

Modern Don Juan Dharmapala with a begging bowl

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The Lankan economy is in crisis and foreign reserves hitting rock bottom is one of the major factors. There are a number of causes which led to this situation.

Clearly the world economic crisis is hitting the poorest countries and in spite of the Mahinda Chinthanaya Lanka could not escape. For such countries foreign direct investments are to fall by 20%. The cost of borrowing has risen significantly, and in some cases, maybe unavailable. Remittances from citizens working abroad are also likely to fall. Commodity exporters will be hit hard, facing both lower export volumes and lower prices. Thus two shocks, trade and finance, will hurt the external finances of the world's poorest countries and Lanka is one of them.

Secondly, the Mahinda regime, following the UNP's 'regaining Sri Lanka' policy, spent billions of borrowed money on mega projects for infrastructure development. While neglecting local interests, money was spent on planning and construction of highways, super airports, massive harbours and tourist resorts in expectation of flow of MNC investments and a massive growth in the tourist industry. But we have gained nothing or very little so far.

Lastly and certainly not the least, the so-called patriotic war devoured billions of dollars while destroying anything and everything that could deliver foreign exchange. The only way now that the government can and is planning to raise foreign exchange, is by selling land, minerals, marine resources and water of the Tamil homeland to robber barons from India and the West.

Precarious position

The government was forced to accept that the country's foreign exchange reserves are in a precarious position. With that the government announced that it was going to accept a massive US\$1.9 billion loan from the IMF under their conditions.

The question is not whether the government will agree to the stringent conditions that they have to stick to under the present condition created by their own folly. The real question is will the IMF agree and how much will they offer. Apparently the IMF will demand a heavy devaluation. In addition they will expect a severe cut in public expenditure. The latter will affect the so-called patriotic war and will strengthen the demand for a ceasefire. Pressure for a political solution will increase manifold.

In fact the American military unit from the Pacific camp backed by the Indian navy may come to enforce the ceasefire agreement. All this will follow the US\$1.9 billion loan agreement. The IMF formulas, especially the structural adjustments, have been the subject of worldwide discussion. Almost all radical intellectuals have condemned these as inhuman bondage. Wimal Weerawansa and others have been barking against the IMF while creating the very condition for servile bondage. These modern Narodniks have ultimately brought the country under the feet of the economic, political and military power of the global capital.

Mahinda's war of liberation created internally, a very repressive political and military apparatus. He duped the Sinhala masses with war hysteria, cornered every national and religious minority to live in fear, countered trade unions and workers in every possible way into silence, and threatened the media and civil society directly and indirectly. Whenever necessary he used resources and positions to win over to his side critical and oppositional elements. In the end what did he achieve? There is violence everywhere.

Not even our cricket team could go abroad safely. American armies are waiting to come in, of course under the pretext of evacuating trapped civilians under the government's request. The Indian hand is to be seen everywhere in the country.

The Tamil Tigers with over 50,000 people (or is it 100,000?) are patiently waiting, like the Jews of the ghettos in Warsaw, for the final do or die battle. In the meantime we have become beggars at the doorstep of the IMF. Mahinda the great Sinhala patriot has finally become a modern Don Juan Dharmapala!