

The Red Mole

PRICE 3p

STOP THE RIGGED TRIALS



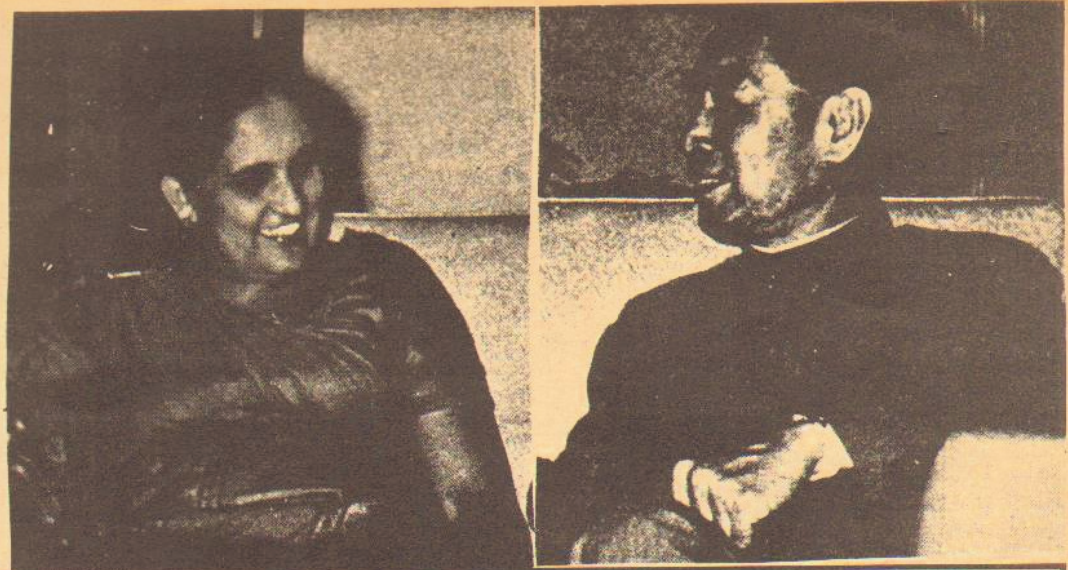
Release all

political prisoners

now!

Rohan Wijeweera (above) is on trial, probably for his life, for being a revolutionary. He stands accused of being one of the leaders of the alleged 'insurrection'. Meanwhile Chou-en-lai enthusiastically renews his alliance with Bandaranaike - his time in Peking at the end of June, where she secured a fat \$100 million loan. The Ceylonese regime's expenses have been going up lately - in the past year the government has rapidly been reinforcing its machinery of repression. The Chinese bureaucracy is ever more willing to meet the constantly growing need for foreign loans to shore up the shaky bourgeois regime.

CEYLON SPECIAL ISSUE



The *Red Mole* is the fortnightly paper of the International Marxist Group, British section of the Fourth International. We publish this special broadsheet on Ceylon to raise on the British left, and among S.Asian exiles in Britain, the question of the repression in Ceylon, the political problems facing the Ceylonese revolution, and the need for world-wide solidarity with the struggle against the reactionary regime and the rule of imperialism in Ceylon.

16,000 political prisoners are still held in the jails and concentration camps of the Bandaranaike regime. Last March and April the armed forces of the bourgeois state launched a harsh repression against the revolutionary youth led by the JVP, provoking a reaction which was put down with a ferocity intended to intimidate the working class and the rural masses, among whom the revolutionary left was gaining an implantation. Yet it has not proved so easy to defeat the class struggle traditions of the Ceylonese masses, despite the confusion resulting from the continued participation in government of the treacherous lead-

erships of the CP and LSSP. Over a year after the so-called 'insurrection', the government has had to bring in a new Constitution and new reactionary laws to formalise the repression, before it could bring the political prisoners to trial. The first 41, including Wijeweera and other alleged leaders of the uprising, are now being tried before the special courts set up under the Criminal Justice Commissions Act, which can accept hearsay evidence and confessions obtained under duress. Under the new Constitution, moreover, there can be no investigation of the acts of the executive by the judiciary.

In such a situation of repression, the demand for 'fair trials' put forward by the Ceylon Committee, and rejected by the Ceylon Solidarity Campaign, is a mockery. The clear responsibility of the left in Britain to solidarity with the demands for immediate, unconditional release of all political prisoners, an end to the State of Emergency, and to the new repressive laws.

The LSSP(R) and the Ceylon Mercantile Union have consistently been to the fore of the agitation against the repression

within Ceylon. We publish an interview with comrade Bala Tampoe, giving his analysis of the background to the repression and the present political situation. We also examine the crisis of the Ceylonese economy; and analyse the political forces engaged in the present struggle.

The present regime is supported not only by imperialism and by the reactionary alliance of Gandhi and Bhutto. Both the Russian and Chinese bureaucracies aided Bandaranaike in the suppression of the 'insurrection' last year, and now, in the last week of June, she has been received in Peking by Chou-en-lai with open arms and a \$100 million loan, which will help to strengthen the repressive apparatus of the bourgeois state in Ceylon. This makes it all the more essential to have a clear analysis of the nature of the bourgeois regime - which is in no way 'progressive', but firmly tied to imperialism - and to give our unconditional and unequivocal support to the forces fighting it.

What happened in Ceylon and Bangla Desh last year was not a question of isolated explosions: it was the first great stirring in a new wave of struggles by the peoples of the sub-continent against

imperialist oppression and against the rule of the 'national' bourgeoisie whose fate is of necessity tied to that of imperialism. Every major development since the Ceylon April rising and the war in Bangla Desh has confirmed this analysis: the strengthening of the repression in Ceylon, the counter-revolutionary alliance of Gandhi and Bhutto, the crisis of the Mujib government in Bangla Desh. In this context the acuteness of the crisis of bourgeois rule in Ceylon has great importance for the struggle throughout South Asia. April shattered the myth of Ceylonese parliamentary democracy, and now the Ceylonese bourgeoisie stands naked, all its dependence on imperialism exposed; while the working class and the semi-proletarian masses of Ceylon, initially uncertain in the face of the betrayal by their traditional leaderships, are beginning to move to take a stand against the repressive regime which has deprived them of rights won in decades of struggle. The demands for these rights are therefore an integral part of the struggle of the working class movement in Ceylon: and world-wide solidarity with them a basic part of our support for the revolution in the Indian sub-continent.

THE REVOLUTIONARY

Interview v



Comrade Bala Tampoe is General Secretary of the LSSP (Revolutionary), Ceylonese Section of the Fourth International, and Secretary of the Ceylon Mercantile Union.

The following extracts are from an interview obtained by our South Asia correspondent earlier this year, just before the Criminal Justice Commissions Act became law.

Q. Comrade Bala, I believe that Ceylon has been facing an acute economic crisis for some time now, and we are of the opinion that the events of last March and April are directly connected with this crisis. What is your view?

A. The declaration of the State of Emergency on 16th March 1971 was directly connected with the economic crisis in Ceylon. The present Government had been negotiating with the International Monetary Fund for a loan for quite some time before the declaration of a State of Emergency. In fact it appears to have begun negotiating for a loan almost immediately after it took office in June 1970. It is significant that the Directorate of the IMF granted the loan of 24.6 million dollars the day after the declaration of the State of Emergency. At a later stage, when the Budget was introduced in October 1971, a number of measures were sought to be introduced which would seriously cut down the consumption of the masses of the people, including particularly sugar and flour. These measures were opposed by the members of the Government party after the Cabinet had approved them and they were temporarily withdrawn. Apart from that, there has been a suppression by Essential Service Orders under the Emergency Regulations of the right to strike of all categories of workers in Government and private establishments, as well as State corporations, so that with the rising cost of living the standard of living of the workers has been arbitrarily forced down and their capacity to strike and secure wage gains freely by collective bargaining has been suppressed.

A team of economic experts came here to Ceylon and was present in the Island during the April events. They were got down from the Overseas Development Institute in Sussex and the team was headed by Prof. Dudley Seers. They have since furnished their report which recommends a whole series of austerity measures. Before they left the Island, at the end of July last year, the head of the team invited me for an informal discussion together with two of his colleagues, and he sounded me as to the possible reactions of the working class to temporary limitation by Emergency Regulations of the grant of annual increments to salaried employees or other employees who had incremental wage scales. He also asked me what would be working class reaction to the stoppage - again temporarily under Emergency Regulations - of automatic increases in wages by what are known as cost of living allowances related to the cost of living index. I told him that the working class of Ceylon had not been used to the conditions of a Police State which now prevail and that it was therefore difficult to predict their immediate reaction. I said that with the aid of machine guns, with which the Government was now armed, they might be able to put through such measures without any immediate counter-action by the working class. He then asked me whether it was necessary to use machine guns. I said I did not say it was necessary but that the Government had them and that the workers were aware of it. But for the time being at least there were sections of the working class who were confused by the presence within the Government of so-called left leaders of the Lanka Sama Samaja Party and the Communist Party and in this confused and politically divided state of things, the working class would not be able to react effectively to such measures. Sooner or later there were bound to be repercussions, and the Ceylon working class having a long tradition of struggle behind it, it was quite capable of explosive reactions on such a question.

Q. Could you tell me why a country which is considered somewhat of a Switzerland in Asia is faced with this economic crisis at the present moment?

A. Ceylon did have a higher standard of living than most Asian countries, apart from Malaya and, of course, Japan; but that was only a temporary phase following World War II. Since then there has been a steadily declining standard of living for the masses of the people and we have now reached the stage where capitalism in Ceylon can no longer keep up the pretence of maintaining a welfare state by Asian standards. The present political crisis really arises from the desperate need of the ruling class in Ceylon in conjunction with their Imperialist masters, to switch over from pretended welfarism to complete regimentation of the living conditions and living standards of the people; and for that reason to completely remove all their normal democratic means of protest and of improvement of their conditions by one or other forms of mass activity. We are also thus faced with the complete regimentation of the people by law, not merely Emergency Law but also by changes in the substantive law.

Q. Following the repression last year, the Government did take some measures, as you said, to resolve the economic crisis by imposing certain economic burdens on the masses of the people. How far did this go to resolve the economic crisis?

A. I am sure that there are going to be further burdens imposed on the masses. Far from relaxing the repression, there are signs that it is going to be increased. The repressive apparatus of the state is being strengthened, the police force has been considerably increased and so has the army. Of late there has been a so-called alert, and once more the atmosphere of April 1971 is being evoked, and this all points to further repression of the masses, and an onslaught upon their living standards. The crisis of Ceylon capitalism is insoluble by such measures.

democracy. I am sure that the Imperialists, particularly the United States and Britain, are turning the screws on the government economically, the foreign exchange position is worsening, there is not enough raw material for the factories, even though the government talks of industrialising, and in the meantime the population continues to increase. All measures will be of a purely temporary nature, the crisis will go on increasing, and I believe that if there are any further outbursts of mass dissatisfaction of any effect, they will be met by bloody repression. In short, just as in Vietnam, just as in Bangladesh, capitalism in Ceylon under Imperialist domination and within the work of Imperialism, can only survive by bloodshed and repression of mass movement at all stages.

Q. Comrade Bala, what do you think of the much publicised new Constitution? What difference does it make to the masses of the people?

A. It is really not a new Constitution. It purports to be one in the context of the fiction of the so-called Constituent Assembly, which is no more than the present members of Parliament elected under the present constitution, functioning under another name. The Ceylon Mercantile Union's General Council has pointed out in a resolution which has been circulated to all Members of Parliament that what a mandate they may be deemed to have had under the Soulbury Constitution in the first place, has been completely forfeited by the fact that they have openly violated the pledge given even under the election manifesto and re-iterated in the throne speech of the government to 'democratic rights, repeal reactionary laws and guarantee freedom of association, freedom of the press, and other fundamental freedoms in law and in practice'. So that the members of the House of Representatives who constitute the Government majority can be said to have obtained their seat even under the present constitution, by deliberate deceiving and cheating the people, and have no mandate from them to introduce any Constitution. What they appear to be doing is to constitutionalise the true relationship between the present ruling class in Ceylon and Imperialism, particularly British Imperialism. The Crown no longer has any real relevance in Ceylon, and calling Ceylon a republic is merely a de jure recognition of a de facto situation. Beyond that, most of the reactionary features of the old Constitution will remain. There is an important change in the powers of the judiciary: not only is the Supreme Court virtually deprived of the right to grant a writ of habeas corpus to a person illegally detained, but the Supreme Court and District Courts will have no power to examine executive acts from the point of view of their validity under the law. So that we are going to have in Ceylon a legalised, constitutionalised totalitarian dictatorship, and the new Constitution merely what had already become a fact under the emergency - that is, a concentration of arbitrary power vested in the Executive with a subservient Legislature to support it.

Q. Comrade Bala, the Government has already tabled two bills (one enacted - see *Red Mole* 42 - Ed), the Criminal Justice Commissions Bill and the Interpretation Amendment. Could you say something about the two bills, and what effect they will have on the masses of the people?

A. The Criminal Justice Commissions Bill is merely intended to cover over what has already been done and to carry out the legal fiction of probably several of the people who are now in custody under the allegation of having been involved in what was described as an insurgency last April. What has to be emphasised is that the Government is most anxious to cover up what took place before the so-called insurgency in April 1971. As I said, the Emergency was declared on 16th of March and regulations brought in for arbitrary arrest by Police and detention for 15 days in Police custody without a preliminary hearing before a magistrate, as well as burning or burial of dead bodies without compliance with the provisions of any other written law, on the authority of the officer in charge of a police station, all this three full weeks before a single police station was attacked by anybody anywhere in Ceylon, even with a stone! Three weeks of continuous Police with-hunting, in which hundreds and hundreds of youth, particularly in the rural areas of Ceylon, where the movement known as the Janatha Vimukthi Peramuna had gained strength, were carried away, and what happened to those youths while they were in police custody will probably never be known officially. One question that the Government will never answer is how many of the hundreds of youths arrested before a single police station was attacked were injured to one degree or another and how many of them are alive. It is only when these facts are known that a true opinion of what took place in April can properly be formed. Under the new bill, the judges of the Supreme Court will be appointed, they are hamstrung as to the inquiry into what actually took place. Then there is the provision to use 'confessions' of persons in custody of Army or Police as proof against others as well as themselves. This is a means by which the frame-up of innocent people can take place without difficulty. It is also a means by which the Police and the Military whoever is given power to question people under the prevailing law, be encouraged to submit them to torture. This is supposed to be a principle in which Buddhism is upheld, a religion which is noted for its principle of 'Maithriya' or compassion.

THE STRUGGLE AGAINST REPRESSION

On 3 April 1972, the General Council of the Ceylon Mercantile Union met and unanimously re-iterated its opposition to the continuation of the State of Emergency. The meeting denounced the Criminal Justice Commission Bill and the Interpretation Amendment Bill, 'for their clearly reactionary purposes of carrying forward the destruction of all remnants of democracy or justice in Ceylon and the enthronement of a totalitarian dictatorship under cover of parliamentary legality'. The General Council called on all Trades Unions and other associations to oppose the reactionary legislation, and on 15 May issued a call to them to 'join together to protest against the Criminal Justice Commissions law and the abandonment of the Government of all recognised principles of justice in dealing with the thousands of persons now held in custody under colour of the Emergency...'. A nation-wide hunger strike and other forms of protest are now being organised as the trials begin.

The Ceylon Bank Employees' Union General Council (3 May) has also denounced the laws, 'in that they strike at the roots of the liberties and the fundamental human and democratic rights of the citizens of this country and their mass organisations, such as trade unions', and resolved to initiate discussions with other trade unions in order to organise united action against these laws.

Comrade Bala Tampoe and 53 other lawyers presented a resolution to the General Council of Advocates, that members of the Council should advise persons charged under the Criminal Justice Commission Act that they can expect no justice under this law, and urge its repeal. CP members opposed the organisation of a Special Meeting to discuss this.

50 detainees suspected of having taken part in last year's 'insurrection' are reported to have escaped from Anuradhapura prison on 13 June. The previous week 28 prisoners escaped from a 'rehabilitation' camp on the outskirts of Colombo, by tunnelling their way out.

STRUGGLE IN CEYLON

Bala Tampoe

hatred and contempt than any previous Government has been brought by its own act. The Government is only arming itself with a legal framework for a totalitarian dictatorship without any support from any important section of the masses. It does not have the kind of support that the Fascist governments of Hitler and Mussolini had, or the totalitarian regime of Stalin. In Ceylon the position is very different. The youth are completely or largely alienated from the Government. So is the working class; and all decent people in this country, whether they be conservative or otherwise, are today completely shocked at the course of action this government is pursuing. In that context I do not think that these laws are going to be very effective in operation, although for the time being they will certainly be put into operation if they are passed.

Q. The repression, the economic burdens, the measures the Government intends to enforce and so on, do not seem to have spurred the masses either rural or urban, into any kind of action against the Government. How do you account for it, and how would you sum up the present attitude of the masses?

A. I think that the story of Red Riding Hood would be an apt illustration of how the popular masses found themselves in relation to the Government. To begin with, they were like Little Red Riding Hood, thinking that the wolf was really their grandmother and was benevolently disposed towards them. It took them quite some time to awaken to the realisation that this Government was not their friend, or certainly was not going to carry out the various promises made to them at the election by the United Front. Then came the shock of last April, and the working class itself was taken completely by surprise. It was politically disoriented by the treachery of the Lanka Sama Samaja Party and the Communist Party (Moscow) in holding out this Government and the leadership of the Sri Lanka Freedom Party as being capable of establishing a Socialist democracy in Ceylon. It is the treacherous role played by the so-called left within the Government that disarmed the masses politically, and divided the working class. They were taken completely by surprise when the Government established a State of Emergency, provoked the youth who were in the JVP by their repressive actions against them, and then virtually massacred large numbers of the youth in rural areas, when they retaliated with shot-guns and hand-bombs against certain police stations last April. In that situation a curfew was imposed, on the 6th April, from 3 o'clock in the afternoon. The result was complete confusion in all workplaces. People had to rush to their homes for fear of being shot, if they were found anywhere in a public place after curfew. The radio kept on droning out the threat that curfew breakers would be shot. This was repeated over and over again, together with reports of operations against so-called insurgents. A state of complete tension was thus created, and no working class organisation, including the Ceylon Mercantile Union, which is very well organised and militant, was capable of even holding an effective meeting of the General Council until the 23rd or 24th of April, two weeks after the slaughtering had begun.

Now, gradually, the broad masses have awakened to the reality of what occurred last April and of their own position; but they are still dazed, confused and lacking in any effective political leadership in the mass. It will take time for the masses to realise that now there is no other road for them but revolution. In the meantime, the Government is bound to move further and further to the extreme Right. The state of repression and intimidation of the people will be increased, so that the masses on the surface will still appear to be silent and not reactive, but it would be a mistake to think that they are not reactive. Trotsky spoke of molecular processes which precede any major mass upheaval. I am certain that these molecular processes are now taking place amongst all sections of the masses. There is not a single section of the masses of the people which is today not disturbed or at least dissatisfied with the way things are going; and with the long-established left tradition among the masses, which is a genuine tradition, with the long established ideas of socialism and of struggle that form a part of their consciousness. I feel that it is when the repression is no longer tolerable, that the real counter-reaction from the masses will begin to manifest itself. The swing to the Left then is not likely to be a parliamentary swing, but rather a revolutionary swing.

Q. Comrade Bala, the Prime Minister and the Minister of Home Affairs, Felix Dias Bandaranaike, on the floor of the House of Parliament on various occasions has shown great hostility to the actions of Mr. Prins Gunasekera, who is associated with you in the Human and Democratic Rights Organisation, to the C.M.U. etc., and recently some comrades of the LSSP(R), including the Assistant Secretary of the party, were taken into custody while holding an ordinary Youth League meeting. In order to eliminate all effective opposition to the future actions of this Government, don't you think that very soon it would be necessary for the Government to move against, for instance, you and Prins Gunasekera and other members of the LSSP(R)?

A. When our party Assistant Secretary, Comrade Prins Rajasooriya, was arrested, there were about six party members and five other youth leaders present, apart from the two police agents who were introduced into the meeting by a suspected informer who had apparently joined the youth league a couple of months before. There were widespread rumours that I had in fact been arrested. Such

rumours have been circulated several times since last April, particularly, I have found from Communist Party and LSSP sources. Certainly they would like to see me locked up because that would eliminate what they probably now regards as the only danger of their own following turning to an alternative left leadership; but while I am sure that the question of my arrest or the arrest of other persons like Prins Gunasekera has engaged the attention of the Government at various times, they have got to weigh in their own minds the disadvantages against the advantages. If Prins Gunasekera and I are taken in, that would be a signal to the masses that there can be no hope whatsoever of a return to normality. It would as it were take the lid of their discontent. I dare say that at some time or another the Government probably intends to take in Prins Gunasekera and myself. Both of us, of course, are fully aware of that and are quite prepared to face that eventuality at any time. The Government knows that they cannot intimidate us by any such threat or by spreading rumours of such an eventuality. In that context, as far as I can see, it is up to the Government or its Imperialist 'advisers' to decide which is more expedient - to leave us out under the conditions of a totalitarian legal regime and see whether we can do anything effective, or to take us in and see whether they can crush whatever reaction might develop as a result. My own view is that when the reaction does come, once the flame spreads anywhere, it will spread like a prairie fire, and the Government cannot count either on the Police force or the Army, both of which have been rapidly expanded, to face up to any serious upsurge of revolutionary mass action. I am sure that once the present state machine cracks at any point, the whole machine will crumble, and since this Government really has no political acceptance today amongst the masses, it will soon be swept into the dust-bin of history.

Q. Do you think the comrades and militants abroad could be of assistance to any of us here in fighting for the restoration of democratic rights, and if so, what suggestions do you make?

A. I think that comrades abroad can certainly assist the struggle that is going on here for the restoration of democratic rights. To my mind, the restoration of democratic rights is not possible under the present capitalist regime, but the struggle for them itself is feeding revolutionary ideas and will later serve to promote a revolutionary development: so that in countries abroad, if the true facts relating to the situation in Ceylon are propagandised, particularly amongst the revolutionary-minded youth, as well as all those who stand for the preservation of human rights in Ceylon ... that would certainly assist in bringing international public opinion to bear on the situation in Ceylon. Secondly, they could also collect funds which may be channelled to the dependants of persons who have been the subject of police savagery or military savagery last April, and the dependants of the large number of people who are in custody, many of whom were bread-winners. Apart from that, wherever possible, if the democratically-minded people in other countries mobilise whatever forms of protest action they can, it will help to bring together various people in Ceylon and abroad on a common international demand for the restoration of democratic rights in Ceylon. That, while it will not be the most effective, will certainly be one important means by which the general struggle for liberation of the mass movement in Ceylon from the present repression will be taken forward. The concrete steps to be taken, of course, would have to be decided in each country and by each organisation: they should really be discussed in those countries and every effort made to maintain whatever contact is possible with those who are struggling here - even with those who may be taken and locked up in prison.

I have no doubt, in any case, whether we ask it or not, that all sections of the Fourth International will engage in a mass campaign if any of the comrades of the LSSP(R) are kept indefinitely in detention or if it becomes clear that there is repression against our own section. But apart from that, I think that defence campaigns for those persons now in custody, who are being kept without trial, publicity campaigns against the complete destruction of all normal safeguards under the criminal law, before they are brought to a mockery of a trial under the new criminal law ... will be of great assistance. The greater the degree of publicity given to all aspects of the situation of the prisoners - their safety, the conditions under which they are brought to trial if they are, the conditions of their being kept in custody without trial, and even after acquittal under the new law - all these matters are capable of defence campaigns in other countries.

The end of the parliamentary road

The traditional, reformist leaderships of the working class movement in Ceylon, the LSSP and the CP, have carried their policies of class collaboration to new lengths since April 1971. They have stayed in a government which has launched a sharp attack on the standard of living of the masses, and carried out a ruthless repression of the major revolutionary youth movement. The LSSP Finance Minister, N.M. Perera, introduced last October an 'austerity' budget which was a direct attack on the masses, and has been touting around the whole imperialist camp for loans on the basis, of such measures. The CP has stayed in the coalition despite growing dissent in its rank and file over the repressive legislation.

Until the past 18 months this treacherous leadership had been fairly successful in presenting the SLFP (Bandaranaike) to their followers in the trade union movement, as a 'progressive force'. But under imperialism no bourgeoisie, be it the wing represented in the UNP or the section in the SLFP, has any progressive role.

An acceleration of the disintegration of the bureaucratic parties has now begun. The dispute in the CP leadership about the vote on the reactionary laws only reflected the strong social pressures from the rising combativity of their working class base. The LSSP (who were expelled from the Fourth International in 1964, after the revolutionary current lost the fight over the nature of the coalition government) must experience a similar process.

At the same time Maoism is in crisis in Ceylon in the face of the role of the Chinese bureaucracy. The CUP, the major grouping, has called the JVP counter-revolutionary: but it is interesting that while many of the JVP were still in jail, the Ceylonese government has released its general secretary, Shanmaguthasan, to come openly to London, where he held meetings at which he demanded 'release of all those who had no evidence against them'.

The JVP, loosely organised and politically confused though it was in many respects, represented the revolutionary aspirations of Ceylonese youth. Now too the organised working class is beginning once more to grasp at the traditions of struggle which brought it such real gains, in terms of the colonial world in the past half century and more. For Ceylonese militants - for the revolutionary youth as well as the organised workers - the way forward lies, not with the class collaborationsists who follow the line of Moscow or Peking, but with the essential communist traditions and the positions of struggle which the LSSP(R) has always sought to maintain.

I.M.G. 1972 CONFERENCE RESOLUTION ON CEYLON

The International Marxist Group sends revolutionary greetings to the LSSP(R), Ceylonese section of the Fourth International. We pledge our full support to the struggle of the Ceylonese masses against the brutal repression of the bourgeois Bandaranaike regime, which is aided not only by imperialist governments but also by the bureaucracies of China and the Soviet Union.

We solidarise with all political prisoners and all the victims of repression in Ceylon, especially at this time when the generalised repression has been defined and legalised through the recently-passed Criminal Justice Commissions Act.

The International Marxist Group declares that its tasks in respect of the Ceylonese revolution are to materially strengthen the campaign of Ceylonese revolutionaries in Britain against the Ceylonese bourgeois regime, and to intervene in the political struggle of the Ceylonese in Britain in order to win cadres to the Fourth International, who, when they return, will be able to take their direct part in the LSSP(R) in the struggle to overthrow capitalism in Ceylon.

Long live the LSSP(R)! Victory to the Ceylonese Socialist Revolution!

IMPERIALISM AND THE CEYLONESE ECONOMY

Ceylon's first experience with imperialism was, as elsewhere in the colonial world, bound up with the search of European merchant capital for new goods and new markets for trade. The island attracted the Portuguese and the Dutch, who came to exploit Ceylon's production of cinnamon, from the early sixteenth century onwards. It was, however, British imperialism that had the biggest economic impact in Ceylon, after gaining control of the whole island in 1815. What developed under the British was a typical 'export economy', oriented to producing primary products for export onto the world market.

Ceylon became a major producer of tea, rubber and coconut, which together make up about 90% of its exports. The production of these exports in turn accounts for about 1/4 of Ceylon's National Income, but this figure probably underestimates Ceylon's dependence on them, because a large part of the commercial, administrative and trading network is based around servicing them. What did not develop under imperialist rule, was any substantial manufacturing industry, as this would have been competitive with industries in Britain which supplied the Ceylonese and Indian markets.

In such an economic structure, the rhythm of growth is dependent upon the rhythm of growth of the imperialist metropolis. In the crisis of the inter-war period the market for Ceylon's exports dropped catastrophically and created severe problems. In the post war period attempts at development have made very little headway, and in fact, as shown below, have ended up by benefiting the imperialist countries.

ROOTS OF THE CRISIS

An economy structured in this way did not arise gradually or peacefully as the outcome simply of the response of individuals to supply and demand forces so elegantly pictured in the economic textbooks. As Rosa Luxemburg explained a long time ago: "Bourgeois liberal theory takes into account only one aspect of economic development: the realm of 'peaceful competition', the marvel of technology and pure commodity exchange; it separates it strictly from the other aspect: the realm of capital's blustering violence which is regarded as more or less incidental to foreign policy and quite independent of the economic sphere of capital".

In the case of Ceylon, the plantation economy was established by the expropriation of the Kandyan peasantry of vast tracts of forest on the higher slopes of the Kanyan valley, which had been traditionally used by the villagers as common lands for fuel and fruit gathering. To work plantations, labour is necessary, but the British attempts to proletarianise the peasantry were stubbornly resisted, so as elsewhere in the Empire, thinly disguised force and bribery was used to get labour under the contract labour system — in this case from South India. In the 1840s and 1850s, 1,000,000 Tamils were transported to the estates. The death rate was 250 per thousand.

An economy such as this remains dependent on the imperialist countries that created it. If trusty clients can be found, an illusory 'independence' can easily be given, and will usually be less trouble than the exercise of direct colonial rule. If the 'independent' countries try to develop, they must then do so by attempting to increase output of the commodities they already produce.

By selling increased quantities of tea, it was hoped that Ceylon would be able to raise sufficient resources to be able to create other sectors of production. What has actually happened since independence, however, is that the volume of tea exports has almost doubled, but the dollar value is only a little above what it was in 1947. And of course, what one dollar will buy in terms of imports is a lot less now than it was in 1947. The situation is similar with respect to Ceylon's other export crops, rubber and coconut. The magnitude of the loss was indicated in the 1970 Annual Report of the Central Bank of Ceylon, which calculated what Ceylon's National Income would have been if the prices of exports had remained at the 1959 levels. By 1970 the loss through the fall in export prices since 1959 was running at Rs.902,700,000. (1959 factor cost prices). In other words, if exports had continued to be sold at 1959 prices, then in recent years Ceylon would have had a National Income almost 10% higher than in fact it is.

What is actually happening here is that in attempting to push its existing lines of production, Ceylon is driving an increased supply of primary commodities onto the world market, where the demand for these commodities is stagnating or growing only very slowly. This demand originates in the main from the imperialist countries. If supply grows more rapidly than demand, then prices fall. What makes the situation even worse, is that other countries are in the same situation, and are attempting to push primary commodities onto the world market. Thus East African and Indian producers are competing with the Ceylonese in tea production for export, and this competition pushes tea prices down still further. Those who gain from lower tea prices are the imperialist countries.

As Ceylon is beginning to outlive its usefulness to the imperialist corporations, they are beginning to take their capital elsewhere. As argued above, Ceylon is trapped in a given structure of world economic relations fashioned by imperialism. This is not, of course, true of the foreign corporations, who operate there and are able to take their capital elsewhere. Investment income in Ceylon fell between 1960 and 1968 from \$12million to \$4million while net outflow of direct investment increased.

According to the United Nations Economic Commission for Asia and the Far East, "attempts by the government to encourage replanting, especially in high-yielding, high-quality, vegetatively propagated cloves, have not met with any significant success". This has led to government threats to the effect that "tea estates which do not evince any interest in developing their holdings, will be liable to be taken over by the state". But even this would not solve Ceylon's problems. Unprofitable primary producing sectors have been nationalised before, for instance in Latin America, and provided sufficient compensation is given, this is not so unpalatable to imperialist capital, as it helps to reorient it to more profitable lines of production. If the government did take over and promote the estates, this would simply put more output onto the stagnant market, and the problem of falling prices would reappear.

THE FAILURE OF INDUSTRIALISATION

There have been attempts in Ceylon to establish a limited industrialisation, mainly by establishing tariffs against foreign supplies and seeking to replace such supplies with domestically-produced goods. At this late stage in the game, attempts at industrialisation too are thwarted by dependence upon imperialism. For one thing, Ceylon

has no producer goods industry of her own, and so has to import basic machinery, equipment and spare parts from abroad. But this foreign equipment has often been produced to suit different conditions in the imperialist countries. In particular, it is designed to suit a large market, and conditions of greater labour scarcity. Hence it is labour saving. Plants adapted to supplying large markets very soon become the basis of monopolies in the small Ceylonese market. This probably accounts for the following tendency noted by the Central Bank report: "An evaluation of data relating to size distribution of firms based on value of output indicates a definite trend of polarisation of output among the larger firms. In 1970, of the total number, 10% of the firms whose value in output was Rs.2m. and over, contributed as much as 82.8% of total output". Large plants are often too big for the small market altogether, and thus there is considerable under-utilisation of capacity. Rough estimates put the margin of unused capacity in Ceylonese light industry at about 60%. In steel, wire, tubes and tyres, under-utilisation is much greater. In addition, imported plants and techniques are often unadapted to resource availabilities, particularly the socio-economic conditions of Ceylon. Buddhadasa Hewavitharana has called attention to the effects of this on unemployment in Ceylon (in 1970-71 out of a total labour force of 3.25m. some 700,000 were unemployed and the situation is undoubtedly worsening).

There is still another consequence of the attempts at industrialisation. Since supplies for industry have to be imported, the attempt at industrialisation has increased the need for foreign exchange, which is also used to buy rice imports for a rising population. About 3/4 of the raw materials required for Ceylonese industry originate from foreign sources, and this pattern of raw material utilisation has remained static in the period 1966-1970. Since, as we have seen, it has proved impossible to increase export earnings, a 'resource gap' has emerged which has been filled by resort to 'aid' and other borrowing. But this 'aid' and borrowing has proved to be less and less helpful as interest and capital repayments mount up. Aid flows increased by about Rs.60m. each year since 1967 to reach about Rs.460m. in 1970 and short term borrowing from abroad rose from Rs.187m. in 1967 to Rs.297m in 1968 and then Rs.663m. in 1969. And then the chickens started coming home to roost: "It is estimated that capital repayments will rise from Rs.390m. in 1969 to Rs.580m. in 1970 and Rs.963m. in 1971". In addition, the National Income Accounts give some idea of the trend in the outflow of income with respect to all foreign capital (short and long term, public and private) — they shoot up particularly after 1968, from Rs.60.5m. to Rs.153.6m. in 1970. How much long term help this aid is can be assessed from the trend in the ratio of debt servicing charges to foreign exchange earnings. In 1966 debt servicing was running at 5.96% of such earnings, and by 1969 it was 12.42%.

CONCLUSION

This brief article has not attempted to analyse in detail the problems of the Ceylonese economy. What it has attempted to show is that imperialism has structured Ceylon's economy to its own benefit and to the detriment of the Ceylonese. More specifically, imperialism profits from the difficulties of Ceylon, it gains from the fall in the prices of primary commodities and in the long run is able to avoid the disadvantages of this by pulling out its own capital. It gains from the attempts at industrialisation since this provides a market for the producer goods of the imperialist countries — even though these are ill-adapted to Ceylonese conditions and distort Ceylonese development. Finally imperialism gains from a limited decay in the Ceylonese economy because Ceylon is forced to become the debt slaves of international bankers. After all under capitalism you can make profits out of most things — including unsuccessful revolutions.

Brian Davey.

from Ceylon Government Gazette,
20 August 1971

my No. PA/MD/52

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Ceylon Solidarity Campaign

The C.S.C. was set up in Britain at the time of the brutal crushing of the insurrectionary youth of the J.V.P. (Peoples Liberation Front). From its inception at a meeting in April 1971, the C.S.C. was conceived as a United Front of organisations and groupings coming together in solidarity with the revolutionary struggle of the Ceylonese masses against the armed power of the Bandaranaike regime and of Ceylonese and foreign capital.



C.S.C. picket of London Tea Centre, April 1972

The C.S.C. has produced three issues of its *Ceylon Solidarity Bulletin** since the beginning of the year. In No.1 much information is produced in the form of letters and documents from Ceylonese citizens, showing the injustices being carried out and the widespread opposition to the policies of the Bandaranaike government. In No. 2 the implications of the Criminal Justice Commissions Act are drawn out, and in No. 3 there is an analysis of the new Sri Lanka Constitution, together with news of solidarity campaigns in Australia, Japan, Canada and the United States.

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