

*Theoretical Organ of the New Democratic Marxist Leninist Party*

# **Marxist Leninist New Democracy**

**December 2023**

**77**

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*Background: (front cover) Defiance amid destruction in Gaza 2013*

*(back cover) Ku Klux Klan fascists (The Second Klan) 1915-44*

# The Key to Liberation

*Mohanadharshini*

There is no time limit  
for wage-less jobs.  
Sudden guests  
are the overtime allowance  
for those without Sundays.  
It is said that we will not realize  
that we are chained  
until we begin to walk.  
Feet bleed  
for those who start to walk  
with chains of affection  
that they cannot cast away.  
Even as one thunders on stage  
for human liberation  
what crosses the mind  
is what snacks to make  
for evening tiffin.  
Atop a thousand tasks  
politics is a thousand and first.  
But it is also  
the key to liberation.

*("Those who do not move, do not notice their chains.")*

*Rosa Luxemburg}*

Electoral soothsaying about long overdue elections to provincial and local councils died in the face of the President's arrogant refusal to hold them. Betting is now on Presidential and Parliamentary Elections.

Leading political parties proved impotent to challenge government's autocratic attitude in matters from elections to its burdening of the public by price hikes and severe taxation by bowing to IMF demands.

Opposition attitude to the national question reflects indifference even as the President turns a blind eye to chauvinists, aided by the police and the Archaeological Department, claiming and confiscating land on bogus pretext, while the police arrest and attack protesters seeking answers to questions of long-term detainees and missing persons.

The failure of the opposition, chiefly the main opposition SJB, helped the President to boldly implement the IMF agenda and let US and India assert themselves politically and economically and seek to expand militarily in the country, using the media fiction of a Chinese threat. Large sections of the mainstream media seem to be controlled by foreign vested interests. Public faith in news media has waned in the face of loss of credibility of published news and comment.

This context has renewed interest in the JVP, which lost its place as a credible political option by its short-lived alliance with the SLFP in 2004 followed by its support for Mahinda Rajapaksa in 2005 which before long led to a three-way split in the JVP. Credibility lost, the JVP resorted to Sinhala chauvinism in the name of saving the country from the. That bid did not yield fruit as the JHU had better credibility as a bastion of Sinhala Buddhist chauvinism. Forgetting its own past as the first political party branded as terrorist by the state in independent Sri Lanka and the loss of tens of thousands of cadre and supporters to state terror, it still refuses to recognize minority nationalities and remains the least willing major party to offer devolution of power.

Despair made the JVP form the National Peoples Power (NPP) alliance with left oriented and politically liberal partners. But the say the partners had in policy matters of NPP fast evaporated, like in the DJV, the JVP-led chauvinistic alliance formed in 1987 to reject the Indo – Sri Lanka Accord.

Frustration with SJB helped to partially revive the UNP. The economic disarray and the IMF induced misery have now made the NPP seem an untried option, although the people did taste 'JVP power' in 1987-89 and early this century. Electoral opportunism of the JVP drives its fear of forfeiting its Sinhala Buddhist voter base. Its lack of political courage stops it from critically reviewing its past (the two ruinous insurrections and its opportunist alliances, mainly with Mahinda Rajapaksa in 2005–6).

Given the short memory of the electorate, the JVP/NPP may end up as the largest parliamentary party. Winning the Presidential Election too is not unimaginable. But what has it to offer to the country?

The JVP/NPP talks glibly of “a unique Sri Lankan economic model based on socialist principles”. This implies a flawed understanding of obstacles to socialism under neo-colonialism, especially with US imperialism and Indian Hegemony tightening their economic and political grip on the country. How the 'economic model' will unfold will rely heavily on JVP's stand on anti-imperialism, the national question and plans if any for rebuilding a national economy, in a country which is stuck on the export of labour to the extent of at least a fifth of its active work force.

The JVP needs to come clean on its past to admit and explain grave past political mistakes. Its Sinhala Buddhist sectarianism is hard to shed, as the leader's words to put Tamil voters at ease are openly contradicted by other leading members. Its illusion of transition to socialism under global neo-colonialism could be an obstacle to the anti-imperialist cause.

Left and progressive forces can at best give critical support to the JVP in any election, but insist on JVP's disowning chauvinism and declaring a clearly anti-imperialist programme of action.

# European Fascism and Asian Fascism

## Defining Fascism

Fascism is more easily recognized than defined or explained consistently owing to the contextual nature of its arrival, growth and source of inspiration. Thus, haphazard use of the term could rob it of its essence.

Despite difficulty in arriving at a fairly universal definition of fascism, its salient features have been identified in the literature. Emphasis on any specific feature of fascism relies, however, on the class and ideological basis of the study. Individually, several features of fascism may apply to non-fascist bodies, while truly fascist outfits could lack some.

Fascism is mostly seen in terms of a phenomenon comprising the desperate response of a section of European capital to the post First World War (WWI) crisis of capitalism and grew to torment Europe until the end of the Second World War (WWII). Georgi Dimitrov in his Report to the 7<sup>th</sup> World Congress of the Communist International in 1935, called it "an open terrorist dictatorship of the most reactionary, the most chauvinistic, the most imperialistic elements of the financial capital".

[[https://www.marxists.org/reference/archive/dimitrov/works/1935/08\\_02.htm](https://www.marxists.org/reference/archive/dimitrov/works/1935/08_02.htm)].

Dimitrov further explains:

“(Fascism) is not a power standing above class, nor government of the petty bourgeoisie or the lumpen-proletariat over finance capital. Fascism is the power of finance capital itself. It is the organization of terrorist vengeance against the working class and the revolutionary section of the peasantry and intelligentsia. In foreign policy, fascism is

jingoism in its most brutal form, fomenting bestial hatred of other nations.

“This, the true character of fascism, must be particularly stressed because in a number of countries, under cover of social demagoguery, fascism has managed to gain the following of the mass of the petty bourgeoisie that has been dislocated by the crisis, and even of certain sections of the most backward strata of the proletariat. These would never have supported fascism if they had understood its real character and its true nature”.

He adds: “the development of fascism, and the fascist dictatorship itself, assume different forms in different countries, according to historical, social and economic conditions and to the national peculiarities, and the international position of the given country” and urged the importance of realising that fascism represents the interests of finance capital and not the petty bourgeoisie or a most backward layer of the proletariat which it used to seize power. He also noted that fascism, when politically weak, will resort to parliamentary democracy and make allies of capitalist and social-democratic parties, but shun communists.

Also the ruling bourgeoisie, for fear of a revolutionary uprising, will help fascism secure unrestricted political monopoly and, using its skill to blend open terrorist dictatorship with sham bourgeois democracy, even resort to a reign of terror against all rival parties and groups. Dimitrov stressed that the accession to power of fascism is not a succession of one bourgeois government by another but a replacement of one state form of bourgeois class domination by another, in other words, replacement of bourgeois democracy by an explicitly terrorist dictatorship.

Dimitrov’s insight is still valuable to evolve appropriate strategy to meet the manifestations of fascism in advanced capitalist countries. However, methods used successfully to confront fascism in the inter war period may fail against fascism in unlike contexts of Third World ‘democracies’.

As much has been written on the return of fascism to Europe and the Americas, this text will deal with that briefly and look closely at the rise of Third World fascism, mainly in South Asia with strong fascist trends.

## Characterizing Fascism

It helps to recognize features shared by fascist bodies, and assess the worth of each as a criterion to decide if a body is fascist.

Lawrence Britt in his "Fascism Anyone?" in the Free Inquiry Magazine **22** (2), 15 July 2003 (see <http://www.hartford-hwp.com/archives/27/076.html>) lists 14 defining features of the fascist regimes of Hitler (Germany), Mussolini (Italy), Franco (Spain), Suharto (Indonesia) and several Latin American regimes, as listed below:

1. Powerful and continuing nationalism
2. Disdain for the recognition of human rights
3. Identification of enemies/scapegoats as a unifying cause
4. Supremacy of the military.
5. Rampant sexism affirming traditional gender roles
6. Controlled mass media
7. Obsession with national security
8. Intertwining of religion and government
9. Protection of corporate power
10. Suppression of labour power
11. Disdain for intellectuals and the arts
12. Obsession with crime and punishment
13. Rampant cronyism and corruption
14. Fraudulent elections

Britt's study could seem a satire on US democracy, as the American state seems to fit on each count to some degree. It recalls Chomsky's comment in the Wire, 31.1.2016: "the US is one of the most fundamentalist countries in the world" (<https://chomsky.info/01312016/>).

Marxists Internet Archive Encyclopedia. a Trotskyite website, lists the key characteristics of fascism thus (<https://www.marxists.org/glossary/>):

1. Right wing ideology
2. Militant xenophobic nationalism
3. Hierarchical social order in every sphere and sector of society.
4. Anti-egalitarianism
5. Emphasis on archaic religious values
6. Support of capitalism
7. War as a means to serve capitalist class interests
8. Voluntarism (faith that a sufficiently powerful act of will can make something true).
9. Anti-modernism

To use any combination of characteristics to define fascism would be to confuse symptoms with ailment. It will be fruitful to appreciate the essence of fascism and use it to recognize its emergence in any context.

The Maoist Internationalist Movement (MIM) at its Congress of 2002 [<http://www.prisoncensorship.info/archive/etext/wim/cong/fascismdef.html>], based on Georgi Dimitrov (**Against Fascism and War**, New York: International Publishers, 1986) and Rajani Palme-Dutt (**Fascism and Social Revolution**, New York: International Publishers, 1934), resolved that fascism is a terroristic dictatorship of the most reactionary, most chauvinistic, and most imperialist elements of finance capital and an extreme measure by the bourgeoisie to thwart proletarian revolution.

The MIM also exposed the hypocrisy of fascism and pointed to features shared by bourgeois democracy and fascism and collaboration between the two as class dictatorship of finance or comprador capital.

## Post WWII Fascism in the West

Defeat in WWII, although a heavy blow, did not kill fascism in Europe or even the Americas where fleeing fascists were warmly received. While openly fascist parties ceased to be after WWII, neo-Nazi organizations that sprang in Europe endured. But Nazi derivatives in Europe and the



Americas failed to mobilize enough electoral support to seize state power as fascism did in post-WWI Europe.

### ***White racism substitutes for anti-Semitism***

The centrality of anti-Semitism to fascism faded fast in the second half of the 20<sup>th</sup> Century. White racism took its place amid a surge in Third World immigration to EU countries owing to poverty, famine and civil war, issues for which imperialism has much to answer. Fascism found a credible scapegoat.

The Shadow Report 2015–2016 of the European Network Against Racism ([https://ec.europa.eu/migrant-integration/sites/default/files/2017-05/shadowreport\\_2015x2016\\_long\\_low\\_res.pdf](https://ec.europa.eu/migrant-integration/sites/default/files/2017-05/shadowreport_2015x2016_long_low_res.pdf)) drew attention to a fivefold increase in immigration during 2015–16 as a key aspect of European racism. The report, commenting on racism and discrimination against migrants, urged the need to protect African migrants, often framed as ‘economic’ or ‘illegal’ migrants without due process. It also noted the impunity with which politicians and the media indulge in anti-migrant statements and racist hate speech. It also noted that public support for far-right parties and groups was growing in several countries, to set the tone of the debate on immigration, especially of Muslim migrants.

Anti-migrant discourses and policies are increasingly appealing across the political spectrum so that new border policies and counter-terrorism measures are introduced with minimal resistance in some EU countries to compound the harassment suffered by migrants, asylum seekers and refugees at the hands of neo-fascists and other racists.

### ***Neo-fascists gain in electoral politics***

Neo-Nazi parties ranging from the Deutsche Rechtspartei founded in 1946 in Lower Saxony to the National Democratic Party (NPD) founded in 1964 made minimal impact electorally until German reunification in 1990. Thereafter neo-Nazi groups gained status and grew amid economic

dislocation and social unrest. As neo-fascist violence against immigrants and aliens did not take them far politically, they changed strategy and substituted explicit fascism with what was dubbed 'far right democracy'. The Alternative für Deutschland (AfD) founded in 2013 became the third largest party in Germany in 2017. Although it dropped to the fifth largest in the 2021 federal election, it is still strong.

Neo-fascists across Europe re-branded themselves as far right parties for electoral success. Notable among them are, besides the AfD, the Dutch Party for Freedom (PVV), France's National Front and the UK Independence Party (UKIP), all reputed for being Islamophobic, anti-immigration, narrow nationalist, conservative, Eurosceptical and, above all, bitterly hostile to socialism and communism.

Western media avoid calling fascistic forces fascist by calling them 'far right' or 'anti-immigrant right' or some such as convenient to make them 'respectable'. In return the fascists oblige with cosmetic changes (like deferring their 'Holocaust denial') and are cheered for it by political and media establishments, despite their neo-fascist essence.

In Italy, the neo-fascist Italian Social Movement (MSI) founded in 1946 gained popularity in the early 1990's after pervasive corruption in the ruling parties came to light. The MSI joining the conservatives in government following elections in 1994, dissolved itself in 1995 and became the far right National Alliance (NA), and nominally discarded its fascist ideology and anti-Semitism to join centre-right governments. Italy's most right-wing post WWII governments, like Silvio Berlusconi's in 1994, had NA as coalition partner. Italy has been ruled by centre-right governments throughout but for short spells of 'left' rule. But when an immigration crisis struck EU in the 2010s, with Italy as a doorway and destination for asylum, the far-right Eurosceptic parties stirred public discontent, paving the way for the far right to gain momentum. Election as prime minister in September 2022 of Giorgia Meloni (leader of the neo

fascist Brothers of Italy (BoI) with roots going back to the neo-fascism of 1945) is a high point in the electoral fortunes of Italian neo-fascism,

The electoral success of the Freedom Party of Austria (FPÖ) — a fascist outfit politely referred to as ‘right-wing populist’ — in Austria in 1999 enabled it to join the conservative Austrian People’s Party (ÖVP) in February 2000 with half of the posts and the Deputy Chancellorship. Pressure from the EU strained relations in the coalition which broke up in 2002, causing a sharp drop in support for the FPÖ. But the refugee crisis that gripped Europe in 2015 has assisted its recovery.

Prospect is weak for total neo fascist control in post-WWII states in Europe or the Americas. But that is not to deny neo fascist ability to use populist means to impose on governments parts of the fascist agenda. Racist immigration control in Europe owes much to ‘far right’ pressure. Centrist and moderate parties have yielded on immigration and social welfare to avert losing electoral ground to the far right. Countries with no credible alternative to their main political parties that have repeatedly failed to address key issues risk the fascist ‘far right’ moving in to fill the vacuum. It happened in the 1990s amid the state of disarray of European socialists and communists in the face of rising neoliberalism and the ‘shock’ of the fall of the Soviet Union. The fact that the Front National (FN) in France gathered enough votes to contest the presidential runoff in 2017 is fair warning that the bourgeois democratic parties, be they Centrist or Centre-Left, cannot be fully entrusted with the job of resisting European neo-fascism. Already far-right parties are either in government or supporting the government from within parliament in Poland, Finland and Sweden and have come to power in Italy in 2022.

Among Nordic countries, neo-fascism is weakest in Iceland, but growing. In Sweden, the anti-immigrant Sweden Democrats, the fastest-growing political party, secured 20.5% of the vote in 2022 to be the second largest after Social Democrats with 30.3%. It kept out the Social Democrats by supporting a centre-right alliance to form a minority government. Neo-

fascists are thus well placed to dictate government policy on key issues. Norway, now home for neo-Nazi activists, has since 2013 the right-wing populist Progress Party as a junior partner of the ruling Conservatives. (<http://www.tnp.no/norway/panorama/4554-scandinavian-neo-nazis-make-norway-headquarter>). The anti-immigrant, Euro-sceptic Danish People's Party, pledging higher public spending than its rivals and restoration of border controls, came second in the general election of June 2015. In Finland, the right-wing populist Finns Party got 17.5% of the popular vote to be the dominant partner in the ruling alliance. What is significant in Nordic countries is the growing support for the 'far right' amid the rise of potent neo-fascist anti-immigrant groups since 2015.

In Switzerland, the ultra-right Swiss People's Party (SVP) rose steadily to fetch 29% of the national vote and claim most votes in 16 of 26 cantons in 2015. The SVP upholds a national conservative policy bitterly hostile to Islam and immigration and, despite its neoliberal economic policy, opposes Swiss membership of EU and partnership with NATO.

Fascist resurgence was slow in Spain ruled by Francisco Franco (1939–75), the fascist dictator and US ally since 1953, despite his support for Nazi Germany in WWII. But, the far-right Vox party founded in 2013 grew rapidly to win 15% of the vote in 2019. Its failure to win a place in the coalition government of 2023 does not mean a major drop in support.

Fascist dictator Antonio Salazar ruled Portugal from 1932 to 1968. While the legacy of his fascist order Estado Novo held on, Portugal had until recently no significant neo-fascist groups. Voters resisted far-right parties until legislative elections in 2019. The right-wing populist party Chega propelled itself forward with an anti-system posture backed by anti-LGBTQ, anti-immigration, and anti-women discourse, to get its leader André Ventura elected to the legislature in 2019, the year of its founding. In 2022 Chega came third, with 12 seats and 7.2% of the vote, to revive the residues of racism of a colonial era that ended in 1974 marking the end of Portuguese colonialism in Africa and its fascist dictatorship.

The fascist 4<sup>th</sup> of August Party of Greece assisted the US-backed 1967 military coup, launched on pretext of containing 'communist subversion'. Although military rule lasted till 1974, Greece was allowed its presence in NATO. Greek neo-fascism re-emerged in 1980 as the brutally racist ultra-right Golden Dawn with explicit Nazi affinities. Its success peaked in 2012 with 7% of the vote, only to slip soon after. The Court of Appeals in Athens deemed it a criminal organisation in a landmark verdict in 2020 in the biggest post Nuremberg trial of self-professed fascists. But the neo-fascist Spartans, Greek Solution and Niki (Victory) have emerged from the shadows to claim 34 seats of 300 between them in June 2023.

Despite the racism of British society, British neo-fascists were for long politically weak. The British National Party (BNP), the most successful of them, that made an electoral breakthrough in local elections in 2008-9, collapsed in 2010. The United Kingdom Independence Party (UKIP), as racist and anti-left, gained from BNP's fall. UKIP 's campaign to get Britain out of EU helped it to overtake the Liberals and then Labour to be the second most popular party in the UK in 2014 and the leading party at elections to European Parliament in 2014. But its electoral fortunes dwindled as it had little else to offer after the UK voted to leave the EU.

Right wing parties dominate in former member states of the Soviet Union and former socialist states of Europe, at times with neo-fascist allies. Fascism re-emerged strongly in Ukraine, where the neo-Nazi Svoboda Party entered government with US backing after the coup of 2014. Nazi targeting of speakers of Russian has escalated since then. Of former Socialist states, Hungary, Bulgaria and Czech Republic and some born of the former Yugoslavia have strong groups with clearly fascist traits.

Arrival of large numbers of West Asian refugees of war in Europe amid an economic slump was a boon for neo fascists. Remarkably, the radical right Alliance for the Unification of Romanians (AUR), founded in September 2019 won 8.7% of the votes for the Chamber of Deputies and 8.8% for the Senate in 2020 making it the fourth largest party in Romania.

The Polish far-right fuses Catholic fundamentalism with radical ethnic nationalism. By 2012, it had impact on mainstream politics. The National-Radical Camp (ONR), a force, comprising three highly active far-right extremist groups, even without an elected MP, enjoys the patronage of the ruling right wing Law & Justice (PiS), which has embraced much of the radical nationalist ideology. Besides its anti-Semitism, ONR locates ethnic identity above economic and social policy, and like PiS upholds orthodox views on family and gender roles, much against EU policy.

Rightist nationalism dominates in Hungary, and the far-right nationalist party Jobbik founded in 2003, is among powerful political forces. After becoming the third-largest political party in 2010 it abandoned its neo-fascist identity in the interest of popular support. But a more extreme faction split to create the Our Homeland Movement in 2018.

European neo-fascism has grown to win power electorally in Italy, Sweden and Finland. Mainstream media politely call it nationalist, conservative, far right, populist etc. but not fascist. Endurance of the neo-fascist grip on power depends on international political developments. But it will take a strong left challenge to arrest the rise of neo-fascism.

Several left and liberal intellectuals in Europe and North America locate post-WWII fascism on European fascism and see an ideological affinity to pre-WWII European fascism. Thus, they miss how different forms of neo-fascism work to condition society and control government. Notably, anti-Semitism has long forfeited its prominence in fascist politics.

## **Features of European Neo-Fascism**

European neo-fascism is a post-WWII phenomenon with the reactionary, racist, chauvinist and anti-left traits and the dictatorial terrorist ways of pre-WWII fascism. While its immediate enemy is defined by context, overall, Muslims rank high and the Roma (gypsies) remain a target of ethnic hate in parts of Europe. Blacks and Asians suffer neo-Fascist initiated hate cycles. Ukraine's neo-Nazi factions are inspired by an anti-

Semitic history and a record of collaboration with German Nazis. Anti-Russian sentiment whipped up by the neo-Nazis since 2014 has been followed by attacks on all aspects of Russian identity.

Neo-fascism upholds the interests of imperialist bourgeoisie and finance capital and loathes proletarian revolution. It gained immensely from the weakening of the Left—the only credible opponent of racism. It indulges in populist politics with ultra-nationalism and racism as salient features.

The fading significance of anti-Semitism should be seen in the context of Zionist alliance with Imperialism and Jewish migration to Israel in late 20<sup>th</sup> Century, causing a fall in Jewish population in Europe. European neo-fascism now draws on racist values that struck root in Europe during European colonial rule over what is the Third World or Global South. In West Europe, racism based on colour drives anti-immigrant policies. But the focus varies. For example, neo-fascist targeting of West Indians in Britain gave way to targeting South Asians, amid strong colour prejudice.

French neo-fascists targeted Algerians after Algerian liberation in 1962, and German neo-fascist mostly targeted Turkish nationals (including Kurds). While post-WWII neo-Nazis attacks on European Jews faded in the last quarter of the 20<sup>th</sup> Century, the Roma (gypsies) remain a target in Europe, particularly in Eastern Europe where, after the fall of socialist regimes in 1989, they became the target of emergent far right groups.

Most neo-fascist groups are not Nazi residues, and anti-Semitism (really anti-Jewish politics) is almost irrelevant to neo-fascism, which despite its chauvinist anti-EU posturing and even rejection of NATO, are part and parcel of imperialism and resolute enemies of proletarian revolution. Neo-fascists moved into the political vacuum caused by the failure of the European left and use populist slogans to stir racism among the lower middle and working classes who bear the brunt of the economic crises.

There is still tendency among the Western media to stick the neo-fascist label on anti-Semitic groups and holocaust deniers while exempting anti-immigrant, ultra-right nationalists who are not anti-Jewish. Although

ethnic and racial animosity seems more prominent than fascist ideology in the discourses of ultra-nationalist and far right parties of Europe, the identity politics that they upheld has much in common with fascism.

With post WWII aversion for fascism alive among the European public, prospects are weak for explicitly fascist rule in the near future, as neo-fascist propensity for violence troubles bourgeois democratic parties. Yet the series of electoral gains by neo-fascists has forced many European governments to adopt, willingly or otherwise, neo-fascist racist positions on immigration and rights of immigrants, as seen in their attitude towards the influx of refugees from civil wars induced by imperialism.

Western media and political analysts avoid referring to European ultra-right political parties that participate in electoral politics as neo-fascist even when they espouse forms of fascism. Such approach is blind to the fact the Nazis have used electoral means to capture power in Europe.

Fascism reborn as neo-fascism retains its anti-left, narrow nationalist, racist ideology. It is unlikely to grow into a global threat for its narrow nationalism will hinder that. But its racism and anti-leftism will assure its place as a useful client of imperialism or at best a junior partner.

## **Fascism in Asia**

MIM's characterization of fascism captured the essence of fascism in Europe until the first half of the 20<sup>th</sup> Century. The characterization will hold for present day neo-fascism in all its forms as well. We only need to identify the local and foreign players and their respective roles correctly.

Attraction to fascism in the colonies and neo-colonies involved other subjective factors. Several anti-colonialist forces in South and Southeast Asia that loathed Britain and France aligned with fascism in the run up to and during WWII. Criticism of such support often missed the depth of the anti-colonial fury and vexation with the loyalty shown by their rivals to the colonial oppressor.



Resentment of Anglo French domination made several Arab nationalists (although relatively more reactionary) side with the Nazis in WWII. Right wing Arabs and Zionists were reputed for their affinity for the Nazis. The attraction persisted even after WWII so that there were parties adopting the Nazi ideology in whole or in part in the Middle East, including Iran, as late as the 1950s. Fascination with European fascism faded after the monarchies of Egypt and Iraq were overthrown.

### *Fascism in Asia and Africa*

In pre-WWII Asia, fascism held power only in Imperial Japan, but, unlike in Europe, it lacked a popular base. A militarist takeover and imposition of a fascist regime on the people occurred with the Emperor's approval amid external and internal conditions akin to those in post WWI Germany and Italy. The influence of the armed forces in affairs of state was reinforced by the inability of the Diet (parliament) to address Japan's economic problems that were inseparable from the global capitalist crisis that caused the Wall Street Crash of 1929. The fascist military takeover in 1932 thus had public support amid waning faith in bourgeois democracy and Japan's facing an increasingly hostile West, the US chiefly. The ensuing upsurge in patriotism was amenable to Japan's aggression in north-eastern China and later its westward expansion during WWII.

Affinity among independence movements in colonial Asia and North Africa for fascist Japan and Nazi Germany during WWII owed much to misguided anti-imperialism and elitist narrow nationalism. There were Arab nationalists guided by fascist ideology in West Asia and North Africa, mostly inspired by the rise of fascism in Europe. That generation of fascist organizations faded away with the fall of Germany and Japan.

India's militant leader, Subash Chandra Bose (Nethaji) allied with the Nazi Germany and Imperial Japan. Although no fascist, his alliance with Japan harmed Asia's anti-fascist effort during WWII. Similarly, it was not owing to fascist leanings that Burma's liberation leader and fighter Aung

San aligned with Japan. His faith that fascist Japan was the lesser evil did not last. Both leaders joined hands with fascist states as they prioritised nationalism over working class interests. But they were more progressive than loyalists of the British Empire. Indonesian nationalists Sukarno and Hatta, on the other hand, bartered concessions from Japan in return for their support, until the eve of Japanese surrender in August 1945.

Indian Hindutva fascists with affinity to Nazi ideology, however, held on as religious fundamentalists with sectarian ideas akin to fascism. (Marzia Casolari "Hindutva's Foreign Tie-Up in the 1930s: Archival Evidence", *Economic and Political Weekly*, 35 (4), Jan. 22-28, 2000, pp. 218-228)

Conditions were unfavourable for fascism to strike root in the colonies and semi-colonies striving for freedom from colonial rule. Unfolding of post-war fascism in Asia was contextual and within national boundaries. Let us return to it after a brief look at neo-fascism in the Americas.

### ***Neo-Fascism in the Americas***

While neo-Nazi groups exist in the US, the biggest fascist force is the state, controlled by monopoly capital and implementing a fascist agenda in the name of democracy and freedom within and without the US. The rise of fascist right-wing Christianity bonds with defending the so-called American way of life. Barry Goldwater, who lost badly at the Presidential Election in 1964, and Donald Trump, former President and aspirant for Republican nomination in 2024, are not racist freaks but represent the white supremacist ideology pervading American society.

The US, feigned interest in democracy and freedom, only to impose fascist dictatorships in Latin America in the 1960's and 70's. Latin American fascism was thus most unlike Europe's, where fascists seized power using populist politics. Since the 1970s, there are instances, as in Chile in 1974, where manufactured dissent provided the pretext for a military coup and a dictatorial regime to follow. Chile suffered the

murderous fascist regime of General Pinochet from 1974 to 1990. Despite political defeat, fascism still has its footprints in Chilean politics.

Latin American neo-fascism was not home grown. South America had echoes of European fascism that from Spain followed by Nazi ideology brought in by German settlers in Argentina between WWI and WWII. Since people have experienced brutal US-backed fascistic regimes and the impact of globalization, popular resistance to right wing regimes is robust in Latin America, although the threat of a right wing coup is real.

Latin America has been home to oppression of indigenous people who are also victims of racism and discrimination. However, democratic and anti-US imperialist struggles enabled the indigenous people to have a say in the affairs of the state in several countries, especially Bolivia. But full restoration of the rights of the indigenous people has far to go.

US obsession to replace any government with a hint of social justice or anti-imperialism with a right-wing dictatorship is reminiscent of imperialist driven regime-changes in Latin America in the 1960s. In this century, the US backed right wing in Venezuela, Bolivia, Nicaragua and later Brazil link with covert fascists against progressive governments.

### **Post-WWII Fascism and Neo-Fascism in Asia and Africa**

The biggest post-WWII fascist success in Asia was the US-backed military coup by General Suharto's in Indonesia in 1965. The US saw the Communist Party of Indonesia (the strongest communist party outside socialist countries) as a grave threat to imperialism in the region. Suharto, raised the spectre of a takeover by atheists and invoked religion to stoke anti-communist violence by the Muslims majority. The army, aided by anti-communist militias and guided by US intelligence, killed between 500,000 and 1,000,000 communists and sympathizers between October 1965 and early 1966. Ethnic Chinese too were targeted but not killed in large numbers. Although resentment of ethnic Chinese, mainly owners of

small businesses, existed in Indonesia, systematic violence, including anti-Chinese riots, began only after the fascist coup of 1965. Inequitable legislation against ethnic Chinese followed.

Annexation of West Papua in 1969 and East Timor in 1976, backed by the US, cruel repression in East Timor (1975-99) and Aceh (1976-2005) and pursuit of violence in East Timor even after its liberation are important aspects of Indonesian fascism.

Although Suharto was brought down by anti-government riots in 1998 precipitated by the global economic crisis of 1997, the riots also saw some of the worst attacks on ethnic Chinese. Ousting of Suharto did not wipe out the legacy of 32 years of fascist rule. Anti-communist prejudice runs deep in society, and the religious sectarianism of the fascist regime has its successors in a few but influential hard-line Sunni fundamentalist groups that target Shiite, Ahmadiya and Christian minorities.

The next major fascist event was in the Philippines amid the prospect of a strong revolutionary movement led by the reorganized Communist Party of Philippines (CPP) in 1968. As anticipated by the CPP in 1969, the comprador and landlord classes could not abide by bourgeois democratic norms to rule the country, and Ferdinand Marcos declared martial law in 1972 and extended his rule beyond the constitutional two-term limit in 1973 on pretext of threats posed by Communists and Moro nationalists. Public anger and protests ousted Marcos in 1986. But US support and protection for him continued the way it did during his fascist dictatorial rule. The damage to democracy endures, and changes in government did not end subservience to the US or the reluctance to negotiate with the National Democratic Front (of which the CPP is a key member or the deceptive approach to the Moro national question.

In Africa, politics with European fascist features existed only in White-dominated independent South Africa, where Nazism had an early audience. Institutionalised racism in the form of Apartheid made racism

in South Africa and in Europe have much in common. South Africa was from 1932 home to groups claiming identity with European fascism. Far right white-supremacist groups emerged in the post-WWII era to defend Apartheid. The Afrikaner Volksfront, a coalition of White-supremacist organizations was formed in May 1993 to disrupt transfer of power to the native majority by sabotaging the elections scheduled for 1994.

White racism is still alive in South Africa, but less explicitly, since Black leaders of the ruling ANC have assured that imperialist domination and privileges of White capitalists will last as long as it is in power. Prospects for the rise of neo-fascism are, however, weak.

## **Neo-Fascism in Asia**

Neo-fascism in Asia took two routes: (1) transformation of ethno-religious chauvinism into neo-fascism; (2) outgrowth of religious fundamentalism induced or encouraged by imperialism.

Religious intolerance in South and South East Asia was vitalized together with anti-colonial resistance. Ethno-religious nationalism, resentful of colonial rule, also harboured grudges against ethno-religious minorities, based more on business rivalry and contest for favoured positions under colonial rule, or even plain bigotry rather than on theological issues.

In Sri Lanka, Sinhala Buddhist chauvinism first struck Roman Catholics, and then Muslims, Hill Country Tamils and Tamils in that order. Now the Muslims are the main target. Sections of the media and political analysts identify groups like the Bodhu Bala Sena, Sinhala Ravaya etc. as extremist or even fascist. But few will dare call the Jathika Hela Urumaya (JHU) or Sihala Urumaya, its forerunner, fascist, although BBS, SR and other fanatics only translate JHU ideology into violent deeds. Notably, Sinhala Buddhist fundamentalism is anti-left and pro imperialist. An important feature of Sinhala Buddhist chauvinism is its wilful distortion

of history to lay claim to lands in which minority had been resident for centuries. The government and its biased archaeologists willingly oblige.

Myanmar (then Burma), besides a long record of oppression of minority nationalities, was a scene of anti-Indian violence since WWI. Hostility soared during the Great Depression and over 200 Hindus and Muslims were killed in 1930 in riots in Yangon (then Rangoon). Half a million Indians fled Myanmar in 1942 during Japanese occupation. Following the military coup of 1962, persecution forced 300,000 Indians to leave by 1964. Burmese Chinese too suffered state-sponsored violence and bias from 1967 through the 1970's, forcing large scale emigration.

The political transition of 2011 was followed by Buddhist fundamentalist pogroms targeting Rohingya Muslims in the western state of Rakhine. In 2012, hundreds of Rohingya were killed and over 140,000 were displaced; and their persecution continues at home and in refugee camps abroad. Meantime the Arakan National Party (ethnic Rakhine Buddhist party) formed by merging of two neo-Nazi parties (Rakhine Nationalities Development Party and Arakan League for Democracy) in 2014 won 22 of the 35 contested seats to the Rakhine State Parliament in 2015, with vote denied to several hundred thousand Rohingya, whose citizenship is rejected by all major players in Myanmar.

The Committee for the Protection of Race and Religion (Ma Ba Tha), was founded in 2013 as successor to the 969 Movement, the driving force of the anti-Muslim violence of 2012-2013. Ma Ba Tha, craves a solely Buddhist Myanmar. Ma Ba Tha is unlikely to capture state power. But the undercurrent of Buddhist nationalism with roots in the anti-colonial struggle of the 1930s and 1940s and revival under military rule since 1962 ensure Ma Ba Tha considerable sway in the government— be it military or 'democratic'. Ma Ba Tha's hold on Myanmar's politics and ideology was clear when it could persuade Parliament to write into law in August 2015 (much ahead of elections in November) four bills drafted by it (Religious Conversion Bill, Buddhist Women's Special Marriage Bill,

Population Control Healthcare Bill and Monogamy Bill) legalizing discrimination against women and Muslims. Ma Ba Tha.

Militant Buddhism in Burma and in Sri Lanka, have many similarities despite differences in detail. Notably, Ma Ba Tha and JHU developed as independent religious fundamentalist entities by manipulating Buddhist sensitivities. But, unlike the JHU, which underwent several splits, Ma Ba Tha holds monopoly over Buddhist extremism in Myanmar.

India's ultra-nationalist anti-left Hindu fundamentalism had roots in the part Indian freedom movement that wanted a Hindu identity rather than the secular identity, also urged in the constitution. It plays on Hindu-Muslim contradictions and is hostile to Muslims and Christians.

The Sangh Parivar, with the Rashtriya Swayamsewak Sangh (RSS) at its head, serves as the Hindutva umbrella. Member organizations, despite diversity in views and methods (ranging from social work to outright thuggery) concur on the ideas of a Hindu state and Hindutva ideology to the rejection of secular values and left ideology.

The RSS, the oldest and strongest Hindutva body, was founded in 1925 'to provide character training through Hindu discipline and to unite the Hindu community' claims to be apolitical. But it is the social arm of right wing Hindu nationalist parties, and wields control over the Bharatiya Janata Party (BJP) and dominated its predecessor the Bharatiya Jan Sangh. Notably, the present and the previous BJP prime ministers apprenticed in the RSS, which once had direct links with European fascists. (See "Soldiers of the Swastika" by AG Noorani in *Frontline*, 23 January 2015.) Besides, ideologically there is much in common between European fascism and Hindutva.

The Hindu nationalist Vishva Hindu Parishad (VHP), founded in 1964, is the most prominent public face of Hindu fascism. It is noted for its part (alongside the BJP and Shiv Sena) in tearing down the Babri Masjid (claiming it to be the birth place of the Hindu god Ram with scant

historical evidence) in December 1992 and provoking the communal violence that ensued. Bajrang Dal, the militant youth arm of the VHP, founded in 1984, has been a key actor in anti-Christian violence and attacks on Muslims, including the Gujarat pogrom of 2002 in which Prime Minister Modi, then Chief Minister of Gujarat, was implicated.

The Shiv Sena, a Marathi sectarian front founded in 1966, was founded on a hate campaign against South Indian 'immigrants' in Bombay. When the founding cause faltered in the 1970's, the Sena joined the Hindutva bandwagon. From 1989 it partnered the BJP in elections to parliament and to the Maharashtra State Assembly. It planned and implemented with police complicity anti-Muslim Riots in Bombay in December 1992. The Sena and BJP split over power sharing in State Assembly elections in 2014. But the alliance revived, but with signs of persistent disharmony.

Instances of acts of violence and terror by Muslim individuals and groups in public places were mostly in response to Hindutva violence and State terror, as in Kashmir. Notably, there is no Indian Islamist body that targets other religious communities.

Muslim militancy in South Asia, including terrorism with and without Pakistani state involvement, is a result of long standing issues between India and Pakistan and has little to do with Islamist fundamentalism. The Zia ul Haq dictatorship raised Islamisation of the Pakistani state to new heights by repressing religious minorities including non-Sunni Muslims, banning party political activity and harshly suppressing the media under martial law. President Zia had army loyalty but no popular base and he made Pakistan the first fascist state in South Asia, which loyally served the US by nurturing resistance to the pro-Soviet Afghan government.

The terror machine that Zia built in the 1980's spun out of control of the Pakistani state. Zia's assassination in August 1988 ended his rule. But the damage he did to the democratic process in Pakistan has endured.



## **Fascism and Political Islam**

Modern political Islam, born of economic stagnation in several Muslim countries in the 1970's, was in essence anti-imperialist as well as anti-Marxist. The US, aided by reactionary Arab allies, harnessed Islamist fundamentalism and terrorism to serve its aim of global domination. Saudi Arabia funded Islamist forces like the Afghan Taliban and Lashkar-e-Taiba, al-Qaida and then the Islamic State (also known as ISIL, ISIS, Daesh etc.) whose reach crept outside Syria and Iraq, after it failed to topple the two non-Sunni governments. Islamic militants were also funded by Qatar, Kuwait and the United Arab Emirates.

The Saudi-backed Wahabis and Salafis and the al-Qaida which act to subvert secular Arab states and African nations with large Muslim populations cannot be called fascist as they are neither nationalistic nor serving big capital where they function, But, their fascist potential is real.

The Western media designed the term "Islamofascism" to humiliate political parties like Muslim Brotherhood (Egypt), Hizbullah (Lebanon) and Hamas (Palestine), which they list alongside the likes of al-Qaida to justify systematic harassment of European Muslim immigrants.

The Islamic State is unlike its Arabian Peninsular patrons and other Islamists in its objectives and operations. Stephen Sheehi in his article "ISIS as a fascist movement" [<http://mondoweiss.net/2015/11/isis-fascist-movement/>] agrees that the IS "may share some pedigree with the most pernicious of Wahabi, Salafi social and political practices, which arose in a reaction against Arab and Ottoman generated modernity in the 19<sup>th</sup> and 20<sup>th</sup> century" but rejects that Salafi and Wahabi sects are fascist as they mainly concern juridical and theological issues of Sunni Islam. He notes that state building by IS is "clearly based on corporatist, capitalist mechanisms, where the 'state' and its war machine monopolize revenue via the oil infrastructure, extorted taxes, and tariffs. This corporatism is

enforced by a security apparatus and ‘Islamic’ courts that administer a severe penal (not legal) system in order to coerce compliance”.

Jeff Mankoff writing on al-Qaeda in History News Network correctly remarks that it is a “small, conspiratorial organization whose influence flows more from its ability to inspire small numbers of fanatical followers with its mastery of modern communication technology than from its ability to become a mass movement or a force in electoral politics” [<http://historynewsnetwork.org/article/29239#sthash.OH3zK6il.dpuf>].

Thus what matters is the direction that an Islamist militant organization would take in its passage to power. Islamic governments can be severely repressive. But dubbing repressive states as fascist risks missing the real fascists. It is well known that Christian fundamentalism is an ally of imperialism. Thus it has greater fascist potential and global reach than Islamist fundamentalism, a mere tool that at times spins out of control.

## **Confronting Fascism**

The global left — revolutionary and parliamentary — debates if the government of Türkiye is fascist. Türkiye is nominally a democracy for it has elected government. Its constitution as amended in 2017 concentrates power in the hands of the President. The post of Prime Minister was also abolished, to make the President the head of both state and government. Some call Türkiye an imperialist state based on its hegemonic attitude towards the Kurds and its domination over Northern Cyprus. There is case to call the government fascistic although the ruling party has no declared allegiance to fascism. Türkiye’s government is authoritarian, majoritarian, and repressive mainly towards the left and the minorities, especially the Kurds. It should be noted however that the ruling Justice and Development Party (AKP) has besides a religious-conservative base, support from neo-fascist groups in the country, as in the case of several centre-right governments of Europe.

Unlike the classical fascist regimes of inter-war Italy and Germany, the AKP government got awkwardly placed in relation to its (Islamist) civic roots. Erdogan, in his first few years, had to publicly disown Islamism, but AKP's reliance on Islamism endured. Erdogan's drift towards authoritarianism seemed inevitable, and he took advantage of the failed coup attempt against him in 2016. In order to consolidate his power he openly accused that the US was complicit. His appeal to the masses to thwart the coup led to what seemed a democratic defence of the regime by the people. But there was also a cynical use of the protest to target his political enemies including the pro-Kurdish HDP.

Using the characteristics of European fascism between WWI and WWII as a standard, one may identify state and political organizations with seemingly fascist features. But that need not make an organization fascist. Also, modern fascist methods to seize power are unlike the populist methods of 'classical European Fascism'. European neo-fascism has implanted its genes into bourgeois democratic parties, centre-right and even "centre-left" alliances, making them amenable to key aspects of the fascist agenda on immigrants, the working class and the left. Authoritarian Türkiye and Singapore, will be projected as 'democracies' by imperialist media as long as they hold periodic elections,.

Following post-WWII freeing of European colonies, fascism found fertile soil in nationalism, once a progressive anti-colonial force that debased into chauvinism and narrow nationalism. Religion was often imposed on national identity. And identity-based politics, bereft of anti-imperialism, sought and found imperialist patronage, acquired fascist features or even turned fascist and repressive. Such trends militated against anti-imperialism and anti-fascism joining hands.

Some decades ago US imperialist backing facilitated imposing of fascist regimes on Latin American countries by military coup, as conditions were unfavourable for fascism to use populist tactics to seize power. Once in power by fair or foul means, right wing nationalists would transform the state into a fascist force.

Many who consider militant ultranationalists and fundamentalists to be neo-fascists exempt their electoral political partners. Myanmar's Arakan National Party is no less fascist than Ma Ba Tha or the 969 Movement; Sri Lanka's JHU is no less fascist than the BBS or the Sinhala Ravaya; and India's BJP is no less fascist than the RSS or the Bajrang Dhal.

Populist fascism is deadly and left and democratic forces need to deal with it with a firm fist. Fascism today, unlike its earlier form, implements its agenda as the party in power or as a partner in coalition government or as a powerful pressure group in and outside parliament.

It is folly to await identification of an organization as fascist to counter its fascist acts. Identification is important, but action needs to be as firm against tendencies like ultra-nationalism, anti-left rhetoric and servility to imperialism as against forces of fascism, neo-fascism or proto-fascism.

Imperialism will encourage and sustain any swerve of a country to the political right. Global capital and bourgeois democracy will oblige ultra-nationalist, anti-immigration and anti-Muslim politics. Third World anti-fascists should hence be alert to active and passive imperialist support for fascist tendencies, especially in the context of mass struggles for social justice. And the left should act pre-emptively against fascism hijacking the fury of the alienated working class and other oppressed sections.

Left and democratic forces need to be especially cautious of the tendency to lump together all acts of violence in the name of Islam, regardless of context or the forces behind the violence. Even though Islamic terrorism had on occasion a nuisance value against imperialism, its overall impact was to help imperialism curb democratic rights and liberties, make the

state more authoritarian, justify discrimination against immigrants and thus divide the oppressed masses.

An act of terror in the name of Islam is as despicable as an anti-Islamic act. However, revulsion of an act of terror should not blind us to the core issues. The US and its Arab clients armed and financed the IS to destroy secular Syria. Paradoxically, the IS turned on its makers. Besides, the Arab World is changing and, thanks to Chinese diplomacy, Saudi Arabia patched up with Iran and softened its anti-Shia Muslim stand in Yemen and elsewhere. But that does not mean the end of IS and its clones, as imperialism is adept at manipulating genuine grievances to its benefit.

The foregoing tells us two things about neo-fascism in Asia. It is in essence pro-imperialist and as always anti-left. Its class interests coincide with those of the comprador bourgeoisie and the section of the national bourgeoisie that has compromised with imperialism.

Prabhat Patnaik writing in *Frontier Weekly* under the heading “Fascism and Big Business” (<https://www.frontierweekly.com/articles/vol-56/56-8/56-8-Fascism%20and%20Big%20Business.html>) draws attention to the bond between fascism and big business and to the proximity of the “new monopoly bourgeoisie” to the rising fascistic groups. What should be noted is the sense of loyalty of Third World fascists to imperialism.

## **Concluding Remarks**

While fascism is a growing menace in Europe and parts of the Third World, the fascists even where in government alone or in partnership have not yet transformed any important country into a fascist state.

The phenomenon that the term neo-fascism refers to does not differ in substance from the fascism of the inter-war years. But the fascism of Europe and of Asia in the late colonial period differ in both character and content, owing to the manner in which Europe and Asian stood in

relation to each other. Likewise, differences exist between neo-fascism in Europe and that in Asia in the neo-colonial context.

White racist prejudice was at the bottom of European neo-fascism as in the case of fascism. White racism underlies the neo-fascist attitude towards immigrants and the anti-Muslim stand since the US declared its Global War on Terror in 2001. The political establishment and dominant media mask neo-fascism by calling it anything but what it is. Linking 'neo-fascism' to anti-Semitism protects fascists with little interest in attacking Jews. The fanatical few claiming Nazi lineage adhere to anti-Semitism despite its irrelevance to the neo-fascist agenda.

Asia's fascism of the colonial era is markedly different from its neo-fascism in the neo-colonial era, unlike with European fascism and neo-fascism. Asian fascism of the colonial era with its regional variants was inspired by European fascism, either to imitate it or to vent anti-colonial fury, while European neo-fascism has substituted anti-Semitism with anti-immigrant and anti-Muslim stands while keeping the old fascist outlook.

As identity-based ethno-religious chauvinism drives Asian fascism, cross border collaboration among neo-fascists is harder in Asia than in Europe. However, narrow nationalism anywhere is an obstacle to a transnational fascist union unless facilitated by imperialism. Yet any form of fascism is welcome to imperialism as it helps to keep the left at bay and hold to ransom any state that may resist imperialist interests.

The home grown phenomenon of Hindutva in India bonded with Nazi ideology as its caste-based hierarchy went well with the Nazi notion of Master Race. Hindutva, much stronger now than in the colonial era, targets ethnic and religious minorities with religion playing a central role in identity. Unlike in the West, fear of Islamic fundamentalism and the notion of Islam as a terrorist faith are lesser issues.

Neo-fascists distort history to present fascism in a favourable light, but rewriting history to obliterate the contribution of minority nationalities is

now an obsession with the Hindu fascists of India and Sinhala Buddhist fascists of Sri Lanka in their bid for the whole country.

Narrow nationalism compels European neo-fascists to seem hostile to the EU, whose liberal ethics are anathema to neo-fascist racism and they resent EU interference in national matters. Siding with US imperialism is common among neo-fascists, despite nominal US hostility to fascism. But with neo-fascism masked by a non-fascist name-tag, junior partnership or clientship of US imperialism is trouble free.

US justifies meddling in Third World affairs on pretext of democracy, human rights and war crimes. The US, while feigning rejection of neo-fascism, has always sided with Third World fascists from Suharto in Indonesia to Jair Bolsonaro in Brazil. Although relationship with fascist leaders of Türkiye and India, is susceptible to friction when the latter assert their interests to the annoyance of the US, but not to antagonism.

US imperialism holds the Third World in neo-colonial contempt, and partnership with Asian neo-fascists is not one of equals. Meanwhile, the neo-fascists' anti-leftism and alignment with comprador bourgeoisie overcome their nationalist inhibitions to become junior partners of US imperialism. Thus, Third World's anti-fascist struggles need closer ties with anti-imperialist struggles than Europe's.

The left and its allies cannot wait for a dictatorial reactionary regime to be confirmed as fascist. Any rightist dictatorship with affinity to imperialism should be challenged at sight of the first fascistic symptom. Struggle for democracy and social justice is the bridge that links anti-fascist and anti-imperialist struggles.

[This study updates "*Understanding Fascism in Context*" (MLND 58, March 2016) and "*Imperialism, National and Identity Politics and Third World Fascism: a Marxist Leninist Approach*" (MLND 62, May 2017)]

# Why Such Partiality and Marginalization?

(Notes on the denial of land rights of Hill Country Tamils)

*Sukumaran Vijayakumar*

## Some Observations

1. Rural residents are granted with legal right government land of extent 20 perches or more for residential purposes;

*But land allocation for Hill Country Tamil people that began in 1995 has so far been only 7 perches per family and that too without affirmed legal right.*

2. Section 3(b) of the Land Reform Commission Act No. 1 of 1972 has assured the allocation of 20 perches of land for families resident in line rooms in the plantations

*But we understand that the present government is taking steps to allocate only 10 perches of land per family of Hill Country Tamils.*

3. Legal enactments such as Land Development Ordinance (19 of 1935), State Lands Ordinance (1947) and Land Grants (Special Provisions) Act of 1979 and the Land Reform Commission Act No. 1 of 1972 were legislated to enable granting of land to landless citizens and land right has been granted through them by the instruments of Permit, Grant and Deed of Transfer;



*But neither Permit nor Grant nor Deed of Transfer has been given to C using the relevant provisions of these laws.*

4. Landless citizens of the country are identified by appropriate officials and government establishments and by Land Kachcheri;

*But for the Hill Country Tamils the task is undertaken by plantation companies, and the Plantation Human Development Trust (PHDT) that is registered under Company Law and trade unions under the control of plantation companies.*

5. Decisions on which state lands are to be allocated for landless citizens of the country are made through the Ministry of Land, Land Reform Commission, Land Commissioner, District Secretary and Provincial Secretary and officials of the state;

*But the lands to be allocated for the Hill Country Tamils are decided by the plantation companies, and the Plantation Human Development Trust which is under the control of the plantation companies.*

6. When land is allocated to citizens of the country and houses are constructed, the responsibility is fulfilled by the Housing Authority;

*But in the case of Hill Country Tamils, the responsibility is fulfilled by the Plantation Human Development Trust which is under the control of the plantation companies or through the Plantation Housing Cooperative Society which is under the control of the plantation companies and Plantation Human Development Trust.*

7. Plantation lands in the Sabaragamuwa, Southern, Western, Uva, Central and North Western Provinces have been allocated to members of the fraternal Sinhala community with instruments of state institutional Permit, Grant and Deed of Transfer;

**But** for allocation of land to Hill Country Tamils, the evident leasing agreement between plantation companies and state organizations is shown as reason for continued denial of land rights. Besides, state organizations such as the Land Reform Commission, the JEDB, SLSPC and TRI. And the Lands Ministry which have no relation with plantation companies have thus far not made an effort to grant land for residential purposes to Hill Country Tamils resident in plantation lands under their control through instruments of Permit, Grant and Deed of Transfer.

8. According to state documentation, approximately 103,000 hectares of plantation land have been identified as un-utilized land,

**But** only an extent of less than is needed to allocate land at the rate of 20 perches per family 20,000 hectares and as land for other social purposes to set up new settlements and make them into villages.

9. Adoption of the practice of allocating land to other citizens for purpose of agricultural and other industrial ventures has resulted in has affirmed the economic stability of those citizens and their contribution to the national economy.

**But** land is not allocated to Hill Country Tamils for agricultural and other industrial ventures; and a policy of allocating plantation lands to persons residing outside the plantations is pursued by those in power.

10. When colonization schemes were created in the country and villages were established, primacy was given above all other considerations to the family security, welfare and economic prosperity in the implementation of the schemes.

**But** when land is allocated for settlement to Hill Country Tamils, greater worth is assigned to the tea bushes and rubber trees that were created by the toil of our people than to the people who created them, and in the name of

*safeguarding tea bushes and rubber trees to ensure that they continue to dwell in line rooms or they are settled in lands unfit for human dwelling.*

11. It is true that the government has not allocated land to all resident citizens. Yet the state has granted land to people who could not purchase land using their personal earnings and assured their right to the land and for existence. The practice still continues,

*But throughout history almost all Hill Country Tamils have been denied the right to land and. as a result, the Hill Country Tamils have been denied the most basic right of having a postal address and are still compelled to bear the "address" provided initially by the proprietors of the plantations.*

12. 84% and 95%, respectively, of urban and rural dwellers own their houses

*But a mere 10.2% of the Hill Country Tamil people own individual houses, and often that too without legal right to them.*

13. The number of buildings in urban areas was 511,811 and that in rural areas 2,084,841. In 2012 it rose to 908,078 and 4,133,982, respectively. That is, in the said period, 396,267 new houses have been newly built in urban areas and 2,049,141 in rural areas, representing an increase of 77.4% for urban areas and 98.3% for rural areas.

*But, counting a row of line rooms as a single building, the number of buildings in the Hill Country in 1981 was 217,903 and that changed to 225,099 in 2012. That is a mere 7196 new houses, or an increase of 9.64%. In 2023 the number of buildings will be a mere 239,799.*

## Some Questions

1. Why are the leaders of the Hill Country Tamils reluctant to demand that the government should award 20 perches of land per family with lawful rights to the land and essential infrastructure to create settlements and people and establish villages for a people who cleared forests that never previously saw a footstep to create plantations and offered their toil to enable a modern economy for this country, and for their descendants.
2. What prevents the Hill Country Tamil leaders from demanding from the government the right to a home, right for employment and land rights without discrimination to the Hill Country Tamils who cleared forests to create many thousand hectares of habitable land?
3. Should this partiality and marginalization continue even after the passage of 200 years?

*[Approximate translation of Tamil text by Sukumaran Vijayakumar, Attorney at Law]*

# Tampering with Pension Funds

**Sri Lanka's Domestic Debt Restructuring Wipes out Half of Pension Funds' Incomes:  
An Act of Financial Terrorism by the Central Bank**

*Danusha Gihan Pathirana*

The Central Bank of Sri Lanka (CBSL) and the unmandated Ranil-Rajapaksa regime have plundered half of the future incomes of the Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF) through the Domestic Debt Restructuring (DDR) programme, enforced from September 2023 until 15 February 2038. This article shows how CBSL performed this act of financial terrorism; how the catastrophic impact of DDR on pension funds is demonstrable through calculation; and proposes ways of reversing this damage.

## **The anatomy of plunder**

The custodian of the EPF, the CBSL Governor, states shockingly that plundering pension funds and excluding private bondholders from the DDR is in the best interests of the fund. In response to the criticism raised by Dr Nishan De Mel at Verité Research that no country apart from Sri Lanka has exclusively subjected pension funds to DDR, the Governor claims that it's a "unique solution" to the debt crisis "discovered" by local experts and that Sri Lanka does not need local experts to implement the same procedures practiced elsewhere in the world! (See Keynote speech by Governor at the Inauguration of CMA National Management Accounting Conference 2023 on the CBSL YouTube channel). As outrageous and delusional as this statement sounds, the CBSL Governor

must be reminded that no other country has exclusively targeted pension funds in DDR because no civilized administration would plunder the only means of survival of their workers after their retirement.

During the same keynote speech and at the discussion with trade union representatives on September 5, the Governor made a ridiculous argument to reduce the four-fold process of trade mis-invoicing to under-invoicing of imports. He categorically stated that there is no outflow of foreign exchange through trade mis-invoicing. It is a great "discovery" he made to save the business elite in the import and export sector from facing legal trials on illicit capital flows and tax evasion that destabilise the economy. We would not waste words in refuting his delusions as it should be clear that the Governor was trying to fraudulently establish that there is no other alternative than slashing the EPF/ETF funds to reduce the government's debt financing costs.

Furthermore, Dr W.A. Wijewardena and Mr Chandra Jayaratne have shown that 14% gross tax paid by all members of the EPF, regardless of their annual incomes, is a steeper burden than the net tax of around 48% paid by the commercial banks, 30% profit tax paid by corporates on net income and income tax paid by individuals on a progressive basis. The latter excludes income less than Rs. 1.2 million per annum and imposes a 6% tax up to a maximum of 36% on income brackets increasing by Rs. 500,000 per annum. Therefore, increasing the gross tax imposed on pension funds refusing to participate in the DDR from 14% to 30% is an act of coercion and financial terrorism, forcing the members of the pension funds to decide which limb they prefer to dismember.

It is patently unfair to exclude private bondholders from DDR, allowing them to reap super profits in the financial markets both in the form of capital gains and interest yields. From Rs. 1,754.1 billion worth of high-yielding treasury bonds issued last year, private bondholders including banks purchased 75.7% (Rs. 1.33 trillion) while superannuation funds purchased only 21% (Rs. 369.9 billion) (calculated using Table 107 of

CBSL Annual Report, Statistical Appendix 2022), indicating that DDR has excluded the highest cost bonds. (This fact was maliciously refuted by the CBSL Governor at the September 5 meeting with trade unions. Capital gains of private bondholders exceed 100% now that the market interest rates have fallen to around 15%. This is reflected by a 500% to 1,000% increase in profits of primary dealers and over 400% increase in profits of the commercial banks in the second quarter of this year (see Colombo Stock Exchange financial reports) while credit growth to the private sector is negative 7.6% up to July this year (CBSL), and the GDP contracted over 11% and 3% in the first two quarters (Census and Statistics).

On the other hand, contrary to the claims of the CBSL Governor, reducing yields of privately held bonds would have no adverse impact on the banking system if high interest yielding fixed deposits issued last year and early this year are renegotiated to current market levels. The impact on the net liquidity position of the banks will then be zero. Furthermore, it would boost future lending capacities of the banking system and hence enable the sector to return to their normal banking business of lending, from speculating on government debt.

Therefore, DDR is absolutely necessary to reduce the exceedingly high Gross Financing Needs of the government. For instance, the government spent Rs. 789.1 billion on servicing the domestic interest cost and only 29.8 billion on foreign debt interest payments totalling Rs. 819 billion, which is almost equal to the total government revenue of Rs. 821.4 billion in Jan–Apr 2023. The domestic interest payments cost is 95.7% of the fiscal deficit of Rs. 824.3 billion and foreign debt interest payments were only 3.6% of the deficit during the period (see Ministry of Finance, Mid-Year Fiscal Position Report, 2023, p. 14–26). Expenditure on government salaries (Rs. 303.3 billion) and pension (Rs. 105.9 billion) on the other hand, totalled only Rs. 409.2 billion, or nearly half of the interest cost on domestic debt during the period (see Table 1). Despite this, the public

sector salaries cost is framed as the major cause for the gaping hole in government finance by neoliberals.

The burden of foreign debt interest payment is insignificant because interest rates and therefore, interest payment on multilateral loans, which the Sri Lankan government is still financing, is low. Foreign debt interest payment is insignificant in 2023 also because the government defaulted on bilateral and commercial debt in April 2022. On the other hand, interest payments on domestic debt increased by Rs. 447.2 billion in Jan–Apr 2023 (+130.7%) compared to the same period the previous year, indicating that 56.7% of the payments were absorbed by the borrowings made in 2022. This shows that those who own the domestic debt, of which the highest interest yielding bonds are with the private sector, as shown before, are absorbing a greater share of government resources, which would have been available for providing relief to the broken livelihoods of the people, restoring the collapsing public services and transforming the productive sector of the economy.

**Table 1: Calculations using Ministry of Finance Mid-Year Fiscal Position Report, (2023 data)**

<b>Jan-Apr 2023</b>	<b>Rs. Bn</b>	<b>as % of defici</b>
<b>domestic interest cost</b>	789.1	95.7%
<b>foreign interest cost</b>	29.8	3.6%
<b>gvt salaries</b>	303.3	36.8%
<b>pension</b>	105.9	12.8%
<b>gvt revenue</b>	821.4	99.6%
<b>fiscal deficit</b>	824.3	100.0%

However, an unproductive rentier elite is absorbing government resources in the form of interest payments with no productive contribution to the economy, by purchasing the lion’s share of the highest yielding bonds last year, benefiting from an economic collapse that erupted due to the specific mode of their surplus appropriation, among other reasons. High interest rates are not proof of their entrepreneurial skill it indicates the opposite, or the domination of



interest, rent and capital gains in the distribution of national income as opposed to productive sector profits and wages. Hence, DDR should be enforced on the bonds they hold, and not on those held by workers under the EPF and the ETF.

## Refusing to address odious debt

The decision to exclusively target pension funds satisfies the whims and fancy of the tax evading, trade mis-invoicing counterproductive business elite holding the highest yielding treasury bonds. They work hand in hand with the political establishment, responsible for over Rs. 5.5 trillion in assets excluded from government accounts borrowed for financing public investments between 2006 and 2021 (see Table 2, Extract of Auditor General’s Annual Report 2021, Table 12 on p. 114).

**Table 2: Extract of Annual Report of Auditor General’s Department, Sri Lanka, 2021**

Year	Construction or Purchase of Physical Assets and Acquisition of other Investments Rs. Million	Value of Financial and Non-financial Assets Accounted Rs. Million	Value not Accounted as Financial and Non-financial Assets Despite being Spent Rs. Million	Percentage of the Unaccounted Value out of the Expenditure %
2006	197,850	17,697	180,153	91.06
2007	271,191	45,279	225,912	83.3
2008	297,173	45,439	251,734	84.71
2009	365,754	71,819	293,935	80.36
2010	347,007	63,669	283,337	81.65
2011	398,519	49,615	348,904	87.55
2012	471,089	51,591	419,497	89.05
2013	455,578	25,923	429,655	94.31
2014	595,711	64,211	531,500	89.22
2015	683,963	125,266	558,697	81.69
2016	594,013	361,771	232,242	39.1
2017	657,530	500,300	157,230	23.91
2018	625,310	294,160	331,150	52.96
2019	637,219	304,949	332,269	52.14
2020	811,773	489,705	322,068	39.67
2021	789,636	152,200	637,436	80.73
<b>Total</b>	<b>8,199,316</b>	<b>2,663,594</b>	<b>5,535,721</b>	<b>67.51</b>

Table 12 : Financial and non-financial assets generated through Government investments/ construction or purchase of physical assets and acquisition of other investments being understated in the accounts.

Source : Financial statements of the Government for the period 2006-2021.

It means to say that only Rs. 2.7 trillion in assets remain in possession of the State appropriated through Rs. 8.2 trillion in borrowed funds; i.e., 67.5% of the total borrowings financing government projects during the period are unaccounted. The US\$ value of this amounts to a staggering 41.1 billion. It is over 87% of the total outstanding foreign debt of Sri Lanka at the end of 2022. Therefore, over two-thirds of the debt that financed public investments since 2006 can be declared as odious debt in international courts. International law and U.S. law both hold that the public should not be burdened and punished by repaying debt that did not benefit them. Nevertheless, the government and the CBSL refuse to address the issue and undertake legal proceedings internationally.

The government also borrowed extensively to finance a genocidal war, killing thousands of civilians and inflicting unspeakable suffering on the people of the North and East. International investigations such as those of the United Nations and the government's own Paranagama Commission documented these atrocities, which amount to war crimes. Now, the Sinhalese government is demanding the people of the North and East to repay the debt which financed the slaughter of their own people. The British colonialists followed the same brutal principle; they taxed the populations they subjugated and murdered to recover the costs of their own murderous invasions. The ethnic dimension of the debt crisis must be a central question in seeking justice, accountability and an equitable solution.

## **Tax evasion exceeding cuts to EPF/ETF**

The present value of evaded taxes between 2014 and 2022 amounts to approximately Rs. 2,230.4 billion. Its future value by 2037, compounded by 9.7% per annum, amounts to Rs. 8,943 billion – as much as three times greater than the highest impact estimated on the pension funds due to DDR (see Table 3 and section on Method 1). In this light, it is clear that the business elite and the political establishment are entirely responsible

for the ongoing collapse and the humanitarian crisis facing Sri Lanka. They criminally reap super profits with complete impunity, while workers who keep the economy alive must pay for the consequences. The regime’s message to the public through DDR is crystal clear: ‘We’ll extract your labour until you can no longer serve. Whether you survive afterwards is not our concern’.

**Table 3: Calculations using Auditor General’s Annual Reports & CBSL Data**

	Tax evasion	Increase	Interest rate	Present Value
2014	220.9		6.0	373.5
2015	259.5	38.6	7.3	67.8
2016	295.3	35.8	10.2	70.5
2017	341.5	46.2	8.9	77.1
2018	341.5	0	11.2	0.0
2019	579.2	237.7	8.5	328.8
2020	697.6	118.4	5.1	137.3
2021	697.6	0	8.2	0.0
2022	906	208.4	29.3	269.4
			<b>Total PV</b>	<b>2,230.4</b>
			FV @9.7%	<b>8,943</b>

A recent survey by the Centre for Policy Alternatives revealed that as much as 69.5% of the public is unaware of the DDR process, and 62.2% did not approve it, making it clear that the current despotic regime is serving the interests of a criminal elite while holding the public at gunpoint. The CBSL and its Governor did not reveal the exact details of slashing EPF/ETF returns before enforcing it on the members through parliamentary approval. The CBSL exchanged 49 bonds amounting to Rs. 3.2 trillion, of which 11 bonds yielded an average of 24.6%, with 12 bonds yielding only 9.7%. The CBSL did not reveal this information to the members until they enforced the DDR on 11 September. It is a pillage of workers’ retirement funds and a ruthless violation of the fundamental rights of the members of the funds and the constitution by the custodian

of the EPF; it's an act of financial terrorism by the U.S.-backed government.

The Governor concealed the damage to the EPF in his empty rhetoric at a recent Public Finance Committee meeting. He stated that the loss to the fund by the end of 2037 is only 4% due to DDR. Committee Chairman, Dr Harsh De Silva MP, disingenuously supported it without assessing the difference in weighted average yields of the pre-DDR and DDR Treasury Bond portfolios, demonstrating the loss of compounded cash flows and the Terminal Value loss to the fund from the slashed return.

The CBSL refused and failed to use the DDR to address key factors which led to the economic fallout and destitution. In the following account, we intend to demonstrate the colossal damage inflicted on pension funds through DDR. We demand the implementation of alternatives presented below to reverse the damage while at the same time remaining close to achieving the intended reduction of annual Gross Financing Needs of the government by 0.5% of the GDP, as proposed by the CBSL in their initial presentation to the parliamentarians on DDR in July this year.

## **Calculating the impact: Method 1**

We have two methods at our disposal to calculate the impact of DDR. By applying the difference in the weighted average yields of pre-DDR and DDR Treasury Bond portfolios to either of the portfolios, we can calculate the total of lost cash flows, which gives two final results. Given that the maturity profiles of the two portfolios are incompatible, the total cash flows of the two methods will be unequal. The portfolio consisting of a long-term maturity period without bunching up of maturities early in the timeline will yield a higher cash flow and vice versa. Two-thirds of the principal value of the pre-DDR portfolio, or approximately Rs. 2.1 trillion out of the Rs. 3.2 trillion, would have matured by 2028, whereas two-thirds of the DDR portfolio of 12 bonds matures only by 2034. Given that the maturity profiles of the two portfolios are significantly different, we

have to use them separately to calculate the loss in cash flows, which yields two distinct results. Nevertheless, the percentage loss to the portfolio will not differ significantly, which remains the key in our assessment.

Let us simplify this idea in a more comprehensible example. For instance, if we extend the maturity of a five-year bond yielding 10% per annum to ten years and slash the interest rate to 5%, it is incorrect to say that cash flow loss after restructuring is zero. We compare the difference in returns of two bond portfolios, especially when their maturity profile is different, by comparing the difference in their weighted average yields and not by assessing the difference in total cash flows. However, this is the opposite of what the apologists of DDR want the public to believe. In the above example, both cash flows are equal. But the bond yielding 10% stopped generating income after maturing in five years, while the ten-year bond will continue generating cash flows at half the rate. This example demonstrates the error committed by those who say that the loss to the pension funds due to DDR is merely 4% to 6%. Among them are the CBSL Governor, Dr Harsha De Silva MP and Mr Murtaza Jafferjee of Advocata Institute.

Let us now dive straight into our calculations. We will first assess the compounded cash flow loss by applying the difference in weighted average yields of the two portfolios to the newly issued DDR portfolio consisting of 12 bonds, each with a principal value of Rs. 267,038.5 million and weighted average annual return of 9.7% before tax and management costs. How was the weighted average return calculated? Each DDR bond pays an annual return of 12% in semi-annual coupon payments until 2025. Which means it will yield only one coupon payment in 2023. In 2026, the first and second semi-annual coupons pay 12% and 9%, providing an annual yield of 10.5% (see CBSL announcement on 14 September 2023). The portfolio's annual return falls to 9% through step-down coupon rates from 2027 to 2037. The weighted

average return of this portfolio is 9.7% per annum, which declines to 7.6% after deducting 14% gross tax and management costs.

Similarly, we follow the same steps to calculate the weighted average return of the pre-DDR bonds portfolio. How do we do this? The weighted average yield of the pre-DDR portfolio was 13.6% in October 2023, calculated using the pre-DDR treasury bonds portfolio data of pension funds released by the Ministry of Finance on September 14 and data published by the CBSL on the government's outstanding treasury bonds portfolio. After deducting 14% gross tax and 0.7% management costs, the net return falls to 10.99%, equal to the rate announced by the Superintendent of the EPF at the Public Finance Committee meeting on 7 September 2023. Weighted average yield changes when bonds mature and exit the portfolio. To be comparable, we need to calculate it for the pre-DDR portfolio annually, up to 2037, by excluding the maturing bonds. The annual average of this is 14.3% before taxes and expenses. Even without calculating the compounded cash flow losses and the Terminal Value loss on the difference in yields, we can immediately see that the 9.7% average yield of DDR portfolio is 32.2% below 14.3% return of pre-DDR portfolio. This loss ratio is over five to eight times greater than what the CBSL and other apologists of DDR want the public to believe.

Now, we can calculate the lost cash flows from slashed interest rates and compound it to arrive at the total nominal cash flow loss due to DDR and the loss ratio. We will first apply the difference in weighted returns to DDR portfolio of 12 bonds before tax and expenses, which we may call Method 1. The latter should be the preferred method, given that the DDR portfolio is currently active and the proposed alternatives demand adjustments to the coupon rates of the DDR bond profile while retaining its new maturity profile. Method 1 (see Table 4) shows a total cash flow loss of Rs. 1,266.4 billion before compounding up to 2037. When compounded by 9.7% annually (the DDR yield which CBSL agreed to

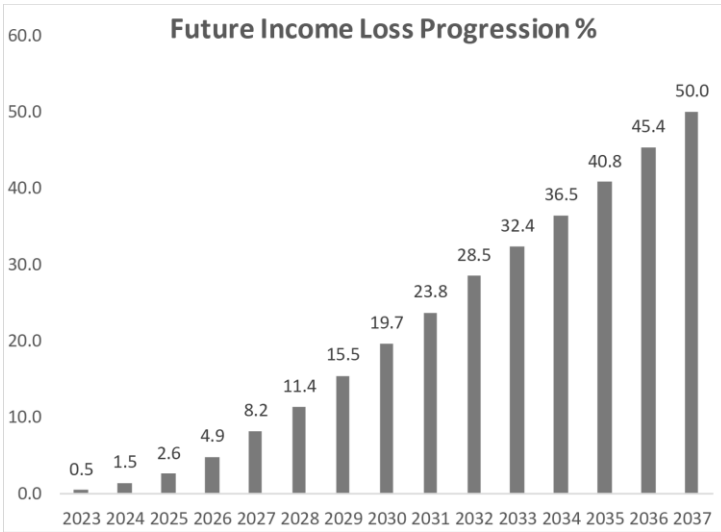
pay), the total nominal cash flow loss increases to Rs. 2,933.8 billion, deriving a loss ratio of 50.01% before the Terminal Value loss of Rs. 2.1 trillion is added. The Terminal Value loss estimates the return lost till perpetuity by permanently losing income from interest rate reduction on the new portfolio. (In calculating the Terminal Value loss, we applied the Central Bank's long-term expected inflation rate of 4.5% as the growth rate, the rate of return is 9.7% before tax and expenses, and the annual average of the compounded cash flow loss as the cash flow at the final period of calculation in applying the Perpetuity Growth Method or Gordon Growth Model).

**Table 4: Method 1 Calculations using CBSL & Ministry of Finance Data**

<b>Method 1</b>		
	nominal CF loss	compounded CF loss by 2037
2023	25,574	<b>102,541</b>
2024	51,148	<b>186,949</b>
2025	51,148	<b>170,418</b>
2026	108,810	<b>330,482</b>
2027	152,599	<b>422,498</b>
2028	127,301	<b>321,290</b>
2029	161,684	<b>371,985</b>
2030	142,405	<b>298,662</b>
2031	117,275	<b>224,208</b>
2032	132,020	<b>230,080</b>
2033	57,118	<b>90,742</b>
2034	50,670	<b>73,380</b>
2035	44,337	<b>58,530</b>
2036	31,669	<b>38,111</b>
2037	12,668	<b>13,896</b>
	<b>Sum of CCF loss</b>	<b>2,933,772.83</b>
	<b>terminal loss</b>	<b>2,107,073.96</b>
	<b>Total</b>	<b>5,040,846.79</b>
	avg	195,585
	<b>Pre DDR rate</b>	<b>14.32%</b>
	<b>inflation</b>	<b>4.50%</b>
	<b>DDR Rate</b>	<b>9.70%</b>
	<b>CF DDR</b>	<b>2,932,082.73</b>
	<b>loss ratio %</b>	<b>50.01</b>

Figure 1 shows that up to 2025, loss to the fund is minimal at 2.6% due to a higher coupon rate payment of 12% in the DDR portfolio and the weighted return of the pre-DDR portfolio remaining below 14%.

However, from 2027 onwards, loss to the fund accelerates with step-down coupon rates of DDR and the increase in weighted yields of the pre-DDR portfolio.



**Figure 1: Calculations using CBSL & Ministry of Finance Data**

## Method 2

In Method 2, we apply the same procedure to the pre-DDR portfolio of bonds. It yields a loss ratio of 48.2% with a total cash flow loss of Rs. 634.4 billion and a compounded cash flow loss of Rs. 1,711 billion (see Table 5 for Method 2 below). As discussed earlier, given that over 65% of the pre-DDR portfolio matures by 2028, the total loss of compounded cash flow is lower in Method 2 than in Method 1. However, more importantly, the loss ratio is 48.2%, significantly close to 50.01% derived in Method 1.

## Alternative Yield Curve to Reverse the Loss

In this light, it is clear that the damage to the fund due to DDR is colossal, contrary to the assessment of the CBSL and other apologists of DDR.



Note that the yield curve of the DDR bond portfolio is inverted and downward sloping, which means that the custodian of the EPF completely disregarded the time value of future cash flows of the pension funds (see Figure 2). From our discussion thus far, it is clear that the government hopes to delay the debt repayments by extending the maturity profile of the pre-DDR bonds, of which Rs. 2.1 trillion would have matured by 2028.

**Table 5: Method 2 Calculations using CBSL & Ministry of Finance Data**

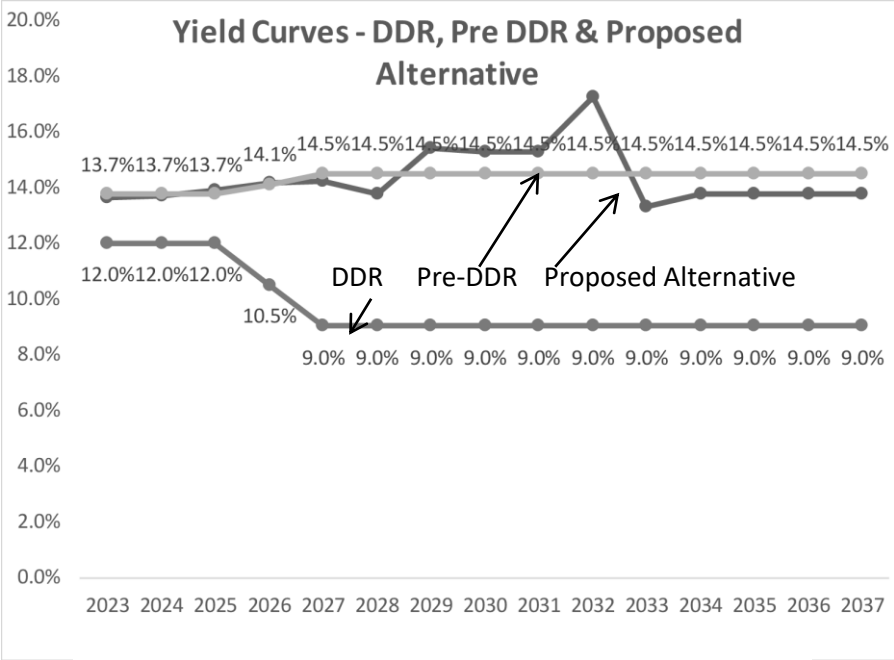
	<b>Method 2</b>				
	<b>Pre DDR Principal</b>	<b>Pre DDR CF</b>	<b>DDR CF</b>	<b>Difference</b>	<b>Compounded Difference</b>
2023	3,204,462	217,842	192,268	25,574	102,541
2024	3,140,866	430,496	376,904	53,593	195,883
2025	2,923,575	406,365	350,829	55,536	185,037
2026	2,602,183	368,138	273,229	94,908	288,260
2027	2,053,940	291,557	184,855	106,702	295,424
2028	1,665,745	229,325	149,917	79,408	200,416
2029	1,077,352	165,625	96,962	68,663	157,974
2030	879,961	134,404	79,197	55,207	115,784
2031	771,569	117,848	69,441	48,407	92,545
2032	414,523	71,463	37,307	34,156	59,525
2033	149,906	19,904	13,492	6,413	10,188
2034	30,691	4,218	2,762	1,456	2,108
2035	30,691	4,218	2,762	1,456	1,922
2036	30,691	4,218	2,762	1,456	1,752
2037	30,691	4,218	2,762	1,456	1,597
<b>Total</b>	<b>3,204,462</b>	<b>2,469,839</b>	<b>1,835,448</b>	<b>634,391</b>	<b>1,710,958</b>
		<b>DDR Rate</b>	<b>12.0%</b>	<b>10.5%</b>	<b>9.0%</b>
		<b>Loss @9.7%</b>	<b>1,710,958</b>		
		<b>Loss Rate @9.7%</b>	<b>48.2%</b>		
		<b>Terminal Value</b>	<b>2,292,245</b>		
		<b>compounding rate</b>	<b>9.7%</b>		

To reverse the damage inflicted on the fund by the DDR and at the same time remain close to the Gross Financing Needs target set by the IMF, we propose to:

- Retain the maturity structure enforced following the DDR and increase the coupon rates from the currently applied 12%, 10.5% and

9% sequence to a flat rate of 14.3% to 12 DDR bonds, which yields 11.6% after taxes and management expenses.

- Or, step up the coupon rates to 13.7%, 14.1% and 14.5%, replacing the prevailing coupon rate sequence applied to 12 DDR bonds.



**Figure 2: Calculations using CBSL & Ministry of Finance Data**

The proposed revision to the coupon rates will only reverse the 0.1% reduction of GDP from Gross Financing Needs (GFN), which the CBSL aimed to achieve by slashing the interest yield of treasury bonds held by pension funds. It will retain the 0.4% of GDP saved through maturity extension and entirely reverse the damage to the fund while enabling the CBSL to reach 0.4% of the targeted reduction of 0.5% of the GDP of GFN.

We can achieve debt sustainability in the medium to long run without vandalising the pension funds and the living conditions of the general public by expediting the legal trials against tax evasion, starting from the

largest frauds, and declaring the misappropriated government borrowings as odious debt and bringing the perpetrators to justice. These demands are realistic and are only impossible to reach within a reality shaped by the interests of criminals.

Hence, let us demand a different reality, which does not imperil the futures of ordinary Sri Lankans.

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## Because of Us

*Em Berry / @skinhungry*

This morning I learned  
the English word gauze  
(finely woven medical cloth)  
comes from the Arabic word غزّة. or Ghazza  
Because Gazans have been skilled weavers for centuries  
  
I wondered then  
  
how many of our wounds  
have been dressed  
because of them  
  
and how many of theirs  
have been left open  
because of us

## **Gaza: Lessons Left to Learn**

A comment was published in this journal nine years ago on the genocidal Israeli attack on the people of Gaza which marked a peak in the history of brutality of Israel against Palestinians. We present that comment below and make fresh observations on the unprecedented horror that Gaza faced since 7<sup>th</sup> October, from a Marxist Leninist perspective for consideration by other Marxist Leninist parties and groups to recognize the centrality of the Palestinian question to the global anti-imperialist struggle.

### **Lessons of Gaza**

*(Comment by the International Affairs Study Group of the NDMLP,  
New Democracy 53, October 2014)*

#### **Drivers of Destruction**

Between 7<sup>th</sup> July and 26<sup>th</sup> August 2014, Israel, fully backed by the US, conducted another genocidal attack on the people of Gaza, far exceeding in brutality and destruction its earlier missions of murder. Insensitive to world opinion, it killed more than 2000 Palestinians, wounded more than 10,000 and displaced close to 300,000 from their homes. The victims were mostly civilians, including many children. The immense infrastructural damage included the obliteration of Gaza's only electric power plant and wrecking of nearly all water supply and sewage treatment facilities.

Yet, Zionist Israel, one of the most powerful military machines, once again failed to bomb the people of Gaza into submission. Its long-standing policy of apartheid, ethnic cleansing, occupation and territorial expansion failed despite full complicity of the US in the brutal control and subjugation of a captive indigenous population. Israel, the largest recipient of US military aid (after Afghanistan where the US is still at war), in addition to its annual \$3 billion promptly received a further \$500 million to replenish weapons that were "used up" against the almost defenceless Gaza and another \$500

million towards the Iron Dome missile defence system. (Source: [http://nepajac.org/UNAC\\_081914.html](http://nepajac.org/UNAC_081914.html))

That the US has been complicit in every act of evil by Israel is no secret and the US has been a shamelessly consistent defender of Israel in the UN in the face of numerous resolutions adopted against Israeli violations. But what is worse is the hypocrisy of the mainstream media including those with “moderate” and “liberal” labels. But for the occasional comment by commentators with a conscience, the thrust of the media narrative varies between blaming both Hamas and Israel, and denouncing Hamas for provoking Israel to exercise its “right to defend itself” against terror.

No account is taken of the lasting damage suffered by the survivors or the feelings of the Palestinians. Mustafa Barghouti, Palestinian MP and member of the PLO’s Central Council addressing Palestine Solidarity Campaign activists in London said that “After slaughtering thousands of people and destroying thousands of homes and to speak about reconstruction and to immediately allow Israeli companies to make a profit from this is also an insult to humanity”. He also noted that what happened in Gaza and before that in the West Bank are war crimes and crimes against humanity and the massacres against a civilian population would not have occurred if so many Western world leaders hadn’t been complicit. Referring to the scale of damage inflicted and weaponry used, he suggested that Gaza was used as a testing ground for Israeli weapons; and he could be right. (See <http://www.palestinecampaign.org/moving-powerful-mustafa-barghoutis-speech-destruction-gaza/#sthash.V3tjlUY0.dpuf>).

Gideon Levy, writing in the Israeli daily Haaretz ([www.haaretz.com](http://www.haaretz.com)), cited in <http://socioecohistory.wordpress.com/2014/07/16/israels-real-purpose-in-gaza-operation-to-kill-arabs-mass-murder-inc>, is closer to the political reality: “The goal of Operation Protective Edge is to restore the calm; the means: killing civilians. The slogan of the Mafia has become official Israeli policy. Israel sincerely believes that if it kills hundreds of Palestinians in the Gaza Strip, quiet will reign. It is pointless to destroy the weapons stores of Hamas, which has already proved capable of rearmament. Bringing down the Hamas government is an unrealistic (and illegitimate) goal, one that Israel does not want: It is aware that the alternative could be much worse. That leaves only

one possible purpose for the military operation: death to Arabs, accompanied by the cheering of the masses.”

The central truth that hurts the Zionists most is that Israel has failed in its mission. Its attack has made the Palestinians more resolute in their resistance and Hamas more popular in Gaza and in the West Bank. That does not mean that Israel will not strike again, and in fact Israel has already started gathering excuses for violating the fragile ceasefire.

### **Impediments to Justice**

The Palestinian cause has much support across the world. Yet protests against Israeli impudence have been systematically weakened by cunning distortion of the Palestinian question into an issue of survival of Israel. The media in the West have played a cynical role in bringing about this shift of perspective. The media makes an effort to appear ‘objective’ only when genocide and destruction are too immense to ignore, but offer their routine excuses for Israeli misconduct. Leading media such as the BBC, CNN and Sky avoided showing Israel’s use of weapons prohibited under international law. The public was correctly informed of Israeli crimes by activists through private communication and social media, against heavy odds, with the media dominated by Zionists and campaigners for Israel.

Israel suffered a setback in the 1970s when the global anti-imperialist mood was so strong that the Palestine Liberation Organization (PLO) won observer status in the UN. But the PLO leadership, the Fatah especially, squandered its political edge by relying on reactionary Arab regimes for funding and letting corruption grow unchecked within the ranks of the PLO. It was the First Palestinian Intifada (1987–93) against violations by Israel that revived the Palestinian struggle. The PLO took advantage of the Intifada, really a result of mass frustration at the impotence of the PLO, to negotiate with a desperate Israel, only to play into the hands of the US and Israel to make a deal with Israel. The PLO gained little in exchange for ‘recognizing the state of Israel’. Israel allowing Arafat and his supporters to return to the occupied territory, and the powerless Palestinian National Authority established following the Oslo Accord of 1993 was a sham.

The Palestinian Authority, under the control of Israel, is headed by the discredited President Mahmoud Abbas, who is totally subservient to the US and Israeli regimes. The US resented the electoral success of the Hamas in 2006, and Abbas obliged by dismissing the Hamas-led government of unity and aggravating the conflict between the Fatah and Hamas.

Sustained attempts at reconciliation between the Fatah and Hamas led to an agreement signed in Gaza City on 23<sup>rd</sup> April 2014, about which Israel has openly expressed resentment. Thus the Israeli attack needs to be seen in this context as well. Abbas is suspected of undermining the Fatah and Hamas reconciliation in his pursuit of fruitless negotiations with Israel. His recent sabotage of the Palestinian application for membership in the International Criminal Court (ICC), amid the devastating Israeli bombing of Gaza is another instance of acting to please his Israeli partners. Israel is concerned about the initiation of a war crimes case and is acting fast to avert one by setting up its own investigations into the campaign on Gaza, and Abbas has given a helping hand. Significantly Hamas had agreed to be party to a Palestinian declaration to join the ICC, incurring the risk of coming under a war crimes action itself for its rocket fire from Gaza. (Source: <http://www.intifada-palestine.com/>).

However, a comment in the Guardian on the performance of the ICC, citing the book “Rough Justice: The International Criminal Court in a World of Power Politics” (Oxford University Press, 2014) by David Bosco (<http://www.theguardian.com/law/2014/aug/18/hague-court-western-pressure-gaza-inquiry>) is revealing. It is clear that pressure from the US, UK, France and Israel on Abbas and that of US on the ICC have played a role in insulating Israel from being investigated.

The regime changes implemented by the US in the Middle East and the US mischief aided by Saudi Arabia to promote Sunni fundamentalism and to create a Sunni–Shia rift are major setbacks to the Palestinian struggle. The rift designed to undermine the Islamist regime in Shia majority Iran has deepened divisions in Iraqi society and weakened the post-Saddam Shia majority government. The support that the Palestinian struggle enjoyed in the Arab world has suffered further since the subversion of the “Arab

Spring” of 2012. It is however creditable that the predominantly Sunni Palestinian people did not yet fall prey to the US conspiracy.

### **Hopes for the Future**

The ceasefire in Gaza is both a humiliation of Israel and a victory of the people of Gaza. Israel may attack again and pursue its policy of expansion in the West Bank. But the people Palestine have clearly demonstrated that they cannot be subdued by Israeli violence however severe. But that alone is inadequate to recover the losses of the Palestinians. There is need to build on this success.

The resistance in Gaza against Israel succeeded because of mass solidarity and support. Thus Palestinian unity is of prime importance for the future. Sectarianism of any kind will weaken the Palestinian cause. The people of Palestine are aware of this and have been overwhelming in their support for reconciliation between the Fatah and Hamas. The fact that Israel resents it and actively seeks to drive a wedge between the two sides is in itself good reason for further pursuit of reconciliation. Deep differences exist among the various political actors in Palestine and mutual suspicion is strong between the leaders of the Fatah and Hamas. These cannot be wished away. Any reconciliation, if limited to power sharing between Fatah and Hamas, will only encourage anti-democratic forces within the two organizations. All organizations should realize that the essential unity is that of the oppressed Palestinian people, and that reconciliation should transcend issues between the main rivals to aim to unite the masses against the common enemy, namely Israel backed by US imperialism in the immediate context.

The essential requirements for lasting unity and success of the Palestinian struggle are anti-imperialism, mass political line based on broad based unity and mass struggle.

The betrayal of the Palestinian people by reactionary Arab regimes is not surprising. Despite the treachery of the regimes the masses not only in Arab countries but all over the world have not failed to express their solidarity with the Palestinian people in their moment of need. That sense of international solidarity transcends nationalism and is not only a ray of hope for Palestine but also for the global anti-imperialist struggle.



## Lessons Old and New

Apart from persistent aggression and harassment of Palestinians since 1967, Israel has been building homes illegally on stolen Palestinian land to settle its Jewish citizens in the West Bank and East Jerusalem. Over 700,000 Israelis live in these exclusively Jewish settlements and Israel has brazenly declared further settlements.

Escalation of Israeli state violence has been notorious in the past three years. In May 2021, Israeli police raided Al Aqsa Mosque in Jerusalem, the third-holiest site in Islam, which set off an 11-day war between Israel and Hamas that killed more than 200 Palestinians and more than 10 Israelis. This was the most serious violation of Gaza by Israel since 2014 until the IDF surpassed all records of Zionist terror since the Naqba in its 75<sup>th</sup> anniversary in 2023.

Desecration of the Al Aqsa Mosque — the third most sacred place of worship of Muslims — has been deliberate provocation. The worst act so far accompanied the Sukkot holiday (29th September to 6th October). [<https://www.aljazeera.com/news/2023/10/4/israeli-settlers-storm-al-aqsa-mosque-complex-on-fifth-day-of-sukkot>]

Despite Jewish law forbidding entry to the Mosque compound (also known as the Temple Mount) in view of the sanctity of the site, Israeli settlers, following calls by Zionist extremists, forced their way into the mosque complex on 30th September to perform “Talmudic rituals”. On 4<sup>th</sup> October, while thousands of settlers went on provocative tours of the mosque complex, Israeli Police imposed age restrictions to deny young Palestinians entry to the mosque. The Israeli army forced Palestinians to shut down shops in the Old City to allow Jewish prayers, and even prevented several Waqf (the mosque trust) employees from entering the site. The mob also humiliated the Christian community by spitting at them. This seems an important consideration in the timing of the

response of Hamas to Israeli provocation, besides the ceaseless acts of violence by Israeli forces and illegal settlers in the West Bank.

Key observations of the essay in New Democracy October 2014 are noted below. They seem emphatically more valid now than nine years ago.

*Zionist Israel, one of the most powerful military machines, once again failed to bomb the people of Gaza into submission. Its long-standing policy of apartheid, ethnic cleansing, occupation and territorial expansion failed despite full complicity of the US in the brutal control and subjugation of a captive indigenous population.*

If at all, the people of Palestine, especially those of Gaza, are even more defiant and determined to resist than before in the face of the impotence of the Palestinian Authority, the ruling PLO and President Mahmud Abbas. For instance, a spate of violent attacks in Israeli cities in 2022 was followed by Israeli forces killing at least 166 Palestinians in Israeli-occupied West Bank. Repeated military raids in the city of Jenin by Israeli forces led a Palestinian man to kill seven people outside a synagogue in East Jerusalem in early 2023. Such events were rare even during militant mass defiance by the Palestinians as during Intifadas I & II.

Netanyahu who had declared that a ceasefire will mean surrendering to Hamas was forced to agree to a ceasefire, however short. His resumption of the assault on Gaza, be it for fear of losing support from the right wing vote base or in hope that the conflict, will spill over to draw in others like Iran to provoke a regional war, is only a sign of desperation.

*That the US has been complicit in every act of evil by Israel is no secret and the US has been a shamelessly consistent defender of Israel in the UN in the face of numerous resolutions.... But what is worse is the hypocrisy of the mainstream media including those with "moderate" and "liberal" labels....(T)he thrust of the media narrative varies between blaming both Hamas and Israel, and denouncing Hamas for provoking Israel to exercise its "right to defend itself" against terror.*

This time the US was double quick on the draw to endorse Israel, arm it heavily and declare unconditional support in anticipation of a prolonged conflict. The US has repeatedly opposed ceasefire and even declared that it will only continue to look for humanitarian pauses and are not seeking a ceasefire (Source: aljazeera.com, 5<sup>th</sup> November 2003)

The media parrot Israel's narratives to highlight melodramatically the pains of Israeli civilian victims of Hamas' attack on 7<sup>th</sup> October, including blatant lies like Hamas beheading 40 Jewish infants, when there was just one child victim, the circumstances of whose death was still uncertain. The outrageous lie that Hamas wilfully targeted civilians on 7<sup>th</sup> October was falsified by the proportion of IDF personnel among the casualties and captives of 7<sup>th</sup> October.

The Business Standard [<https://www.tbsnews.net/features/panorama/what-really-happened-7-october-753058>] said that IDF bombing contributed much to Israeli deaths on 7<sup>th</sup> October. The Business Standard report added that the explosive power of IDF bombing in Gaza from 7.10.2023 to 2.11.2023 far exceeds that of the first atomic bomb dropped on Hiroshima in 1945. The Grayzone [<https://thegrayzone.com/2023/11/27/israeli-tank-orders-fire-kibbutz/>] adds: "New disclosures add to the growing body of evidence indicating many Israelis who died on October 7 were killed by the Israeli military. Meanwhile, the Israeli government has muzzled captives freed from Gaza to prevent further damage to the official narrative."

But mainstream media lies continue to divert public attention from IDF's wilful killing of vulnerable civilians including thousands of children.

*That does not mean that Israel will not strike again, and in fact Israel has already started gathering excuses for violating the fragile ceasefire.*

The seeming repetition of history is neither tragedy nor farce but a standing aspect of a vicious programme to destroy the Palestinian people with the fullest backing of US imperialism. Bombing of Gaza happened before 2014 and several times after. While the enormity of the offence is

several folds bigger now, the EU is even less willing to criticize Israel or act to curtail its cruelty, as it is the US that dictates policy on global issues to Western imperialist alliance.

*It is clear that pressure from the US, UK, France and Israel on Abbas and that of US on the ICC have played a role in insulating Israel from being investigated.*

It is now much harder for Abbas and allies whose political survival has relied on Israeli mercy since early this century. Abbas, who acted to save Israel from legal action by the ICC in 2014, will repeat the act to please his masters in the US and Europe. The comment “How will Gaza's fire burn Mahmoud Abbas?” in ‘the Cradle’ summed up his sad predicament amid Israeli escalation of genocide in Gaza which is bound to trigger strong reaction in the West Bank. [<https://new.thecradle.co/articles-id/13384>]

The US and EU pushed the ICC to send an arrest warrant for Putin for his ‘crime’ of removing Ukrainian children from a scene of conflict. But they are indifferent to the targeted killing of thousands of children, bombing of hospitals, schools and public amenities including electricity and water supply. The West’s hypocrisy is well known, but never more transparent than here. Clearly, the US and EU will not curb Israeli genocide. President Biden who criticised Netanyahu’s far-right coalition in July 2023 for exacerbating tensions between Israel and the Palestinians, and named it ‘one of the most extreme’ governments he has seen in his decades in politics, now unconditionally supports IDF’s military action in Gaza and started to arm Israel as early as on 8<sup>th</sup> October.

US policy in Palestine is inseparable from its global destabilization plans, since its ‘Global War on Terrorism’ starting October 2001. But its pathetic hope to put Abbas in charge of a post-war Gaza ignores his immense unpopularity there. [<https://foreignpolicy.com/2023/11/15/mahmoud-abbass-palestine-gaza-hamas-pa-israel-postwar/>]

*The regime changes implemented by the US in the Middle East and the US mischief aided by Saudi Arabia to promote Sunni fundamentalism and to create a Sunni–Shia rift are major setbacks to the Palestinian struggle.*

Here is a domain with a small but visible shift in loyalty. Regardless of how long wisdom will prevail, Iran and Saudi Arabia recently decided to bury the hatchet to pay attention to economic cooperation. Saudi Arabia has held back on military action against Houthi rebels in Yemen and makes noises unimaginable two years ago. Bond between the sheiks of Arab lands and the US is still intact, but there is reluctance to appear to obey every command of the US. While the part played by growing public anger in the Arab world is an important factor, it is still too early for a serious change of heart of the rulers to fully reverse their entente with Israel and reject US dominance in Arab affairs.

*The ceasefire in Gaza is both a humiliation of Israel and a victory of the people of Gaza.*

Despite Israel's rash ending of the ceasefire on 1<sup>st</sup> December to resume bombing in Gaza, Hamas defiantly resisted Israeli invasion and inflicted serious loss upon the aggressor. [<https://electronicintifada.net/blogs/jon-elmer/how-gaza-made-weapons-are-impacting-battle-against-israeli-armored-vehicles#:~:text=Palestinian%20fighters%20are%20making%20effective,since%20the%20ground%20invasion%20began.>] Regardless of whether Hamas will outlast the IDF in Gaza, its defiance of Israel will have a huge impact on Arab governments which are now looking at fast growing anger of an Arab public viewing Hamas in an increasingly positive light.

*Israel may attack again and pursue its policy of expansion in the West Bank. But the people Palestine have clearly demonstrated that they cannot be subdued by Israeli violence however severe. But that alone is inadequate to recover the losses of the Palestinians. There is need to build on this success.*

There is more to Israeli crimes and the response of humanity to it. The West cannot for long sit back and blame terrorism. The futility of Israel's war is clear with each passing day. Israel deserves to be severely dealt

with, while Hamas cannot be abandoned to its own resources. Sustained mass pressure alone will compel hesitant governments to diplomatically isolate Zionists and expose its backers. Arab governments that are not doing enough find an excuse in Hamas, which they conveniently dub as extremist if not terrorist. The unprecedented wave of anger against the Zionist war should be mobilized for the cause of defeating Zionism.

*The resistance in Gaza against Israel succeeded because of mass solidarity and support. Thus Palestinian unity is of prime importance for the future. The essential requirements for lasting unity and success of the Palestinian struggle are anti-imperialism, mass political line based on broad based unity and mass struggle.*

Palestinian solidarity is strong today thanks to the inspiration induced by military and political humiliation of Israel by Hamas which violated its 'impenetrable' defence and remains defiant amid the genocidal violence of a desperate enemy. The outcome is likely to be solidarity around the resistance to this attempted 'Second Naqba'. It means further discrediting of the Palestinian Authority, the PLO, their patrons and Arab regimes hesitant to break off with Israel. The Islamic Republic of Iran, which always prioritized the Palestinian question, is gaining prestige among Arab masses alongside diplomatic gains in the Arab world. While motives of Türkiye under Erdogan are hard to fathom, they indicate growing rift with Israel and its master, the US.

How well the Arab states will unite to break with Israel is uncertain, but Israel's forfeiture of its carefully cultured diplomatic gains in the Islamic World has begun, as many tire of Israel under Netanyahu. This may be the downfall of Netanyahu and downgrading of Zionism as Israel's dominant ideology.

*The betrayal of the Palestinian people by reactionary Arab regimes is not surprising. Despite the treachery of the regimes the masses not only in Arab countries but all over the world have not failed to express their solidarity with the Palestinian people in their moment of need. That sense of*

*international solidarity transcends nationalism and is not only a ray of hope for Palestine but also for the global anti-imperialist struggle.*

This observation is reaffirmed by the global response to Israel's genocidal war. Wherever governments hesitated to denounce Israel, people rallied in many thousands to express solidarity with Palestine and denounce Zionism and US imperialism. The scale, spread and frequency of the protests are reminiscent of the time of the Vietnam War. Public anger, bigger than then, is surging in the face of a US that has overplayed its hand in its support of the Zionist state.

*The Palestinian cause has much support across the world. Yet protests against Israeli impudence have been systematically weakened by cunning distortion of the Palestinian question into an issue of survival of Israel. The media in the West have played a cynical role in bringing about this shift of perspective.*

What is seen is a return of each of these features with different scales of enlargement. Globally, mass support is overwhelming for Palestinian statehood, while mainstream media distortion of events has intensified at the expense of its credibility and ability to stifle growing protest.

## **A Case for Cautious Optimism**

The stubborn refusal by the US to call for an immediate ceasefire amid mounting casualties in Gaza has compelled its Arab allies, now frustrated by the worsening humanitarian situation in the besieged Palestinian territory, to reassess US policy in the Middle East. Whether this will lead to the recognition of the identity between the Zionist agenda of Greater Israel and US interest in dominating the Middle East depends heavily on how well the Palestinian freedom struggle will be integrated with the global anti US imperialist struggle.

The struggle in Gaza has gone on amid nearly two decades of crippling blockades by Israel and Egypt on the territory accompanied by monitoring of movement of goods and people, wrecking the economy

and livelihood of people in one of the most densely populated places on earth. Hamas has gone through four wars and many smaller battles with Israel that devastated Gaza to heroically defy the opportunist Israel–Egypt alliance and emerge even stronger after each conflict.

The experience has made Hamas the prime force of Palestinian resistance and makes it a major component of the global anti-imperialist struggle. In this context, unqualified rejection of Western media propaganda that Hamas is a terrorist force is essential for its global acceptance as a liberation force on par with other anti-imperialist freedom movements, including the PLO in its days of anti-Zionist militancy.

Even outside the Arab and Muslim World, the Zionist war of callous destruction of Gaza faces condemnation alongside solidarity with every act of resistance to it. Growing mass protests by massive crowds in the political and financial capitals of the imperialist West mark an important victory for the forces of peace and justice. That non-Zionist Jews of the world are increasingly expressing disgust with Israeli cruelty is a most remarkable development.

Supporters of the Palestinian cause may differ on the question of a two-state solution as opposed to a single secular state for Arabs and Jews with the right of return for all exiled Palestinians. As this is not an immediate issue, our considered view is that, while the single state solution is the more desirable outcome that will ensure justice, peace and stability, the two-state solution is more feasible in the immediate context. What is thus necessary is creation of a Palestinian state together with the right of exiled Palestinians to return to their land on either side of the Palestine–Israel border. International supporters of the two-state solution should accept that the two-state solution has to include the right of Palestinians to return— a right with a far stronger case than the Zionist case for the right of Jews to ‘return’ which led to 75 years of catastrophe.

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*[Israeli Defence Minister says: "We are fighting with human animals" and Prime Minister Netanyahu says in his address to the nation: "Israel is fighting with the enemies of civilization...this war is between forces of civilization and the forces of barbarism"]*

*The poem below is in response to their utterances.]*

## *A Voice from Palestine*

*MA Nuhman*

You say,  
You are fighting with human animals and  
That's how they should be dealt with  
Yes, you can only speak like that  
Your brain is benumbed  
Your heart is parched

Do not insult animals  
Animals are friends of people  
You and I cannot live in this world  
without animals  
Do not insult animals

Animals do not encroach and occupy others' lands  
Animals do not bomb and kill people  
Animals do not rob a country  
Animals do not chase people out of their homes  
They do not destroy villages  
They do not make people refuges  
Do not insult animals.

Think who you are  
and how you came here,  
how you chased us out,  
how you killed us,

how you destroyed our villages,  
how you made refugees of us,  
how you imprisoned us.  
Think of these, if you can.

You have lost your memory  
Your conscience is dead  
Your heart is parched  
Your brain is benumbed  
You say we are terrorists  
You say we are human animals  
Do not insult animals

Is it not you that shattered our peace?  
Is it not you that destroyed our beehive?  
Is it not you that felled our olive trees?  
Is it not you that forced us to take up arms?  
Is it not you that made our children pick up stones?  
Now, you say we are terrorists  
We are human animals  
Do not insult animals

You say  
'We are fighting the enemies of civilization'  
and you say  
'This war is between forces of civilization  
and forces of barbarism'  
Is it not the joke of the century?  
Are you saying what I should be saying?  
Is not the Satan reciting the scriptures?  
Is it not you  
that is the worst enemy of human civilization  
that travels along the same path as Hitler  
following him?

The big terrorists of the world  
support you, but  
open your eyes to see  
people with a sense of justice  
around the world rise against you.  
Your own people with a sense of justice  
rise against you in your own country.  
Your end is near.

Tyrants cannot survive forever.  
History will spit on them.  
You follow their line.  
Your end is near.

Your conscience is dead.  
Your heart is parched.  
Your brain is benumbed.  
Your mind is confused.  
You have lost your memory.

You say that we are human animals,  
barbarians and enemies of civilization.  
You seek to destroy us completely and  
dream of a peaceful sleep.

That will not happen  
as long as a drop of justice  
survives in this world.

It cannot happen.

There is no peace for one who destroys the peace of  
others.

There is no freedom for one who robs others of their  
freedom.

You may kill more and more of us  
by dropping

thousands and thousands of bombs.  
But we will rise again and again  
from the rubble  
from the ashes  
to shatter your dream.

Cast away your arms into the Red Sea  
and approach me with an  
olive branch, and  
I will forgive your sins of  
seventy-five years and embrace you.  
I will offer you a place to live in my land  
so that  
we may sleep and wake up peacefully in our homes.  
Are you ready for that?

Let your heart moisten.  
Let feeling sprout in you.  
Let clarity fill your mind.  
Are you ready for that?

Are you ready  
to throw your arms into the sea and  
come to me with an olive branch?  
Until then the dispersed bees  
Will continue to chase you and  
continue to disturb you

Do not dream of destroying us completely.  
That will not happen  
as long as a drop of justice  
survives in this world.  
It cannot happen.

01. 11. 2023

*Translated jointly by the author and S Sivasegaram*

### **Summary of recent statements issued by the NDMLP**

#### **Vehement Condemnation of Israel's Brutal Attack**

On 14<sup>th</sup> October 2023, Comrade SK Senthivel, General Secretary of the New Democratic Marxist Leninist Party issued a statement in behalf of the Party strongly denouncing Israel's relentless brutal attack on Gaza, a strip of land separated from the rest of Palestinian territory.

The statement pointed out that this cruel attack is unacceptable to any humanitarian person, and declared that the Party joins hands with all the oppressed people of the world who speak up and struggle for liberation in strongly denouncing the cruel attack launched by Israel on Gaza.

Besides, the Party affirms militant solidarity with the Palestinian people who are resisting US and Western backed Zionist Israeli aggression.

The Party also pointed that Palestinian people have lost much of their ancient homeland where they have lived for centuries to aggression conducted by Zionist Israelis with the support of the West, and most of them live as refugees on their soil and in neighbouring Arab countries and other countries.

It is natural and inevitable that among such a people there will be militant liberation movements and liberation struggles to regain their lost land. Palestinians who remain on what was left of Palestine after the founding of Israel live a life of sorrow amid Israeli aggressors on the West Bank and encircled and blockaded on the small land strip of Gaza. Elections held in the Palestinian territory following the Oslo accord of 1994, brought Gaza under the control of the militant organization of Hamas. Murderous Israeli attacks on Gaza have intensified in the past decade as was land grab by the Israeli state. The West has not lifted its little finger to stop it. It is in such context that Hamas launched its

surprise against Israel blasting the myth of Israel's defence system. Israel has used the opportunity to wage war on Gaza on pretext of destroying Hamas. The two attacks are not comparable. One is a US and Western backed state terror the other a war of liberation.

Tamil people who suffered a cruel war for 30 years cannot accept Israeli aggression and attacks on Gaza with wilful denial of food, electricity, water, medicine and other essentials. It is clear that the Israeli attack on Gaza is motivated by the desire to annex it. Let us therefore stand shoulder to shoulder with the people of Palestine and their struggles.

## **Justice under Intimidation.**

On 1st October 2023, Comrade SK Senthivel, General Secretary of the New Democratic Marxist Leninist Party issued a statement in behalf of the Party expressing frustration about the circumstances that forced the resignation of the District Judge of Mullaitheevu.

The statement pointed out that the predicament of the District Judge was hardly surprising in a context of a biased democracy and rule of law. It added that it is believed that political forces of the highest levels of the ruling class and Sinhala Buddhist chauvinistic fanatics had a hand in it.

The New Democratic Marxist Leninist Party joins all forces and people who support justice and fair play and true people's democracy to denounce the injustice delivered to the District Judge of Mullaitheevu. The Party also calls upon progressive and democratic forces from among the law and justice sectors to add their voice to the protests from the side of the people, transcending race and religion.

Besides, for the past 75 years the capitalist elite ruling class forces have use Sinhala Buddhist chauvinism as capital to exercise control over the state in the name of democracy within the parliamentary and executive presidential forms of government. In this series of governments, while democracy and rule of law have been elaborately bandied about, what

existed in practice was denial of democracy and novel forms of fascist governance. All constitutions thus far had been drafted affirming this reality. Under such constitutions , the vast majority of the working masses and the oppressed Tamil, Muslim and hill Country Tamil nationalities as well as other minorities have been denied democracy and rule of law.

While negation of democracy and rule of law have been witnessed from time to time, the threatening of the District Judge of Mullaithheevu, his resignation and his flight abroad mark a peak in such events. It cannot be denied that, in this context, hands of Sinhala Buddhist chauvinist political forces seeking to capture power have been moving the pieces on the political chessboard.

At the same time it is important that the people are alert to the activities of ethno-religious groups guided by foreign intelligence agencies moving behind the scenes to stir ethno-religious conflicts for the purpose of establishing the authority of hegemonic powers.

## **Housing Rights of Hill Country Tamils**

Comrade SK Senthivel, General Secretary of the New Democratic Marxist Leninist Party issued a statement on 23<sup>rd</sup> September on behalf of the Party warning the Hill Country Tamils against approaching the question of housing rights for Hill Country Tamils scientifically rather than hastily from a vote bank political perspective.

In a context in which a demand was put forward that the government, in keeping with international norms for housing, should create rural community structures by allocating 20 perches per household as was the case with Sinhalese people, The CWC has propose a storeyed housing scheme with housing units lacking in facilities and located on smaller extents of land, and has implemented it on a small scale.

The Sri Lankan government has through a variety of schemes allocated land to the landless by implementing a significant number of village structures, each with plots exceeding 20 perches per housing unit.

But when it came to the Hill Country Tamils it is a story of discrimination all round. During the Maithripala Sirisena – Ranil Wickremesinghe rule, an individual housing scheme based on 7 perches per plot was implanted to some extent using public revenue funds. Although it was not fully satisfactory, since the state and the people shared the funding to implement the housing scheme, the people welcomed it to some degree. Those who followed them should have gone a step further to take into account community needs and implemented a village style housing scheme based on 20 perches per housing unit. But it is deception to grant 10 perches each and wash their hands off the matter. The Party has criticized that the CWC's bogus concern for the people has been like this all along.

It is known that there are at least 60,000 hectares of untilled land in the whole of the Hill Country, which clearly points to prospect of model village structures based on 20 perches per household. Although left and progressive forces are actively struggling to persuade the government to implement it, there is need to carry out further well organized plans.

The Party and its mass organizations will participate in a concrete manner to win land rights and is ever ready to unite in struggle with all progressive forces for the purpose.

## **Marking the 57<sup>th</sup> Anniversary of the Chunnakam Uprising**

The 57<sup>th</sup> anniversary of the Chunnakam Mass Uprising against caste oppression and untouchability was held on 22<sup>nd</sup> October 2023 at the Murukaiyan Auditorium of the Desiya Kalai Ilakkiyap Peravai in Kokkuvil, Jaffna. The meeting, organized by the Northern Regional



Committee of the Marxist Leninist New Democratic Party and chaired by Comrade M Rasanayagam, was addressed by Dr TG MeeNilankco on the theme “Class Dimensions of the Struggle against Casteism”. The talk was followed by a lively discussion.

## **Remembering Comrade Maniam**

The KA Subramaniam Commemoration Committee held a Seminar–Discussion session on 6<sup>th</sup> November to commemorate the 34<sup>th</sup> death anniversary of Comrade KA Subramaniam, well remembered as Comrade Maniam, who was the founder General Secretary of the New Democratic Marxist Leninist Party. Comrade P Muthulingam chaired the seminar held in the Poet Murugaiyan Auditorium of the Deshiya Kalai Ilakkiyap Peravai at Kokkuvil, Jaffna. Comrade SK Senthivel, General Secretary of the Party addressed the gathering on the theme “The Political and Economic Crises of Sri Lanka and the Means to Resolve the National Question”. Comrades S Thevaraja, N Pradeepan, K Thanikasalam, K Selvam Kathirgamanathan and M Rasanayagam participated in the discussion along with members of the audience.

## **Comrade Senthivel: Sixty Years in Politics**

The Northern Regional Committee of the New Democratic Marxist Leninist Party organized a public discussion event chaired by Comrade K Selvam Kathirgamanathan at the Kalaimathi People’s Hall on 2<sup>nd</sup> December 2023 to share with Comrade SK Senthivel, General Secretary of the Party, his sixty years of political experience, on an occasion marking his attaining the age of eighty years.

Comrade Senthivel, who joined the Communist Party in 1963 was in 1978 a founder Politburo member of the New Democratic Marxist Leninist Party and served as its General secretary following the demise of Comrade KA Subramaniam in 1989.

# The Stench

## *Mohanadharshini*

Amid the flurry of the coronation  
the sobbing of Urmilas<sup>1</sup>  
receives scant attention.  
It was the very same man  
that asked Sita to bathe in flames  
gave deliverance to Akalya<sup>2</sup>.  
Cutting off the nose of  
the woman who declared her love<sup>3</sup>  
and kidnapping the woman  
who turned down his love<sup>4</sup>  
were by protagonists on either side.  
What Nalayinis<sup>5</sup> carry today  
are burdens  
of another's sins.  
The darkness of Gandharis<sup>6</sup>  
is sacred even today.

There is no room for the  
longings of Manimakalas<sup>7</sup>  
in the histories of Kovalans.  
Yesterday and today  
Dhamanthis<sup>8</sup> continue  
to wander alone  
on the hot sands of wilderness.  
Now as then  
this is a world of stench.

## Notes for 'the Stench'

- <sup>1</sup>In the Ramayana, prince Lakshmana left behind his young wife Urmila as he joined Rama and wife Sita in their fourteen years of exile. Lakshmana is glorified for his loyalty but there is hardly a mention of the pain of separation suffered by Urmila. She is not even a footnote in the narrative of the coronation ceremony following the return of Rama.
- <sup>2</sup>In the Ramayana, Rama who ordered his wife Sita to prove her chastity by entering a fire was also the one who brought back to life Akalya who was cursed to become a stone for her act of adultery.
- <sup>3</sup>Reference is to Lakshmana who humiliates Surpanakha who declared her love to him
- <sup>4</sup>Ravana kidnaps Sita who refused his love
- <sup>5</sup>Nalayini, the chaste wife of a leprous sage,, would carry her husband to the brothel, and reputed for stopping the sun from rising to save his life as he as cursed to die at sunrise..
- <sup>6</sup>Gandhari was deceived into marrying Dhritarashtra, the blind king of Hastinapura in Mahabharata. In a fit of fury she declared that she will remain blindfolded for the rest of her life and remained so to the end of the war of Mahabharata.
- <sup>7</sup>Manimekala, the protagonist of the Tamil epic of the same name, was the daughter of Madhavi and Kovalan by an extra marital affair. She grew fatherless as Kovalan had deserted her mother during her pregnancy, and became a highly regarded Buddhist nun.
- <sup>8</sup>Dethroned king Nala abandoned his wife Dhamayanthi in the wilderness for fear that he could not protect or provide for her.



## White Houses

Claude McKay

Your door is shut against my tightened face,  
And I am sharp as steel with discontent;  
But I possess the courage and the grace  
To bear my anger proudly and unbent.  
The pavement slabs burn loose beneath my feet,  
A chafing savage, down the decent street;  
And passion rends my vitals as I pass,  
Where boldly shines your shuttered door of glass.  
Oh, I must search for wisdom every hour,  
Deep in my wrathful bosom sore and raw,  
And find in it the superhuman power  
To hold me to the letter of your law!  
Oh, I must keep my heart inviolate  
Against the potent poison of your hate.

*Jamaica born Claude McKay (15 September 1889 – 22 May 1948) moved to the US in 1912 and from there to Britain in 1919 and returned to the US in 1940. From 1920 until his death in 1948 he remained a great Communist and anti-racist activist.*

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