

LANKA

GUARDIAN

Vol. 6 No. 14

November 15, 1983

Price Rs. 3/50

Registered at the GPO, Sri Lanka QJ/75/N/83

● **Military
Solution ?**

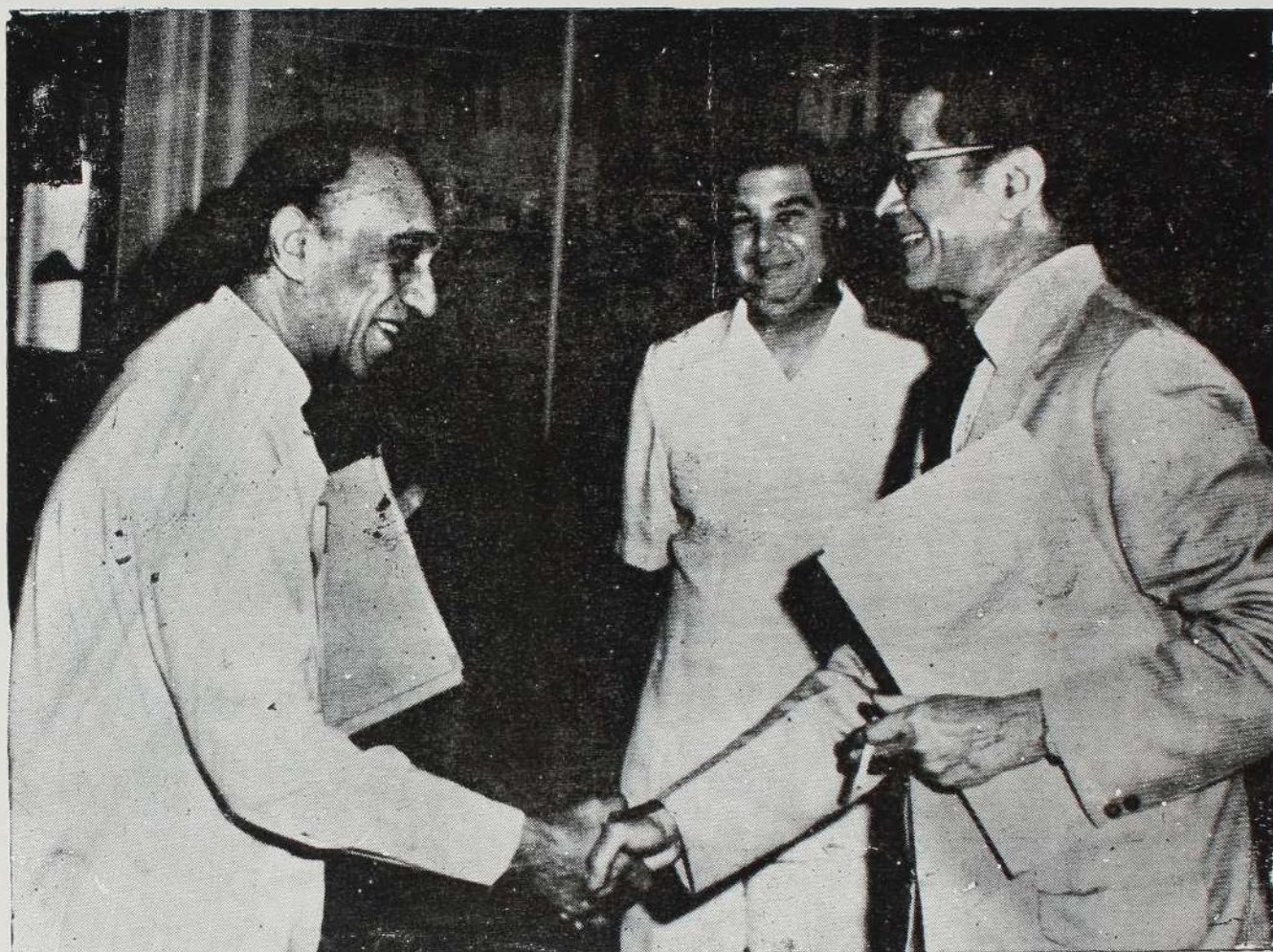
● **Malaysian
Model ?**

J R

says

'NO'

***An interview with
Mervyn de Silva***



Ethnic accord: scene shifts to Delhi

By T. Sabaratnam

The scene of the ethnic rapprochement talks shifts now to New Delhi where negotiations will be held between Mr. G. Parthasarathi and TULF leaders Jayewardene consultation on November 22.

Who's afraid of Rosemary Rogers ?

Douglas Walatara replies to Reggie Siriwardena

Grenada, Central America and the U. S. invasion

Communications Techniques and Third World — Bella Mody

QUERIES ON C.R.D. REPORT

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PRESSURE GROUPS

With the Tamil national question producing conflicts and confusion in the main parties and the Political Establishment as a whole, new pressure groups are cropping up every week, while old recognised pressure groups and lobbies are being re-activated. Some of them are localised or regional — Senkadagala to Ruhuna. A few can be styled sectarian, others "special interests groups".

The significance of this trend was underlined when two MP's of the Opposition (one the veteran Mr. M. Senanayake and the other the newcomer, Mr. Dinesh Gunawardena) urged that some of these organisations should be brought into the negotiating process on the Tamil issue.

The YMBA led by Mr. Albert Edirisinge, for instance was reported to have told President Jayewardene that action should be initiated not only on the restoration of Buddhist shrines and Sinhala settlements in the North and East but to ensure "the equitable distribution of trade among all communities". (The report, incidentally appeared in the Daily News column entitled "Buddhist events"!)

Are these groups mere lobbies only? How many "divisions" have they got and can deploy in the field of (political) battle? How much support have they got in the bureaucracy and security forces? Those who see a pre-1956 and post '56 situation building up will have to find answers to these questions.

TWO-TRACK

The well-informed DON MITHUNA (WEEKEND) wrote recently of the 'serious disclosure' he had made of a secret training in South India where former Indian army and air force personnel are conducting courses of instruction for Sri Lankan Tamil militants. Having rapped Delhi for official inaction, the columnist then made another disclosure about a clandestine radio operating from the same region.

This WEEKEND article followed several news reports in the SUN, of large batches of recruits receiving specialised training in the secret camps.

Diplomats in Colombo note that if the reports are right, the *modus operandi* is suspiciously similar to the technique adopted by the British government. Britain 'seconds' regular officers to the Gulf states to 'beef up' the poorly trained security services in those countries.

Is this Delhi's 'second track' — the first of course being genuine diplomacy and serious negotiation?

STANDARDISATION : alliances and misalliances

The appearance of fissures in the social fabric of Sri Lanka has been accompanied, not surprisingly, by the emergence of open conflicts within the governing groups and the ruling party. These differences, although they may look personal or the result of so-called power struggles or succession struggles, are serious clashes on major issues. At the highest policy-making level in fact.

If this is certainly true of the Mahaveli project, (Sri Lanka's and the UNP's most ambitious scheme), and the connected questions of land and colonisation, it is also true of 'Standardisation'. Both questions involve the politics of Sinhala-Tamil relations. Colonisation was in fact the "forward strategy" of Mr. D. S. Senanayake whose "greatness and vision" are now being hailed in many quarters in a broad revival, significantly, of "Senanayakism".

'Standardisation' of marks at the 'A' level examination, the strategic point of entry to the University, was an SLFP, not a UNP, "contribution". SLFP Policy-makers, backed notably by the Sinhala Tharuna Sanvidanaya, argued that standardisation would help correct the 'imbalances' in education by assisting the poor, under-privileged rural student.

(Continued on page 2)

TRENDS + LETTERS

Cultural and Civic Consciousness Needed

In publishing the Report of the Committee for Rational Development (LG-Nov. 1, 83), you have appeased the pained-minds of most Sri Lankans to some extent. As a Sri Lankan, who refuses to think as 'they' and 'we', I feel contented that the true statistics are published in respect of the tormented Tamil communities (Sri Lankan and Indian).

I strongly feel that the warring communities in this once paradise isle can still live in harmony with respect and love for each other, if we realize

(Continued on page 2)

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GUARDIAN

Vol. 6 No. 14 [November 15, 1983

Price 3/50

Published fortnightly by
Lanka Guardian Publishing Co. Ltd.
No. 246, Union Place,
COLOMBO-2

Editor: Mervyn de Silva
Telephone: 5 4 7 5 8 4

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Printed by Ananda Press
82/5, Wolfendhal Street, Colombo-13.
Telephone: 3 5 9 7 5

Trends. . . (Contd. from p.1)

Presented as an attack on educational privilege (itself a feature of the urban-rural divide), the ruling party of that time was satisfied that it was a policy instrument of "SLFP socialism".

Tamil parents and the TULF recognised 'Standardisation' as disguised communalism, an attempt to load the dice in favour of the Sinhala (rather than rural) student. And inevitably 'standardisation' became a new item in the TULF's catalogue of "grievances", especially when the policy in practice meant "ethnic quotas".

Dr. Stanley Kalpage's UNP credentials are impeccable. Even as Peradeniya professor, he was so strongly pro-UNP that the UNP made him a Senator. When he returned from Malaysia, he was back in party politics actively, and was an obvious choice as No. 1 bureaucrat in the field of education.

While Prof. Kalpage became Chairman UGC, Mr. Wijeratne Banda was appointed Secretary. And he too is no UNP greenhorn but a tried and tested loyalist. Now the two have locked horns on the Standardisation issue. Whereas Dr. Kalpage has the open support of Education Minister Ranil Wickremasinghe, another UNP "hardliner" Mr. Banda appears to be enjoying the flanking support of the SLFP's 'standardisation' group.

In an extremely perceptive statement he made at an SLFP seminar, Education Minister Wickremasinghe observed that there were "privileged" and "under-privileged" schools within the same district to contradict the rationale of the "district quota" policy. In a strange ideological twist, leftwing professor Osmund Jayaratne and a group of top academics take the same position as the Minister while Mr. V. W. Kularatne of the SLFP (and the Sinhala Tharuna Sanvidanaya) argue along the same lines as Mr. Banda.

MONEY TALKS

Nobody save Mr. Ronnie de Mel bothers any more about the World Bank or the IMF. So engrossed are we with the present

ethnic and political discontents that this debt-ridden country living on borrowed money (if not borrowed time) faces the gravest of problems. On all sides, the most intelligent and serious minded observers seem to be agitated by the single thought that our big neighbour, India, is seeking to dominate us by capitalising on the post-July crisis.

In the process our real masters and the fundamental fact of economic domination are blithely forgotten. Step by step, the IMF and World Bank have done to us what they do to all poor countries struggling to survive in this period of global recession. In the Philippines, it is not just the increasingly vocal and militant oppositional forces which will decide Mr. Marcos' fate, but the collapsing peso, the economic crisis, the IMF-IBRD, and directly or indirectly the United States.

Between the budget and the World Bank mission this month, the profile of the real masters will become clearer to every Sri Lankan, whether it be businessman, the middle-class salariat or the man who has to buy his bread and bus ticket each day.

Letter. . . (Contd. from p. 1)

the fact, that ours is a multi-racial country, irrespective of the reality that the Sinhalese are the predominant race. Sinhalization is possible only if they (those who want dominance in business, trade, professions etc.) can do without the assistance of capable people in other communities. One cannot deny the fact that those in the Tamil community are really hardworking and do not take anything lightly, as far as application of work is concerned. So in a multi-racial country, which is adjacent to the Indian sub-continent, actualities should not be forgotten in eagerness to have one race dominance. Numerical strength alone is not sufficient - a broader cultural and civic consciousness is necessary for all of us.

K. S. Sivakumaran
Colombo 6.

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WILL TAMIL MODERATES SINHALA HARDLINERS BUY THE PACKAGE ?

NEWS
BACKGROUND

The deadlock has been broken, the dialogue re-opened and the negotiation process is once more under way after these disquieting months of dangerous drift and apparent impasse. About the actual outcome one can only take a long shot. Even educated guess work can be a risky exercise. All that one can say at this early stage with some certainty and confidence is that it took Mr. Thondaman and Mr. Parthasarathy (meaning Mrs. Gandhi) to achieve what is widely described as a "breakthrough". (See "The Importance of Mr. Thondaman" LG Jan 1, and TRENDS LG Oct. 1 and 15).

This fact has doubtless caused some dismay and perhaps consternation in those circles where Indian diplomacy was equated with Indian intervention in Sri Lanka's domestic affairs. Such considerations may be perfectly proper, even praiseworthy. Unfortunately, this reaction only represents a triumph of sentiment (very laudable, no doubt) over intelligence. The aftermath of the July crisis, this journal argued even as the dramatic events unfolded rapidly, was an elementary lesson in the importance of geo-politics — a lesson, we added, that a notoriously insular Sri Lankan elite was in dire need of.

And so the reading public of this country had to suffer an overdose of Indophobia as the columnists, cartoonists, editorialists, instant military affairs analysts and sundry scribes behind miscellaneous masks fought a mock war against our "common enemy"!

The seven days that shook Sri Lanka saw conditions of near-anarchy

— a total breakdown of the institutional structures of law and order. What is left behind was at best a state of dangerous disequilibrium; at worst, a power vacuum. What was dangerous was that this crippling condition of instability and disorder was also of high visibility. Since no society can live in a state of prolonged near-anarchy where the forces of coercive authority and the chain of command appear to lack the basic capacity to function normally, this particular condition is an open invitation to an external force.

When the internal (government, party or a combination of forces) cannot restore authority effectively, then power flows from the outside — either to help restore the authority of those whose power is evidently immobilised or to impose a new authority. It can be done the nice way or the hard way.

Plainly Delhi has taken the first option in both cases — to help the government in office to re-assert its authority, and the nature of this assistance is diplomatic and political, not raw force.

But the news from South India (see TRENDS) also suggests that Delhi is also pursuing a double-track policy, not completely closing the hard option. Once this basic pattern of events, past and present, is understood and accepted, it is easy to identify what kind of developments we should watch out for. The scene shifts to Delhi.

Is the package of proposals prepared out of the multilateral contacts and conversations in Delhi, Madras and Colombo, sufficiently strong to win the support of a majority of Tamils? Let us call

them the silent or moderate majority.

If so, the TULF battered, bruised and badly in need of an "out" will seize JR's offer joyfully. If not, the negotiating process will collapse, and a stalemate will surely follow.

If the TULF accepts the package, then it would be based on its belief that the Tamil constituency will buy the package. Will the Sinhalese constituency do so too? That would be the President's problem — to convince the party, and the Sinhalese voter. How will he do it? Evidently an all party conference and other consultative meetings.

If a stalemate in Colombo will follow the President's talks in Delhi, then the next question is an ominous one. Who will make the next move? The Sinhala Lion or the Tamil Tiger?

As President Jayewardene has correctly pointed out (See Page4) no military solution is possible — even with the defence budget doubled. Since the Tigers can't win Eelam (certainly not in the short term) and the Lions cannot chase out all the Tigers from the bush, especially when their ranks are increasing, (thanks to Tamilnadu training camps and the failure of all political formulae) we will retreat into a no-win protracted war which will lead to the steady economic-political destabilisation of Colombo. The Sri Lankan intelligentsia, from Sri Kotha to Sinhaputra, would then make its most original contribution to the history of political science and the art of war — self de-stabilisation.

President Jayewardene on the national crisis

After an hour-long off-the-record conversation covering all aspects of the post-July crisis, the Lanka Guardian submitted a list of written questions. We publish the questions and answers below. The Lanka Guardian has already published interviews with Mrs. Bandaranaike, Mr. H. W. Jayewardene and Mr. Thondaman. Similar interviews will follow.

Q: The delay in addressing the nation immediately after the July violence erupted has been the subject of comment and criticism here and abroad. Minister Thondaman, for instance, regretted in Parliament that no Government politician had uttered a word of sympathy for those who had suffered so much. Your comments, please.

A: This is not correct.

Q: While most people agree with your contention that there was a pattern and an organised element in the violence, many observers, including internationally reputed newspapers (*The Economist*, *The Washington Post*, *The Daily Telegraph*, etc.) which are known for their conservative views have found it difficult to identify the culprits as the Left parties. On the contrary, such analysts, which include spokesmen for sympathetic aid-giving western governments, seem convinced that the guilt lies with racial extremists of a rightist persuasion. One western commentator said it was "behaviourally impossible" for the Left to be involved in communal violence. What is your response to that view?

A: I don't agree.

Q: Foreign Minister Hameed told the U.N. General Assembly that the government lost control of the armed forces in the first few days of the rioting. In the absence of stringent disciplinary action against such sections of the state apparatus is it not a distinct possibility that such a situation could repeat itself under similar circumstances? Indeed, could not the loss of control be even more extensive and irretrievable in the event of renewed violence in the North or East?

A: The reaction of the armed services and Police was due to emotions roused by killing of Sinhalese personnel by Tamil terrorists.

Q: Western observers say that the sixth amendment and the consequent absence of the TULF from the Parliament undermines the Tamil moderates and creates a polarization which is to the advantage of the extremist sections of the Tamil youth. With the parliamentary option closed, the TULF either faces extinction or has to resort, willy-nilly, to extra-parliamentary forms of agitation. Do you disagree?

A: Yes.

Q: One of the commonest observations in the international media is that the presidency is under heavy pressure from groups within the party and government described as 'hardliners' i.e. those who do not wish a political settlement with the Tamils. Is this a misperception?

A: Yes.

Q: Do you think that our armed forces can win a conclusive military victory against the separatist organisations that have adopted the course of armed actions? Can our forces contain a situation that has steadily deteriorated in recent years? In short can we think in terms of a military solution?

A: No.

Q: At various levels and in various ways, Delhi has made it clear that any foreign military involvement in Sri Lanka, for whatever reason, could be "unacceptable" to India. How do you respond to that?

A: We are an independent non-aligned nation. So is India. If so, the question does not arise.

Q: The U.S.A., Canada, West Germany, Yugoslavia, Nigeria, India and even little Switzerland have a federal state structure which permits a substantial measure of regional autonomy. Mr. Bandaranaike advocated a Swiss type federal system for Sri Lanka as far back as 1925/26. Don't you think federalism is an idea whose time has come in Sri Lanka? I ask this particularly because Mrs. Gandhi has said that "DCCs may not be enough..."

A: No.

Q: Observers say that your own popularity as manifested at the October elections, in no way extends to your party, and that the referendum, especially when taken together with the deprivation of Mrs. Bandaranaike's civic rights has deprived the System of its electoral safety valve. In fact the July riots are seen by some, as a manifestation, albeit a grotesque one, of the pressure that has built up in the country. Is it likely that you will decide in the near future to hold elections, thereby permitting some of the pent-up steam to escape along a non-communal channel? In the absence of such an election soon and given the increasing economic hardships, are we not risking a social explosion of great magnitude?

A: An election can be held at any time.

Q: Some Sinhala hardliners, advocate a 'Malaysian model' for Sri Lanka, in which a system of preferences for the majority community is written even into commercial law. Do you find this model acceptable?

A: No.

Q: In an interview given to Ian Ward of the '*Daily Telegraph*' a few weeks before the July violence, you mention the possibility of declaring Martial Law in the North. Do you still consider that an option?

A: If military Courts take the place of the normal Courts then Emergency Rule becomes Rule under Martial Law.

(Continued on page 6)

Not just the Tamils

Has the idea of two peoples sharing a single state been largely a dream?

In Utopia there are no barriers of class, creed, culture or colour. In the land of harmony, differences exist not to divide and inflame but to embroider more richly the tapestry of life. Tamils and Sinhalese, Armenians and Turks live happily together, respecting each other's traditions, learning from each other's cultures.

Utopia does not exist, nor ever will. Nationalism, that irrational and generally false sense of family superiority, reigns supreme—especially where people who feel markedly different from each other are required to share the same island, or to form governments on the same patch of land. Nationalist prejudice is as old as the Ark and the going of Noah's sons on their separate ways. What is shocking to the modern mind is that, as education advances across the world rabid nationalisms show no sign of diminishing. Sinhalese and Tamils continue to kill each other as surely as obsessed Armenians kill Turks, and Irishmen of different nationalist allegiance kill each other.

There are no general prescriptions, only a need to face facts. False expectation makes matters worse. Many countries—perhaps a majority—are lumbered with deep ethnic tensions. The plague of nationalisms is most repetitiously oppressive in Africa (where it is better known as tribalism). There several thousand tribe-nations once enjoyed some sort of political autonomy in the pre-colonial age. Then came their involuntary squashing into a mere 50-odd states. (The precise number is under debate: no prizes for guessing why). It was absurd to hope that many of the African nations thus flung together would live in harmony.

In the flush of post-independence optimism, many believed they could. Now it is clear that for most part they cannot. No need to be censorious. Why should a Yoruba and a Hausa be expected easily to

share a single country when such close relations as Irish and Scots, or Poles and Russians, or Serbs and Croats, find it so hard?

Ideology, for sure, has proved no unifier. The advance of a cohesive international communism, apparently unstoppable 40 years ago, has petered out in the marshes of nationalism. Ancient Russian and Chinese nationalism have proved far more divisively potent than the unifying proletarian internationalism preached by Marx. It is astonishing how rapidly the nationalisms of south-east Asia—of Khmer and Vietnamese—overwhelmed the ideology that was said to bind these peoples together against the French and the Americans.

Economics, say others, is the vehicle of unity. Peoples will eventually be wedded by the blessings of a shared market. Petty tribal animosities will evaporate as men and women realise that only in increasingly larger units can they benefit from the miracles of technology, and from the flow of trade and ideas. Nineteenth-century European experience seemed to prove this, with a host of German and Italian statelets coalescing fairly painlessly into the larger entities of today Nigerians, it can be argued, should now strive for the same goal. Africa divided into a thousand statelets would equal chaos and even greater penury. Yet the currently accepted alternative—Africa lumped together in 50 artificial compartments—is proving a recipe for political instability, which helps to prevent economic growth.

The traditional riposte to these gloomy generalities is that sensible men can create, out of diversity, the magic condition known as consensus. People will come to understand that there is more to lose by sticking apart than by jostling together, however awkwardly. If separate national traditions refuse to die, they can surely be accom-

modated under one benign umbrella. Alas, the rosy examples are scant. Cyprus, Ireland? India at the end of the Raj? Ethiopia after Menelik the Great? South Africa after apartheid? Sri Lanka in 1984? There are some pretty fragile examples of hesitant multi-national harmony, such as India; but precious few.

The ways it can be done

The multi-national options fall four ways. There is absorption, the wholesale merging of lesser tribes with greater ones. There is centralised despotism, sometimes benevolent, often not. There is the gentleman's option, federalism—most attractive but also the most awkward of the lot. And there is partition, which carries the stigma of failure.

Absorption is neatest. Different groups are simply melted in a supranational pot—the United States, for instance, with its winning concoction of one predominant language, one predominant culture (Anglo-Saxon spiced with practically every other European tradition), one main religion and one ideology (rampant individualistic materialism mitigated by the humanism of Jefferson and Lincoln). Brazil could yet prove a vivid modern example.

Despotism is the norm. In countries—most obviously, African ones whose inhabitants have [no shared history or identity, a strong force must emerge at the centre to hold the parts together. Stalin and his successors have known how. Quite a few able post-colonial African leaders—Kenyatta and Nyerere, for instance, in their very different ways—have managed to straddle their bundle of mini-nations, creating a plausible illusion of nationhood. Others—Obote in Uganda, Mengistu in Ethiopia, Mobutu in Zaire—have been unable to prevent key components (the Baganda, the Eritreans, the Katangans) from trying to secede.

Secession especially in Africa, has been understandably taboo. If one bit falls away, hundreds more will clamour to follow. But as time passes there is better cause for the taboo to be broken. If Chad, for instance (see next article), were broken into two or three, its inhabitants could only fare better in more homogeneous units. The artificial boundaries

bequeathed by France have provided bloodshed and disunity.

The stock multi-national democratic compromise is federalism. That option requires checks and balances that often need a strong centralising force — a great leader, maybe, or a common enemy — and a measure of restraint and consensus among the component parts. But federations have often been cobbled together precisely because consensus is lacking. The success of Nigeria's experiment is still touch-and-go. Even more sophisticated Yugoslavia, without Tito, is at risk. Third-World federations sound nice but rarely work.

When federalism fails, and despotism cracks, all that is left is the option of partition — the ultimate in political failure, it is said. And yet...After all the bloodshed of 1947, is it likely that an unpartitioned India would ever have been viable?

Can Turks and Greeks ever live harmoniously together on an independent island? Are Rwanda and Burundi, now partitioned into tribal units at the cost of near-genocide, not better off in two more homogeneous parts?

Yes, resort to partition is an admission of defeat. The horrifying corollary of partition, if it is to be effective, is often a huge deportation or even massacre. Partition in Ireland has been ineffective because there was no such brutal demographic alteration.) If the Tamils were to have a northern autonomous state on Sri Lanka, two or three million people might have to be uprooted. The prevailing wisdom is that Sinhalese and Tamil must somehow learn to share one government on one island. But the bitter and growing lesson is that such things are sometimes impossible.

— THE ECONOMIST (London)

President . . .

(Continued from page 4)

Q: Mrs. Gandhi says that a dangerous situation is brewing in Sri Lanka because negotiations have not begun. Other observers say that we are drifting towards an all out racial war, which may be triggered by another major attack by the Tigers. How do you think this drift can be halted, the negotiation process commenced, and given momentum?

A: We should be patient.

Q: Inder Malhotra of the 'Times of India' has written, in that paper's issue of 11th August that "Mr. Jayewardene has been crying Wolf about a leftist coup; a rightist coup is what he may eventually get". What is your response?

A: The writer thinks he knows more about Sri Lanka than I do.

— Mervyn de Silva.

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Technology options for Third World countries: Do they have the freedom to choose?

Bella Mody

Like Norway, can a Third World country choose to have a national radio and TV organization, plus neighborhood FM stations, a private press with government support, satellite-cable-computer systems and videocassette production?

Do communication decision-makers in Third World countries have all these options to choose from? On the face of it, yes, we do. In fact however, these options are limited; they are limited, one, by our financial capital constraints, and two by our technical underdevelopment.

What about freedom — do Third World countries have the freedom to choose from among the limited options we can actually afford? On the face of it, yes, we have the freedom to choose. However, the reality is that we may not be able to risk the exercise of such freedom: every option has costs and benefits, and the best option may well involve short-term deprivation for the promise of independent development in the long term. Do we have the freedom to choose this politically risky option?

Within our countries, I see limited mass support for deferred gratification of immediate needs since the political basis of many of our Third World country governments is not citizen participation; it is, in fact, elite-run ideological and military control, heading towards one-party or one family rule if we are not already there. **External to the country,** I see limited support from First and Second World governments who have demonstrated that they will use their political and military power to support their own economic interests. And why shouldn't

they? When ITT was threatened by a nationalization option that the democratically elected Chilean government of Salvador Allende chose to exercise in its own national interest, it was de-stabilized by the U. S. government. When the North American aluminium corporations who control bauxite mining in Jamaica were threatened by a levy that the democratically elected government of Michael Manley wanted to impose in its own national interests, many of us know what followed: All kinds of economic pressures were brought on Jamaica by the U. S., including a denial of funds by the IMF, labor layoffs in the bauxite companies, discouragement of tourism by the stoppage of all U. S. flights to Jamaica, and weapons and vehicle contributions to the election campaign of the opposition party of Edward Seaga that then won the next election.

When the interests of the Associated Press or Reuters or the American Motion Picture Export Association have appeared even slightly threatened by Third World countries beginning to act in their own best interests, we have experienced the retaliation meted out to them and their supporters in the UNESCO and the ITU. I predict we can expect major sanctions against Third World countries by Britain, France and the United States that are home to the leading transnational banks, in cases where we opt to exercise sovereignty and control over the transborder flows of our own data, especially with reference to electronic funds transfers. Why should UN support for freedom of information be limited to news reports, soon to flow in binary digits no differently from data on corporate transborder flows, they ask. As you probably know, CITICORP made US \$ 46 million in profits in 1976 by electronically (not physically) transferring funds from its European accounts to a temporary "parking place" in Nas-

sau to avoid paying taxes. No European government has penalized this transnational corporation. What can we realistically expect of Third World country governments?

What recommendations can I make now that I have answered the question that was asked of me? When I was younger, it was easier for me to dash off prescriptions like physicians do. Keywords in my panacea used to be access, participation, re-distribution of wealth, collective ownership and operation of all means of production, equal distribution of earnings and communication as synonymous with sharing and communion. The world was to be one big **kibbutz** re-made on the lines of the Spanish Basque Mondragon. It is good to have a dream to work towards. However, the reality is lawfully complicated. My working hours are presently increasingly spent, not on technical and economic choices between radio and TV, or film and slides, or computers satellites and fibre-optic cables, but on understanding specific power structures that determine which of these options are chosen, and in whose interest they are deployed. Be it First World or Second World or Third World, everywhere, it is clear to me that it is the particular power structure that determines the nature and choice of alternatives.

I will place my assignment in context by beginning with the history and present-day reality of the power structure in the Third World. I will then look at the distinctive character of constraints that Third World countries face. I will then describe the present-day communication infrastructure in Third World countries, and end with my recommendations on how to develop it in an independent **Third Way** that is of our own choosing.

In First World mass media, the Third World is portrayed in terms of droughts, famines, poverty, disease

Invited paper prepared for presentation at the UNESCO National Commission's International Seminar on Mass Media Development, Oslo, 23-25 September, 1983. The author is a member of the Department of Communication, Stanford University U. S. A.

corruption and illiteracy. They are certainly part of Third World reality, but are they recognized for what they are, namely, symptoms of underdevelopment and not causes of underdevelopment? Let me illustrate what I mean: a fever is a symptom, aspirin treats the symptom and that is all well and good, but a solution must treat the infection that is at the cause of the fever.

What is this Third World that shares death and disease as symptoms of a deeper problem that aspirins cannot solve? I perceive the diverse countries of Asia, Africa, Latin America and the Caribbean that constitute the Third World as a region with a dependence and domination infection of long standing — historically stunted by decades of colonization, presently dependent on industrialized First World and Second World countries for technology and capital, and internally dominated by a small self-interested elite consisting of, industrialists, agricultural landowners, supportive politicians they put in power, and a civil and military bureaucracy.

Let us look at history.

Given that in the year 1,000, Western Europe was technically and culturally less developed than the Middle East, China and India; given that its standard of living was no higher and was probably lower; how did this corner of the world move from a position of inferiority to colonise Asia, Africa and Latin America, leaving behind handicapped economies to this day.

In the 1300s and 1400s, increases in agricultural output in Western Europe led to two major changes in social structure: the emergence of a middle class consisting of rich peasants, artisans and merchant traders on the one hand, and on the other hand, the displacement of poorer peasants who had to move to recently established towns in search of jobs. Instead of putting their money into pyramids as in ancient Summer and Egypt, or into cathedrals as in medieval Europe, the new rich city-dwellers or bourgeoisie put their capital to work in ship-building and related armament technologies. Portuguese and Spanish

traders financed the first European expedition in search of a trading route to India in the early 1400s, closely followed by the Dutch and the English. Soon, Western Europe became master of the world's sea routes, eliminating the Arabs, monopolizing Asian trade in luxury goods (spices, tea, coffee, sugar, silk and cotton), seizing gold and silver from Latin America, and trading in slaves captured in Africa. Thus, the wealth and power of the new merchant class increased and the dominance of European feudal landowner declined.

Enriched by foreign trade, the wealthy merchants invested in factories. The need to ensure raw material for manufacturing, and food for labor in the new industrial towns led many of today's First World countries to the forceful acquisition of colonies, satellites and dependent territories. Thus, the state intervened to protect the interests of their merchant class, then, as they intervene in favor of their economic interests today. To obtain the wealth of Latin America, Asia and Africa, Europe forced down the prices of mineral and plantation products they wanted, and created a demand for their own manufactured goods. European traders allied themselves with Third World elites in order to preserve local political stability, extract raw materials, and sell their machine-made imports, undisturbed. In many cases, roads and railways had to be built, a postal system organized, and indigenous landed and trading classes encouraged to establish slavery, bonded labor and private enterprise systems: the objective was to ensure uninterrupted supplies of raw materials to keep European factories running and European labor fed, and not Third World development. Many writers frequently maintain that these beginnings of the world business system depleted the natural and human resources of Asia, Africa and Latin America, distorted their social structures and thus created the anatomy and physiology of underdevelopment.

The period following the Great Depression and the Second World War ushered in several changes in the world economy: formally independent countries in Asia, Africa, Latin America and the Caribbean,

a Third World middle class unable to take the economic initiatives that its European counterpart took in 15th century because of its long dormancy during colonization, a state that therefore had to take the responsibility to promote local employment and generate economic growth, and the expansion of U.S. corporations that transcended national boundaries.

So much for history: Now that Latin American countries have had "flag independence" for over 150 years, and Asia and Africa for 20 to 35 years, what changes have resulted in their external and internal characteristics?

Sad to say, with some notable exceptions, many Third World mine owners and farmers who had been supplying the colonizer with raw materials now intensified their collaboration with them — why should they risk their limited capital on their own infant ventures in their own volatile new nation-states? Thus, the post colonial Third World trade scenario continues to be characterized by the export of raw materials to First World and Second World buyers at prices we do not control, and the import of manufactured First and Second World products that include color TVs, satellites and computers through foreign bank loans we are finding it increasingly difficult to repay. Given massive indebtedness, official development assistance or aid from the First and Second Worlds is crucial for the survival of many Third World countries, but the recent recession in world economy has led to a "new realism" among donors, i.e., a re-assessment of disinterested altruistic aid that does not generate purchase orders or geo-political gains for the donor. Self-serving anti-Soviet Cold War considerations led the U.S. to donate 2% of its GNP in 1949 to re-build Japan and Germany while the U.S. aid to Third World countries has never reached the UN recommended official assistance goal of even 0.7%, because it was not in their national interest. The bilateral nature and the low level of U.S. financial contributions to the UNESCO IPDC, an organization originally proposed by the US, bears witness to the donor's partisan

(Continued on page 11)

A THREAT IN GRENADA?

None has been demonstrated

A hypothetical threat to American lives, a claim of anarchy and a plea from West Indian neighbors are being served up to justify an invasion of Grenada by American force, with token help from six Caribbean allies.

If there were really a threat to U.S. citizens, a rescue would be justified. But no threat has been demonstrated. And the invaders are not behaving like a land-and-leave rescue team. If orders and authority had truly collapsed in Grenada, a summons to restore them would be worth considering. But no such chaos has yet been demonstrated. And the invaders are not just protecting life and property.

The Marines and Rangers were sent to topple a distasteful new regime, led in president Reagan's view by a gang of "leftist thugs." If that regime was implanted with Cuban and Soviet help, its overthrow might be worth the human and political cost. But the case made for this radical surgery invites a different judgement; that a frustrated administration acted not because it is right or necessary, only desirable and doable.

Grenada is a flyspeck island with 110,000 inhabitants, where leftist seized power in 1979. This month their leader, Maurice Bishop, was deposed and executed by more radical colleagues who evidently feared his drift toward moderation.

This progression of events plainly alarmed other West Indian minis-tates as well as Jamaica and Barbados. They are weak and poor and their right-of-centre regimes feared that Grenada, aided by Cuba and the Soviet Union, would infect the region with militant leftism. The fears are real, and if there were clear evidence of Cuban or Soviet intervention, there would be a case for U.S. intervention.

But no such evidence has been invoked. The concern for 1,000

American most of them students at a medical school, seems to have been speculative. Their evacuation, in any case, does not require an occupation.

Just as vaguely, Secretary of State George Shultz spoke of "an atmosphere of violent uncertainty." However accurate, that condition is a flimsy warrant for invasion.

The deed is political, it promises to rid the Caribbean of a pro-Soviet gnat. And it demonstrates to radicals in Central America that only logistics, not laws or treaties, will determine the means the United States is ready to employ against them.

Secretary Shultz finds legal justification in a minor treaty that some West Indian nations adopted in 1981. But his reading strains the language. The governing law for members of the Organization of American States is the 1947 Rio pact, which prohibits the use of force. It binds the United States as well as Grenada, and in fact was invoked by President Reagan to criticize Argentina's invasion of the Falkland Islands.

Grenada should be a military pushover and the American troops may, as promised, leave soon and let others decide its future. But what is feasible cannot be the only standard of what is advisable, not Cuba and the Soviet Union and other nations are to be held to account for respecting international frontiers. Without such a standard, there would be no end to the wars fought to topple "thugs."

If President Reagan deserve the benefit of any doubt in Grenada, it is the possibility that Cuba and the Soviet Union had indeed moved, with only modest investments of men and weaponry, to establish a puppet regime that would give them bases for other operations. But if that were clear, why was it not proved, or even asserted?

— THE NEW YORK TIMES

FOREIGN
NEWS

Reagan's credibility gap

Philip Taubman

WASHINGTON

Reagan administration officials acknowledge that, in their effort to rally public support for the invasion of Grenada, they may have damaged the government's credibility by making sweeping charges about Soviet and Cuban influence on the island without so far providing detailed evidence.

Because the administration has made available documents, a catalogue of Soviet weapons found in Grenada or other intelligence information that officials say supports their charges, questions have arisen about the administration statement that the invasion was necessary to prevent a Cuban occupation of Grenada. Similar doubts have been raised about the governments statement that the invasion was required to prevent leftist forces from holding U.S. citizens hostage.

The credibility problems was underscored by the announcement on Monday that President Ronald Reagan's deputy press secretary for eign affairs, Les Janka, had resigned on Friday, citing damage to his personal credibility as a result of the administration's handling of the Grenada invasion.

"Circumstances surrounding this week's events in the Caribbean have damaged, perhaps irreparably, that credibility," Mr. Janka said, referring to his own reputation in a letter to the President dated Oct. 28.

Reporters who visited several warehouses that the administration said were filled with Soviet and Cuban weapons found there were significant stockpiles of Soviet arms but also large quantities of antiquated guns, including carbines manufactured in the 1870s.

— New York Times Service

THE CUBAN ROLE IN GRENADA

In official declarations from the Pentagon today, October 28, it is said that there were more than one thousand Cubans in Grenada, that around 500 were fighting in the mountains, and that, for this reason, it would take them perhaps weeks to control the situation. This figure and this hypothesis put forward by the United States military chiefs can only be the product of fantasy and panic. They seem to be seeing resisting Cubans behind every tree and every rock.

As has been explained, the total number of Cubans on the island at the time of the invasion never amounted to as many as 800 and was made up as follows: 636 cooperation workers of the Ministry of Construction; 17 from Public Health; 12 from Education; six from Agriculture; six from Transport; six from the State Committee for Collaboration; five from Fishing; three from Basic Industry; three from Culture; two from Internal Trade; one from Communications; one from Foreign Trade; one from the National Sports Committee (INDER); one from the Ministry of the Armed Forces (Minfar); nine from the Interior Ministry (Minint); twelve from the two crews and flight staff of the AN-26 aircraft which arrived in Grenada the day before the invasion; two passengers on this aircraft. Colonel Tortolo and Comrade Carlos Diaz, from the American Department of The Central Committee and 18 members of the diplomatic representation, including women and children and bringing the total to 784 Cubans, of which 44 were women.

Of the 43 collaborators from Minifar, only 22 were Officers, and the rest were Translators and Service Personnel.

If the figure of 638 Cubans, including the wounded, in the hands

of the U.S. Armed Forces is taken as correct, as stated in the declaration from the Pentagon, then adding the 85 Cuban citizens in the capital under the control of our diplomatic representation, there remain only 61. If of these 61 the number who have fallen in combat is subtracted, and the exact figure is unknown since the U.S. Government has refused to offer any figure, then there would only be an extremely reduced number of Cubans whose situation remain uncertain and who might have been dispersed.

It is even possible that some have gone into the mountains, but they would be very few, since the Cuban personnel had instructions to fight if they were attacked in their encampments and work areas of the airport which is under construction.

They were positioned on a small, narrow peninsula from which it was practically impossible to fall back.

So where then can this absurd figure of 500 Cubans resisting in the mountains come from? Is the United States Army so afraid? Do they not understand that they are making fools of themselves and that in the long run the figures given by the Cubans are irrefutable?

Similarly, the United States President, blatantly lying to his own people, trying to justify his criminal conduct, said that a military base was being built in Grenada and that enormous deposits of Cuban arms had been uncovered which were supposedly destined to be distributed to other revolutionary movements. These claims are cynical and shameless lies.

The encampment and hostels of the Cuban building workers even lacked fortifications which, although necessary in the event of an aggression, had not been built, to

prove the strictly civilian nature of this airport.

The arms deposit which was seized, with a few thousand rifles, belonged to the Grenadian militia.

Unfortunately, these rifles, which were the exclusive property of the Government of Grenada and under its care, did not get into the hands of the people because of the lamentable internal occurrences in the country in the days before the invasion. The Cuban personnel had absolutely nothing to do with these arms. The Hitlerian fascists look small beside the desperate lies of the U.S. Government spokesmen to justify their crimes.

Some have even said that silos were being built in Grenada for strategic missiles.

It is extremely suspicious that the United States Government should have laid down a total restriction on the press of its country, preventing it from reporting the facts and laying bare the infamous lies of its government.

How can they say that the building workers and helpers were professional, highly trained soldiers? Would it not suffice for a dozen journalists to speak to them and question them to find out the truth?

The events in Grenada show the fascist, aggressive and demented mentality of the current United States administration.

We hope that the heroic resistance of the Cubans and Grenadians against the treacherous surprise attack has taught them that their adventures in the world are not going to be a military stroll-about, that the peoples do not fear them and that, once they decide to fight, they are invincible.

— (Prensa Latina)

Guatemala and the encirclement of Nicaragua

The recent re-appearance in public of Gen Romeo Lucas, who was ousted by Gen Rios Montt in March 1982, is taken as a disturbing sign that the hardline *ancien regime* is back in the saddle.

This is bad news for the Reagan administration, which would like to renew full military aid to Guatemala, suspended in 1977 by President Carter because of Gen Lucas's grisly human rights record so that the country's left-wing guerrillas can be dealt a mortal blow. Guatemala is the linchpin in Central America because of its size and strategic position close to Mexico's giant oil fields.

But the U. S. Congress, already rebelling over the administration's policy towards El Salvador and Nicaragua, is far from satisfied that Guatemala is making any real progress towards democracy and that it deserves arms.

Gen Mejia Victores has abolished the special courts and lifted the state of alarm. He has also thrown his weight behind the U.S.'s Central American policy, from which Gen Rios Montt distanced himself — much to the annoyance of the Reagan Administration.

Earlier this month Guatemala, discreetly backed by the U. S. summoned together defence ministers from the region (excluding left-wing Nicaragua and Costa Rica which has no army) to resurrect the Central American Defence Council, known as Condeca, which has been defunct since the 1969 war between Honduras and El Salvador.

Ministers and General Paul Gorman, the Commander of the Panama-based U. S. Southern Command who was invited as an observer, agreed to coordinate their armies more closely in the face of "Marxist-Leninist aggression," a reference to Nicaragua which the U. S. accuses of exporting revolution to Central America.

It is widely believed that in the event of a full-scale war between Honduras and neighbouring Nicara-

Three of Guatemala's four morning newspapers defied a Government order and printed a communique from left-wing rebels, AP reports. The major radio news programmes also broadcast the communique from the Guatemalan workers party, a Communist Guerrilla Group, which had demanded publication as a condition for the release of a newspaper executive kidnapped at the weekend.

gua, Condeca would go into action on the side of Honduras. U. S. backed Nicaraguan counter revolutionaries are based in Honduras and are making raids into Nicaragua where the Sandinist rulers fear they will be pushed into a war.

This greater involvement in the region's affairs may earn Gen Mejia Victores more friends in Washington. But U. S. officials say it will not be enough to "sell" him to Congress. Capitol Hill would probably look more favourably upon him if the Constituent Assembly, which is scheduled to be elected next July, were to elect a provisional civilian president until presidential elections in 1985. But Gen Mejia Victores has ruled this out.

Meanwhile fighting has intensified, in the rural areas of Quiche and Chimaltenango between guerrillas and the army. The army recently set up its first field hospital in Quiche, which suggests that their casualties are higher than the number reported.

The Guatemalan economy is on its knees. The shortage of funds has deprived the army of equipment. Israel has become the main supplier of small arms and is involved in counter insurgency training.

Tourism, once a major source of revenue, will earn about \$8m this year, compared with \$82m in 1979. The country has also been hit by low international prices for its coffee exports and capital outflows. Hard currency reserves are under \$50m, less than two weeks' imports.

— (Financial Times)

Technology. . .

(Continued from page 8)

interests. The fact is that the donors (now withholders) of big sums of aid are, for the most part, the old colonial powers that continue to influence their one-time colonies through their transnational corporations. This new post-independence colonial type relationship is further aggravated by the fact the Third World is frequently a location for proxy expansion and containment wars between the U.S. and U.S.S.R. power blocs — as in Korea, Vietnam the Middle East, Angola, and presently, Central America.

Given these external economic and political constraint on the freedom of action of Third World countries, one would hope that our domestic power structure would present a united national front against these challenges. Unfortunately, the internal economic power structure is a constraint on independent decision making too. It is a complex pyramid with the national capital owners and their political supporters on the pinnacle, sustained by a slightly larger middle class management group in their employ, and a massive wage-earning labor force. Consciouness of these class divisions by the majority is obfuscated by (1) our primary identities based on racial divisions, tribal hostilities, religion antagonism, and (2) a strong state with a law-and-order maintenance-oriented civil and military tradition left over from the colonial period.

Thus, the ruling ideas in Third World societies that determine options for action and freedom of choice are influenced, you might say circumscribed, by this cast of characters I have just described. They are.

1. Transnational corporations;
2. Super-powers;
3. Aid donors;
4. Externally oriented domestic agricultural and industrial capitalists;
5. The state civil and military bureaucracy;
6. Tribal leadership;
7. Racial groups;
8. Religious divisions.

(To be continued)

Nicaragua conflict reaches crisis point

Tim Coone

MANAGUA

Attacks by anti-government rebels in Nicaragua against economic targets, especially fuel supplies, have inflicted significant damage and raised the four-year-old conflict to a critical point.

This has provoked a sharp response by the Sandinista government in Nicaragua with well-publicised statements that the country has requested arms from friendly countries to "defend Nicaragua's shores and airspace."

The increase in attacks against sensitive economic targets during the past three weeks marks a change in strategy by the U.S.-backed rebels, or "contra" force, who have failed to erode popular support for the Sandinistas or make significant military gains on the ground.

The latest assessment here of last Monday's attack on fuel tanks and installations at the port of Corinto by "contra" guerrillas suggests that the damage was serious but could have been worse.

The attack destroyed diesel storage tanks but left unaffected vital gasoline and aviation fuel. If the latter had been hit, cropdusting activity by light aircraft on Nicaragua's cotton crop would have had to be abandoned. Cotton is Nicaragua's second biggest export. Nevertheless, the attack has led to a further tightening of petrol rationing in order to divert limited supplies to the armed forces. Report from the U.S. that only one month's petrol supplies remained in the country could not be confirmed here. But there has never been any attempt to deny Nicaragua's economic vulnerability to such attacks.

The attacks against Nicaraguan fuel supplies have provoked a suspension in the supply of Mexican

crude to the country's sole refinery run by Esso.

The most crucial time of the year in Nicaragua's economy is approaching — the coffee harvest. It generates around 80 per cent of the country's export earnings and every year since the 1979 revolution, tens of thousands of eager slogan-chanting students and youths enrol in voluntary work brigades to pick the coffee crop.

Last year a record crop was brought in. However, vehicles are in short supply, spares are scarce due to the critical foreign exchange situation, and so far only 200 of the 700 vehicles needed to transport all the coffee-pickers to the mountains have been mobilised.

Despite its implacable opposition to the Sandinistas, the well organised private sector which still controls the greater share of the economy is getting increasingly uneasy about the financial losses it faces if the strategy of hitting key economic targets continues.

FINANCIAL TIMES, LONDON

300 'advisers' in El Salvador

A Salvadorean guerilla leader has claimed there are now 300 U.S. military advisers in El Salvador in addition to a number of mercenaries not officially part of the U.S. army. Tim Coone reports from Managua. The U.S. says it has only 42 advisers in the country.

Sr Salvador Samayoa, a former Minister of education in El Salvador who resigned in January, 1980 to join the FPL guerrilla organisation, also said the U.S. had provided \$1 bn in direct military and economic aid to El Salvador over the past two and half years.

Financial Times (London)

**A revised copy of
the report of
the Committee for
Rational
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on 'Sri Lanka's
ethnic problems:
Myths and
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Secessionist pressure on Zia to loosen the reins

Alain Cass

The first phase of the campaign to topple-President Zia ul-Haq of Pakistan may be over. The next phase may prove less spectacular than the past month but, in the longer run, much more dangerous.

Although street protests and civil disobedience, in which people offer themselves for arrest and flogging in the Gandhian manner, continue the signs are that these weapons may have been blunted by the regime's firm response.

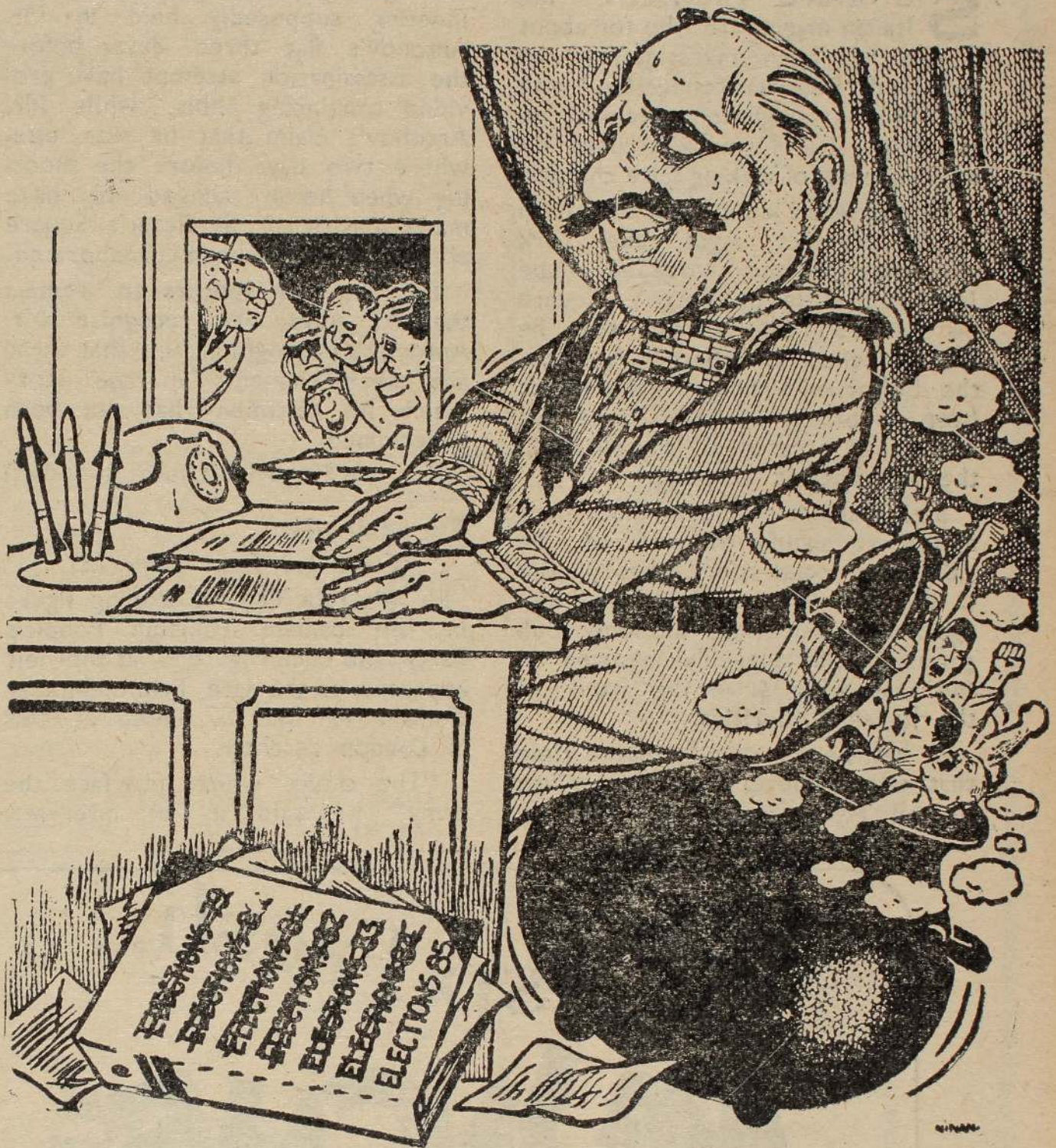
The country's motely collection of opposition leaders must now decide whether to continue with the present course or adopt new tactics in which sabotage and the ever-present threat of secession in Pakistan's smaller provinces are used to winkle General Zia out of power.

So far between 40 and 60 people have been killed in clashes with the police, depending on whose figures you believe, and several thousand protesters, including all of Pakistan's top politicians, are under arrest.

The campaign has been largely confined to the southern province of Sind. It is now beginning to look as if getting the other three provinces to rise in revolt, is proving more difficult than was envisaged.

Nationalist sentiment however, as opposed to demands for a return to democracy — is coming increasingly to the fore. There are also signs of more act of sabotage such as the recent attack on the Khyber Mail train.

The scope for exploiting nationalist sentiment in the provinces of Sind, Baluchistan and the North West Frontier is considerable. Carved out of India in 1947, Pakistan is a patchwork of four very different provinces where racial and regional aspirations are, arguably, still the most potent forces.



The history of Pakistan has been marked by a constant and frequently violent struggle for power between the three smaller provinces and the Punjab, which is not only the largest and most populous but also dominates the army and the bureaucracy in Islamabad.

Few people in the Punjab, therefore, would have an interest in upsetting the status quo. The same is not true of Baluchistan Pakistan's vast and arid province where tribal leaders regard self-determination as far more important than the alien concept of parliamentary democracy.

"Democracy is no solution to the problem of the minorities in

Pakistan," explained Mr Autallah Mengel, one of the three most influential Baluchi leaders who now lives in self-imposed exile in London. "The problem lies, for us, with the domination by the Punjab of the three other provinces. When that becomes the issue you can expect the Baluchis to rise."

The same is true probably of the wild North West Frontier province, which borders Afghanistan and which has been flooded with refugees.

There are already signs that those opposition leaders still at liberty are beginning to turn to the more potent forces of secessionism.

(Continued on page 14)

Pope's attacker 'lied about Sofia link'

ROME

SIG ILARIO MARTELLA, the Italian magistrate who for about a year has been investigating the supposed "Bulgarian connection" with the 1981 assassination attempt on the Pope, has formally accused his key witness of making false charges.

He has sent a judicial communication to Ali Mehmet Agca, the Turk who shot at and wounded Pope John Paul II in St Peter's Square on May 13 1981, alleging that he has slandered Mr. Sergei Antonov, the Bulgarian airline official who has been in prison in Rome since last November accused of complicity in the assassination attempt.

Sig Martella's move does not appear to signify the end of the "Bulgarian connection" theory. But it does at least weaken the case against Mr. Antonov, the only Bulgarian official allegedly involved in the case who is in the hand of the Italian authorities.

It has been known for some time that several pieces of evidence given by Ali Agca against Mr. Antonov

have been undermined by other witnesses. Several participants in a meeting supposedly held in Mr. Antonov's flat three days before the assassination attempt have provided convincing alibis, while Mr. Antonov's claim that he was elsewhere two days before the shooting when he is alleged to have made a visit to St Peter's Square with Ali Agca has been corroborated.

But the fact appears to remain that Ali Agca did recognise Mr. Antonov's photograph, and that three are other elements in the story where his testimony has not been undermined.

— Financial Times (London)

Secessionist. . .

(Continued from page 13)

Mr Mustafa Qar, a leading figure in the banned Pakistan People's Party and once regarded as the heir apparent to the late Prime Minister Zulfikar Ali Bhutto, hinted at this in London recently.

"The choice which now faces the army" he said in an interview

"is between acceding to the demands for greater participation in running the country or facing sabotage, armed revolt and secessionism. The Punjab has become a thorn. Its domination of the rest of the country is deeply resented. This, along with the brutality of the army, against ordinary people has started a process of disintegration."

Behind the rhetoric there is a chilling message for President Zia, whose skill in using foreign aid and the threat of the Soviet presence in Afghanistan has helped him keep the country's fissiparous forces under control and stay in power.

President Zia appears to be riding the storm. But if the limited cry for democracy in Pakistan is replaced by shriller calls for secession in the Sind, Baluchistan and the Frontier, President Zia may find to his cost that the U. S. his own supporters within the country, and his fellow generals will conclude that the integrity of Pakistan is more important than the fate of one man.

— Financial Times (London)

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The IMF, Dictatorship and Third World Debt

Elio Gaspari

SAO PAULO—The foreign debt crisis of the developing countries is the Vietnam of the international financial system.

Both the debt crisis and the Vietnam War arose from the same basic error: a belief that is possible to change the course of developing countries' history with a little help from developed friends—even if this change of course is not exactly what the people in those countries want.

Since the early 1950s, the developed world has believed in a set of myths that supposedly can help regenerate countries. First is faith in miraculous economic indexes. Brazil, Argentina and India learned fast to produce tons of statistics every year—some with rosy figures others with somber forecasts—to fit any need. In the 1970s, encouraged by the performance of Brazil's average growth rate, 10 per cent a year, the banking community gave it several loans.

Since the growth of a gross national product is a kind of bible to believers of the pan-financial religion, it would have been in poor taste to remind the lending banks that at that very time Sao Paulo, a megalopolis thriving on the blessed GNP, was plagued by a meningitis epidemic. Why shed doubts on the optimistic figures, and why shed light on darker curves—like the infant-mortality rate, which, at that time, reached record heights—if it was widely believed that children could be saved from death by a miracle of the GNP?

A second myth is that analogies between countries work. Consider the theory of the economics takeoff in developing countries. It holds that if you have a sound capital

accumulation, plus solid GNP growth takeoff inevitably will occur. It sounds nice but does not always work that way. Brazil accumulated capital, boasted an impressive GNP, but, instead of the economy taking off, the country developed a \$90-billion foreign debt.

The banking community believed in another myth — that an enlightened native elite might solve most problems. According to that fantasy, all would be simpler in developing countries if instead of political disputes and elections, there were more governments with a team of the best and toughest in command, acting freely to bring about progress.

The international order based on the flow of money to governments ruled by military officers with medals and civilian technocrats with doctorates—and committed basically to GNP growth—failed. It collapsed for the same reason that the Vietnam venture did: the association (through sophisticated disguises) with dictatorial regimes. Strong regimes, it was believed, were a good remedy for the indolent people of the Third World. In the end, the dictatorship harmed not only the countries themselves but also the bankers who gave them loans. Instead of producing economic stability, they created social instability and a global foreign debt of \$500 billion.

Over the last decade, the American public has not perceived the scope of an important political phenomenon in Latin America: Brazil's gradual political democratization. It is understandable that the United States worries about what is happening in Central America, but if one considers that El Salvador's gross national product is smaller than the deficit in Brazil's social security program, one may wonder whether the scope of what is happening in Brazil is not being underrated.

(Continued on page 17)

The writer is deputy director of the newsmagazine *Veja* of Sao Paulo. He contributed this comment to *The New York Times*.



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IMF causes looting in Brazil

Jackson Diehl

RIO DE JANEIRO

It began on a Tuesday night, the eve of a Brazilian work holiday. Nothing had happened in Vila Kennedy, a poor outlying suburb, until shortly after midnight. Then the word swept through the streets like a storm blowing in.

From the main square, people came running under the rail tracks to the narrow crescent that holds the Leao and Carneiro supermarkets. The looting had started. Gray security shutters had been wrenched open, and 10-pound sacks of rice and black beans were being cleaned out.

Hundreds joined in. The doors of a third supermarket were broken down. By the next afternoon 150 troops on the scene were confronted by a crowd of more than 1,000. The rioters answered tear gas with volleys of stones and shouts of "we are hungry".

That was the fourth day of Rio's supermarket sackings, when the count was 17 breaks-ins all along the federal rail tracks of the city's poor northeastern suburbs. A month later, after the first week of October, the count was more than 85 — and the looting had spread to towns all over this economically stricken country.

Looting has become the most dramatic reflection of the tensions Brazil's economic crisis — and its \$90 billion foreign debt — have caused in the country. Since the beginning of September more than 225 supermarkets, food warehouses, and shops have been attacked by crowds and stripped in Rio de Janeiro, Sao Paulo and drought-stricken northeastern Brazil.

Politicians, police and businessmen have rancorously debated the blame for the sackings and the government's inability to stop them. A sense of panic has overtaken some middle-class neighborhoods

and merchants are patrolling stores with pistols and shotguns.

Opposition leaders, meanwhile, have used the incidents to mobilize support against new economic austerity measures by the military backed federal government. The pressure comes even as the government struggles to meet the terms of new agreements with foreign banks and the International Monetary Fund.

Last month the Brazilian Congress voted down a government bill to reduce workers wages. The measure was tied to the IMF package. The action was largely symbolic, but this month the opposition has vowed to repeal another wage-reduction measure already in effect.

"Whatever measure the government produces now will only increase its political decline," said Miro Teixeira an opposition leader in Rio de Janeiro whose powerful party, the Brazilian Democratic Movement, support a "negotiated moratorium" for the foreign debt. "Now even the career military," Teixeira maintained, "don't believe in the solutions of the government."

In the Brazil's newly liberalized political atmosphere, however, the risks of the unrest also extend to opposition governors chosen in local elections last year. Both Leonel Brizola, in Rio de Janeiro, and Franco Montoro in Sao Paulo have been accused by businessmen and conservatives of failing to take the police action necessary to halt the looting.

With the tension growing, some Brazilian politicians have begun to worry that the mix of political conflict and economic crisis could cause a reversal of the military's gradual move toward democracy.

Even the Rio de Janeiro organization of the military-backed Social Democratic Party recently issued

a statement saying that violence by "famished masses" could lead to "the restoration of authoritarianism" or "the birth of charismatic and messianic leaders that abruptly rise to power."

Many analysts argue that there is more panic than sense in such views. But almost no Brazilian leader has questioned the underlying conditions of the looting crowds.

"The suffering and need are reaching unacceptable levels," Brizola, a socialist, said in a recent interview. "If the American people had this kind of capitalism on top of them, they would make another revolution."

Brazil has always been burdened by a large poor population, but in the last year there have been measurable increases in the suffering. Since late last year, the prices of Brazilian food staples — rice, beans, milk, sugar and soy oil — have risen by about 250 percent, in part because of government emphasis on agricultural exports and cutbacks on subsidies. At the same time salaries have risen by 90 percent.

The World Health Organization has estimated that up to two-thirds of Brazil's population suffers from malnutrition. The people just don't have money," said Joaquin Carneiro, the owner of the Carneiro supermarket in Vila Kennedy. Carneiro said he lost \$20,500 when looters cleaned out nearly 11 tons of rice and beans from his market.

"What is a guy who makes 34,000 cruzeiros (about \$46 a month) going to buy in here?" Carneiro said. "If someone breaks in he will be willing to go along."

The looting began on Sept. 3, in the poor suburb of Realengo north of Rio de Janeiro. Within a week they had spread through the city and a week after that the violence began to catch hold in Sao Paulo.

"It's a trend that started, and because it was not controlled, it acquired its own momentum," said Ruy Barreto, the president of the Rio de Janeiro Commercial Association of Brazil. "Then it becomes more and more difficult to stop."

As the lootings have continued, government authorities have increased police guards and patrols in some areas and attempted to organize small food distribution programs. But action against the looting has sometimes appeared paralyzed by political quarrels and the lack of consensus over how to address the problem.

In Sao Paulo, Montoro and police officials have blamed the looting on hunger, and argued that exceptional security measures will do little good. But in Rio, Brizola charges that the looting is the result of an "institutional system" of the political right, abetted by death squads, black marketeers, newspapers and even, he suggested, the CIA.

"These groups want to destabilize," he said, "and possibly want

a military intervention in the governments elected by the opposition. It's a very complex problem. I have to handle it step by step, like a chess game."

The governor's theory, repeated in a number of variations, has led to bitter public exchanges of charges. "There is a simple lack of authority," said Barreto. "Brizola doesn't want to crack down on the people who elected him. He is looking for a scapegoat."

The official confusion has contributed to a widespread public sense of threatening chaos. "Insecurity bring panic to the region," headlined the neighborhood newspaper in the affluent Rio district of Bajo Tijuca. "No citizen is safe at any hour of the day or night, in or out side his house."

"There is a sense of desperation," said Celio Borja, a director of the Social Democratic Party and president of a Rio de Janeiro bank association. "People are begining to expect that they will be assaulted on the street, they are accept-

ing the idea that they are not going to get a job. They see no hope."
—(WASHINGTON POST)

The IMF, . . .

(Continued from page 15)

Today Brazil is called the "world's biggest debtor." Not long ago, the "Brazilian miracle" was being praised. Soon Brazil may be singled out as the "biggest default in financial history." Those superlatives mean little. What matters in Brazil is not so much the size of its foreign debt but the depth of its democratic experience.

The International Monetary Fund and the lending banks expect Brazil to follow a strict recessionist policy. This policy, however, led crowds to sack 252 food stores in one month. The IMF and banking community may feel political questions do not interest them. But they cannot deny the undeniable: 20 years of investment in authoritarian regimes, through idealization of local elites and official statistics led the international financial system to disaster.

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IS THE C. R. D. GUILTY OF SEMI-TRUTHS ?

Boyd Almeida

TAKING you at your word that you welcome reader opinion on the document issued by the CRD, I should like to offer the following comments in a spirit of constructive criticism :

1. Can the CRD legitimately describe Trincomalee as a "predominantly Tamil area" when there are only 86,743 Lankan Tamils and 6,767 Indian Tamils out of a total of 256,250 in the Trincomalee District ?

2. The CRD claims that "one of the storm centres of inter-ethnic controversy" is the fact that "Tamils gain admission to the universities far in excess of their proportion population-wise." But, in fact, the controversy has been over the fact that this is so in the **prestigious courses** such as medicine and engineering. Should the CRD seek to brush this issue aside on the ground that only "a small part of the nation is engaged in this race?"

3. The CRD implies that ethnic quotas in the field of higher education would lead to anti-state violence and fuel the separatist demands. Is the CRD in the position of saying that Lankan Tamils should be allowed more than their percentage share in higher education in order to prevent terrorism and separatism ?

4. The CRD avers that "it is impossible to say whether there have been cases of false marking" in examinations. Is the CRD not aware that actual answer scripts with the false marking on them were tabled in Parliament by Mr. Mathew and reproduced in facsimile in Hansard ? Is the CRD not aware that Dr. Dayanitti, a Tamil lecturer, was dismissed for exami-

nation malpractices after an inquiry held by a retired judge and that Prof. S. Gangadharan had to resign in the same connection ? Does the CRD not know of the detailed statement made by Prof. P.P.G.L. Siriwardena, former Vice-Chancellor of the University of Sri Lanka, in which he gave chapter and verse of widespread malpractices by Tamil examiners ? Just before the Jaffna campus was given university status its B. Sc. results were published in the press. There were only first and second classes. Prof. Siriwardena has said that this is without precedent in Sri Lanka and even perhaps the world. In 1977 the Botany results in the General Science Qualifying examination were as follows :

Sinhala medium :	45 sat :	2 A's :	35 B's :	8 C's
Tamil medium :	12 sat :	10 A's ;	2 B's :	0 C's

Can the CRD seriously maintain that all this evidence is valueless "in the absence of a public commission of inquiry" ?

5. But what I consider the CRD's most serious lapse is its allegation : "In December 1974 police opened fire at the scene of Tamil cultural show held at the closing sessions of the conference of the International Association of Tamil Research. Eight persons died."

The CRD has got its facts seriously wrong.

At the awards ceremony of the IATR Conference held on 10 January (not December) 1974 in the course of which the crowd turned violent two policemen were injured

and hospitalised. The police did not fire a single shot but dispersed the crowd with tear gas. In the stampede some electric wires were accidentally dislodged resulting in 7 (not 8) persons being electrocuted. These were the facts established at the magisterial inquest. There was an unofficial inquiry held by three senior private citizens into these same events which arrived at different findings. The Sansoni Commission's comments on the findings of that unofficial commission were : "That commission heard the evidence of certain witnesses, but none of the police officials appeared before it. Naturally, the commission was not in as good a position as the magistrate to arrive at a correct find-

ing on the facts. Having read their report I feel that they have been deprived of the benefit of hearing an essential part of the incidents that took place."

Those who come forward to solve the country's problems should take the trouble to get their facts right. The truth, however harsh, is more likely to help us ultimately solve our problems than comforting "semitruths" which the CRD itself has decried. It is unfortunate that the CRD itself, no doubt unwittingly, has been guilty of some.

Your journal deserves the highest credit for bringing this issue up for public discussion.

Plurality of meaning or anarchy in literature ?

M. Ponnambalam

REGGIE SIRIWARDENA'S reply (L.G. August 15) to my explanation (L.G. July 15 Main Theme and Fringe Thoughts) regarding his theory of plurality of meaning is very illusive and adds more confusion to the problem rather than clearing it.

Mr. Siriwardena says that we, by bringing up the fringe thoughts theory into the argument, do not argue this view (plurality of meaning), we only assert it, and he further goes on to say that "not only Romeo and Juliet but Hamlet, Othello and King Lear have been subject of prolonged and devoted attention by critics and theatrical producers and where it is perfectly evident that there is no main theme that has remained immutable and untouched by changing ideological currents of history".

But what Mr. Siriwardena fails to see here is that the main theme or original meaning of a creative work or work of Art does not change itself and become a different entity with the changing ideological currents of history. While retaining its original meaning (Main Theme) it inspires others to formulate various thought forms or give different interpretation to it. For example we all know the story of Ramayana. The original story of Ramayana still inspires us to give different interpretation to it to suit the time and context of the present age. Accordingly without changing its original meaning we can say that even now ten-headed Ravana reigns Sri Lanka while his stolen Sita of Democracy weeps in the fortress of Jayawardhenapura. It is to explain this fact and inject a balanced view into his sweeping statement that everything undergoes change I brought in the theory of 'Fringe Thoughts' of T.S. Eliot. But if Mr. Siriwardena still adamantly hangs on to his theory of Plurality of Meaning and says nothing remains immutable, I

would humbly ask this learned critic that how is it possible for him to compare the meaning of Maname of 1956 with that of its present day meaning? If (according to his theory) Maname has lost its original meaning or main theme of 1956 with what is he going to compare it now? How is he going to drag back the original meaning of Maname to its present day audience? Same thing applies to his Greek Myth and Art.

Apart from this Mr. Siriwardena's identification of 'Fringe Thoughts' with his plurality of meaning is very misleading. Because, as I have said earlier, these fringe thoughts are subject to rapid change and they vary according to each person's mental make up. If Mr. Siriwardena says, without giving any lead to this quality of Fringe Thoughts, that they assert his plurality of meaning and mix up both these theories together, then I would say that this would entitle each person to have his own version of what he reads and this would result in creating thousands and thousands of versions of one thing at a time and this would end up in a real anomaly and mess i.e. in other words this would give rise to a real anarchy or terrorism in the field of thought. Anticipating this mess I said in my earlier letter that if this theory is taken seriously there won't be any such thing as Marxism today. So we must understand that the 'Fringe Thoughts' act as a safety valve to prevent this anarchy or terrorism in the field of thought i.e. by hovering around the main theme like a Silver Labyrinth it allows the ideas to explode without damaging the explorer itself.

On the other this theory of plurality of meaning seems to have a stolen relationship to Vedantic or Buddhist theory of knowledge rather than having anything to do with the Marxian dialectics. Because

this theory repeatedly says that everything undergoes change and nothing remains permanent: i.e. it is like a Vedantist or Buddhist saying that everything is in a flux and nothing remains permanent or becoming is the truth and nothing is beyond that. Even the quotation of Sharrett by Siriwardena reminds me this. Sharrett says "yesterday I read 'Wuthering Heights'. Yesterday.....Always I am reading the novel now. My having read yesterday or ten years ago means that 'Wuthering Heights' is a memory for me.....". This is like the Buddhist who says "the river that you step in to now would not be the same one the next moment".

Here what we see is that only the synthesis is emphasised at the expense of thesis and antithesis.

Another important thing to be noted in his reply is that he seems to be very allergic to the word superconsciousness. As some Marxists who shrink themselves away when they hear the word religion, Mr. Siriwardena seems to be a bit excited to hear the word superconsciousness as if I have given any religious connotation to it. I mentioned the word superconsciousness to show a state which goes beyond our normal consciousness. It is a pity that in this age of E.S.P. and Parapsychology, if anyone says that he is clueless of it. This reply of Reggie shows how these present day Marxists have become decadent! It is in this context we see a greater meaning in the words of the students who took part in the Paris Revolution of 1968. They said "Economic commodities are the opium of the people". What does this mean?

It shows that the Marxists have become so earthly that they do not want to raise their head and see what is happening around them.

But history moves on without caring these Marxist who sink their head in the heap of sand and shout "Revo Revo."

The Land Question

In your article on "Sri Lanka's ethnic problems" (Vol. 6 No. 13 of 1/XI/83. p. 7-16)

I. (a) Why do you divide the Sinhalese into two groups? (p. 8 Table V)

If this is a correct approach why do you not divide the Sri Lanka Tamils into (i) Jaffna (ii) Eastern Provinces and (iii) Colombo?

II. P. 10 Admission Figures: In Physical science, Biological science, Engineering, Medicine and Law the Tamils have obtained 6% to 10% more representation and the Sinhalese 3%-5% less than their number warrant.

III. P. 12 Thesawalamai

(a) Will you publish the extent (in acres) of land bought by the Sinhalese in the North (Jaffna) in 1976, 1977, 1978, 1979-1980, 1981 and 1982.

(b) Give similar figures for the purchase of land during these years by the Tamils in Sinhala areas.

IV. Note the CWC statement that

(a) Tamil should be the language of instruction in all plantation schools.

(b) Sinhala children MUST learn Tamil in these schools.

If the Indian population here is trying to intergrate, why must Sinhala children be compelled to learn Tamil?

In England are Pakistani and Indian children taught in Hindi or Urdu? Do English children studying side by side in schools where these aliens attend in large numbers, study Urdu and Hindi?

Lotus Eater

Kandy

ART, MEDIA, COMMUNICATION

THE CONTRADICTIONS OF ART

Douglas Walatara

REGGIE SIRIWARDENA'S note on **Art, Media & Communication** reveals how long over-due is re-thinking on art and its definition. He has put down in a short and compact note the many contradictions in our thinking on art. With his many years of experience of this field, he knows more intimately than many others the problems but in a field like teaching, a more practical kind of field, some of us have felt these contradictions for a long time and wondered how ever to resolve them.

There are three or four statements that Mr. Siriwardena makes which are important —

(1) the example of the different impact of the Sri Lankan kitchen utensils on the American tourist which he sums up in this way "This seems to point to the fact that the difference between what is taken to be 'art' and what isn't has to do, not with intrinsic properties of objects, but with different social practices and different uses to which people put things".

(2) the creation of the separate realm of "aesthetic experience" about the 19th century, a bourgeois ideological product, supported by the opposition, in a bourgeois industrial civilization, of objects produced "by alienated labour and those produced by the devoted labour of the artists for no other purpose than self-expression". He states "In other words, the opposition between 'art' and 'non-art' is the product not only of specific social practices but also of practices originating in a specific ideology".

(3) though Rosemary Rogers and Virginia Wolf are not given the same valuation, and though there are discernible differences between them, yet the "minority culture"

view that what is popular is destructive of finer human values ignores the fact that the most admired minority art "can be a vehicle of retrogressive values". Many people who enjoy the mass art of SLBC programmes and TV programmes did behave more humanely during the recent troubles than some people of "superior aesthetic cultivation". So artistic and moral discrimination are not equallisable.

(4) referring to the Saussurean distinction between signified and signifier (connotation, denotation, word), he states that "in a poem a word isn't a merely transparent vehicle of meaning" — it has a "criss-crossing between the metrical, rhythmic, symmetric and syntactic structures". He sums up by saying "we are dealing not with inherent properties of an artistic object but with particular ways of reading, viewing or listening that we may adopt or not, depending on the social practice we are engaged in"

Mr. Siriwardena mentions the example of the Singapore Airlines commercial and the three "uses" one may put the commercial films to —

- (a) visual pleasure
- (b) booking the next flight on these airlines
- (c) the commercial exploitation of the image of femininity

Finally he notes that we should speak of modes of communication instead of mutually exclusive categories of 'art' and 'non-art'.

So the need for some re-defining is very evident. Prof. Denis Donohue in his Reith lectures, concluded about a month ago, states

(Continued on page 24)

The TNCs, Finance Capital and the Third World

Philip McMichael

One principal cause of this decentralization of metropolitan capital was the maintenance of market competitiveness. Where protectionism was limited, transnational capital resorted to export platform in the Third World to compete in world markets. For example, competitive manufactured exports from the Southeast Asian NICs compelled small and medium Japanese firms to begin export-oriented investment in Southeast Asian states "... to take advantage of their lower wages and compete on better terms in the export market." (Yoshihara, 1978: 9) Thus to the extent that Third World manufactured exports penetrated metropolitan markets, they redefined the global production sphere to include the NICs attracting transnational capital to take advantage of the maturing capitalist relations of production there. The same motivations brought the *zaitatsu* houses to S.E. Asia, which in turn brought competing U.S. and European retailing and buying companies to S.E. Asia. (Hone, 1974: 149) Behind this flow of capital to the western Pacific Basin, of course, stood the Pacific Rim strategy elaborated by the Nixon Administration, in the context of the decline of U.S. hegemony and the attempt to decentralize the United States' global policeman role through military and economic aid to local states.

Within this conjunctural phenomenon of the re-organization of TNC activity in the absorption and extension of Third World export-manufacturing, it is important to note that in the 1970s trans-national

**World Industrial Production: Annual Growth Values
(1961-1980 Constant 1977 prices, by country group)**

Country Group	1961-1973	1974-1979	1976	1977	1978	1979 (est.)
World	6.8	3.5	4.4	4.8	4.4	5.3
DME	5.6	2.2	6.4	3.4	4.2	5.0
DC	7.3	3.9	4.2	6.5	3.6	6.3
CPE	8.1	6.3	5.0	6.9	6.0	4.3

(UN, 1980: 14)

investment in the Third World declined, while its rising in the metropolitan regions. (UN, 1978: 34, 56) The TNC preference for high-income markets indicates not only the recession conjuncture, but also the secular trend of investment rationalisation — "... one of the pre-conditions for the development of greater integration of the operations of a transnational corporation's system in those markets". (UN, 1978: 41) This process is illustrated in the greater investment in **acquisition**, rather than establishment, of **affiliates** by TNCs in the metropolitan markets. (See Table below)

The attraction of TNCs to high-income markets is reflected also in the growing concentration of TNC investment in the top 10 non-oil-producing states, which, in 1975, accounted for 40.6% of direct investment stock in the Third World — Brazil, Mexico, India, Malaysia, Argentina, Singapore, Peru, Hong Kong, Philippines, Trinidad and Tobago — some of these states constitute regional export platforms. (UN, 1978: 254) More recently, TNCs have been by-passing Northern

Europe for the U.S.A. and the high-income Third World states. (Business Week, 1979: 50)

Thus, the recession in the early 1970s hastened a trend in the location of transnational capital in Third World export-manufacturing — a trend fundamentally accounted for by the use of those states with the most appropriate production relations and social infrastructure to act as export platforms in the intensifying competition among capitals for high-income markets. Obtaining access to global markets, but more specifically "... improvement of position on existing markets," maintained competitiveness, and indeed constituted practically 50% of the motives for foreign investment by U.S. firms surveyed in the early 1970s by the Chamber of Commerce. (Nukhovich, 1980: 77-8) The use of export platforms in this struggle is indicated by the fact that in the mid-1970s, "... 70% of the exported manufactures of developing countries were channelled to the markets of four countries, namely the U.S.A., Britain, the Federal Republic of Germany, and Japan." (Nukhovich, 1980: 187)

If, now, we examine the record of manufacturing growth for the 1970s, we find a clear superiority in annual growth rates in the Third World. (See Table above)

Affiliates	1951-66	1967-69	1970-72	1973-75
Newly formed	38.5%	27.9	25.7	35.9
Acquired	54.6%	66.3	69.3	61.9

(UN, 1978: 224)

Further explanation of the phenomenon, beyond noting the decentralisation of private investment capital, requires analysis of Third World policy. The UN publication **World Economic Survey**, reports that:

"To some extent, the behavior of fixed investment was policy-induced. On the expectation that the decline in export earnings would be temporary, policy-makers in a number of countries instituted programmes to stimulate investment in general, and particularly in the construction sector... this was made possible largely through recourse to foreign borrowing and a reduction in reserves (UN, 1980: 94)

The appropriate data is presented in Table below.

Taking an aggregate view over the period of the last two decades we can also see that Third-World private and social capital-formation growth rates have surpassed those in the industrialized countries.

What is clear from available data is the marked upward shift in public expenditure in the Third-World in relation to the general increasing secular trend, and in **contrast** to that in the industrialized countries. The key to this increased social capital-formation in the wealthier Third-World states was the increased availability of interna-

tional bank loans and finance capital in the world economy. The UN survey concludes:

"The very large recourse to private markets must thus be considered as one of the main mechanisms which prevented a serious setback in the development processes of the higher-income and middle-income countries." (UN, 1980: 101)

The aggregate data shows that from the mid-1960s to 1977, in the flow of private capital from metropolitan states to the Third World, finance capital has increased considerably, in relation to the flow of direct investment capital.

The trend is clear — international finance capital has accelerated its presence in the 1970s, as controls on world liquidity creation have relaxed in context of the breakdown of the reserve currency system. This has involved the elevation of the Eurocurrency market, a reduced role of the IMF as holder of currency reserves, and the expansion of credit creation by international private banks substituting for governments in this role. (Hawley, 1979: 80) Within this shift to private capital as the growing source of international credit, there has been **firstly** a shift in 1974-6 of Eurocurrency system funds from short-term bond markets, such that Eurobonds now constitute more than 50% of capital in the

international capital market. And the Third World in particular has become the recipient of this form of international finance capital. **Secondly**, since September 1976, OPEC has become the largest supplier of funds to the Eurocurrency system — so that in the latter half of the 1970s the recycling of OPEC funds to the Third World has been institutionalized. (Hawley, 1979: 54-55; Nukhovich, 1980: 173)

If, now, we examine the record of public assistance from the metropolitan states, we find a clear declining trend. That is, official Development Assistance from O.E.C.D. Members declined from 0.51% of GNP in 1960 to 0.34 in 1979 (World Bank, 1980b: 140), and Net Bilateral flows from the O.E.C.D. Members to low-income countries fell from 0.18% of GNP in 1960 to 0.09% of GNP in 1978. (World Bank, 1980b: 141) Since this assistance comprises 96% of the West's aid to the Third World, the trend is very clear — the source of capital for economic development in the Third World is increasingly derived from the international capital market, hastening the incorporation of Third World bourgeoisies and state managers into the global economy under construction by transnational capital. The ideological rationale was expressed in part in the 1975 report of the O.E.C.D. D.A.C.:

"The role of private direct investments must be given a higher priority if developing countries wish to reach the objectives that they have set for themselves, namely, to accelerate technology transfers and structural reforms contributing to the industrialization of their economies." (Nukhovich, 1980: 67)

What public assistance the West provides to the Third World, is being relocated from the middle-income states to the low-income states (Nukhovich, 1980: 86). As the UN World Economic Survey specified the distinction:

"In summary, the countries toward the lower end of the income spectrum received substantial increases in concessional flows, the more

Table

**Non-oil-exporting developing countries:
rates of growth of real output and demand, 1961-77**

	%			
	1961- 1970	1971- 1973	1974- 1975	1976- 1977
G D P	5.3	6.0	4.7	5.0
Value added, manufacturing	7.0	9.1	4.0	5.9
Value added, agriculture	2.5	2.0	3.9	3.3
Private C	4.8	5.6	3.8	3.4
Fixed I	6.3	6.9	8.6	5.5
Net foreign capital inflow	2.7	2.5	5.2	3.3

(UN, 1980: 96)

industrialized borrowed heavily from private financial markets". (UN, 1980: 101)

The redistribution of public aid suggest two structural changes in contemporary global political-economy. On the one hand, there is the step-like incorporation of Third World states into the world economy. Here infrastructure in the advanced Third World states is financed increasingly privately as their export-industrialization strategies have matured and they have grown dependent on the transnational-organized economy, while infrastructure in the low-income states is financed publically as a device either to incorporate them more fully into capitalist world-economy, or in the same vein, to counter anti-systemic tendencies in those states. On the other hand, there is the incorporation of social classes of the advanced Third World states into the global economy of transnational capital on an increasingly commercial basis through the growing weight of international finance capital. The latter, and we have seen the growth of regional financial centres such as Hong Kong and Singapore (Halliday, 1980: 11), has resulted from the growing internationalization of the TNC, such that:

"... from the early 1970's to date, the major and significant shift which occurred to the Euro-currency system was from providing working capital to major U. S., European and Japanese corporations to one of providing much longer-term credit to official agencies and institutions of primarily Third World countries and other nations with balance of payments deficits." (Hawley, 1979: 86)

The enhanced role of international finance capital has contradictory consequences for Third World states, insofar as it increases flexibility in obtaining foreign capital and yet simultaneously increase the commercial nexus of global economy (in part expressed by the growth of foreign exchange deficits in the Third World). Summarizing these consequences:

(1) The greater flexibility in obtaining foreign capital is matched in the greater flexibility of TNC opera-

tions in the Third World. For instance, we have seen the proliferation of Joint Venture Policies (especially in low-technology industries), which suggest the growing financial strength of local entrepreneurs and state managers, as well as the greater involvement of smaller capitals in transnational operations. (Stopford, 1976: 24) As a matter of fact it also reflects the reorganization of TNC activity — the growing centralization of capital in metropolitan regions and decentralization of management in Third World operations. UN, 1978: 60-64) At the same time, non-equity arrangements are expanding between TNCs and Third World states and local bourgeoisies, in the areas of licensing, franchising, leasing and sub-contracting. (UN, 1978: 68)

This kind of 'putting out' pattern of TNC activity is a conjunctural combination of the following:

(i) Increased access to capital markets by Third World social groups, with greater leverage among competing TNCs.

(ii) Strategies of co-option of Third World economic nationalism to ensure "... a **reliable** and **adequate** supply of Third World raw materials for use in other industries". (Girvan, 1980: 454)

(iii) The nature of competition in such industries as electronics, which compels the use of labour-intensive methods of production. This is because electronic gadgetry is altering so swiftly that constant innovation and speculative marketing forbids the use of automation. (NACLA, 1977: 7)

(iv) The Western capitalist recession of the 1970s, which has encouraged the centralization of transnational capital overall, with a reduction of direct investment in the Third World in the latter half of the 1970s.

(2) On the other hand, the expansion of international finance capital, insofar as it is channelled into complementary or supplementary investment to advance export-oriented industrialization, accelerates the incorporation of some Third World ruling classes and administrators into the emerging framework of international capital. The kind alliance-creation not only advances a social

integration of Third World elites into global economy, with a logic distinct from that of **national** economy, but also it in turn hastens the differentiation among Third World states.

Conclusion

In summary, the following observations are pertinent:

1. The so-called 'new international division of labour' is neither as extensive, nor as clear-cut as we may have assumed in the early 1970s — at the height of the process of universalization of the TNC as an emergent form of world capital accumulation, as the cutting edge of inter-capitalist competition. In my opinion it has been wrongly identified as an established social division of labour in the world market, and its selective and differential consequences forbid the use of the core/periphery dichotomy to define its sphere of operation.

2. The 'new international division of labour' was not the creation of capital alone (as Frobel, Heinrichs and Kreye see it: "an 'institutional' innovation of capital") — rather what redivision of world labour has taken place was a product of the contradictory elements of U. S. hegemony. The decline of that hegemony intensified competition among transnational capitals represented in the proliferation of export platforms in regions of the Third World — and in the subsequent market scramble this mode of export production has been spreading via easy credit in international capital markets.

3. Amidst the growing anarchy of the international marketplace and greater pluralism in the inter-state system (which manifests itself in some instances in military conflict) it is possible to see the recomposition of this new division of labor. What has been originally a **technical** division of labour in the TNC structure, is being translated into **social dimensions** — involving the **incorporation of some Third World ruling classes into an emergent world social economy, and using the state apparatus (funded increasingly by international finance capital, rather than by public aid) to organise reserves of unskilled, or low-cost, labor.** How far this process proceeds depends on the

prospects for maintenance of a liberal unity in international political-economy, which is a prominent issue today — and is being struggled over between states and different fractions of capital, while the international debt structure turns over precariously. . . .

4. To the extent that the principle of the TNC — the use of finance capital to construct global circuits of productive capital — has been extended, there is at one and the same time a greater flexibility of action by some states (which some observers interpret as 'social mobility' in the world-system, while I think the issue is the extension of capitalist classes), and an acceleration of global reconstruction.

In this sense, the NIEO is likely to shed increasingly its original ideological, anti-metropolitan, solidarities, where recourse by its members to the market, as structuring agent, will activate the world market dialectic of levelling and differentiating. The levelling process is manifest where some Third World states gain economic strength and financial or politico-military power — increasing the likelihood of metropolitan NICs alliances. And such alliances build upon unequal relations developing in South-South exchanges. The latter constitutes the process of differentiation in world-economy among Third World states — instanced in growing unevenness in industrial-economic strength, competition to attract foreign capital which is evident in the sphere of competitive labour costs among the Southeast Asia NICs for instance. In summary, the unity of the NIEO lobby is unlikely to withstand the unequal competition resulting from the decline of U.S. hegemony. This decline has led to the unravelling of the hierarchical inter-state system (in part manifested by the NIEO itself). However the growing 'pluralism' in inter-state relations is exacerbated by the dominance of the international capital market as a structuring force in international economy. This constitutes the principal threat to the Third World bloc, and of course the universal viability of the strategy of export-industrialization is threatened by the crisis in world capitalism which concentrates, rather than diffuses, the accumulation process.

(Concluded)

The Contradictions . . .

(Continued from page 20)

that today [the theory of the artist as rebel against the establishment is invalid because society has somehow contrived to embrace and accommodate the rebel. I think the subject of one of his lectures was the orthodoxising of heterodoxy and another the "domestication of outrage". Thus the precious, intellectual view of the artist as "avante garde" — the spear-head of new insights and values, solely as that, ahead of his times, the "unacknowledged legislator" of Shelley — has its ground cut underneath, for society has embraced the rebel artist into its orthodox establishment. He therefore has turned out into a grinder of words and words with the boring connotations of "avante garde" images — so easy to conjure up. Nuclear destruction or ethnic hate, or galactic experiences are new but still they appear to exist, and appear to have been put together, for the "criss-crossing between the metrical, rhythmic, syntactic and semantic structures", as a kind of mechanical exercise!

In the world of teaching — education is too big an undertaking and is best left to experts like Professors and other educationists — there is the difficulty one comes across of the Rosemary Rogers versus Virginia Wolf opposition or the James Last and the Music at Harewood opposition. Why is one better than the other — how does one guide one's pupils? Modes of communication — yes, but why is one mode better than another — or should one get over the problem by not using comparative judgements? But then, in teaching one is all the while appealing to judgement or one cannot teach, for there has to be an appeal to priorities. Comparative assessment is there at the very start — from infancy.

It is for this reason that I would like to move more to the individual and what he wants. Reggie Siriwardena calls it "different social practices and different uses to which people put things". I would urge that we get even deeper than "social" and "use" — get to the

personality and to its needs. I have not heard of collectors of shrunken heads from some head-hunting society, collecting for the purpose of adornment of one's wall but the foot of an elephant, or the head of a tiger does perform the function. I have seen an ornament of a representation of a Chieftain's face from Sierra Leone, with stab marks on the cheeks, obviously sold to tourists.

It is a study of the deep pressures and urges of the personality caused perhaps by economic values, and even practical ideologies, that produce what is to some "art" and to some "non-art". Working out those particular forces behind one's acceptance of art appears to be true criticism and enables a true assessment of what function a piece of Creativity plays in life. I find that viewed in this way 'art' is none other than what helps to create the moral discrimination which will make people behave 'humanely'. I find myself getting drawn into expert areas like humanities and education but even teacher get dragged into such fields which should be left to experts to unravel. In teaching humane values I somehow find myself veering towards the 'art' that preaches a message of humanity as the greatest 'art' — even collection of stories from a collective farm in China preaching the message of industry and health seems greater than the grinding out of words and words and words for the 'criss-crossing' semantic pattern. And for those urges that need examination in teaching for humane behaviour, I find the Buddhist conception of 'Sankara' invaluable, and the mode of approach the examination of the words and all that the word builds, up, including character and the implied values underlying them (in the past character was anathema and only words mattered). When I do that, I suspect Rosemary will not get as high a rating as Virginia because all the former adds up to is the pleasure of being in bed with a male.

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