ECONOMIC STRATEGY

Given Sri Lanka's size, resources and its "dependence" on the world economy, the JR policy was in fact irreversible.

While President Premadasa was smart enough to 'adjust' to the IMF 'structural adjustment', the SLFP and the Left, found themselves naked. Global political change was the next bitter blow. The collapse of the "socialist system" has left the

SLFP-Left "coalition" bereft of ideas, and unable to present a serious counter-program.

It is this "crisis" which has hit the major Opposition party so hard that its internal strife is now played out on the public stage, duly reported in great detail by State-run media. Since the SLFP is the party of the Bandaranaikes, it has become a family feud. Since one section comes up with old tested formula of a "United Front", Chandrika Kumaranatunge is identified with the "Left" and brother Anura with the "Right" and Mrs. Bandaranaike caught in the middle but leaning Chandrika-wards. For his part, Anura would see it as Bandaranaike vs. Ratwatte, modernisation and professionalism versus feudalism. President Premadasa who has learnt from his former chief JR is as clever as the master but with some strategems of his own. Anti-UNP forces cry for leadership but there is none.

Apart from that, President Premadasa's luck has held. The Opposition was too easily tempted to hammer the regime on its failure to defeat the "Tigers" and for alienating the Indian government whose cooperation is needed to tackle the Tamil threat. The SLFP in particular was even more tempted to champion the cause of the army and lambast the UNP for not allowing the army free rein, or the weapons needed to fight the war to a finish. The President, the critics said, was "soft" on the LTTE.

Ironically, the LTTE changed all that, and in doing so, disarmed the Sinhala opposition. The post-Gandhi assasination months have seen a fierce crackdown in Tamilnadu with the 'elimination' finally of those who carried out the execution. By a particularly hopeful coincidence, the Army broke the Elephant Pass seige to give the Premadasa government the first significant military victory.

Mother-son dispute surfaces

he Sri Lanka Freedom Party's parliamentary group meeting on Monday turned out to be an explosive affair, with the differences between Mrs. Sirima Bandaranaike and her son, Anura, being brought into the open.

According to SLFP sources, the mother was accusing her son of bringing about divisions in the party, while the son countered that it was his mother who was the root cause of the prevailing problems by her obstinacy in preventing the peaceful transfer of power within the party.

Anura's supporters, especially Dr. Neville Fernando, Prof. Kamal Karunanayake and Mr. Hema Nanayakkara were vociferous in their criticism of Mrs. Bandaranaike, while her supporters who got into the party's central committee recently (S. B. Dissanayake, Nimal Siripala de

Silva and Mangala Samaraweera maintained a silence which surprised them all.

When the role of Mrs. Chandrika Kumaranatunga was taken up, members said the question did not arise because she was not even a member of the SLFP and her views were not known.

Anura was found fault with for a lack of dedication to the party and his "frivolous" trips abroad,

Several members expressed the view that Mrs. Bandaranaike should remain nominal head of the party and delegate authority to Anura to run the show.

A committee to resolve issues between mother and son was appointed. The committee comprises C. V. Gooneratne, K. B. Ratnayake, Anil Moonesinghe, D. P. Wickremasinghe, Dharmasiri Senanayake and Somasara Dassanayake.

(Daily News)

JR Rides Again

by Piyal Gamage

Yet once more, he's done it, this time an interview with the BBC, no less! He begins by allowing us know how his father was a Supreme Court Judge, JR's father, for a short while before his death, held an acting appointment on the Supreme Court but he was never confirmed as a Puisne Justice. A small matter, would you say? Recorded history is never reliable because it consists of a whole lot of half-truths. There is no reason why we should conspire together to ensure that what is not true passes into recorded history. JR next claims that all members of the cabinet "were unanimous that I should sign the Accord". But we know that Prime Minister Premadasa openly opposed the signing of the Accord, Minister Jayasuriya resigned from the cabinet on the issue and even Minister Athulathmudali distanced himself from the Accord and returned to the fold only after some time, thus earning for himself the sobri-quet Yalith Athulathwunemi.

JR also told the BBC: "I am not for violence. I do not know why people take to violence ... I would never say a person is justified in achieving his good objects through violence." This the same JR, mark you, who not long ago, before a mammoth crowd in the Sugathadasa Stadium, called upon his party supporters to use "violent or non-violent means" to ensure victory in the presidential election. I think the smart thing for JR would be to be less vehement when he publicly denounces violence.

To me the most impressive show of chutzpah in the whole interview was JR's comments on the referendum: "The people wanted a referendum.... The decision was not mine." He blandly makes this claim without any explanation of how "the people" communicated this want to him.

And then, quite typically, he contradicts himself. It was not the people but he himself that wanted the referendum: thought I must give a chance to the people to decide whether parliament should continue (he means continue beyond its legitimate life-span) or have a parliament elected on proportional representation." It was of course JR himself that imported proportional representation into our constitution. At the very first opportunity he gets to implement proportional representation, he wants to ask the people whether they would prefer to avoid it by extending the life of parliament! JR then goes on to tell a fictional tale of his own fabrication: "A group of Naxalites had captured the SLFP. Naxalites are assassins. They kill people and cut their necks.' JR's "Naxalites" in the SLFP were the wimpish Hector Kobbekaduwa who could't say boo to a goose and the charismatic young leader Vijaya Kumaranatunge who had devoted so much time and energy working for communal harmony. That JR had no evidence at all that these two "Naxalites" were planning assassination (as he publicly claimed) is established by the fact he took no steps to have them arrested and indicted.

Next we are treated to what I call JR's unconsummated either/ or construction, which he has devised to befuddle his interlocutors: "If we had an election at that time, they would have either formed a government, though I was president, and the country would have become very unstable." The listener forms the impression that he has not heard it right and is too bemused to ask further questions. On an earlier occasion, he used

this same gambit when explain ing his decision to hold a referendum: "I had to decide whether to allow the Naxalites to form a military government or to ask the people whether, in addition to my being allowed to govern the country with a democratic parliament ensuring peace and progress, or to permit a set of hooligans to enter parliament. The effect aimed at is confusing the listener and this is exactly what is achieved. But, revenons a nos moutons. "So I asked the people: 'Do you want the Naxalites to govern the country?' By 52% they said: 'No'. "Now this is simply not true. Even if we ignore the scathing comments of the Commissioner of Elections on the illegal conduct of the referendum poll, only 3,141,223 votes were counted for the Lamp. This is just 38% of the total registered voters. 62% of the voters failed to vote for an extension of the life of parliament.

Questioned about the government issuing portraits and busts of his likeness JR claims: "It was not for personal reasons but for the glory of the state." How JR's head on a rupee coin could serve the glory of the state is the problem we are confronted with.

When asked whether the Accord did not stir up a hornets' nest JR coolly bluffs: "No, my friend, it did not." But the whole world knows the Accord met with violent protests in the course of which thousands of millions of rupees worth of damage was done to government -owned buses, cars, buildings, telephone exchanges, electricity stations etc. Also, an attempt was made on JR's life in which one minister was killed and several ministers injured very seriously, JR himself escaping unscathed. In an interview he granted to the London Times and the New York Times JR said contemptuously: "The Sinhalese have to follow the Accord. Otherwise they will be locked up." (Quoted in the Sunday Times of 9 August 1987). JR is finally asked what his greatest folly was. After a long pause he says: "I haven't thought of that."

Yeats wrote:

An aged man is but a paltry thing

A tattered coat upon a stick, unless

Soul clap its hands and sing, and louder sing

For every tatter in its mortal dress.

It is fit and proper that an old man should contemplate his follies to prepare himself for what is to come. JR may perhaps find his greatest folly from among the following:

1. The Imbulgoda march leading to the tearing up of the B-C Pact which in time was to cost tens of thousands of lives;
2. the taking over of the Times Group of newspapers under

the Business Take Over Act, which he had promised to repeal;

- 3. the fining of two editors of the Observer "without knowing what crime they had committed" an act which was much publicised abroad to the dishonour of this country;
- 4. the failure to repeal the Press Council Law as he had promised;
- 5. the deprivation of the civic rights of Mrs Bandaranaike not long after she had rejected his invitation to her to join his cabinet:
- the Jaffna DDC elections in which the government interfered with the arrangements of the Commissioner of Elections, resulting in chaos at the count;
- 7. the 1980 public service strike in which JR sacked 40,000 public servants, resulting in a large number of suicides;
- 8. thuggery and intimidation and other acts of lawlessness in the conduct of the referendum, vide the report of the Commissioner of Elections:
- 9. the complete mishandling of the 1983 ethnic violence, culm-

inating in the deplorable 6th Amendment which left the government with no Tamil leaders to talk to except tigers with guns;

10. interference with the highest judiciary, publicly insulting senior judges, treating all judges of the Supreme and Appeal Courts as having vacated their posts and locking up and planting guards outside the courts to prevent judges from entering;

11. the promotion of police officers immediately following their being faulted by the Supreme Court etc., etc.

The above are just a few of the follies which JR might consider as being among his greatest blunders. But my own favourite choice as JR's greatest folly is his having called Mrs Indira Gandhi a cow when she was in the political wilderness. Very soon Indira was back in office as prime minister. She acted swiftly to arm the tigers, provide them with military training and finance their war against Sri Lanka. JR's joke was very costly.

VASA OPTICIANS

207, 2nd Cross Street, Colombo - 11.

Telephone: 421631

Good start rocky road

K K Sharma

ne of the most fragile governments in India's history has, paradoxically, started to make the bold economic policy changes that not even Mr Rajiv Gandhi's ostensibly more stable administration of the mid-1980s could risk.

The minority government of Prime Minister PV Narasimha Rao has realised that the widespread unwillingness to contemplate another election campaign has given it an opportunity for decisive action, while the danger of a default on India's \$70bn external debt has provided an incontestable case for it.

Yet, even though the proposed reforms are a response to the balance of payments crisis, their content is far wider than stabilisation and export promotion. They introduce a long-discussed and widely-desired, if still limited, liberalisation and deregulation of India's sclerotic economy.

The liberalisation appears decisive, at least by Indian standards. But the projected reduction of 2 percentage points in the budget deficit as a share of gross domestic product does not, by almost any standards. None the less, the International Monetary Fund is likely soon to announce a loan to ease India's current balance of payments crisis. The IMF's response reflects India's importance and an appreciation of its changed policy stance at least as much as the stringency of the proposed stabilisation.

Mr Michel Camdessus, the IMF managing director, has welcomed the reforms, "including the initial stabilisation measures and the initiation of a more liberal trading system. We want to continue supporting India's efforts to strengthen its balance of payments and build the foundations for strong and sustained growth."

But is what the government intends to do enough? Will it even be allowed to do what it intends? These questions retain their force. Nevertheless, what has been done is significant. For that two pivotal figures must take the credit: Mr Rao and Dr Manmohan Singh, the new finance minister.

Of the two, Mr Rao has perhaps proved the more surprising. By giving Dr Singh the go-ahead, he has shown himself to be a far more astute political strategist than thought when he became the consensus prime minister of a minority Congress government nearly two months ago. Opposition parties can throw out the reforms only at the risk of toppling the government, which would entail yet another election only two and a half months after the assasination of Mr Gandhi during the last.

The result is that the Indian government has moved at an unexpectedly rapid pace. If the reforms go through—and they could still founder if Mr Rao permits the factional quarrels within Congress and rumblings from the opposition to get out of hand—India will finally have moved to end its 50-year isolation.

"The government is committed to macroeconomic stabilisation and structural reforms which will unleash the nation's latent energy to bring about accelerated development," said Mr Singh. "The country has been living beyond its means and adopting soft options. It must prepare itself to take hard and unpleasant decisions."

The need to secure a further IMF loan to shore up India's foreign exchange reserves, on top of the \$1.9bn already in hand, has undoubtedly spurred the government into speedy action. But Dr Singh — a technocrat who has held almost every important official position in Indian economic policy-making — is not being disingenuous when stating that the reforms are in India's own interest. He has conviction inside him and the crisis behind him when acting to:

- * Sweep aside the complicated regulations governing foreign trade, following a decisive twophase devaluation of the grosslyovervalued rupee early in July;
- Welcome direct investment by multinationals;
- * Dismantle the "licence raj" (reign by licences) on Indian industry — 84 per cent of industry has now been freed from licensing requirements;
- * Partially free the financial system from controls on interest rates, and;
- * Propose a more limited role for the public sector.

In addition, by reducing the fiscal deficit from 8.5 per cent of gross domestic product to 6.5 per cent, the government has made at least an initial step towards returning India to its historic fiscal conservatism.

None of this has been easy. Critics have lamented what they consider the shedding of Nehru's socialist model, based on self-reliance and a public sector that holds the commanding heights of the economy.

The reforms were also frowned upon by many bureaucrats who fought a brief but bitter battle against them, partly because of their vested interests in a government-regulated economy and partly because of conviction. Mr B K Modi, a leading industrialist, said: "I don't think the bureaucrats are going to change over-night. You can feel the resistance already."

But Dr Singh acted decisively, by telling senior officials that those who could not support the programme would be transferred. He was helped by the fact that many senior officials, particularly in the ministries of commerce and industry, have been unsuccessfully clamouring for deregulation for years. They feel the finance ministry has obstructed the process of liberalisation by exerting too great a control over economic life.

While the reforms have begun to have an impact, many are only statements of intent. Much has still to be done, including the implementation of what has now been decided. And although Dr Singh has cut subsidies and government expenditure, for example, and reduced the fiscal deficit, he has failed to introduce long overdue tax reform.

The minister has declared a virtual open-door policy for foreign investment by increasing the limit on foreign ownership of the equity in Indian joint ventures from 40 to 51 per cent, thereby assuring them of control. He has also suggested that they could be allowed 100 per cent ownership if high technology and an export commitment are involved. Yet foreign investment is still not permitted in key areas such as energy or oil and mineral exploration.

The Monopolies and Restrictive Trade Practices Act has been considerably liberalised and there are now no restrictions on fresh investments by the so-called "large monopoly houses" — companies with assets of Rslbn. Nevertheless, industrial licences are still needed for some products including coal and cars.

Mr Rahul Bajaj, chairman and managing director of Bajaj Auto, a scooter maker, praised the lifting of most licensing requirements: "I know how difficult it can get to chase someone in New Delhi for a licence. Then some fool delays the whole project by procrastinating, because he wants something for himself, or a thousand other things. But now I think things will change,"

The government has retained the right to reject projects that require more than Rs 20m-worth of capital goods imports. Critics contend that this means licensing has been saved through the back door. But Dr Singh has promised that the Rs 20m limit will be raised and even removed when the foreign exchange position improves.

Many entrepreneurs and economists say there should be no industrial licensing at all, even in the atomic energy and defence industries. So far, the government has kept these industries within the public sector and has made substantial purchases from private companies abroad. Commentators argue that private Indian companies should be allowed to compete freely in this area without needing a government licence. In any case there is a strong case for massive cuts in overall defence spending, of which a disproportionate share is on the unproductive maintenance of a 1.2m strong army.

In the two crucial areas of the public sector and privatisation, the government needs to take bold initiatives. But the reforms virtually ignore both areas, mainly because the concept of a strong public sector is considered politically dangerous ground to tread upon. The government has, instead, retained ownership of the energy and mineral industries, both of which would benefit from domestic and foreign private investment.

There is also a strong case for denationalisation of the lossmaking coal industry and for giving incentives to Indian and foreign companies to search for oil, production of which has stagnated for more than a decade. This forced the government to increase oil imports and is one of the principal reasons for the current balance of payments crisis.

The public financial institutions are also in need of an overhaul, particularly the nationalised banks, which are notoriously inefficient. Although the Indian capital market is now well developed, funds for industrialisation would be easier to raise if the banks were denationalised.

Mr Ramesh Chauhan, chairman of the Parle group, a soft drinks company, said: "The policy on public sector disinvestment is disappointing. As far as the industrial policy is concerned, it should be separated from the foreign investment policy. Why should licensing be required for any industry where there is no foreign direct investment?"

Also absent from the reforms is a policy that would allow loss making businesses, both in the public and private sectors, to close down. Painful decisions are involved, particularly because of opposition from trade unions and the left-wing political parties as a result of the feared impact on employment. The entire issue of industrial relations needs scrutiny.

Many industrialists think the government should have announced a competition policy on the British pattern. Although deregulation has been widely welcomed, a competition policy is required so that industry can be restructured and consumer interests protected.

Industrialists say the refoms have not gone far enough and they urge the ministry of industry to play a role that would help in the restructuring

(Continued on page 17)

Nepal's security perceptions

Mushahid Hussain

eopolitics has always been, Gquite predictably, a key element of Nepal's security perceptions. If historically, Afghanistan was seen as a buffer between Russia and the South Asian subcontinent during the days of the Imperial Raj, similarly Nepal has been perceived as a buffer between the two Asian giants, China and India. The fact that these two Asian countries later developed an adversarial relationship contributed to enhancing the importance of Nepal for both China and India and it then provided greater leverage to Nepel to embark on a policy of tightrope walking in diplomacy with tilt towards India "balanced" by growing intimacy across the Himalayas with China. In fact, the last major crisis in Indo-Nepal relations in March 1989, when India virtually imposed an economic blockade of landlocked Nepal on account of a bilateral trade dispute, was sparked by the 1988 Nepalese decision to purchase some military equipment from China much to the chagrin of New Delhi. Most of this military equipment, artillery and infantry weapons, rolled down from the Chinese mainland via the land route to Nepal.

Indian influences on Nepal, which, incidentally, is the only other Hindu-majority state in the world, apart from India itself, operate in various areas. With open borders between India and Nepal, a large number of Nepalese trek towards its southern neighbour for jobs and the Indian currency is legal tender in Nepal. While Nepal earns approximately 40 million pounds from its annual tourist traffic, mostly Western enthusiasts pursuing trekking and mountaineering in some of the world's most adventurous landscapes, another 10 million pounds flow into the Nepalese treasury every year as part of pension and salary payments for Gurkha soldiers and dependents from the Indian government. The religious bond is reinforced by ethnic ties given that approximately 40% of Nepal's population, mostly in the central region known as Tarai, traces its lineage to India. Additionally, Nepal's largest party, the Nepali Congress, which is currently in the ruling coalition as well, has traditionally enjoyed close ties with the Indian National Congress, which many of its leaders see as the "parent party"

Indian interests in Nepal are essentially perceived by sources close to the King as well as various political parties in Nepal to be essentially three-fold. First, a pliable government in Kathmandu which the Indians feel is more possible through an open political system, which by definition is more amenable to outside influences, rather than an absolute monarchy which, as India's experience with Nepal shows can often be difficult to deal with. Second, preservation of the 1950 Indo-Nepal treaty, which was part of a pattern of India developing institutional ties with its northern neighbours following the termination of colonial control in 1947. India, thus, entered into similar treaties with Bhutan in 1949 and Sikkim in 1950. In that respect India sees itself as inheritor of the Imperial Raj tradition, which established similar links with these countries during the days of the Raj. Third, Nepal is an important window on China and vital for India's Tibetan connection, more so since 1959 when the Dalai Lama, after fleeing Tibet sought refuge in India and since that uprising, the Indians have viewed Tibet, probably rightly, as China's Achilles Heel. Hence, Nepal's importance for India.

Given this context, Nepal has sought to exploit its strategic location to gain increased leverage, and by extension, greateindependence from Indian influr ence, by alternately seeking options other than India, notably China, Pakistan and the United States. Interestingly, while many Nepalese consider the 1950 Indo-Nepal Treaty as being "unequal" considering that it was signed by the Prime Minister of Nepal and the Ambassador of India, no Nepalese government has called for it to be revoked. The turning point for Nepal to promote its secuity interests, independent of India, came after the uprising in Tibet in 1959 and the subsequent deterioration of Sino-Indian relations which culminated in their border conflict of 1962. Those events suddenly elevated Nepal to the role of a buffer between China and India, with both keen to cultivate Kathmandu. It was in the early 60s that Nepal took a decision which carned it American goodwill, namely, Nepal became the first South Asian country to formally establish diplomatic relations with Israel and the Israeli President made his first visit to South Asia, to Nepal, in 1966, with an Embassy in Kathmandu to ensure a political presence.

From 1975 onwards, Nepal has been presenting its proposal for declaring that country as a "Zone of Peace" essentially a diplomatic ploy aimed at gaining international recognition for its sovereign status vis-a-vis fears of Indian encroachments on its independence. It is thus not surprising that while 116 members in the United Nations General Assembly backed Nepal, including China, the United States and Pakistan, for its quest for a "Zone of Peace" India consistently opposed this proposal. Nepal also took a stand contrary to that of India, on such issues as Afghanistan and cam-

During the 80s, Nepal developed close political ties with (Continued on page 23)

The author is a wellknown Pakistani columnist

Regional Cooperation

Saman Kelegama

Regional Corporation is ano-ther area on which the Report has laid much emphasis. Julius Nyerere has once said that the North knows the South, the South knows the North, and the North knows the North, but the South does not know the South. This statement is quite correct. Southern nations are practically all quite ignorant of the tremendous trade oppotunities that exist in the South itself. In fact, the South constitutes a huge market which, at the moment, is accessible largely to the developed coun-tries. The advancing trading nations of the North are knowledgeable about these markets mainly because their private companies and public agencies have been in business in Southern markets for decades. Thus the Southern nations have been exploited by the traders of the North simply because the South has not made use of other Southern markets owing to weak information networks and data banks. Malaysia has taken the first step to overcome this problem and has proposed the setting up of a Trade Information Network and a South Investment Data Exchange Centre to service the South.

There is a lot of rhetoric on South-South cooperation, but the reality is much more complex. Let us take a South-South forum that is close to viz. SAARC (South Asia Association of Regional Cooperation). There are certain areas where cooperation is difficult due to various reasons such as 'big brother domination', etc. For example, trade and industry have been deliberately left out of the SAARC agenda because many disagreeemnts arise in these areas. Let us take a look at the current trading patterns of SAARC countries. The bulk of production of SAARC countries is traded with countries outside the association. For Example, in 1989, SAARC mutual exports amounted to 3.4 per cent of their total exports to the world, while mutual imports amounted to 2.6 per cent of their total imports from the world. Then there is the question of using national currencies for mutual trade in SARRC. In this regard the Asian Clearing Union was established in 1974 to minimize the use of exchange reserves and transfer costs. It is still in its infancy because the intra-group trade passing through this channel today is about 10 per cent of the group trade with the world. Clearly, there is a lot of work to be done in South Asian regional cooperation.

In this context there are reasons to believe that regional cooperation can be enhanced by having some type of an external catalytic force. This role has been fulfilled in the case of ASEAN (Association of South-East Asian Nations) by Japan, which has not only established a special fund for financing the large ASEAN Industrial Projects (regional joint ventures) such as urea plants, but have also assisted in setting up of ASEAN Industrial Complementation Projects such as automobile manufacturing enterprises. Japan has a special economic interest in ASEAN and, in 1989, it provided ASEAN 9.4 per cent of its world export compared with 1.4 per cent to SAARC counties, and it imported 12.3 per cent of its total world imports from ASEAN, compared with 1.3 per cent from SAARC countries. So an external catalytic force for regional cooperation seems useful.

This aspect seems to have been recognized in recent years and some ideas have been mooted by the World Institute of Development Economic Research (WIDER) in Helsinki. WIDER has suggested that the enormous Japanesesur plus should be directed towards the development of the South, in general, and South-South cooperation, in particular. A new opportunity has been presented for South Asia by the commitment of 20 per cent of Japanese Overseas Development Assistance to the region. It is believed that such a step should help invigorate SAARC activities. In overall terms, regional cooperation, though a very rosy idea, has many problems to overcome. And in this regard the Report has not come out strongly with respect to the mechanics and the modalities of it.

South Bank

The third idea that stands out in the Report is the establishment of a South Bank. This idea was first mooted in 1973 a time well-known for the OPEC surplus. It was said that such a surplus should be effectively mobilized to establish a bank. Now this idea has reemerged as major theme. The strategy is to moblize the surpluses that emerge in the Southern countries. Of course, there is the Asian Development Bank, the African Development Bank, Latin American Develop-ment Bank, and so on, which provides funds to the countries in the South, But they are modelled on World Bank lines and are to a considerable extent controlled by the North. This is why an autonomous Southern Bank has been proposed.

The Bank will have new norms, new terms of reference, controlled totally by the South, and it will finance sustainable development. There are reasons to believe that although the World Bank has emphasized poverty allevation in its 1990 report, it is not geared operationally to finance poverty alleviation. This task can be taken over by the South Bank, and it could be of immense benefit to a people-based institution such as, for example, the Janasaviya Trust Fund in Sri Lanka. Although the Report has not outlined the operational guidelines of this new bank, the entire idea is praiseworthy and the Southern countries should work towards establishing this institution.

South Secretariat

Let us now turn our attention to the proposed South Secretariat. This is a major step because neither the Non-Aligned Movement nor the Group of 77 had anything more than a rudimentary arrangement to represent the South. All other forums that existed were ad hoc arrangements and were not coherent enough to represent the South. What is important is that the South must act. The South must set in motion the processes which will make this wholly Southern effort worthwhile and productive. The South has nothing even remotely equivalent to the OECD. With the emphasis now on the North-South divide rather than the East-West divide, the need for more formal coordination of the South is even greater. Without waiting for a agreement with all the 130 countries of the South, the formation of the Group of 15 for South-South cooperation is an important step. This forum can be a stepping stone for the formation of the South Secretariat.

Prospects and Challenges

Most of other recommendations of the Report are praiseworthly. But how will this new outlook for the South fit into the international framework? This is a crucial question The first factor that has to be taken into consideration is that the Southern strategy should not pretend to be a big plan but rather highlight some key issues on which the South should concentrate. Secondly, Southern stategy should be less ambitious, more selective, and more realistic. Let us examine why this should be the case.

The World Bank, IMF, UNC-TAD, etc, have made some forecasts of global trends for the 1990s, in particular, for the medium term. These forecasts are immensely discouraging because the common picture they have presented for the 1990s is one of a decade that is not going to be very different from the 1980s, assuming the continuation of 1980s policies in the West. These projections all in-dicate that the developed industrialized countries of the North, will grow only slowly - as they did in the 1980s - at between two to three per cent a year. The forecasts also predict that the commodity markets and commodity prices would not recover significantly from the trough to which they fell in the 1980s. However, although the projections depict a decade that is not going to be significantly different from the previous one, the 1990s will not, all the same, be a mirror image of the 1980s. The 1990s will have its own dynamics, its own logic, some of it positive, some negative, but all of which will, in one way or another, create a scenario, an environment, which will be very different to that of the 1980s. Thus, it should be the task of the South's strategy to capture that spirit and to take correct action. This is because the North cannot be totally neglected in the South's development strategy and the North is not going to embark on a completely new strategy, at least in the near future.

Before the recession in the West started, OECD had their annual meeting of their Council of Ministers. In their communique they gave expression to a deep sense of satisfaction with the situation in the OECD region. They said that their growth rates were adequate, and basically everything was well in their part

of the world. But the message that they need to grasp is that no matter how good things may appear, in the long run they will not be able to—indeed, no part of the world will be able to—insulate themselves from upheavals and chaos, from tensions and breakdowns, that might emerge on a large scale in other parts of the world, in particular, the South. So it is essential for them to attach great importance to the problems of the South.

But if the North ignores the the South and considers it a threat, then there is no option for the South but to take a "we do not care" attitude. The South should put across the message to the North very clearly, that adjustment in the South for what is done in the North is unfair, and has to stop. So for achieving fairplay a sensible North-South dialogue should begin. The Report has a full Chapter on improving North-South relations. New terms of incorporation has been suggested and the Report has gone to the extent of suggesting a new international economic order.

It is necessary to forge a new international economic order because there is ample evidence to indicate that the old order is collapsing. In the 1950s and 1960s, with the IMF, World Bank, and Bretton Woods, there emerged some kind of modest consensus on cooperation for development. There was agreement on aid targets, on preferential tariffs for developing countries in the markets of developed countries, on the need to reduce fluctuations in commodity prices. Today, the picture is totally different. There is no agreement on whether aid targets should even be adopted, let alone implemented; there is no agreement on the merits of international regulation to stabilize commodity prices; and there is very little enthusiasm for the extension of tariff preferences to developing countries - in fact the problem today is that developing countries

are confronting escalating protectionist barriers. As long as this situation continues, there will be no basis for the resumption of the North-South dialogue or for the formulation of a good and effective Southern development strategy.

Clearly, there is a need to create a new international consensus and find ways and means to fit in the recommendations of the South Commission into this new agenda. This is particularly important because it is being said that although the world is getting more integrated, although financial markets are converging, there is also a possible trend in the other direction. A possible danger is that these very processes can lead to the marginalization of the countries of the South. The developing countries, instead of being drawn into the vortex of the world economy, could remain, and continue to remain, increasingly on the periphery. Therefore, an effective North-South dialogue has to be induced and this is a challenge not only for the South but also for the North.

In conclusion, the Report deserves the full attention of the governments and NGOs of the South, since it gives a comprehensive analysis of the development experience from the Southern perspective. Besides, it gives a multitude of specific recommendations and policy options and shows where the South is moving and where the South should aim at moving, The Report should be translated to as many languages as possible. It is now in the hands of the people of the South and even more so, in the hands of their leaders, to take the initiative and implement the Report's recommendations. Let us hope that this will be done and the Report will not remain yet another academic exercise.

Indo-Soviet Tie

ne can be reasonably certain that while the renewal of the Indo-Soviet Friendship Treaty for another twenty years will be widely welcomed in the country, even those who have long been allergic to India's close ties with the Soviet Union will now be hardly inclined to oppose it. The breathtaking changes which have taken place in recent years in the Soviet Union and Eastern Europe should have dissolved all the ideological hang-ups which had snarled up attitudes towards the centrally planned economies.

It is worth recalling that India signed the Treaty of Friendship with the Soviet Union in August 1971 almost entirely because of the attitude which the U.S. Presi-Mr. Richard Nixon had dent taken towards this country and his unabashed support to Pakistan which had unleashed a reign of terror in what was subsequently to become Bangladesh. Both Mr. Nixon and his aide. Dr. Henry Kissinger who were wholly blind to India's predicament in having to handle a staggering influx of refugees hounded out of their homes by Islamabad's genocide had brazenly put themselves in an impossible position by a notorious public commitment to the policy of U.S. 'tilt' to Pakistan There was, of course, a debate in the country at the time whether this really had left India so very helpless and made it necessary for it to sign the Treaty with the Soviet Union because of the commitment it imposed on India by Article IX which said. 'In the event of either Party being subjected to an attack or a threat thereof, the High Contracting Parties shall immediately enter into mutual consultations in order to remove such threat and to take appropriate effective measures to ensure peace and the security of their countries.' This implied that India could seek active Soviet intervention during a military engagement with Pakistan and also that it was violative of the principles of Non-Alignment of not entering into any military alliance with either

of the superpowers. The liberation of Bangladesh achieved within a fortnight in December 1971 by the Indian armed forces did, however, render this commitment under Article IX wholly of academic interest. Nevertheless the highly intimidatory moves made at the time by President Nixon to sail the U.S. Seventh Fleet towards the Bangladesh coast revealed that the threat of an active U.S. intervention in the subcontinent had to be taken seriously and ensured against by India.

The wind of change in the USSR and Eastern Europe ushering in democracy, the dissolution of the Warsaw Treaty of the Cold War era and the signing of the Strategic Arms Reduction Treaty (START) between the U.S. and the Soviet Union all virtually amount to the burying of the hatchet by what were rival power blocs. This should remove all the complexes which have clouded the attitude of the U.S. towards India and the other Third World countries which have developed close relations with the Soviet Union. The renewal of the Indo-Soviet Treaty for another 20 years would help in strengthening further the economic and cultural relations between the two countries. It will be ridiculous to imagine that there is a military threat inherent in the Treaty against any country though it is a fact that India is not being left in any peace by the persisting provocations in Kashmir and Punjab.

The far-reaching political and economic changes in the Soviet Union being managed with superb statesmanship by Mr. Gorbachev are bound to impart a qualitative change to whatever agreements India will be signing with that country for promoting trade and economic development and make them very much alike the agreements it has reached with other countries. This should remove the suspicions about the exclusiveness' about Indo-Soviet relations which had been prevailing not only abroad but also among U.S. and Western-oriented segments of opinion within India itself.

(Hindu)

The Persian Gulf War as Myth

Douglas Allen

puring the August-January period of preparing the U.S. public for the predetermined slaughter of Iraq, and especially during the January-March bombing and ground war, the United States became cought up in an exhilarating atmosphere of war euphoria. Perhaps more than any place in the United States, the Bangor, Maine area, where I teach and live, became caught up in this national war euphoria.

The main objective factor in this intense regional reaction was the location of the Bangor International Airport (formerly a military base and a rare success. ful "peace conversion" project).
A large percentage of returning Gulf troops deplaned in Bangor on their way home to North Carolina, Illinois, and other parts of the country. The daily flights became tranformed into a competitive event a way of outdoing the rest of the country and putting Bangor on the map. The national media obliged with heartwarming, complimentary accounts of the remarkable "Banger story" with hundreds, often thousands, of Mainers flocking each day to the airport to welcome and celebrate heroic strangers.

True, the Chamber of Commerce and local business interests, politicians, churches, schools, and the uncritical media (not only providing overwhelming coverage but listing all incoming troop flights and encouraging citizens to get on the bandwagon) were part of the construction and perpetuation of the fictitious war myth. But that doesn't fully account for the incredible reaction.

In many respects, the Persian Gulf war euthoria, both locally

and nationally, reminded me of many experiences in Lanka during 1985-1986. I had had a classical philosophical training in Hinduism and Buddhism and had spent a year at Banaras Hindu University in India, but had limited knowledge of the contemporary Sri Lankan experiences contradicted my naive, uninformed preconceptions and expectations. For example, I found so many influential Sinhala Buddhists -monks, scholars, politicians, and other - citing the authority of the Buddha and his dhamma to explain and justify their commitments and policies. What I had always understood to be basic teachings emphasizing tolerance, cooperation, compassion, loving kindness, and nonviolence were being used to legitimate intolerance, hatred, repression, and violence. I once recall asking Sri Lanka's internationally best-known monk-scholar whether the Buddha had really come to Sri Lanka (and not as the compassionate Buddha but as a conquerer), as so many, citing the Chronicles, had told me. His reply: "Who knows?"

Most of the leading peace and justice scholar-activists I met in Sri Lanka were in great despair. Their historical research, analyses, and rational arguments seemed totally irrelvant in infulencing those caught up in the hatred, racism, ethnic chauvinism, repression, and violence.

Similarly, antiwar activist, and scholars in the Bangors Maine area and throughout the United States have felt a deep despair during the war and since March, as the Bush Adminstration and others with influence have continued to exploit the patriotic war euphoria in order to divert attention from deep structural problems, reinforce their popularity, and increase their power. Part of this despair arose from a sense of frustation

and confusion. Historical research, political and economic analysis, arguments, — all seemed irrelyant to those proud citizens displaying their yellow ribbons and rushing to the airport.

This article is a brief attempt at making some sense of what has been going on in Maine and the United States and perhaps also in Sri Lanka by introducing analysis and concerns usually omitted by anti-imperialists and others on the Left.

Two Senses of Myth

The history of philosophy and religion reveal two, diametrically opposed meanings of "myth" Plato and especially Aristotle, the Greek philosophers who most defined the nature and future direction of western philosophy, introduced our common mean-ing of "myth" as something "untrue". To label, and usually dismiss, something as a myth, as "merely a myth", is to regard it as an imaginary creation that may be believed but is irrational, does not correspond to factual and historical evidence, and is fictitious and false. Thus, in a traditional western interpretation, philosophy and science involved the evolution from and rejection of myth as an earlier, subjective, nonreflective, and uncritical stage of human development. Today, our ordinary language usually reflects this meaning of "myth" as contra-sted with "truth" and "reality".

There is a second meaning of "myth", much older than classical Greek philosophy, reflecting the views of religious people who believe myths, "live" myths, are "mythic people," For such people, myths are special narratives, "true stories" of sacred or transcendent realities; they are to be told and retold, are re-enacted through rituals and other practices, and

(Continued on page 23)

⁽The writer is an Editor of the Bulletin of Asian Scholars and co-author with the Vietnamese Historian NGO Vinh Long of the book "Coming to Terms, — U.S. Indo-China and the war)

China, Pakistan - other factors

Chintamani Mahapatra

Going by simple logic, the the United States and the Soviet Union should bring about a change in the US perception of, and policy towards, India, since American officials often raised questions and expressed concern about India's policy towards the Soviet Union. The recent trend, of course, shows a little improvement for the better in the relationship between New Delhi and Washington. The on-going changes in the global political, security and economic environment are too rapid to justify any rationalisation or predict the development of a future pattern or relationship. Nonetheless, with the relaxation of the new Cold War and emergence of a new equation between the two most powerful cold warriors, the Indo-US re-lations in the fields of trade, investment and technology transfer also seem to be improving. For instance, in 1987, onefourth of all foreign collaborations in India were with American private companies. The American firms' contribution to the total equity investment in India in the same year was about 40 per cent. Washington in the same year once again approved 3,916 export licences worth \$563 million. In recent years, the United States has re-placed the Soviet Union as the largest trading partner of India, the bilateral trade between the two countries touching a high of \$5.7 billion in 1988. The growing Indo-American cooperation in the field of science is brought out by the fact that scientists from both the countries are today working together in a thousand scientific fields, including weather prediction, control of diseases, dryland agriculture and marine research. Indeed there is hardly as ignificant field of scientific acti-

vity in which at least one team of Indian and American scientists is not working together.13

The efforts by the Indian and American governments in recent years to improve cooperation in co-production of certain defence related items is a notewor-thy development. In fact, joint collaboration in the manu-facture of a Light Combat Aircraft has already started. The prototype of this aircraft is likely to be ready by the years 1992 and the aircraft may be available for use by the Indian Air Force by 1994-95. When K.C Pant, former Indian Defence Minister, sought US submarine technology systems during his visit to Washington in June 1989 to enable India to indigenously manufacture a submarine fleet, the US response was reportedly encouraging. The talks between the parties, in fact, were focussed on a wide range of warfare technology. Sensitsve items such as sea-launched missiles, deep sea sensors and other related naval def-ence systems also figured in the discussion. The United States, on its part, offered in 1989 to co-produce an advanced fighter jet engine with India. This offer was made as part of an overall US presentation to India for the co-production of the TF-5 trainer jet. It was one of the most significant US defence proposals to India, as the trainer jet is capable of dual use and can carry up to 7,200 pounds of ordnance and can handle air-toair side-winder missiles.

There is little doubt that the recent spurt in Indo-US economic and security ties has been facilitated by an atmosphere of superpower detente and the economic liberalisation policy of the government of India. Will this trend continue through the years leading to the twenty-first

century? It would undoubtedly depend on various domestic, regional and international factors.

First of all, a careful analysis of the on-going changes in international relations is necessary in order to make a proper assessment of the direction of Indo-American relations in the coming years. There is little doubt today that the structure of the international system in the early years of the last decade of the current century is substantially different from the one that evolved in the aftermath of World War II. This structural transformation was brought about by the cessation of the Cold War and unprecedented improvement in the two superpowers, equation with each other which in turn led to arms control negotiations, Soviet troops' withdrawal from Afghanistan, pull-out of Vietnamese military forces from Cambodia, beginning of the end of Cuban military presence in Angola and independence of Namibia.

The factors that strengthened this process of new detente, however, were the Soviet policies of glasnost, perestroika, democratisation of hitherto Communist regimes in Eastern Europe, German unification and collapse of the Warsaw Pact. Such developments replaced the prolonged pessimism of Cold War days by a new optimism that cooperation would take the place of conflict in the arena of international politics. The entire world was undergoing a period of euphoria at this time and not many had time to ponder over the fact that the new detente was a mere product of compulsions.

Mikhail Gorbachev, upon assuming office, was seemingly quick in recognising the ills of the Soviet society: the domestic economic crisis exacerbated foreign commitments, the diplomatic isolation of the Soviet Union, the increasing cost of involvement in Afghanistan in terms of blood and money, and many more. The accumulated problems threatened the very status of the country in the community of nations. With a view to checking the erosion of the country's status, Gorbachev lost no time and launched his peace offensive.

The US President's positive responses to Gorbachev's peace proposals were neither influenced by the Soviet leader's charisma nor just altruistic mo-tives. Reagan's war against the "evil empire" had cost the United States dearly and the sound economy of the country had begun to falter during Reagan's reign in the White House, The largest creditor nation in the world had turned into the largest debtor nation. The American allies, whose security was subsidised by Washington, began not only to behave more assertively but also started to clean up in the international market when the huge trade and budget deficit told upon the nation's economic health. A variety of compulsions thus led the leadership of the United States and the Soviet Union to bury the hatchet and to work for the improvement of bilateral relations and reduction of regional conflicts.

New Detente Under Stress

The crisis in the Persian Gulf that erupted with the Iraqi invasion of Kuwait on August 2, 1990, shattered the dream of those who appeared confident of a peaceful world in the wake of the new detente. Though the Soviet Union indirectly supported the United States when the later decided to use force against Iraq, tensions in US-USSR relations began to surface while the Gulf war was still going on.

At noon on February 23, 1991, when Gorbachev called George Bush on the hotline and made a repeated request to give two days time to Saddam Hussein to end Kuwaiti occupation before launching the ground attack, the US President's response was negative. The Sovier President, according to later days' reports, was hardly aware that the US policy makers had already taken the decision a week earlier to launch a ground assault on the Iraqi troops in Kuwait.

Since the day President Bush rejected Gorbachev's peace plan to end the Gulf war, it was evident that the United States was preparing itself to shape the post-war security scenario in the Gulf in accordance with its own specifications. Consulting the allies and especially the Soviet Union, was to be either a token gesture or a trial balloon. Soon after a victorious war when President Bush announced the dawn of a "new American century", it signified the American intention to play the role of a global cop in the so-called "new world order."

Such a role requires a stronger US military which in turn necessitates the creation of an enemy. The Soviet Union was regarded as the number one enemy by the US policy makers and strategic thinkers throughout the Cold War period. Most of the foreign policy and security doctrines, for instance, containment, massive retaliation, flexible response, etc. were targetted at the Soviet Union.

The emergence of a new detente in the wake of the Gorbachev phenomenon rendered all these doctrines obsolete. Many influential Americans in various walks of life have openly spoken about the reduction of the so-called Soviet threat. But persons who mattered in policy-making circles in the United States still exhibited their suspicion of the Soviets. It was in 1988 that George Bush's predecessor, Ronald Reagan, wrote in his book, National Security. Strategy of the United States, that

in the Soviet Union "We hear talk of 'new thinking' and of basic changes in Soviet policies at home and abroad...but we have yet to see any slackening of the growth of Soviet military power, and abandonment of expansionist aspirations" The following year President Bush in his book, National Security Strategy of the United States, 1990 - 1991, wrote that the United States would seek to foster "restraint" in Soviet military spending and to discourage "Soviet adventurism" 15

And now while admitting that the Soveit Union will increasingly find it difficult to project power "beyond their borders." Secretary of Defence Dick Chency has mentioned in his annual report to Congress that recent changes notwithstanding, the Soviet Union retains "considerable naval power and, hence, still poses potential threats to US interests." Cheney has further pointed out that "the continued deployment by the Soviets of a range of sophisticated weaponsincluding new aircraft carriers, cruise missiles, and increasingly advanced submarines - underscores that meeting the Soviet challenge is no less technologically demanding than it was before perestroika"

The mistrust between the United States and the Soviet Union has, moreover, intensified with alleged Soviet violation of the Conventional Forces in Europe Treaty (CFET) through reassignment of some of the land divisions. that were to be abolished, to the Soviet Navy. The Soviet reply to this accusation was that three motorised rifle divisions were deliberately moved forward "in order to provide better protection of coastal areas of operation against US and NATO strike and mobile naval forces."

According to First Deputy Chief of the General Staff, Genaral B. Omelichev, the motor rifle divisions will not be used to reinforce naval infantry but rather employed in a coastal defence role. This appears to be a Soviet ploy to drag the Americans to the negotiating table to

discuss naval arms control measures.

But such a reply in the backdrop of a rising Soviet defence budget apparently created concern in Washington. The Soviet defence expenditure for the current year will actually rise by 35 per cent according to Andrei V. Kortunov, head of the international department at Mosocow's Institute of USA and Canada Studies. All these developments, including the perceived resurgence of the military's influence in the Soviet decision-making circles, led Dick Cheney to warn that he might have to recommend a slowdown in the planned 25 per cent cut on US armed forces over the next five years.

Factors Influencing Future Relations

The Cold War is not likely to return, since Moscow has neither the will nor the resources to fight it any longer. But reemphasis on Soviet threat can work as a good justification for US military and security policies both in the sphere of public consumption at home and diplomacy abroad. The US leaders, in fact, tell their people that the Soveiet Union is still the only power on earth that can destroy the United States.

There is little doubt that the United States and the Soviet Union will continue to be the military superpowers in the forseeable future. The nature and the intensity of the Cold War are bound to change from time to time. New actors and new factors may come to play a role in international affairs. But it does not entail the total elimination of Cold War as an important phenomenon in relations among nations. If the situations in Afghanistan and Cambodia in the aftermath of foreign troops withdrawal are any indications, one may assume that the residents of the developing world need not be too optimistic about the current changes in the world politico-security environment. Indo-American relations in the near future are thus likely to be greatly influenced by the-level of security

cooperation between New Delhi and Moscow and the state of US-USSR relations.

Indo-American differences over nuclear issues and the question of missile proliferation moreover, are unlikely to be resolved. While the US government appears to be more concerned about horizontal proliferation of nuclear weapons and missile systems, the government of India has been pleading for their total elimination. So long as there remain a few nuclear-haves and missile-haves, the United States has no moral right, in India's view, to preach to others to give up their options forever. So long as the Western strategists themselves do not change their contention regarding the deterrence value of nuclear weapons, other near nuclear weapons, other near nuclear powers cannot be persuaded to quit their quest for nuclear weapons knowhow.

Last but not the least, Indian policies towards, and perceptions of, the United States will largely be influenced by Washington's Pakistan and China policy. On account of several factors, a sort of US-USSR type detente between India and Pakistan, and China and India is a remote possibility.

India and Pakistan have fought three wars in the first quarter of a century since their independence. Although no major armed conflict has taken place between the two countries since the last war in 1971, a general state of hostility has remained in spite of occasional efforts by them to reduce mutual bitterness and improve relations in the fields of trade, tourism and cultural cooperation. The former West Pakistanis are yet to admit their mistakes of repressively dealing with the Bengalis of East Pakistan. They have squarely put all the blame on India, dubbing the latter as the country that was solely responsible for the dismemberment of Pakistan. The self-inflicted agonies, due to lack of proper selfanalysis, of the present-day Pakistani elites have induced them to pursue a policy-goal of achieving military parity with India at any cost. The beginning of the second round of intense Gold War with the Soviet military intervention in Afghanistan created a propitious ground for Pakistan to acquire more and more sophisticated military equipment from the United States.

While India rightly refused to accept the argument that the American consignment of arms to Pakistan was meant for dealing with the threat from Afghanistan, large-scale US military assistance to a country that was instigating terrorist activities in India's sensitive provinces was sure to strain Indo-American relations. If at all the fourth round of armed conflict takes place between India and Pakistan, the central cause of such an eventuality will perhaps be Pakistan's encouragement, instigation and assistance to terrorist elements in the Punjab and Kashmir. And the future course of Indo-US ties will be substantially affected by the extent of Wshington's strategic equation with Islamabad.

Similarly, the US policy towards the People's Republic of China in the coming years will constitute yet another major determinant of the level of cooperation between India and the United States. China is a developing country with nuclear weapons. It is potentially a very powerful country with no hidden intentions to play a major role in world politics. Its military capabilities have steadily increased since the first demonstration of its nuclear capabilities in 1964, and the United States has come to provide a unique position to China in their foreign policy calculation. In the 1970s and 1980s, the United States' attitude towards China was guided by the consideration that the latter could act as a counterweight to the Soviet power in the Far East. A slow and steady strategic cooperation that evolved between the United States and China did not go unnoticed in India.

Until recently the Chinese policy towards South Asia had a heavy anti-India overtone. Signs of improvement in Sino-Indian relations in recent years are marked by a change in the tone of the Chinese foreign policy. But for all practical purposes the contents of the Chinese foreign policy objectives in the region remain substantially the same. Although the American policy makers are not known to give adequate considerations to Indian sensitivities while mapping out their policy towards China, the Indian attitude towards the United States is bound to get affected by the nature of Sino-American relations.

The reduction of the Soviet threat in US perception may make the Sino-American security cooperation appear irrelevant. But it is too early to come to such a conclusion. The eagerness and endeavour of the White House to patch up with Chinese authorities after a brief strain in Sino-US relations in the wake of the suppression of the pro-democracy movement in Beijing, on the one hand, and the steady efforts by the Kremlin to give a positive direction to Sino-Soviet relations, on the other, indicate that the superpowers may continue to compete with each other to befriend

As long as China remains a hostile country, India will have cause for concern if either or both the superpowers take actions that might bolster China's While the United strength. States has clear reservations about Indo-Soviet relations, India has not so far been vocal about the implications of Sino-US cooperation, especially in the field of advanced technology, which will prove to be more dangerous to India than the US military assistance to Pakistan.

While the systemic changes in the global political, economic and security spheres have not gone unnoticed in India, a serious review of India's foreign policy objectives' strategies and priorities is the demand of the time.

NOTES

- 1. The people to people interaction between the United States and India is of very recent origin. In the 19th century, only a microscopic minority of distinguished Americans knew India through their special studies, but they did not have a large audience. A substantial number of American people, on the other hand, were aware only of the seamy side of Indian life. Their impressions were largely based on the reports furnished by the Christian missionaries. The understanding of American life in India was likewise onesided and imited. For details, see W. Norman Brown, The United States and India, Pakistan, Bangladesh (Cambridge, Mass, 1972).
- Memorandum for the President, by William O. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, October 19, 1946. Records of the United States Joint Chiefs of Staff, Rh 218, Modern Military Branch, National Archives, Washington, D.C.
- Jawaharlal Nehru Speeches, September 1946 to May 1949. Vol. 1 (Delhi, 1949) p. 303.
- 4. Ibid.

For details, see Chintamani Mahapatra, American Role in the Origin and Growth of ASEAN (New Delhi, 1990).

- 6. Ibid.
- 890. 20.9.1429, Top Secret. Memorandum of Conversation by the Director of the Office of Fat Eastern Affairs, Washington, D.C. September. 1949, Foreign Relations of the United States, Vol. 6. Part II.
- Quoted in Baldev Raj Nayar, American Geopolitics and India (New Delhi, 1976) pp.37-38.
- 9. Ibid., p.38.
- For an authoritative account, see M. S. Venkataramani, American Role in Pakistan (New Delhi, 1982).
- Chester Bowles, Promises to Keep: My Years in Public Life 1941-1967 (New York, 1971), pp. 480-481.
- Richard Nixon, 1999: Victory Without War (New York, 1980). p. 274.
- 13. The Hindu. August 16, 1989.
- Ronald Reagan, National Security Strategy of the United States (Washington 1989). p. XI.
- George Bush, National Security of the United States, 1990-1991 (Washington 1989), pp. 8-9.

(Concluded)

Good Start. . .

(Continued from page 8)

of industry by encouraging expansion, amalgamations and mergers while keeping a careful watch for the emergence of cartels.

In spite of the many gaps in the reforms, it is difficult to deny that the present liberalisation has finally given market forces a chance to operate more freely. This has presented Indian entrepreneurs with a challenge for which they have long been clamouring.

Mr S K Birla, president of the Federation of Indian Chambers of Commerce and Industry, said: "The industrial policy is the first major step in what is necessarily a continuous process of deregulating the economy. Many retrograde restrictions have been either removed or amended, and the conditions created for a market-friendly system."

Industry has at last been given an opportunity to prove its claim that the country nurtures entrepreneurs of high quality, ingenuity and flexibility. However, many Indian industrialists still lack the confidence to face competition, both internal and from foreign com-

panies, and they are already pressing the government to go slow, at least on changes in foreign investment policy.

But most observers think this response reflects fear of change stemming from years of living within a system of harsh regulations, however frustrating. Painful adjustments are inevitable now that the government has begun the process of reform. Dr Singh says that while the government plans to go further along the same road, the pace will be slower, and that it will take three years for results to show up in the economy.

The question is whether he will have the time he needs. Both Dr Singh and the prime minister will have to show skiful management of the Congress and the opposition. The government may also find that it faces a far from unprecedented policy dilemma: withstabilisation, out successful liberalisation usually founders; but the pain imposed by stabilisation can make the government founder, instead. government has made an excellent start. But both luck and much determination are needed for ultimate success.

(Financial Times)

THE BENEFITS OF OUR DEPOSIT SCHEMES ARE AS CLEAR

Period
Interest payable monthly
Interest at maturity

1 YEAR 2 YEAR

1 YEAR 2 YEAR 18% p.a. 20% p.a. 20% p.a. 24% p.a. 3 YEAR 20% p.a. 24% p.a.

...and D, 3 month deposits now paying 18% p.a. on maturity.

Date of incorporation 4th July 1956

000	Our Statist	ics:	
	31.03.90	31.03.89	31.03.88
Capital Reserves Capital and Reserves Deposits Borrowings Gross Assets	(Rs. '000) 15,050 257,680 272,730 1,802,867 341,497 2,783,830	(Rs.'000) 15,050 202,510 217,560 1,559,835 274,823 2,368,045	(Rs. '000) 15,050 190,871 205,921 1,436,236 143,530 2,130,026
	1989/90	1988/89	1987/88
Profit before tax Profit after tax Dividend declared	17,314 9,114 3,763	20,229 15,629 3,763	20,262 13,262 3,763

President N U Jayawardena

Board of Directors:

- A. N. U. Jayawardena (Chairman & Managing Director) Mrs. Y. N. Perera (Deputy Chairman)
- K. Viknarasah (Consultant Director)
- A. M. Moragoda (Executive Director)
- T. N. Jayasinghe (Executive Director)
- K. Selvanathan
- Alternate: M. Selvanathan
- R. D. C. de Silva
- Dr. L. R. U. Jayawardena



MERCANTILE CREDIT

Registered by the Central Bank under section 2 of the Finance Company Act no. 78 of 1988

Principal Lines of Business:

Hire Purchase Finance, Leasing, Lease Purchase Finance, Loan Finance, Merchant Finance, Guarantee Facilities, Negotiation of Bank Facilities, Merchandising, Trade Finance & Insurance.

HEAD OFFICE 55 Janadhipathi Mawatha Colombo 1 Tel 438471 - 9 CITY OFFICE 586, Galle Road, Colombo 3 Tel 502603, 500578 - 9 KANDY REGIONAL OFFICE Tel 08-24196

Other Branch Offices

Anuradhapura Bandarawela Gampaha Galle

Jaffna Kalutara Kurunegala Tambuttegama Matara Negombo Ratnapura

INDOCHINA REVISITED (4)

Last stop. . . . Laos

Rajiva Wijesingha

body had been in Moscow for restoration on the last occasion), and the house in which he lived, a simple structure specially built for him in the gardens of the old Presidential Palace, overlooking the lake so that he could feed his beloved care. Somewhat incongruous amidst all this, but impressive too in its own way, was the new Ho Chi Minh Museum, with its high tech impressionistic evocations of the Revolution.

As had proved possible with my ticket from Ho Chi Minh to Hanoi, I was able to get my ticket from Hanoi to Vientiane, on Lao Air this time, over the counter; and to get to the airport, loath to spend on a taxi and quite used now to motobikes, I arranged a ride on one, a distance of thirty miles, including the long bridge across the Red River that had so impressed me on my first visit. All in all, things were much more flexible than they had been then, when plans for travel and for stay had had to be fixed firmly, and within very narrow perimeters, before hand. In Hanoi, since the hotels recommended to tourists seemed unnecessarily expensive, I stayed in a very simple hotel where I seemed to be the only foreiner. In Ho Chi Minh, on my last day there, my cycle driver took me to his home to meet his family, which I gathered later in Bangkok would have been almost unthinkable just a few months previously, when foreigners in residential areas would have been thought a distinct anomaly, and a potential source of trouble or embarrassment. Clearly, in most respects, the solid hold the state used to exercise over everyone and everything is fast being relaxed. It would be a great

pity if, because this was not recognized soon enough and assistance proferred as required, the experiment were to fail and the clock permitted to be turned back.

After the pace of Vietnam and Cambodia, Laos was, though also apparently in its own way anxious for change, quite different. After all, what other capital city (and Vientiane, with only about 30,000 inhabitants, must be amongst the smallest in the world) could have as centrepiece a fountain, on which coloured lights play at nightfall while recorded music wafts forth? I recalled at once the saying I had heard in 1984, that the Vietnamese plant rice, the Cambodians watch it grow while the Lao are the growing plants.

Perhaps tied in with this was a phenomenon that was quite apparent, not only in Vientiane, but also in Luang Prabhang, the old Royal capital in the hills: namely, the resurgence of religion. Every temple was full of monks and acolytes, and all had buildings being rebuilt, with elaborate additions too, indeed, the only comparative neglect one noted was at one of the two most important monastories in Vientiane, where the central structure had been converted into a museum and had heans of beautiful statues heared in confusion in a recess in one of the arcades. Doubtless all the best ones were on display, and these could be disregarded. The con-trast between what had been officially taken over by the state, and the vibrant activity where religious orders exercised authority, could not however have been greater.

Apart from its temples Vientiane had an instructive if low-key Revolutionary Museum, which depicted a moving strug-

gle, and a long drawn out one too, but with none of the intensity that its counterpart in Hanoi displayed. Correspondingly, its historical section too was modest, as perhaps befitted a country which appe-ars to have gently floated along without ever taking on any vary dynamic role. Again, in Luang Prabhang, the Royal Palace, now a museum (the King and Queen are dead now, I gathered, but the Crown Prince still lives in exile in the north of the country, where the three of them were taken away when the Revolution triumphed in 1975), is not a very extensive building. It has some beautiful artefacts, notably precious and ornate religious statues, and a fabulous mosaic ceiling, put in by a French architect in the early years of the century, but it exudes a general air of simplicity. The royal apartments indeed, and in particular the bedrooms, could well be described as almost bourgeois.

And yet, despite what might be termed the very retiring nature of the country, or perhaps because of it, it was here that, like Lily Briscoe in 'To the lighthouse', I had my vision. It was while I was having lunch in a restaurant on the river in Vientiane, looking across at Thailand which lay on the opposite bank of the Mekong (which begins in Tibet, and flows in or by six different countries). The fact that I had had a bottle of beer after a hot morning's strenuous walking may have contributed to the vision, but for what it is worth it strikes me still as not entirely chimaerical. Looking at a group of seven children playing on the sands of the shrunken river (the dry season was just ending, and the monsoon due to break soon in all its splendour), scattering and then coming together again, I began to reflect on the relative isolation in which French Indochina has existed for centuries; and I thought too of how we

in Sri Lanka have been cut away from those countries, and indeed Thailand too, despite the cultural and even Historical ties we once shared. Even Burma, it occurred to me, despite its being under the British too, was never placed in any really constructive relationship with us, and commercial ties too were by and large purely functional, due to the historical accident of Ceylon having been a Crown Colony, whereas Burma until the thirties was a part of the Indian Empire.

Leaving aside our own situation, I turned to the concept of southern Asia as a whole, the region that had seen the spread and development and synthesizing (when they had not been drawn into hostility) of Hinduism and Theravada Buddhism, and also what might be described as the Asiatic versions of Islam and Christianity, more flexible, less dogmatic, inspired by a south sea island mentality, or a south wind as Norman Douglas might have characterized it, or whatever terminology one uses to describe tolerance and warmth. Now what we have in this area is a collection of disparate groupings: SAARC, which finds it difficult to proceed further because of the disproportionate size of India as compared to the other nations in the group; ASEAN, which seems to be doing remarkably well despite its members having come together across what at first sight might seem historical, religious, racial and cultural divides - but which is now under pressure to expand. with both America and Australia advocating; a Pacific Commuuity; and French Indochina, struggling to emerge from the twin yokes of doctrinaire socialism and exploitative superpower rivalry.

As far as we were concerned, one solution that was put forward, in the early eighties, was in the form of an application to ASEAN. That however, though perhaps it had a stronger socio-cultural foundation than it was credited with at

the time, was not a starter. In addition to the difficulties of geographical distance, and the suspicions understandably felt by India with regard to what was at that period perceived as a hostile sphere of influence, if such an applica-tion had been successful at the time at the expense of our membership of SAARC, it would have meant a break with an area with which we have much closer soci-cultural links. In addition, and this aspect has become clearer now, we should have been the least significant element in a body which would in time have had necessarily to expand - and would, in the absence of any contrary motivating factor, have moved further to the east, in a manner that would have left us both economically and geographically further behind. Certainly, with the European Community both expanding, and becoming more exclusive, ASEAN too needs to change - as Australia must, and perhaps America and Japan too. The trouble with the concept of a Pacific Community however is that, despite its present state of development, ASEAN is likely to be dwarfed by the combined strengths of Japan and the United States. The question is, does it have any alternative?

Perhaps not. It does however seem to me that there is a case for trying to bring together for a start, in whatever loose format seems appropriate, more of the couctries in the larger southern Asian region taken as a whole. We, I think, have a potentially invaluable role to play in this process. Though at present it is India alone that has formal ties with all the countries in Indochina, our own history gives us even more reason to work together with them. Apart from the cultural ties, our recent political experience too has been similar, though fortunately we are slightly further ahead in the cycle of having had a statist economy that

proved disastrous, which is now in the process of being liberalized. In such a context it seems to me absurd that we should not be thinking of establishing an embassy in at least one of those countries, strengthen ties; for the pooling of knowledge and experience, and the developing of common strategies to cope with the trials of the changeover we are undergoing in common as well as possible exploitation by countries further along the road than we are.

At the same time, we should be playing a more dynamic role in urging SAARC too as a body to work more closely with such countries. The wealth of expertise and initiative that personnel from SAARC countries could furnish would prove invaluable there. Conversely, those are potential markets for the relatively sophisticated products that can be provided at far less cost by us than would be required by the Western industrialized nations waiting to move in.

In addition, the development of such bridges should go hand to hand with the development of closer ties with the ASEAN countries with which too we have such affinities. At present, French Indochina would be swamped by ASEAN, whereas a larger grouping, which would be economically less polarized, would provide some sort of a balance. At the same time, in a context in which for historical reason SAARC countries are still too dependent on the West for technology, it would make much more sense, for them, collectively and individually, to turn more to the newly industrialized ASEAN nations. True, we have our-selves began to do this, but it would make a lot of sense for the region as a whole to work more coherently towards this.

I suspect some such movement will develop over the next few years, as India, now

(Continued on page 23)

The United Nations in Disarmament and Security — Evolution and Prospects

Jayantha Dhanapala

armament is a means towards achieving security. On that premise alone the real achievement of disarmament since the INF Treaty of 1987 — the CFE Treaty of November 1990 and the signature of the START Treaty at the recent Moscow Summit — augur well for global security. President Bush's statement of 13 May 1990 will also undoubtedly act as a catalyst in the negotiations for a Chemical Weapons Convention.

The percentage of actual arms reductions that have been achieved may be disputed but there is no gainsaying the fact that a long awaited process of disarmament involving the verifiable destruction of weapons has begun. It is a process that will be difficult to roll back. Whether it can be consolidated and accelerated is arguable. The Gulf War at the beginning of 1991, however, has dissipated the optimism of the recent past and the present situation is fraught with complexity having both positive and negative elements interwined.

The prospects for security have been greatly strengthened by fundamental changes in international politics. The Paris Summit in November 1990 certainly symbolized the end of the Cold War era replacing the confrontation of a bipolar world with the conciliation of a concert of nations. We have all begun to search for architectural metaphors as we contemplate the construction of a brave new world in a post-cold war era. But eras in history do not separate themselves in clearly demarcated segments. There is inevitably a phasing out of one

Adapted from a forthcoming UNIDIR publication "The UN in Disarmament and Security — Evolution and Prospects" edited by Jayantha Dhanapala.

era as the new one emerges. Elements of both eras coexist in the transitional period. We are still in this period of transition. The use of force has not been exorcized from global politics although one can perceive that global war is less likely today.

Central to this era is the role of the United Nations now greatly reinvigorated by its Member States in the discharge of its Charter obligations. Fortyfive years on, the United Na-tions finally appears to being ceded the power - and hopefully the finances - that are necessary to implement the concept of collective security embodied in the Charter. It is a time of new challenges and new opportunities to fulfil old hopes and old aspirations inspired by the Charter. The United Nations is being increasingly looked upon to consolidate and manage the accelerated change we have witnessed and to direct it towards commonly desired goals.

The impact of this change on disarmament is incomplete. The world continues to spend an estimated \$1.9 million a minute on arms while more than 1 billion people live below the poverty line. Even after CFE, Europe remains overarmed while other regions through practically unrestrained arms transfers continue with an arms build-up. Common regional homes must coexist on a common planet with vital links among its inhabitants, who share a common environment and common resources which are both fragile and finite. It has been remarked

that the dismantling of the Iron Curtain still leaves the Poverty Curtain as a divider. In a world where dissidents have become presidents the indigent remain in stark contrast to the affluent. Environmental concerns, economic underdevelopment, regional conflicts and the continuing violation of human rights in various parts of the world continue todemand global solutions.

The invasion of Kuwait punctured the balloon of complacency that began to float when the East-West conflict ended. We were reminded of the harsh reality that the threat and use of force against the territorial integrity and political independence of States remains a basic cause of global insecurity. Arms transfers in the past have fuelled aggression but we are condemned to repeating past mis-takes. The silver lining in the cloud over the Gulf was the rare unanimity achieved in the United Nations in condemning this act of aggression. The forum for discussion and decisionmaking in the Gulf crisis has been and remains the United Nations Security Council. This is as it should be - and not for this crisis alone.

In this critical situation it is appropriate that we should reflect on how the role of the United Nations in disarmament and security has evolved and what its prospects are. In the field of disarmament the aim of the United Nations includes the prevention of war and achieving the least diversion of the world's resources for armaments. The General Assembly was empowered to consider principles governing disarma-ment and the regulation of armaments and to make recommendations thereon. The Secu-

Jayantha Dhanapala a former Sri Lankan diplomat is currently Director of the United Nations Institute for Disarmament Research, Geneva.

rity Council was mandated with the task of formulating plans for the establishment of a system for the establishment of a system for the regulation of armaments. In terms of maintaining international peace and security the Charter has of course a number of provisions. At this point I would like to quote Secretary-General Perez de Cuellar who has said in his 1990 Report on the Work of the Organization that:

"The larger - and saner - concept of security, encompassing all its dimensions, which has begun to emerge is precisely the one the United Nations has been expounding all through the years. It has been a stable theme at the United Nations that an obsession with military security results in a selfperpetuating arms race, distorts priorities, hampers social and economic progress, constrains political dialogue, affects the institutions of the State to their long-term detriment, and aggravates the sense of insecurity in all nations,"1

It has been reaffirmed at the 1978 First Special Session of the General Assembly devoted to Disarmament (SSOD I) that the United Nations has "a central role and primary responsibility in the sphere of disarmament". A great deal of work has been accomplished in discharging this responsibility. The deliberative machinery for disarmament within the United Nations system has a number of successes to its credit most notable being the Final Document of SSOD I. At the same time it is a fact that a number of agreements have been negotiated outside the framework of the United Nations. In a vastly changed political environment we need to assess what prospects there are for the United Nations to facilitate more advances in disarmament and to exert a more decisive role in disarmament and security. Would such a

role be desirable and would Member States welcome it? If so, is the existing machinery adequate to achieve the tasks and responsibilities before the United Nations? We are at a point of history when the opportunities for multilateralism have never been better. The pattern of international relations as we enter the twenty -first century will largely be determined by what use we make of these opportunities. A new world order without the United Nations is unthinkable.

There is certainly an all-pervasive sense that change - fundamental and structural change - is in the air of international politics affecting the United Nations, disarmament and security. At the same time there is obviously no consensus that the disarmament agreements we have withnessed since the 1987 INF Treaty are as significant as they have been hailed to be. The expectations of the United Nations fluctuate from hortatory demands for fresh and bold initiatives to a realistic appraisal of the limitations placed on the world body by the nation-States who comprise it. The need to translate the successes in bilateral United States-USSR disarmament negotiations into the multilateral sphere is clearly recognized. However precise modalities for this are not easy to agee on. Nor are the benefits of this multilateralization so obvious to everyone.

A common theme seems to be the need for the United Nations to place regional security firmly on its agenda. A close collaboration between existing regional organization and the United Nations is suggested. "Federalization" of the United Nations system through the creation of regional Commissions of Security and Confidence Building is one proposal that is presented. Another proposal is the creation of a centre for crisis prevention, conflict resolution and disarmament. Generally,

however, it is true to say that the identification of issues that have to be dealt with in multilateral fora is accomplished to a greater extent than the examination of how the United Nations could actually respond to the challenges.

The problems of poverty in the South, global issues like arms transfers, non-military threats to security and the danger of a growing North -South divide, not only in economic terms but also in politico-security terms, are identified. What can the United Nations do within the constitutional limits of the Charter to ameliorate this situation? There is a recognition that the advances made in disarmament have largely been achieved outside the framework of the United Nations. And yet the United Nations has played a most important facilitating task creating the ambience for such concrete achievements.

Military power has not ceased to be the valid currency of modern realpolitik. Indeed with the diminution of the ideological factor in world politics some observers see a return to traditional nineteenth century balance-of-power politics. That being the case the United Nations is unlikely to be given more than a limited role in disarmament and security. Of course, proposals to activate dormant elements of the Charter like the Military Staff Committee and to give new life to Chapter VII continue to be made. A new dimension of the peace-making and peacebuilding role of the United Nations was seen in 1989, and is likely to be repeated in the Western Sahara in 1992. That is, the supervision of democratic elections and the decolonization process giving birth to new nations in a peaceful transition. But the United Nations role in disarmament remains largely dependent on the willingness of Member States to cede the United Nations with the power to play a role beyond what is formally stipulated in the Charter. (To be Continued)

¹ Report of the Secretary-General on the Work of the Organization, A/45/1, 16 September 1990.

Nepal's Security. . .

(Continued from page 9)

Pakistan's Institute of Strategic Studies and Nepal's Centre for Nepal and Asian Studies (CNAS) holding a regular dialogue on regional security issues. Privately influential Nepalese also conveved to visiting Pakistanis their lasting regret at not having sought a corridor from the departing British rulers in 1947 through the 17 kilometer strip of Indian territory which separates Nepal from what was previously East Pakistan and now Bangladesh. It could have provided for a convenient outlet to the sea for this landlocked kingdom. And it is perhaps no accident that till recently both India and Pakistan had senior military men as their Ambassadhrs in Kathmandu: a Lieutenant General and Brigadier respectively.

Last stop ...

(Continued from page 20)

in the throes of the greatest economic crisis she has had to face, moves towards liberalization; as the enlarging European Community initially at least turns its back on the world and in particular on Asia; as ASEAN seeks new markets in the face of pressures from more powerful industrial conglomerates around the Pacific Basin. Yet with Sri Lanka in a unique position to help to advance the process, it would be unfortunate if we allowed the opportunity to pass us by, simply because our foreign policy in so far as we can be said to have one, can only move in pedestrian fashion along old lines. Now, on the con-trary is a time for vision and dynamism, for the identification of goals and the development of methods of achieving them. A far-reaching foreign policy based on the strengths of our past and our future vision of where the world is, and should be heading is within our reach; if only we are prepared to make an effort.

(Concluded)

The Persian Gulf. . . .

(Continued from Page 17)

provide an essential foundation for the lived world. Myths are "sacred histories," arising out of particular historical (economic, social, etc.) contexts and experientially verified or legitimated in terms of specific historical contexts, but they reveal transhistorical meanings and significance for mythic people. These symbolic sacred narratives involve the disclosure of ul-

timate meanings that to most "modern" westerners seem nonrational, if not irrational. Mythic "truths" allow believers to to make sense of their existential crises (suffering, meaninglessness, death, etc), to bring a structured order out of chaos, and to integrate themselves within a coherent, meaningful mythic/religious world.

Both of these meanings of myth shed light on U.S. reactions to the military victory over Iraq.

Myth as "untrue"

In the present atmosphere of euphoria over the U. S. military victory over Iraq, there are very few politicians or members of the mass media willing to reflect on the basic causes, consequences, and lessons of the war. Bush and others with power, aided by their servile functionaries in the media, have constructed an effective "mythology" of the war.

For most readers of Lanka Guardian, there is no need to substantitate the Persian Gulf war-as-myth in the first sense. Articles in Lanka Guardian and progressive publications in the United States, whether about the Persian Gulf war or other to-

pics, are often efforts at exposing, debunking, and exploding classist, racist, sexist, imperiry list, and other contemporagmyths. In a U.S. context of relative economic and political powerlessness, Left critics have often been most effective in analyzing the Establishment's ideological/mythic obfuscations and falsifications, a process of demythologization that, at its best, exposes the reality of domination and injustice. Similary, Noam Chomsky and others in the antiwar movement were quite good at debunking the myths of the war (even if limited resources allowed us to reach only a minority of the public); what we did not have was the power to prevent Bush from sabotaging all peace negotiations, achieving the determined Iraqi slaughter, and moving toward intended U.S. hegemony in the military-defined, unipolar "new world order".

If the first sense of myth, as a fictitious story, something that is factually and historically false, gets at much of the Persian Gulf war story, why is it even necessary to consider the more controversial second meaning, as something analogous to the traditional nature, structure, and function of religious myth? After all, without even citing myth as believed "true story," we can make sense of most of the Persian Gulf mythic construction in terms of dominant U.S. economic and political interests.

(To be continued)

Distinct in some senses

M. P. de Silva (L. G. 1/8/91) must not abstract statements from their contexts. He writes that in L.G. 1/3/90 I stated that the Tamil Nadu and Sri Lankan Tamils constitute two distinct ethnic groups, while in L.G. 1/7/91 I state that they can be regarded as distinct groups "in some senses". Reference to my 1990 article will show that I referred to its introductory part in L.G. 1/2/90 where I wrote, in paras two and three, that the two groups might be regarded as "constituting a single ethnic" in terms of certain factors, while it could be argued in terms of other factors that they were "two distinct ethnic groups." In other words my original position, which has not changed, was that they are distinct "in some senses.

Of course, as practically, everyone knows, Narasimha Rao is not a Tamil. It had not occurred to me to make that point explicitly because one assumes a certain level of sophistication among L.G. readers. As for his being Tamil-speaking he is multilingual and speaks Tamil fluently. I made the point in the context of my hope that he would show greater ability in handling the LTTE than his predecessors.

I wonder why de Silva says that it is now accepted that the terms Aryan and Dravidian are misused. If he has in mind the mistaken theory of an Aryan race, it was rejected long ago by Max Muller himself after he originally propounded it. However, the terms are used, not misused, because they point to significant linguistic differences and cultural variations within the over-arching Indian cultural unity. I did not misuse them, I used them.

The rest of the letter seems largely irrelevant, but I take serious note of it because it is important to promote dialogue between the Sinhalese and the minorities. De Silva considers it "smart" of me to say that the Tamils were the first to

take to separatism in India, after which he writes "But it was the Muslims who realized it first." Why was it "smart" to refer to the priority of Tamil separatism over other sub-continental separatist movements? And what relevance has the establishment of Pakistan for my article, which deals with the Eelam problem in the aftermath of the Rajiv Gandhi assassination? Is de Silva trying to say that although the Tamils took first to separatism, the Indian Muslims actually proved to be far more dangerous? Perhaps the implication is that a wary eye should be kept on the Sri Lankan Muslims.

He will doubtless reject that reading. But I doubt that he can come up with any alternative reading, explaining with cogency the point behind his irrelevance. What prompts my questioning is that quite obviously he would never have made his point about the Indian Muslims had my article been written by a Sinhalese. The fact that Hussain is a Muslim seems to loom large in his consciousness. I suggest that his mental processes have been queered by anti-Muslim communalism.

Izeth Hussain

Lincoln's Definition of Democracy

So, the former President J. R. Jayewardene believes in the poetic conception of Abraham Lincoln's definition of democracy, as 'a government of the people, by the people, for the people' (LG, July 15). For a pragmatic view of this definition, I would suggest that he better read what Bernard Shaw wrote in his preface to the play The Apple Cart (1928).

Shaw stated, "Abraham Lincoln is respresented as standing amid the carnage of the battle-field of Gettysburg, and declaring that all that slaughter of Americans by Americans occurred in order that democracy should not perish from the earth... the American Civil War was

not fought in defence of any such principle, but, on the contrary, to enable one half of the United States to force the other half to be governed as they did not wish to be governed. It seems impossible for statesmen to make speeches about democracy, or journalists to report them, without obscuring it in a cloud of humbug... Government by the people is not and never can be a reality; it is only a cry by which demagogues humbug us into voting for them..."

Sachi Sri Kantha

Osaka BioScience Institute, Japan.

Briefly. . .

(Continued from page 1)

in Bangalore when police commandos closed into nab them. Sivarasan bit a cyanide capsule, in classic Tiger fashion; he also shot himself to make doubly sure. Subha, the wanted woman who went into hiding with him, was also found dead in the room; five other bodies were also found.

Other finds in the room included an AK-47 rifle, another automatic weapon, other firearms and rounds of amunition, bombs and grenades.

The commandos stormed the hideout, blasting the doors with bombs, shortly after dawn on August 20. While the commandos broke in nearly a thousand men from the National Security Guard, the Central Reserve Police, the Karnataka State Reserve Police and the Bangalore City Police, ringed the house. A fleet of ambulance also stood by.

After ninety days on the run, Sivarasan's life as a fugitive was over, in a house in Kononanakunte on the outskirts of Bangalore. Sivarasan and his female accomplice, along with the bodyguards, are dead, but the Indian authorities are continuing with the investigation.



Black Knight It's your move

We are a different kind of Guardian to you.

There are a multitude of Guardians during your lifetime.

- They who guard the freedom of speech & expression.
- They who protect the basic human rights of mankind.
- They who guard the democratic freedom to which each of us is entitled as citizens.

Each of us is a Guardian to others who look to us for their dependency in day to day life.

But the difference is our Guardianship rests on our deep concern for your future. We are trusted Guardians of your hard-earned money, guiding you on how to spend and how to save for you and your dependents tomorrow.



For your Life-Long Guardian PEOPLE'S BANK

A Different kind of Guardian for you.