

**INDO-SRI LANKAN RELATIONS :  
1977—1984**

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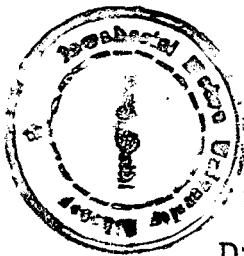
**PRANATI KUMARI NAYAK**

**CENTRE FOR POLITICAL STUDIES  
SCHOOL OF SOCIAL SCIENCES  
Jawaharlal Nehru University  
New Delhi-110 067 (India)  
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DECLARATION

Certified that this dissertation entitled "Indo-Sri Lanka Relations : 1977-1984" submitted by Pranati Kumari Nayak, is approved for submission to the examiners in partial fulfilment of the requirements for the Degree of Master of Philosophy. This is her own work and the material in this dissertation has not been previously submitted for a degree of this or any other university.



*S. N. Jha*  
Dr S.N. JHA  
Chairman

CHAIRMAN,  
Centre for Political Studies,  
School of Social Sciences,  
Jawaharlal Nehru University,  
NEW DELHI-110007

*A. K. Ray*  
Dr A. K. RAY  
Supervisor

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India constitutes the core of South Asian nations. Its dominant position in South Asia and the Indo-Centric nature of the region, substantially determines India's policy and relations with her neighbours and vice-versa. India, being the pre-eminent power in South Asia can play a useful role for the stability of the region. As India's manoeuvrability is profoundly affected by its immediate neighbours, relations with them have an important bearing on India's capabilities in both the international and domestic field. For these reasons, the tactics and strategies of India's foreign policy in relation to South Asian neighbours have acquired importance.

The geo-political situation of India and its size, population and power potentiality in comparison to its neighbours, have generated a threat perception of India among them. However, though the other South Asian States are smaller in size, they are, nevertheless, important factors in India's efforts to the pursuit of her national interests. But it is important to note that the extent to which India will be able to play a

role in creating and maintaining friendly relations with her neighbours depends also on the international and regional situations.

Keeping this in mind, the study of India's relation with her neighbouring countries in general and with Sri Lanka, in particular, have gained a paramount importance in recent years. Indo-Sri Lankan relation dates back to a long historical past. Their geographical proximity, common cultural traditions, even religion also played an important role in the cultivation of a sound bilateral relationship between them. But after independence both the countries bound by their own national interests understandably followed their independent foreign policies to serve their own needs. India being big in size, rich in resources, having a strong army naturally generates fear among the small neighbouring countries. And Sri Lanka was no exception to this. Yet good neighbourly relation between them continued which was reflected in the solution of many bilateral problems, like Kachchativu and maritime boundary agreements etc. that were existing for a long time. The Indian Tamils who migrated to Sri Lanka as tea planters became a major irritant in their bilateral relations after their independence. The ethnic issue in

meantime was slowly acquiring all the potentialities of an additional source of conflict. It started to surface slowly from 1977 onwards and in 1983 resulted in the worst ever ethnic violence that Sri Lanka had even seen. This strained Indo-Sri Lankan relations.

This dissertation is an effort to objectively analyse certain issues like global, regional and bilateral factors in the relation between India and Sri Lanka. The focus of this study has been on the period between 1977 and 1984. The period is important because the year 1977 witnessed the change of government in both India and Sri Lanka. In India the Janata Party and in Sri Lanka, United National Party, came to power with new ideas and spirit to maintain good relationship. The period is restricted up to 1984 which marks the end of Mrs Gandhi's regime in India. Besides this, this period is significant because it was marked both by co-operation and conflict. During the Janata era co-operation between them was based on the Indian emphasis on "good-neighbourliness". However, with Mrs Gandhi's back to power the relations soured considerably.

This dissertation is divided into four chapters followed by a conclusion. Chapter I deals with the general overview in which an effort has been made to

study the India-Sri Lanka bilateral relations and their responses to various international issues, up to 1977. Chapter II covers the period from 1977 to 1984 in which special emphasis has been given to analyse two countries response to some important global issues. Chapter III deals with their initiatives and perceptions on regional issues. The last chapter mainly focusses on their bilateral issues which is a mixture of accords and discords.

I express my gratitude to my Supervisor, who, despite his busy schedule, supervised my work with utmost patience and great care within a short span of time and provided his valuable suggestions.

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*Pranati Nayak*

New Delhi,

Pranati Kumari Nayak

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## CHAPTER I

### BACKGROUND : AN OVERVIEW

India and Sri Lanka, two immediate neighbours in the Indian Subcontinent, have been linked by traditional bonds of close and cordial friendship for more than two thousand years. They not only share historical, social, political and common cultural traditions but also are economically interlinked to each other. The people of both the countries, at the same time, are emotionally linked and sentimentally attached to each other. Therefore, India's relation with Sri Lanka unlike other neighbours such as Pakistan and China, has not been marked by conflict and confrontation rather they are based on the principles of mutual co-operation and friendliness.<sup>1</sup>

Sri Lanka, formerly known as Ceylon is separated from India by a narrow stretch of water called Palk Straits.<sup>2</sup> Its location at the southern tip of the Indian peninsula, has constantly exerted a determining influence on the course of the island's history.<sup>3</sup> Thus,

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1 D.M. Prasad, "India-Sri Lanka Relations : Problems and Prospects", Young India, vol. 3, no. 40, 13 September 1975, p. 18.

2 D.M. Prasad, "Indo-Sri Lanka Relations : Mutual Problems and Common Approaches", Punjab Journal of Politics, vol. 4, no. 1, January-June 1980, p. 97.

3 S.U. Kodikara, Foreign Policy of Sri Lanka : A Third World Perspective (New Delhi: Chanakya Publication, 1982), p. 22.

from the geo-political point of view, Sri Lanka lies within the periphery of a country which in relation to her, indeed by Asian standards, is a 'Big Power'.<sup>4</sup>

Sri Lanka, a plural society, referred to as "the pearl of Indian Ocean" has, therefore, a crucial relationship with India. Besides geographical location, Sri Lanka's position in the Indian Ocean and the existence of Trincomalee harbour, play a strategic role both to India and Sri Lanka's foreign policy. Since India is the nearest neighbour of Sri Lanka, the strategic importance of this harbour, brings Sri Lanka within the sphere of direct interest of India.

History also has played a tremendous role for the growth of mutual relations between India and Sri Lanka. Sri Lanka's geographical proximity to India has always had a powerful influence on its history. India's link with Sri Lanka is also deep rooted in history and mythology. Again, due to their common experience under British domination, Sri Lanka drew similar inspiration from India on several matters.

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4 Lalit Kumar, India and Sri Lanka : Sirimavo-Shastri Pact (New Delhi: Chetna Publications, 1977), p. 11.

Besides this, religion also has played an important role in private and public life and in national and international affairs.<sup>5</sup> of both the countries. India being the cradle of Buddhism, naturally attracts the Ceylonese and hence they are interested in the welfare of their co-religionists here.<sup>6</sup> The majority of the Sri Lankan people, whether they be Sinhala, Tamil or Muslim, belong to the same ethnic stock as India's population, and cultural affinities extend not only to religion but also to language.<sup>7</sup> The Tamil language came to Sri Lanka from Tamil Nadu, similarly, the Sinhalese language belongs to the Indo-European group and is related to Gujarati, Marathi, Bengali and Hindi.

Despite such inherent ties in cultural, geographical, historical, ethnic and linguistic fields, India's relation with Sri Lanka is not always on a smooth base but periodically strained. The vast disparities in their size, population, natural resources, and military power generated some sort of fear and anxieties in Sri Lanka against India. Sri Lanka, as a smaller nation, suffers from an illusion of threat perception from India.

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5 Ahmed Muslaihuiddin, "Indo-Ceylonese Relations", Janata, vol. 22, no. 21/42, 1 November 1967, pp. 35-36.

6 Ibid., p. 36.

7 Kodikara, n. 3, p. 22.

The people of Sri Lanka have "a sensation of living under a mountain which might send down destructive avalanches"<sup>8</sup> at any moment.

The fear psychosis of Sri Lanka poses a grave challenge to India to create not only favourable conditions for closer ties with Sri Lanka but also to do more for mutual benefit. Therefore, India thinks or is conscious not only about her own security and stability but also more cautious about Sri Lanka's security and stability. India's own strategic and security concerns regarding the Sri Lankan foreign policy posture and alignments have been continuing.

#### Bilateral Relations

For quite some time since their independence, India and Sri Lanka had been emphasizing on the peaceful settlement of their bilateral problems. Besides some minor problems like illicit immigration and Tamil minorities in Sri Lanka, settled earlier through mutual agreement, issues like Kachchativu, Maritime boundary dispute and Indo-Ceylon problem relating Indian Tamils and the issue of trade deficit of Sri Lanka with India, were the main unsolved problems between them, which need to be highlighted here.

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8 Ivor Jennings, The Commonwealth in Asia (London: Cambridge University Press, 1951), p. 113.

### The People of Indian Origin in Sri Lanka

The major irritant between India and Sri Lanka has been the citizenship issue of the persons of Indian origin in Sri Lanka. The Indian emigration which took place during the British colonial period, developed as an important issue in the post-independence period. The so-called Indo-Sri Lankan problem was the question of citizenship rights for those Indian Tamils, who had come to India as plantation labourers, but continued to settle there as the permanent citizens of Sri Lanka.

But, after World War I, disagreement arose between both the countries when the planters were viewed as foreigners and suspected by the Sinhalese as a threat to the interests of the local population.<sup>9</sup> Therefore D.S. Senanayake, the first Prime Minister of Sri Lanka, defined its citizenship by its Citizenship Act No. 18 of 1948, which disfranchised the people of Indian origin and rendered them stateless. The Indian government while disowning any responsibility for them, regarded Sri Lankan government's action as discriminatory towards the Indian population and strongly demanded that those persons should be treated by the Sri Lankan government as

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9 S.R. Sudhamani, "The Sirimavo-Shastri Pact and the People of Indian Origin in Sri Lanka", in I.J. Bahadur Singh, ed., Indians in South Asia (New Delhi: Sterling Publishers Private Ltd., 1984), p. 47.

Sri Lankan citizens in every respect. As a result of this the question of the rights of franchise of Indian emigrants in Sri Lanka became overnight a question of "citizenship" for them.<sup>10</sup> This had raised a serious political issue between them.

The point of discord prompted the two Prime Ministers of India and Sri Lanka to try to evolve a suitable solution for the above problem, but without any concrete results. The Post-independence talks between Nehru and Senanayake in London in June 1953 and Nehru-Kotelawala Joint Communique Pacts of January and October of 1954 were the significant attempts by the two countries on this question. But they proved inclusive and abortive.<sup>11</sup>

Disowned by India and disposed by Sri Lanka, these unfortunate persons carried the stigma of "statelessness" till 1964 when a breakthrough was made by the Sirimavo-Shastri Pact.<sup>12</sup> During this historical Indo-Ceylon Agreement of October 1964, popularly known

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10 S.S. Bindra, India and her Neighbours : A Study of Political, Economic and Cultural Relations and Interactions (New Delhi: Deep & Deep Publications, 1984). p. 302.

11 Kodikara, n. 3, p. 34.

12 Brajendranath N. Banerjee, India's Aid to its Neighbouring Countries (New Delhi: Select Books Publishers and Distributors, 1982), p. 709.

as Shastri-Sirimavo agreement, both L.B. Shastri and Mrs Bandaranaike decided that out of 975,000 stateless persons of Indian origin, 300,000 be granted Sri Lankan citizenship and 525,000 to be repatriated to India with natural increases within a period of 15 years. There was agreement between them that the status of the remaining 150,000 persons would be decided later. The Sri Lanka government also expressed its willingness to extend facilities to the repatriates to take with them to India assets worth Rs 4,000 per family. Again, the repatriate people were allowed to continue in employment until their repatriation i.e. up to a period of 15 years or until they attained the age of 55 years, whichever was earlier.<sup>13</sup> The 1964 agreement further established a ratio of 7:4 which meant that for every seven persons granted Indian citizenship and repatriated to India, four would get Sri Lankan citizenship. But it is significant to note here that though India was ready to absorb a greater portion, the stateless persons rather opted for Sri Lankan citizenship, showing their unwillingness to come back to India.

In spite of domestic pressures and criticisms both inside and outside India, L.B. Shastri, India's

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13 Lalit Kumar, n. 4, p. 52.

the then Prime Minister, and the main architect of this Pact, had taken active steps on this matter to settle it amicably. It is again pertinent to note here that "unlike Jawaharlal Nehru, who maintained that future of Indian Tamils was a domestic problem of Sri Lanka and wanted to settle this problem on the basis of political principles which meant granting of franchise rights to such people by the government of Sri Lanka, Shastri looked at this issue with a realistic approach and made efforts to arrive at a mutually agreed solution".<sup>14</sup>

Accordingly, from the Indian point of view, the 1964 agreement was a major step and the beginning of a process of settlement of this long standing problem in relation to Sri Lanka. On the other hand, Sri Lanka maintained that "this agreement was a great success for political gains in the domestic context".<sup>15</sup> Sri Lanka had its own view that the speedy replacement of Indian Tamils would lessen the acute unemployment problem and strengthen its economic position as well. Besides this,

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14 Anuradha Muni, "The Implementation of Sirimavo-Shastri Agreement on the Persons of Indian Origin in Sri Lanka", in I.J. Bahadur Singh, ed., n. 9, p. 71.

15 Ibid., p. 72.



Sri Lanka's chief aim was to remove the fear and suspicions in the minds of the people that this immigration process would result in or war-like situations in future and Ceylon would in that case automatically become part of India.<sup>16</sup>

Later, both the governments agreed that they would maintain separate registers containing the names of persons who would be granted Sri Lankan citizenship and those to be repatriated to India. But soon after the 1964 agreement Mrs Bandaranaike's new idea of separate electoral register for Sri Lankan citizens and compulsory repatriation of Indian citizens led to criticisms both in India as well as in Sri Lanka. The oppositions in their respective countries strongly condemned this idea and held that repatriation should not be made compulsory but should be voluntary.<sup>17</sup> The Indian press reacted against it and described this idea as an act of "bad faith" and against the spirit of the agreement.<sup>18</sup> The Indian Prime Minister's contention was that separate

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16 Urmila Phadnis, "Infrastructural Linkages in Sri Lanka India Relations", Economic and Political Weekly, August 1972, pp. 1493-4.

17 Urmila Phadnis, "Indo-Ceylonese Pact and the Stateless Persons in Ceylon", India Quarterly, vol. 23, no. 8.

18 Parliamentary Debates, vol. 35, 1964, pp. 1216-92 and 1521-8.

electoral register will not only make the process of assimilation of the people of Indian origin in the mainstream of Sri Lanka's life slow but might even generate and intensify separatist tendencies giving rise to disunity and conflict.<sup>19</sup>

Even though these provisions caused misgivings among Indian origins as well as in many circles in India,<sup>20</sup> the Indo-Ceylon Agreement implementation bill was passed and became an Act on 17 November 1967. The amended Pact linked the grant of Sri Lanka nationality to the people registered as India citizens and not to the repatriates to India as envisaged by the original pact, and allowed the Indian citizens to stay temporarily in Sri Lanka until the date of their repatriation.<sup>21</sup>

However, the process of implementation of the 1964 agreement was slow. It was owing to divergent interpretations by both countries, delay in Sri Lanka's part in framing, enabling legislation to put the agreement into operation.<sup>22</sup> In addition to this delay in payment of gratuities and lack of foreign exchange which followed

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19 Indian Express (New Delhi), 2 March 1967.

20 Times of India (New Delhi), 13 December 1966.

21 Kodikara, n. 3, p. 37.

22 Ibid., p. 35.

by the failure of Bandaranaike and re-election of UNP in 1965 with a different approach to the problem, virtually prolonged the implementation of the agreement. The UNP government did not strictly adhere to the ratio of 7:4, principle stipulated in the 1964 agreement. Again, Senanayake's strong opposition to the introduction of separate electoral registers, compulsory repatriation and 15 years time limit led to the slow pace in the implementation of the agreement.

On the Indian side, the tardiness of the Indian High Commission in Colombo in the disposal of applications for repatriation and its persistent reluctance to furnish a list of persons who had applied for Indian nationality and repatriation to India were among the other causes affecting a smooth process of implementation.<sup>23</sup> Moreover adequate governmental measures for rehabilitation, and the miserable experience of repatriates in India, offered a systematic discouragement to the would-be repatriates. As a result of which they preferred to stay in Sri Lanka illegally even after they were conferred Indian citizenship. Again segment of those who did not apply for Indian citizenship, aspired for Lankan citizenship. Therefore, though India was ready to

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23 For details see Y. Vonne Fries and Thomas Bibin, The Undesirables, pp. 180-93.

absorb to the maximum of its agreed limit, a majority, around six lakhs in number, desired Sri Lankan citizenship. After 30 April 1970 - the deadline fixed for the submission of applications - it was found that while approximately 625,000 stateless persons applied for Sri Lankan citizenship, only 400,000 persons had applied for repatriation to India, leaving 125,000 persons to be granted Indian citizenship.<sup>24</sup> Later, in pursuance of her intention to expedite the process of repatriation Mrs Bandaranaike, after coming back to power, brought in an Indo-Ceylon Agreement Implementation (Amendment) Bill in 1971, on the same spirit and line of the 1964 Pact.

While Mrs Gandhi was in power in India, she kept continued contact with Mrs Bandaranaike in order to speed the pace of repatriation of the Indian people. She has paid goodwill visits to Sri Lanka to discuss on this matter to end this problem. But it was Sri Lanka's claim that India did not strictly adhere to the principles stipulated in the 1964 agreement. It argued that the Indian High Commission should extend its date for accepting applications in order to make up for the shortfall of 125,000 persons required to be repatriated to India.<sup>25</sup> In contrast to this view, Mrs Gandhi during

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24 Kodikara, n. 3, p. 36.

25 Ibid.

her visit to Sri Lanka in 1973 agreed with the Sri Lankan government to increase the repatriation by ten per cent, over the annual rate of 35,000 fixed earlier, which required both of them to take 35,141 persons each. But this provision was not that helpful in expediting the speedy repatriation of residual persons of 1.5 lakhs to India. To accelerate the pace of repatriation, there was a consensus between them to extend by two more years after 1979 which envisaged the end of statelessness, to October 1981.

This was the focus of their discussion during Mrs Bandaranaike's visit to India. About residual persons, both the leaders, at that time, came to a final agreement after ten years gap in 1974, under the Indo-Sri Lanka Joint Communique, to share equally the future of the remaining 150,000 'stateless' persons. They agreed to grant citizenship on 75,000 persons each. This agreement can be termed as a major breakthrough in their bilateral relations settling the problem of Indian people in Sri Lanka in future.

The table given below gives us the full idea of slow progress of repatriation to India.

Repatriation From Sri Lanka - Progress

Year	No. of Persons arrived	Cumulative Total	Number expected to arrive
1968	4,565	4,565	1,40,000
1969	5,876	10,441	1,75,000
1970	10,156	20,597	2,10,000
1971	26,051	46,648	2,45,000
1972	32,713	79,361	2,80,000
1973	40,979	1,20,340	3,15,000
1974	44,940	1,65,280	3,50,000
1975	26,028	1,91,308	385,000
1976	45,785	2,37,093	4,20,000
1977	39,800	2,76,893	4,55,000
1978	29,400	3,06,293	4,90,000
1979	22,119	3,28,412	5,25,000

Source: A report on the Survey of Repatriates from Sri Lanka, 1984, Centre for Research on New International Economic Order, Madras, 1980.

The above table implies that throughout the period 1968-79, out of the total number of expected persons only a small fraction repatriated to India. Therefore, while in 1968, the number of expected persons was 1,40,000 only 4,565 of them arrived in India and this figured to 5,25,000 and 22,119 respectively by 1979.

From the above analysis, we can conclude that though both the sides had taken various effective steps to solve this problem and for the speedy implementation of the agreement, the practical progress in both the cases became very slow, which strained the relationship between India and Sri Lanka. Though the Sri Lankan government partially responded to India's initiative, and concentrated mainly on the repatriation process, the Shastri-Sirimavo Pact offered both of them a suitable framework to settle the issue peacefully.

#### Tamil Problem in Relation to Language Issue

Alongwith the issue of stateless persons of Indian origin, the question of Tamil minority in Sri Lanka proved to be an important factor for the continuance of strained relationship between India and Sri Lanka. Their status and demand for a separate Tamil State (EELAM) and India's attitude to these issues of domestic politics,<sup>26</sup> needs to be analysed here.

Though the Tamils constitute the largest minority in Sri Lanka, they were treated by the local Sinhalese as foreigners, inferiors, and were denied many political

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26 Kodikara, n. 3, p. 39.

rights by the Sri Lankan Government. Their conditions deteriorated when Mrs Bandaranaike endorsed the demand of the Sri Lankan parties, by declaring 'Sinhala' as the only official language. It resulted in a conflict between Sinhalese and Sri Lankan Tamils particularly over the demand of parity of the Tamil language with Sinhalese. Again the feelings of bitterness was strengthened when Sri Lankan Tamils have looked for support to their cause from the Tamils of Indian origin living in Sri Lanka and their counterparts in the Indian state of Tamilnadu.<sup>27</sup>

The subsequent communal violence in Sri Lanka compelled the Indian Government to take necessary steps in this regard. But India has consistently viewed the Tamil problem as the internal affair of Sri Lanka and never shown any intention of interfering in the matter.<sup>28</sup> Because India feared that here interference in the internal matter of Tamil-Sinhalese language controversy might arouse the latent suspicion and annoyance of Sri Lanka.<sup>29</sup> But the sympathy and support shown by

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27 Bindra, n. 10, p. 329.

28 Urmila Phadnis, "Keeping the Tamil Internal", Far Eastern Economic Review, vol. 76, 25 March 1972.

29 Appadorai, A., and M.S. Rajan, India's Foreign Policy and Relations (New Delhi: South Asian Publishers, 1985), p. 194.



South Indian Tamils for Tamil people of Sri Lanka has not only created adverse feelings in the minds of the people but has resulted in the exchange of hot words between both the governments.<sup>30</sup> Though South Indian Tamils requested the Government of India to take initiative to settle the issue, Indian Government declining their demand, strongly claimed that this issue was not coming under the purview of India's interest. But UNP's intention of granting separate autonomy (Eelam) to them proved to be a major step for a meaningful positive development of cordial relations between them.

#### Leftist Revolt in Sri Lanka and India's Help

The leftist movement in 1971 in Sri Lanka had adversely affected India's security concern, and reinforced its interest of maintaining cordial relations with her neighbours. India is well aware of the fact that internal disturbances in any one of them, have a spill-over effect on India's polity or segment of it.<sup>31</sup> And India being the nearest neighbour of Sri Lanka, remains alert to the internal situation of that country.

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30 Bindra, n. 10, p. 331.

31 Urmila Phadnis, "Indo-Sri Lanka Relations in 80s", in D.D. Khanna, ed., Strategic Environment in South Asia in the 1980s (Calcutta: Naya Prakash, 1979), p. 27.

Therefore when Sri Lanka appealed for help to India and other countries during her internal disturbances in 1971 (March-April), due to the outbreak of serious leftist youth insurgency, India as a friendly neighbour, responded promptly and came to Sri Lanka's rescue. It is a fact that India was the second country after Britain, to offer assistance consisting of helicopters and ships in order to lessen the troubled situation. Again a press report had mentioned that New Delhi had provided some \$ 55 million worth of military assistance to the Colombo Government.<sup>32</sup> Though India's help and co-operation had played a decisive role in defeating the insurgency<sup>33</sup> in Sri Lanka, increasing military involvement in the Sri Lankan civil war created ill-feelings inside and outside the country. But, on the other hand, India's immediate response to this incident, established India's strong position in South Asia. Again, it proved India's keen interest in maintaining the safety of her neighbouring countries gave a confidence to Sri Lanka and the South Asian countries that India has no intention of invasion but she is more concerned about the safety and security of their countries.

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32 The Statesman, 1 September 1971.

33 A. Appadorai and M.S. Rajan, n. 29, p. 198.

Kachchativu and Maritime Boundary Agreement  
between India and Sri Lanka

Despite the irritants in the relationship between India and Sri Lanka on some bilateral problems caused by the people of Indian origin and Tamil language problem in Sri Lanka, the problem of Kachchativu relating to the ownership of the island was settled by them peacefully with a comprehensive agreement on 28 June 1974 in which case this uninhabited island of Kachchativu became a part of the territory of Sri Lanka.

Kachchativu is a cactus ridden, oval shaped island, with a circumference of three miles,<sup>34</sup> lying in the Palk Straits and Adam bridge, midway between India and Sri Lanka. The controversy arose when both India and the Sri Lankan governments claimed their sovereignty over the island.<sup>35</sup> Sri Lanka laid its claim, while India, not clearly contesting this claim, nevertheless had some reservations about it.<sup>36</sup> In the absence of any settlement, this dispute continued to disturb the relations between them.

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34 Prasad, n. 16, p. 111.

35 Bindra, n. 10, pp. 338-9.

36 Appadorai and Rajan, n. 29, p. 203.

It was in January 1974 that the basic understanding for the settlement of the issue was concluded between the two Prime Ministers. Both Mrs Gandhi and Mrs Bandaranaike agreed to draw a boundary line falling one mile off the west coast of Kachchativu, while mutually satisfactory provisions were made regarding navigation, pilgrimage, fishing and mineral exploration in the area.<sup>37</sup> Besides retaining safeguards to the earlier rights of the Indian pilgrims and fishermen, this agreement implied that each country would have exclusive jurisdiction and sovereignty and control over the waters and the vessels of both countries.<sup>38</sup> Mrs Bandaranaike, in the National State Assembly on 23 July 1974 on the Agreement on Kachchativu said "this agreement defines once for all our maritime boundary with our neighbouring country and also opens a new chapter in our dealings with India."<sup>39</sup>

Mrs Gandhi's statesmanship displayed in resolving this vexed question of Kachchativu was appreciated by the Sri Lankan Government. But India's recognition of Sri Lanka's sovereignty over Kachchativu was mainly centered

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37 Times of India, 30 June 1974.

38 Text of Agreement in Asian Recorder, vol. 20, no. 34, 20-26 August 1974, p. 12159.

39 Sri Lanka Today, vol. 23, no. 4, July-September 1974, p. 1.

around India's interest in maintaining cordial relationship with her neighbouring countries while keeping in mind its (1) continued economic growth and trade, (2) settling the Tamilian dispute, and (3) support of Indian Ocean and nuclear policy option. Mrs Gandhi earlier had made it clear that the island was of no significance to India. Similarly, of course, neither was it of any real strategic significance to Sri Lanka. But there was the "emotive" factor involved.

Again the Kachchativu agreement of 1974 related to the international boundary between India and Sri Lanka in their historic waters in the Palk Straits and Palk Bay also resolved the question of overlap created by the extension by both countries of the limits of their territorial seas from six to twelve nautical miles in 1967.

The 1976 agreement regarding their maritime boundaries can be termed as a major step towards the settlement of the issue. This agreement allowed both the countries to exercise full sovereignty and absolute jurisdiction on their side of the maritime boundary<sup>40</sup> and for the establishment of firm economic and fishing zones. Again this agreement was followed by another

<sup>40</sup> Hindustan Times, 25 March 1976 and Asian Recorder 22-28 April 1976, p. 13123.



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agreement by which both the countries extended their maritime boundary in the Gulf of Mannar up to the trijunction of India, Sri Lanka and Maldives.<sup>41</sup>

Thus, the active encouragement of both Prime Ministers on the settlement of the boundary agreement "constitutes a historic landmark in the relations between the two countries"<sup>42</sup> and "heralds an era of even closer and more fruitful co-operation for their mutual benefits".<sup>43</sup> With the settlement of Kachchativu dispute "Indo-Sri Lankan relations attained a new High".<sup>44</sup>

However, along with their bilateral relationship on political sphere, an analysis should be made on economic sphere also.

### Economic Relations

India, in most of the cases, has tried to maintain cordial economic co-operation and commercial relations with her neighbouring countries. From ancient times India has close commercial relations with Sri Lanka.

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41 Asian Recorder, vol. 22, n. 52, 23-31 December 1976, p. 13509.

42 Sri Lanka Today, vol. 23, no. 4, July-September 1974, p. 1.

43 Text of the Agreement in Asian Recorder, vol. 20, no. 34, 20-26 August 1974, p. 12159.

44 Hindustan Times (New Delhi), 25 July 1974.

Geographical proximity of the two nations, coupled with age-old cultural and historical affinities, contributed to this unique position.

Since the British period, up to 1960 India was the only trading partner of Sri Lanka and was the largest supplier of goods to Sri Lanka. They had concluded many trade agreements in order to maintain and develop their earlier trade and exchange of commodities. Till 1960, India used to export major items of specified quantities, like cotton yarn, coal, jute, steel, linseed, oil, onions and chillies and commodities consisting of copra, coconut oil, rubber, graphite, tobacco and oil were imported from Sri Lanka by India.

The Indo-Ceylon Trade agreement of 1961, was a major breakthrough in trade relations between India and Sri Lanka. For the first time, after this agreement, they put more effort on the expansion of trade while maintaining the traditional and non-traditional pattern of trade on the basis of mutual agreement. As a result of which, more quantities of copra and coconut oil were exported to India from Sri Lanka.

The decline of Indo-Sri Lankan trade relations started with the decreasing volume of import of Indian textiles by Sri Lanka. But in 1964 their trade relations improved to a considerable extent, but deteriorated once

again in 1965 owing to increasing competition and pressure from Japan and China. Better economic co-operation was facilitated during Prime Minister Mrs Gandhi's visit to Sri Lanka in September 1967.<sup>45</sup> The discussion of both the Prime Ministers mainly concentrated on how to increase their bilateral co-operation in various fields including economic, commercial, technical and trade. The next years in 1968 and 1969, at a ministerial level meeting at New Delhi, they again decided for the establishment of a "Indo-Ceylon Joint Committee for Economic Co-operation"<sup>46</sup> in order to further enhance their economic relations.

Table 1

Volume and Balance of Indo-Sri Lanka Trade  
(Value in Rs. million)

Year	India's exports to Sri Lanka	India's imports from Sri Lanka	Imports plus Exports	Balance of Trade
1	2	3	4	5
1965-66	202	63	265	- 139
1966-67	185	27	212	- 158
1967-68	149	33	182	- 116

45 Joint Communique released on 21 September 1967, Foreign Affairs Record, vol. 13, no. 9, September 1967, p. 13.

46 Foreign Affairs Record, vol. 14, no. 6, June 1968, pp. 129-30.



Table 1 contd.

1	2	3	4	5
1968-69	234	20	254	- 214
1969-70	257	29	286	- 228
1970-71	318	30	348	- 288
1971-72	212	15	227	- 197
1972-73	79	9	88	- 70
1973-74	98	9	107	- 89
1974-75	268	2	270	- 266
1975-76	231	3	233	- 268
1976-77	393	11	404	- 382
1977-78	543	23	566	- 520

Source: Foreign Trade Statistics of India, Government of India, Office of the Economic Adviser, Calcutta, and Statistics of the Foreign Trade of India by Country and Economic Region, Directorate of Commercial Intelligence and Statistics, Calcutta.

Table 1 gives us the general view of the volume and balance of trade between India and Sri Lanka. India always takes keen interest to help Sri Lanka and develop latter's economic condition during crisis, difficulties and needs. Therefore, the table reveals that India's export to Sri Lanka is always remaining more in comparison to India's import from Sri Lanka. The whole period (1965 to 1977) gives us the picture that the volume of

India's exports to Sri Lanka has increased from Rs. 202 million to Rs. 543 million whereas India's imports from Sri Lanka have declined to a considerable extent in due course from Rs. 63 million to Rs. 23 million as a result of which the trade balance always remained in favour of India. Sri Lanka's balance of trade with India has increased from Rs.-139 million in 1965-66 to Rs.-520 million in 1977-78. There has been a significant increase in the value of imports and exports and exports from Rs. 265 million (1965-66) to Rs. 566 million (1977-78). The period under review gives the indication of deficit in the trade balance between them which is mainly responsible for the decline of trade.

Table 2

India's Exports to Sri Lanka : Major Commodities  
(Value in Rs. million)

	1965-66	1968-69	1971-72	1974-75
1	2	3	4	5
<u>Engineering Goods</u>				
Transport equipment	1.6	19.5	39.6	43.0
Machinery other than electric	1.6	9.2	9.2	17.9
Electrical Machinery apparatus and appliances	0.8	3.8	5.5	6.9

contd...

Table 2 contd.

1	2	3	4	5
Metal Manufactures	1.5	3.2	2.9	5.1
Jute Manufactures	2.6	1.9	2.5	1.7
<u>Textile Fabrics and Manufacture</u>				
Cotton Yarn	20.6	25.5	26.7	0.7
Cotton Fabrics	13.6	11.0	3.9	1.2
Art, Silk & Synthetic fabric	1.4	Neg	0.4	0.1
<u>Agriculture and allied Products</u>				
Sugar and Sugar preparations	1.9	0.1	43.2	94.9
Fish	6.5	13.7	12.8	3.3
Spices	29.3	24.0	17.1	Neg
Natural gums, resins etc.	0.2	0.3	0.4	0.3
Vegetable oil	0.7	0.7	0.4	0.5
Iron and Steel	0.9	21.3	0.9	9.7
Plastic and Plastic manufactures	-	0.1	0.4	2.9
Rubber manufactures	Neg.	4.5	0.2	0.8
Paper and Paper Products	0.5	1.4	1.1	2.4

Source: Foreign Trade Statistics of India, Government of India, Office of the Economic Adviser, Calcutta, and Statistics of the Foreign Trade of India by Country and Economic Region, Directorate of Commercial Intelligence and Statistics, Calcutta.

We can analyse the trade relationship between India and Sri Lanka from Table 2, which gives us the data relating to major commodities, India was exporting to Sri Lanka from 1865-66 to 1974-75. During these ten years we find a speedy increase of export of commodities like engineering goods, transport equipments, machinery other than electric, electrical machinery, iron and steel and agriculture and allied products etc. Again, it is significant to note here that spices, the agricultural product, which had earlier constituted a major item of imports from India, declined sharply by 1974-75.<sup>47</sup> The other commodities which has faced the same fate are cotton yarn, cotton fabrics, fish etc. Besides these items, there is a little increase in the export of others by 1974-75 from India.

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47 S. Gopal Krishnan, "Indo-Sri Lanka Trade", India Quarterly, vol. 33, no. 4, October-December 1977, p. 459.

Table 3

India's import from Sri Lanka : Major Commodities  
(Value in Rs. million)

	1965-66	1968-69	1971-72	1974-75
Hides and Skins (except fur skins)	0.6	0.5	0.4	0.3
Crude rubber including synthetic and reclaimed	8.4	6.4	1.0	-
Natural graphite	12.1	0.7	0.4	0.7
Copra excluding flour meal	27.2	11.0	12.3	1.2

Source: Foreign Trade Statistics of India, Government of India, Office of the Economic Adviser, Calcutta, and Statistics of the Foreign Trade of India by Country and Economic Region, Directorate of Commercial Intelligence and Statistics, Calcutta.

In comparison to India's export to Sri Lanka, India's import from Sri Lanka is very limited (Table 3). It is because the production of commodities in both the countries are more or less similar. Though India is the chief producer and second largest in the production of coconuts, still she is importing coconut from Sri Lanka,<sup>48</sup> for the production of coconut oil. From the available data we can analyse that India's imports from Sri Lanka is declining in the following years.

<sup>48</sup> Ibid., p. 461.

Table 4

Percentage of India's Exports and Imports to  
Sri Lanka

	1965	1968	1971	1973	1975
Exports	1.46	1.51	1.77	0.32	0.83
Imports	2.12	1.11	0.56	0.15	0.41

Source: International Monetary Fund, Direction of Trade.

The above table gives us the clear picture that India's imports from Sri Lanka in comparison to its exports continued to remain less throughout the whole period (1965-75).<sup>49</sup> In 1975, while India had received only 0.41 per cent from Sri Lanka, its export to that country constitute only 0.83 per cent. Again India's import from Sri Lanka, also declined from 0.33 per cent in 1965 to 0.01 per cent in 1975. But we can say here their trade relationship has not improved during that period. Rather it remained to be less significant and marginal. It may be due to the emergence of complementaries, mainly due to the diversification of the

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<sup>49</sup> For 1977 onwards see Chapter IV.

Indian economy<sup>50</sup> which prohibited India to import commodities from Sri Lanka. Again, the competition from other countries has provided some hindrances to the further development of Indo-Sri Lankan trade relationship. Sri Lanka's bilateral trade agreement with China and supply of rubber from Singapore and Malaysia to India due to high Sri Lankan price in commodities were some instances.

But according to the report of the trade commissioner of India, India's trade with Sri Lanka has increased after 1977. This is mainly due to the close proximity of the two countries, whereby India, being an industrialized nation amongst the world's developing countries is a convenient source of supply for many of the items that Sri Lanka needs.<sup>51</sup> Therefore, the additional chief commodities exported to Sri Lanka, were mainly intermediary and capital goods. Natural graphite and raw hides are the important items exported to India on a regular basis for industries. Besides these, the supply of other commodities remained same as before, during this period.

Finally, it is important to mention here that Sri Lanka's trade deficit with India is always in favour

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50 S. Gopal Krishnan, n. 47, p. 401.

51 Brojendra N. Banerjee, n. 12, pp. 727-8.

of India. It is due to the indigenous production of these goods by India, which earlier formed a part of Indian imports from Sri Lanka.

Besides trade, some agreements on aid were finalized between the two countries. From time to time India has offered credit facilities and loans to Sri Lanka in order to make Sri Lanka self-sufficient in economy. Again she would be able to buy engineering goods from India in order to reduce trade deficit. Therefore Sri Lanka's imports from India have been always substantially facilitated by credit arrangements provided by India. The first credit arrangement concluded in 1966 by which India extended a credit of Rs. 20 million to Sri Lanka for purchase of essential consumer items like dried fish, dried chillies and textiles.<sup>52</sup>

In 1970-71 India extended a credit of Rs. 50 million to Sri Lanka and assisted promptly in the procurement of sugar from India to meet the shortage there. In August 1973, India signed an agreement with Sri Lanka to offer Rs. 50 million again to purchase commercial vehicles, machineries, railway equipments from India for a period of 15 years. India also extended a credit of Rs. 100 million to Sri Lanka to finance the import of

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52 Asian Recorder, vol. 21, no. 10, 5-11 March 1966, p. 6963.



capital intermediate goods from India during 1977-78.

There are much scope for joint ventures, therefore, they explored the possibility of setting up joint ventures based on raw materials available in Sri Lanka. A number of joint ventures for the establishment and construction of machinery industries have concluded between them. Again joint ventures during 1977 were in process of being set up in Sri Lanka in the fields of textiles, glass production of vehicles etc. There have also been discussions in joint ventures in regard to agriculture, tourism and other fields for the development of further co-operation.

The above discussion reveals that though the economic relation between India and Sri Lanka was better during pre-independence period and few years after their independence, it started to deteriorate gradually. Indian Government from its side is showing much interest to fulfil their trade deficit and improving Sri Lanka's economy. But constant co-operation and speedy efforts are always necessary from both the governments for better prospects in future.

Although the bilateral relations between India and Sri Lanka had been marked by multifarious discords and accords, it is pertinent to note that there existed

more or less identical approaches to major international issues especially after the advent of Bandaranaike into power in 1956. An analysis of this commonality and divergent views on certain international issues will be made.

### Response to Global Issues

Both India's and Sri Lanka's external relations were also directed towards developing international amity, peace and security and establishing friendly ties with all countries in the world irrespective of ideological differences. Their similar experience of British colonialism, strong opposition against imperialism, colonialism, racism, their common membership to various international organisations developed a closeness of views on certain international issues. On world issues, such as Suez and Hungarian Crisis in 1956, India's and Sri Lanka's stand was similar and this stand was earlier indicated during their strong support to Indonesia's freedom struggle in 1949.

But Sri Lanka's pro-West stand under the United National Party (UNP), its defence pact with Britain, its acquiescence in the British policy<sup>53</sup> with the apprehension of threat perception from India, reflected some divergent

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53 Prasad, n. 1, p. 99.

approaches to other problems. In addition to this, the economic expediency and strategic considerations of the island at times make Sri Lanka opt for an action, divergent from that of India, however identical the broad policy proclamations appeared to be.<sup>54</sup>

#### Sino-Indian War of 1962

The Sino-Indian dispute of 1962 had brought to test the strength and genuineness of friendship between Sri Lanka and India.<sup>55</sup> Though Sri Lanka was anxious in the solution of the dispute, she did not want to antagonise neither India nor China. She maintained equi-distance in the relation between India and China. But Sri Lanka arranged a conference of non-aligned nations in Colombo to solve the conflict where Mrs Bandaranaike expressed vociferously that "the conflict was not only a threat to non-alignment but also a negation of the agreed principles of Panchsheel". Keeping in mind its economic relation with China, she did not blame vehemently China for this action rather accused India and challenged latter's non-aligned policy immediately after India's seeking of

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54 Urmila Phadnis, "India-Sri Lanka Relations in 80s" in D.D. Khanna, ed., n. 31, p. 31.

55 Vincent Coehelo, Across the Palk Straits : India-Sri Lanka Relations (New Delhi: Palit and Palit Publications, 1976), p. 145.

arms assistance from other Western countries and Commonwealth countries during the crisis.

It is to be generally concluded that during Mrs Bandaranaike's period (1960-65), Sri Lanka moved closer to China than India.<sup>56</sup> But in response to it, India did not disregard the "Colombo Proposals". She accepted it in toto, whereas China had done so only "in principle".

But it is significant to note here that the Sri Lankan government denied having adopted any pro-China posture and claimed to be impartial to role in bringing them together.<sup>57</sup> But China's rejection of the Colombo proposals was something against the prestige of Sri Lanka. Later, its role of a peace-maker did not bear any fruitful result and failed to win the admiration of either of the countries. Again it is pertinent to note that India might perhaps have been more pleased had Sri Lanka's official attitude to the war been more pro-Indian, but it appreciated the Sri Lankan government's independent stand.<sup>58</sup> Though Mrs Bandaranaike's stand in this dispute was not particularly friendly to India as

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56 D.M. Prasad, n. 2, p. 106.

57 Ibid.

58 Kodikara, n. 3, p. 27.

was expected from a fellow member of the non-aligned movement, India-China conflict did not affect the continuation of cordial relationship between them.

#### Indo-Pak War of 1971

But in Kashmir dispute between India and Pakistan, Sri Lanka, unlike the Sino-Indian conflict, maintained a neutral attitude during the Indo-Pakistani war of 1965 and 1971. As Sri Lanka had better relation with Pakistan at that time, Pakistan was in advantageous position to persuade Sri Lanka to adopt an anti-Indian posture. But, since it was an "internal affair" of Pakistan, to preserve latter's unity and integrity Sri Lanka welcomed the speedy solution of the problem, expressing that "Kashmir dispute is not only a cause of trouble between the two great neighbours but also for the whole South Asia."<sup>59</sup> India, on the other hand, also wanted an early solution of this problem because it feared that it might pose a hindrance to her relationship with other neighbouring countries.

The bitter relationship between India and Pakistan, since their independence, had played a crucial role in hampering India's cordial relation with other countries, in general, and Sri Lanka in particular. The

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59 Ceylon Today (Colombo), vol. 14, no. 9, p. 3.

Indo-Pak war i.e. the Bangladesh crisis in 1971, provided a ticklish problem for Sri Lanka and at the same time a grave challenge to India. But Mrs Bandaranaike, Sri Lanka's the then Prime Minister, declared on 30 November showing an unhelpful attitude, that "her government didn't want to get involved in the present Indo-Pakistan dispute" and would follow a strict policy of "nonalignment and non-involvement in the question".<sup>60</sup>

During the crisis, unlike India, Sri Lanka allowed transit facilities to Pakistan aircraft, keeping in view its strict adherence to the policy of non-intervention. This move left room for certain anti-Sri Lanka elements in India to picture Sri Lanka as an anti-Indian country.<sup>61</sup>

Sri Lanka's stand was probably due to her economic relations with China and US and the ethnic and linguistic diversities with South Asian nations. Besides this, during this war, Sri Lanka was busy in dealing with internal disturbances of insurgency; broke out in 1971. Again, India's "Treaty of Friendship, Peace and Cooperation" with the Soviet Union, proved to be another factor for the

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60 Asian Recorder, vol. 17, no 27-31, December 1971, p. 105-24.

61 Hindustan Standard (New Delhi), 14 September 1971.

indifferent attitude of Sri Lankan Government. But in early September 1971, India's then Foreign Minister, Swaran Singh, had a discussion with Sri Lankan Prime Minister during his visit about the development in East Pakistan and emergence of Bangladesh. He assured Sri Lanka about India's strong determination not to interfere in the internal affairs of neighbouring countries and particularly Sri Lanka. They again realized that the early settlement of the refugee problem was a matter of urgency which posed for India, social and economic problem.<sup>62</sup>

It is noteworthy to mention here that during the Indo-Pak war of 1971, Sri Lanka initially adopted a low-key profile while expecting a solution of the East Bengal crisis which would preserve the integrity of Pakistan. Even after the crisis, in order not to offend Pakistan, Sri Lanka did not accord diplomatic recognition to Bangladesh until March 1972. But in the process, Sri Lanka did unwillingly offend Indian susceptibilities.<sup>63</sup>

India was the first country to confer recognition on Bangladesh, Sri Lanka was the last South Asian nation

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62 V.P. Dutt, India's Foreign Policy (New Delhi: Vikas Publishing House, 1982), p. 233.

63 Kodikara, n. 3, p. 139.

to do that. India realized and gave more respect to Colombo's inhibitions and hesitations even after latter's hostile vote at the UN. But she did not allow their bilateral relationship to be hampered by latter's stand on Bangladesh development. In this regard India's then Deputy Minister of External Affairs on 25 April 1972 said, "Our relations with Ceylon are also very close, very friendly and they are getting better every day".

Notwithstanding this, their relations advanced towards more close and more friendly. Their stands on the world affairs were broadly analogous. The non-aligned conferences gave them enough scope to express their common approaches and suggestions to international problems. It was at Lusaka Summit in 1970, India supported whole-heartedly Mrs Bandaranaike's proposal for making Indian Ocean as a zone of peace. Their support to New International Economic Order, again discerned when both gave more emphasis on an action programme during Colombo Conference. An identity of approach was again revealed on the problem of apartheid in South Africa.

Finally, we can say that Indo-Sri Lanka relation was continued on a cordial and friendly manner. Though the problem of persons of Indian origin remained as an unsolved problem, the problem of Kachchativu and boundary agreements were solved by them by mutual agreement. Their



strong faith in non-alignment and active initiative to eliminate the cold war to maintain a peaceful healthy atmosphere, was also encouraging. And on economic front, they had a very co-operative relation in the 60s as well as in 70s. However, notwithstanding Sri Lanka's illusion of threat perception from India, both of them have tried to promote further friendly relationship.

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## CHAPTER II

### RESPONSE TO GLOBAL ISSUES : 1977 TO 1984

1977 was a year of special significance in the political annals of both India and Sri Lanka. It was in March 1977 that India for the first time experienced a decisive change in her political scene. The newly formed Janata Party exploded the myth of one party dominance and could manage to come into power with a thumping majority. This change in the political scenario for a while, generated much speculation with regard to India's foreign relations. Incidentally, at about the same time, the UNP under the leadership of Jayawardene came into power in Sri Lanka giving a massive defeat to Bandaranaike's party. However, while UNP continued to remain in power in Sri Lanka, the Janata Party collapsed after a brief period without leaving any impact on India's foreign policy. India faced new challenges, in foreign policy, much more serious than before, when Mrs Gandhi returned to power in 1980.

New governments in both the countries were beset with challenges in settling various major world problems while maintaining cordial relationships between each other. Their similar, though not identical, colonial

experience, neo-colonialism, anti-imperialism, undeveloped economy placed both these countries in a position to share several issues of convergence in their foreign policies. And Sri Lanka, in particular, as a neighbouring country, shared many of the values and aspirations inherent in Indian Foreign Policy. Although the two countries are members of the non-aligned movement, India's dominant position in South Asia, on the one hand, and compulsions and constraints of a small country like Sri Lanka, on the other, led to the divergence of views on certain issues.

Thus, an attempt is sought to be made here to study the attitudes of Sri Lanka and India towards some world issues which emerged at the international scenario between 1977 and 1984. These issues include non-aligned movement, Disarmament and Non-Proliferation Treaty, New International Economic Order, so-called Russian intervention in Afghanistan, Kampuchea issue, Iran-Iraq war, Palestine Question and Problems in South Africa and Namibia.

#### Non-Aligned Movement

It is a fact that South Asian countries, particularly India and Sri Lanka have played a key role in

the non-aligned movement since its very inception. The doctrine of non-alignment was the outcome of the collective experience of the people of India and Sri Lanka with other South Asian countries from their long common struggle against imperialism and colonialism.

India and Sri Lanka from the earliest period had been pursuing a foreign policy based on peaceful co-existence and non-alignment. Series of agreements signed between them, and continuance of peaceful co-existence between them proved the validity of the policy of non-alignment. Both these countries, in fact, had to play considerable attention to the peace and security in the world, and particularly in South Africa. Despite the changes in Indian Government, after the fall of Janata Government in 1979, and return of Mrs Gandhi's Government in 1980, the relations between India and Sri Lanka continued to be based on the principles of non-alignment.

Non-alignment has gained considerable momentum over the last decades, evolving as a response to bloc politics and decolonization. In this world of uncertainty, non-alignment has emerged as the voice of the non-aligned countries including India and Sri Lanka for manifesting their aims and aspirations, internal as well as external. They individually as well as collectively with other

nations, through their attitudes and activities, have strongly emphasized the common approach and multiple goals of the non-aligned movement at various forums - regional, inter-regional and global.

India, one of the leaders and founders of non-aligned movement, and Sri Lanka a founder member of the group, got the opportunity of stewardship during New Delhi Conference (1983) and Colombo Conference (1976), respectively, to express more vociferously their views and to pay vigilant attention on various world issues.

During Mrs Gandhi's tenure, the non-aligned movement became more and more realistic towards world problems. The Congress under her rule pledged to adhere to non-alignment which has kept India out of military blocs.<sup>1</sup> But the Janata, which was an ideological confederation of several parties, under the very able and adroit leadership of the then External Affairs Minister, Vajpayee, shaped its policy on the lines of 'genuine non-alignment.'<sup>2</sup> Sri Lanka, on the other hand, representing

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1 Indian National Congress, Election Manifesto (New Delhi, 1977), p. 15.

2 T.V. Subba Rao and C.K.N. Raja, "Nonalignment in International Law and Politics" (New Delhi: Deep & Deep Publications, 1981), p. 157.

the attitudes of the small states, preferred non-alignment as against choosing the custodianship of power blocs.<sup>3</sup>

The predecessors of J.R. Jayewardene - Mrs Bandaranaike and Dudley Senanayake - had always stated that their foreign policies were ones of "dynamic" or "strict" non-alignment with power blocs. But in contrast to this, Jayewardene said that he would follow a policy of "strict non-alignment", unlike "Mrs Bandaranaike who is bent towards one side".<sup>4</sup>

When Mr Jayewardene came into power in 1977, Sri Lanka was still the Chairman of the non-aligned movement after the Colombo Summit of 1976. He became the new Chairman of non-aligned groups after Mrs Bandaranaike, but the commitment to non-alignment basically remained unchanged.

But Jayewardene changed personal style and his government's economic policy provided a new orientation to this movement. According to him, Sri Lanka should not involve herself too much in international politics as, he said, "too much dynamism is harmful", or detrimental to the interests of a poor country like Sri Lanka", but at the same time she should be very active in regard to

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3 Ibid.

4 H.S.S. Nissanka, Sri Lanka's Foreign Policy - A Study of Non-Alignment (New Delhi: Vikas Publishing House, 1984), p. 344.

trade and other economic relations with other countries.<sup>5</sup>

During its Chairmanship of the non-aligned movement from August 1976 (Colombo Summit) to September 1979 (the Havana Summit Conference), it was the prime responsibility of Sri Lanka to look into the settlement of major world crisis and to present the non-aligned movement from breaking up due to disruptive forces, both within and without the movement, which became discernible, especially during 1979.<sup>6</sup> Addressing the Sixth Non-Aligned Summit at Havana where he passed the torch on to Fidel Castro of Cuba, President Jayewardene said: "We are bound by links and inspired by circumstances that rise above and go beyond differences. We are all companions in a quest for international justice, and we are all comrades in struggles against forces that impede the progress of our peoples."<sup>7</sup>

After the Havana Summit (1979), the next Summit Conference of non-alignment held in New Delhi in March 1983, posed a formidable challenge and provided a historic opportunity to India, which is not only a pioneer in the field but which has also handsomely contributed

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5 Ibid., p. 345.

6 Ibid., p. 346.

7 S.U. Kodikara, Sri Lanka's Foreign Policy - A Third World Perspective (New Delhi: Chanakya Publications, 1982), p. 150.

the theory and practice of non-alignment. The Summit held at a time when the relevance and credibility of the NAM were being questioned. Mrs Gandhi occupied the Chair with becoming dignity and poise, and her invaluable and prolonged experience in international affairs in general and in the working of the non-aligned in particular made her stewardship of NAM particularly, remarkable and distinctive. In her opinion "Non-alignment is a policy but not an objective by itself. The objective is freedom of judgement and of action so as to safeguard the nation's true strength and basic interests."<sup>8</sup>

The Seventh Conference of NAM took a firm stand on peace.

India's significant contributions to non-alignment during Mrs Gandhi's Chairmanship were accounted to her struggle for peace and detente, disarmament, against the policy of imperialism, colonialism and racism, by its firm adherence to the principles of peaceful coexistence. Mrs Gandhi said during her speech: "The non-aligned movement is the most powerful movement for peace in history". Earlier, President Jayewardene also expressed the same opinion in a luncheon speech hosted

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8 From a speech of the Prime Minister, Indira Gandhi, inaugurating the Silver Jubilee Celebration of the School of International Studies, JNU, New Delhi, 30 October 1981.



by the Japanese Prime Minister in Tokyo in September 1979: "We in Sri Lanka believe that Non-Alignment provides the best hope for a better order in international relations, based on the true independence of States, equality in state relations and peaceful co-existence between all states in the world irrespective of ideological and other divisions."<sup>9</sup>

Keeping this idea in mind, India and Sri Lanka have played a positive, constructive and catalytic role not only in ironing out the threat of a nuclear war, but also internal differences between some of non-aligned countries and in achieving peaceful settlement of their disputes through negotiations and dialogue rather than through confrontation and conflict for security, political and economic independence.

#### Disarmament and Non-Proliferation Treaty (NPT)

Disarmament has been a cardinal principle of the Non-Aligned Movement since its inception. Successive international forums and non-aligned gatherings have repeatedly emphasized and considered that "Disarmament is an imperative need and the most urgent task of mankind".

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9 Text of speech in Ceylon Daily News (Colombo), 12 September 1979.

India and Sri Lanka being non-aligned countries have raised their voice in full support of total and complete disarmament. Their efforts are mainly to ban the use and production of nuclear, biological and chemical weapons of mass destruction.

Since the time of Jawaharlal Nehru, India has been strongly opposed to the manufacture, testing and stockpiling of nuclear weapons. It has pursued this policy emphatically and consistently over the years as the main tenets of its foreign policy. At present, the Government of India has announced its intention not to make the 'bomb'. On the other hand, it has also not signed the Nuclear Non-Proliferation Treaty, which has been signed by some 102 States,<sup>10</sup> including Sri Lanka. Thus India, unlike Sri Lanka, has kept open its option to make the bomb.

The Indian decision to stay out of the NPT, which came into effect in early 1970, was prompted by feelings of fear and insecurity from the Chinese nuclear weapon tests which began in October 1964.

The Indian reasons for rejecting the NPT were (i) the NPT failed to prohibit the most dangerous kind of nuclear weapon proliferation which made it discriminatory;

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10 A. Appadorai and M.S. Rajan, India's Foreign Policy and Relations (New Delhi: South Asian Publishers, 1985), p. 661.

(ii) Secondly, the NPT failed to provide for an acceptable balance of mutual responsibilities and obligations between nuclear weapons and non-nuclear weapon states. It did not require the nuclear weapon states to stop manufacturing nuclear weapons which has resulted in a wide disparity between the two. It indicated a lack of commitment to the world order and lack of responsibility to the smaller states in the system; (iii) The NPT further institutionalized discrimination by imposing safeguards on non-nuclear weapon states and by prohibiting the autonomous use of nuclear explosions for peaceful purposes by the former but not the latter. This would increase the technical dependence of developing countries on the nuclear weapon countries; (iv) India was particularly concerned at the failure to constrain on Asian power, namely China's proliferation. This directly affected the Indian perception of her security; (v) India felt that the question of safeguards should be intensively dealt with and controls clearly marked out so as to make them real.<sup>11</sup>

India has repeatedly made it clear that the basic approach to non-proliferation as embodied in the Treaty is indefensible, that the NPT encourages rather

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11 Ravi Kumar Veena, "India - A Principled Opposition - No Proliferation Treaty, Fifteen Years After", World Focus, vol. 6, no. 6, June 1985, p. 26.

than discourages proliferation and that all its main provisions are either discriminatory or ineffectual. On this point K. Subramanyam, Director of the Indian Institute of Defence Studies and Analysis, said of the Indian attitude to the NPT: "The Indian objection was mainly against the unequal nature of the treaty and the misuse of international public opinion to subserve a policy of vertical proliferation of the dangers of nuclear first use. In India's view this was not a non-proliferation treaty but a measure designed to disarm the unarmed."<sup>12</sup>

It is pertinent to say that the view of India on NPT was the opposite of the view of Sri Lanka. Unlike India, Sri Lanka signed the Nuclear Non-Proliferation Treaty at London, Moscow and Washington, on 1 July 1968.

Sri Lanka remained with many states, as a signatory state of Non-Proliferation Treaty. The Sri Lankan delegate, during the 23rd Session of United Nations, General Assembly, made his country's stand clear while expressing: "The international scene, though presenting a dismal outlook, is not one of unrelieved gloom. There

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<sup>12</sup> Ibid.

are a few achievements to the credit of the United Nations, which are heartening and show that the hope of international co-operation on important issues is not altogether lost. Chief among these achievements was the approval of the Treaty on the Non-Proliferation of Nuclear Weapons [Resolution 2373 (XXII)] by a convincing majority during the resumed twenty-second session, although the support that the draft treaty received was qualified in many cases by significant reservations."<sup>13</sup>

On the contrary, Indian policy towards the NPT is based on two perceptions: (1) that it would be used only for peaceful purposes, (2) that India would not involve itself in a nuclear arms building. But in May 1974, India carried out its first nuclear test at Pokharan, in pursuit of its peaceful nuclear research (PNE), which welcomed strong criticisms from the Western nations. Sri Lanka, the neighbouring country, did not strongly criticise India's nuclear programme, with the apprehension that it would hamper its existing economic relations with India. Reiterating India's stand on PNE in the Special Session of the United Nations, General Assembly on Disarmament on 9 June 1978, Indian representative

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<sup>13</sup> Speech by Sri Lankan delegate Mr Amerasinghe in 23rd Session of United Nations General Assembly, 1698th Plenary Meeting, 16 October 1968, p. 15.

stated: "We have...abjured nuclear explosions even for peaceful purposes".<sup>14</sup>

On humanitarian grounds, India always emphasises on general and complete disarmament, as the basic objective of the Non-Aligned Nations, speaks against the production and use of weapons of mass destruction. India welcomed the resumption of disarmament negotiations. In Sri Lanka's view, there is no alternative to general and complete disarmament, but partial measures are also worthwhile as far as they bring the world closer to the ultimate goal. From that point of view, Sri Lanka has consistently supported United Nations action and Non-Aligned countries effort in the field of nuclear disarmament and regulation of conventional weapons, especially the banning of the use, manufacture of stock-piling of weapons which are indiscriminate in their destruction or cause unnecessary human suffering.

Sri Lanka took the initiative with non-aligned groups in negotiating and presenting the consensus resolution which led to the first special session of the United Nations General Assembly devoted to disarmament in 1978. Taking into account the initiatives of the

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14 S.C. Gangal, India's Foreign Policy - A Documentary Study (New Delhi: Young Asia Publications, 1980), p.435.

non-aligned countries, President Jayewardene had suggested the establishment of a World Disarmament Authority to function as a permanent institution of the UN system which would monitor or could contribute towards realising the objective of general and complete disarmament.

The political declaration adopted in the New Delhi Summit contains a Special Section entitled "Disarmament, Survival and Coexistence in the epoch of nuclear weapons" in which it is pointed out that "the greatest danger confronting the world today is the threat of the annihilation of mankind as a result of a nuclear war". India as a non-nuclear state wants nuclear energy to be used only for peaceful purposes. In the words of Mrs Gandhi "the world peace depends on disarmament and only complete disarmament can create conditions for genuine security". After the Seventh Conference of NAM, India, in its capacity of the Chairperson of the movement, sponsored a proposal in the United Nations to "freeze" nuclear weapons and conclude an international convention on banning the use of nuclear weapons which has received positive reaction from the world public.

Up to now, negotiations on disarmament have been the preserve of the two nuclear powers or a small group of countries, although the concern over the arms race has been a universal one. Even so, it does

symbolize the response of non-aligned group in general and India and Sri Lanka in particular towards the arms race and its adverse implications for their politico-economic development.

### New International Economic Order

The demand to the creation of a New International Economic Order has assumed a significant place in the present international system. However, it is the achievement of the non-aligned movement, the struggle being inherent in the character of this movement. The Algiers Summit Conference, held in 1973 marked the turning point both with regard to the mutual co-operation among the non-aligned and other developing countries, aimed at the establishment of a New International Economic Order. The UN General Assembly, at its Sixth and Seventh Special Sessions, adopted all the resolutions regarding NIEO.

The developing countries in general, India and Sri Lanka in particular, demanded that the present international order have perpetuated and aggravated international inequalities so that a fundamental and radical transformations of world economic order are essential for the achievement of economic and social progress in the developing countries. This would enhance



the bargaining power of the developing countries at the same time develop their collective self-reliance.

India and Sri Lanka, both being developing countries, as well as non-aligned, became more realistic towards the economic orientation of the world. Perturbed by the existing inequalities and imbalances, both realized that the widening gulf between the developed and developing countries has posed a hindrance to the development and progress of the world. Therefore, their positive concern and active initiative with other developing countries in the "Group of 77" and in different international forums, on economic reforms enjoyed the support and recognition of other developing countries.

India, as a "leader of the third world" and also as "an upper tier developing country",<sup>15</sup> has played a significant role in the evolution and development of the institutional framework of NIEO. Addressing the Sixth Special Session of General Assembly in 1974, India's the then Foreign Minister, Swaran Singh suggested: (i) a comprehensive policy for the revalorization of prices of

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15 B.N. Mehrish, "India and the NIEO", in Surendra Chopra, ed., Studies in India's Foreign Policy (Amritsar: Guru Nanak Dev University, 1983), p. 79.

raw materials, (ii) provision of additional liquidity for specially affected countries, (iii) equitable pattern of voting rights in IMF and other international financial institutions; (iv) provision of external capital for the development of developing countries and (v) financial and technical assistance to developing countries.<sup>16</sup>

Besides giving more emphasis on interdependence, self-reliance, collective responsibility, India's Foreign Minister, Y.B. Chavan at the Seventh Special Session of General Assembly, emphasized India's concern on the need of a managed approach while dealing not only to the problem of trade including tariff and non-tariff, but also with the supply and production. India also emphasized that the developing countries should have a greater say in the management of the international monetary system. India insisted on the need for expanding and developing the science and technology potential of the developing countries so that their endowments can be more effectively harnessed to ensure that mass poverty is eradicated everywhere.<sup>17</sup>

Speaking at the Algiers Summit, Mrs Bandaranaike, the former Prime Minister of Sri Lanka, emphasized the

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16 General Assembly Debate, A/PV 2223, 19 April 1974, p. 7.

17 UN Chronicle, vol. 12, no. 9, October 1975, p. 40.

need for concerted action by the developing world in order to maintain a balance in economic sphere with the developed countries to increase economic co-operation among themselves. Mrs Bandaranaike, expressed, during the Colombo Summit, that for non-aligned countries the struggle for political and economic independence, for the full sovereignty over natural resources and domestic activities and for the greater participation of the developing countries of goods and rendering of services and basic changes in the international division of labour, assumes the highest priority.<sup>18</sup>

The Colombo Summit which laid much emphasis on the problems of economic development and the Economic Declaration, and the Action Programme for Economic Co-operation, had made a significant contribution to the problems of development in the third world countries.<sup>19</sup> Sri Lanka, together with other non-aligned nations, accepted the Action Programme as no more than the "blueprint and structural framework", for a new International Economic Order.<sup>20</sup>

Sri Lanka while appreciating the difficulties of developing countries, proposed strongly for a medium term

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18 Non-Alignment - A Deliberate Choice : Text of Speeches by Mrs Bandarnaike, Prime Minister of Sri Lanka (Colombo, 1977), p. 18.

19 Kodikara, n. 7, p. 144.

20 Ibid., p. 148.

programme of structural adjustment in the economies of developed countries to accommodate developing countries exports in a phased fashion. Mrs Gandhi was also in agreement with Mrs Bandaranaike to end the monopoly of imperialist powers on the basis of their power of foreign exchange, to establish a "Third World Bank" which could be helpful to the non-aligned nations of Asia, Africa and Latin America in solving their problems of economic reconstruction and trade development.<sup>21</sup> Mrs Bandaranaike also called for the development of a currency with the backing of the Third World to rival the reserve currencies of the developed world. Finally, she mooted the idea of a World Fertiliser Fund at the Thirtieth Session of the Economic Commission for Asia and the Far East (ECAFE), which adopted with certain modifications under the name of Agricultural Development Fund.<sup>22</sup>

Since the spirit of co-operation was paramount in its approach to the NIEO, India expressed readiness to discuss and negotiate the relevant issues with developed countries even outside the UN framework. India, has acquired increasing opportunities to play a new and more constructive role in global dialogue on the NIEO, through various

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21 Urmila Phadnis and Sivananda Patnaik, "Non-Alignment as a Foreign Policy Strategy : A Case Study of Sri Lanka", International Studies, vol. 20, nos. 1-2, September 1980, p. 236.

22 Ibid.

sessions of UNCTAD. During the Nairobi Session (UNCTAD IV) of May 1976, India was the first country to offer to contribute to the Common Fund established for the financing of international commodity stock or other necessary measures.<sup>23</sup> Sri Lanka also favoured the idea of Integrated Plan on commodities, based on establishment of buffer stocks for a wide range of commodities including tea, coffee, cocoa, cotton, iron-ore etc. The chief objective of India, during this session was to progressively replace it by processed products.<sup>24</sup>

It is a matter of great concern to India and Sri Lanka that no real progress has been achieved because of the absence of genuine political will of developed countries for a meaningful co-operation. Again, the cumulative impact of embargo, price hikes and unilateral OPEC decision-making constituted the first major blow against the international economic structures that had prevailed between the developing and the developed states. It was seen that in 1971, the external debts of the developing countries amounted to about 90 thousand million dollars, while at the beginning of 1983, their debts to the trans-national corporations and banks ran at more than 630 thousand

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23 UNCTAD, "India's Move for Economic Cooperation", Commerce, vol. 132, no. 3396, 26 June 1976, p. 968.

24 Hindustan Times (New Delhi), 18 November 1975.

million dollars.<sup>25</sup>

Keeping this in mind, Sri Lanka's UNP government under Jayewardena, has often articulated its concern at the uncertain achievement of the NIEO. Expressing his disillusionment with the NIEO he earlier had said, "there is widespread disillusionment over the prospects for restructuring international economic relations, and bringing about equitable North-South economic relations".<sup>26</sup> But in the later period, Sri Lanka had changed its attitude and paid more concern to stand together and co-operate meaningfully to achieve self-reliance.

Earlier, India and Sri Lanka through various international forums like non-aligned summit, UNCTAD, and United Nations, besides emphasising on NIEO, has emphasized that it would be more appropriate and opportune to focus attention on the North-South dialogue and the global negotiations, on which the future of the world economic system depends. During the Cancun Summit (1981), both India and Sri Lanka agreed to make efforts within the UN to achieve a consensus to launch a conference on global negotiations in 1984 in the field of

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25 Govind Narain Sirivastava, India, Non-alignment and World Peace (New Delhi: New Delhi Publications Private Limited, 1984), p. 65.

26 Kodikaran, n. 7, p. 149.

food production, raw materials, energy, trade aid development, money and finance. The following year Mrs Gandhi, again convened a meeting of the nations of the 'South' in New Delhi in February 1982 where India and Sri Lanka, with other developing countries, outlined a mechanism to pool their own technological resources, a 'South-South' dialogue as a supplement to the North-South co-operation.

Being at the forefront of the fight against colonialism and racism, India has been emerging as the Chief Spokesman of the developing countries in their efforts to evolve a more equitable common relationship with developed nations. During the Seventh Conference of Non-Aligned Movement at New Delhi Mrs Gandhi appealed to the members of the movement "to demand more purposeful steps to carry forward the democratisation of the international system and to usher in a NIEO summit.<sup>27</sup> This again called for the convening of an International Conference on Money and Finance for Development, as earlier proposed by Mrs Gandhi. The economic declaration pledged to impart fresh impetus to collective self-reliance by mobilising all necessary resources and deploying

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27 Statements on Foreign Policy, January-April 1983, External Publications, Division, Ministry of External Affairs, New Delhi, pp. 33-36.

the requisite means in support of sub-regional, regional and inter-regional co-operation among the developing countries.

Alongwith New International Economic Order, India and Sri Lanka also realized the creation of a New International Order in the area of information, equally as urgent as the creation of a NIEO. For the first time, Colombo Summit (1976) provided an opportunity to India to take the initiative in hosting the Conference on the creation of a non-aligned news agencies pool. Sri Lanka has made considerable headway in building up a non-aligned documentation centre at Colombo, which will disseminate information relating to developmental experiences of the non-aligned States. India again took the initiative and made enormous efforts to organise the first conference of the leaders of the mass media of the non-aligned conference in New Delhi in order to establish a more fair international order in the field of information and communication.<sup>28</sup>

Both India and Sri Lanka as a result of which support the idea of NIEO and want multi-dimensional flow of news to ensure the communicational interaction

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28 Govind Narain Sirivastava, n. 26, p. 65.



and sharing of experiences would strengthen collective self-reliance among the developing and non-aligned countries.

However, it seems India as a leader of the developing countries will have to do intense hard work with sustained dedication and devotion to the cause of the Third World. And it has been the earnest hope of both India and Sri Lanka that the present initiative on international economic co-operation and development will lead them away from the present world crisis during the next decades.

#### Soviet Intervention in Afghanistan

In late seventies, Soviet intervention in Afghanistan, developed as a major issue of world affairs which evoked grave concern from both India and Sri Lanka. There was no "total" identity of views between them on how best to diffuse the Afghan crisis "without abandoning non-alignment principles".

The Afghanistan issue arose amidst internal and external disturbance, in the midst of political transition in India caused by the return of Mrs Gandhi's Government to power.<sup>29</sup> Unlike, her earlier response to

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29 V.P. Dutt, India's Foreign Policy (New Delhi: Vikas Publishing House Pvt Ltd., 1984), p. 373.

Hungary (1956) and Czechoslovakia (1968) crises, India's reaction to this crisis was not so vocal and forthright, but rather characterized by considerable embarrassment and urgency. India, while trying to retain the essence of the non-aligned approach, neither supported nor justified Soviet intervention in Afghanistan.

As regards the Afghanistan issue, the official statement of Sri Lanka was mildly critical of the Soviet Union.<sup>30</sup> But expressing her underlying opposition, she was one of the few non-aligned countries which unequivocally condemned Soviet action in Afghanistan. But it is significant to note that both India and Sri Lanka's views converged during the visit of Eric Gonslaves's, a special envoy and Secretary (East) in the Ministry of External Affairs of India, to Colombo on 8 February 1980 for exchange of views regarding the Afghan crisis when both governments expressed the need for urgent actions to defuse the escalating tension in the region.<sup>31</sup>

Though differences existed between India and Sri Lanka about the concept of non-alignment, they shared "concern" over the "gravity" of the situation

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30 For the text of the communique, see The Tribune, vol. 24, no. 27, 12 January 1980, p. 21.

31 Hindustan Times, 11 February 1980; and India and Foreign Review, vol. 17, no. 9, 15-29 February 1980.

calling for its early termination, with a peaceful political settlement of this issue through regional, bipartite or tripartite negotiations. Further, along with India, Sri Lanka did not sign the letter requesting the Security Council to deal with the Afghanistan situation.<sup>32</sup>

P.V. Narasimha Rao, External Minister, while stating India's stand said in the Lok Sabha on 12 June 1980 that "Afghanistan should maintain its sovereign, independent and non-aligned status and should also be assured of cessation and interference against it".<sup>33</sup>

India and Sri Lanka's stand regarding the immediate withdrawal of Soviet troops was repeated at various international forums including the Seventh Non-aligned Summit. The discussion was still continued and this realistic approach of India and Sri Lanka with other non-aligned countries had helped to avoid extension and aggravation of the conflict and served the interests of world peace in India's immediate neighbourhood.

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32 Urmila Phadnis and Sivananda Patnaik, n. 22, p. 233.

33 Foreign Affairs Record, vol. 26, no. 6, June 1980, p. 128.

Kampuchea Issue

However, unlike the Afghanistan issue, Kampuchea issue had revealed divergent attitudes of both India and Sri Lanka. From the very beginning, Mrs Gandhi had been the most pragmatic and sensible on her stand on this issue. Though India is opposed to any kind of foreign intervention, she did not condemn categorically Vietnam's intervention, and had supported a controversial regime installed with the help of alien military support.<sup>34</sup> On "humanitarian" grounds, she recognized the new Heng Samrin Government in July 1980 instead of favouring the old Pol Pot regime. But President Jayewardene's approach, on the other hand, on this question was quite unlike the progressive approach of Mrs Gandhi. His government extended its support and recognition to the old Pol Pot regime, demanding the withdrawal of foreign troops. Jayewardena made his country's stand clear at Havana (1979) and New Delhi (1983) Summit saying "we cannot accept the regime called 'The People's Republic of Kampuchea' because it has been set up, and is sustained by the use of foreign troops". But Sri Lanka's decision on these issues went

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34 Ganganath Jha, South-East Asia and India - A Political Perspective (New Delhi: National Book Organization, 1986), p. 140.

in favour of the stand taken by the ASEAN countries and USA, reinforcing the impression that Jayewardene was going off the path of strict non-alignment in order to get greater economic assistance from the Western Powers.

However, during the New Delhi non-aligned Summit both India and Sri Lanka were convinced of the urgent need to de-escalate these tensions through a comprehensive political solution which would provide for the withdrawal of all foreign troops, thus ensuring full respect for the sovereignty, independence and territorial integrity of all states. In the absence of any consensus among the non-aligned countries regarding the Kampuchea issue, the Kampuchea seat remained vacant during both Havana and New Delhi Summit. India, as the leader of NAM, with Sri Lanka expressed her hope of an early settlement of this issue.

### Iran-Iraq War

India and Sri Lanka with other non-aligned countries in early eighties faced a serious challenge at the outbreak of Iran-Iraq war. As far as the Iran-Iraq war was concerned, India expressed her anxiety at this "unfortunate development" and held the views that their confrontation was not only to pose hindrance to

their socio-economic progress but also to the prestige and influence of the non-alignment movement. Mrs Gandhi expressed India's anxiety and pleaded both to observe restraint and take immediate steps to halt the fighting,<sup>35</sup> and resolve their differences by peaceful negotiations.<sup>36</sup>

Sri Lanka also holds the same attitude and expressed its unhappiness at the hostilities between Iran and Iraq, stating that both countries are members of the NAM and the movement has failed to bring any settlement to the conflict. A.C.S. Hameed, the then Foreign Minister of Sri Lanka said: "We do not want to see the peoples of either country harmed. We want to see each flourish, each respecting the rights, obligations, and welfare of the others."<sup>37</sup>

Mrs Gandhi, while addressing the Seventh Non-Aligned Conference expressed her deep concern and called on Iran and Iraq "to end their tragic war". She again assured them to continue consultation and take all possible and appropriate measures towards their objective.

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35 Sunday Standard (New Delhi), 5 October 1980.

36 The Hindu (Madras), 10 October 1980.

37 A.C.S. Hameed, In Pursuit of Peace - On Non-alignment and Regional Cooperation (New Delhi: Vikas Publishing House Pvt Ltd., 1983), p. 41.

Jayewardene, on the other hand said, in his speech that "it is tragic that over two years two non-aligned countries, Iran and Iraq, have been involved in a military confrontation. Sri Lanka, which has friendly ties with both these countries will support every initiative that could lead to an early settlement of their dispute".

Again, India and Sri Lanka's role to bring an end to the hostilities was not insignificant. However, India's efforts to end the conflict were perhaps best seen in the joint initiatives taken by the non-aligned states<sup>38</sup> when a consensus was reached about the venue of the Seventh Non-Aligned Summit at New Delhi instead of Baghdad.

### Palestine Question

Besides Afghanistan, Kampuchea issue and Iran Iraq war, India and Sri Lanka, in conformity with other non-aligned countries gave whole-heartedly moral, political and material support to the movement of national liberation both in Palestine and South Africa.

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38 A. Appadorai, M.S. Rajan, India's Foreign Policy and Relations (New Delhi: South Asian Publishers, 1985), p. 629.

India had maintained a consistent policy towards Palestine both during the Janata and Mrs Gandhi's regime based on ethical principles. Mrs Gandhi took a major step when diplomatic recognition was granted to the Palestine Liberation Organisation (PLO) after coming back to power in 1980. India's view on this issue was forcefully put forth by Foreign Minister P.V. Narasimha Rao in his address to a Special Session of the United Nations General Assembly on 22 July 1980. Reiterating India's firm convictions on the subject, he stated that a comprehensive solution of the problem entailed the exercise by the Palestinian people of their inalienable national and human rights, including the right to establish an independent state of their homeland, the total and unconditional withdrawal by Israel from all occupied territories and finally the guarantee of the right of all states in the region including Arab Palestine, to live within secure borders.

Sri Lanka has constantly and consistently supported the cause of the Palestine people. Jayewardene Government took an important policy decision when it decided to recognise the Palestine Liberation Organisation, and grant it full diplomatic status in Colombo in March 1982.<sup>39</sup> The Acting Finance Minister Tyronne Fernando

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39 Ceylon Daily News, 31 March 1982.



made Sri Lanka's stand clear, while addressing a seminar held in Colombo under the auspices of the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People when he declared: "The Government of Sri Lanka recognises the inalienable national rights of the Palestinian people and their struggle for the realisation of these rights under the leadership and guidance of the Palestinian Liberation Organisation.... There can be no durable peace without the participation of the Palestine Liberation Organisation in this process."<sup>40</sup>

Therefore, both India and Sri Lanka have common approach to this question and expressed their strong determination to continue to support the heroic struggle of the Palestinian people until they return to their national homeland and become masters of their political destiny in every international forum.

#### South Africa and Namibia

Alongwith the Palestinian Liberation movement, India and Sri Lanka have been articulate and active so far as South Africa and Namibia question is concerned.

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<sup>40</sup> Ministry of Foreign Affairs, Colombo, Press Release 158/81 of 10 August 1981.

There are common consensus in their views as they sharply condemned the racist policies of South Africa, the suppression and torture restored to by Pretoria, condemned the US policy of "constructive engagement" with South Africa and extended their full support to the struggle against racism in South Africa and to the liberation struggle of Namibia under the leadership of SWAPO, the sole authentic and legitimate representative of the Namibian people.<sup>41</sup>

India and Sri Lanka, therefore, with other non-aligned countries, in different international forums, have made it abundantly clear that they are not prepared to forego their right of armed struggle by the people under colonial or racial domination. Indira Gandhi in her address to a NAM meeting earlier had encapsulated the essence of the Namibian question when she said: "We the people of India and we, the members of the non-aligned movement congratulate the Namibian people led by SWAPO on their historic struggle. We pledge our support to them."

In conclusion, while discussing their response to some major global issues, we have also dealt with

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52 V.P. Dutt, n. 29, p. 429.

their divergence and convergence views on certain important issues. Their stand against colonialism, racialism, imperialism also provided 'opportunities' to both to express a common outlook on major issues like non-alignment, New International Economic Order and general disarmament while giving more concern on regional security and peace, their identical approach can be discerned on Iran-Iraq war, Palestinian Liberation Movement, independence of Namibia and their condemnation against apartheid issues. Besides this, disagreements in their approach on non-proliferation treaty, Afghanistan and Kampuchea issue were also noticeable. But it is significant to mention here that despite their divergent views, their common membership to non-alignment would enhance their hope and aspirations of pursuing their respective foreign policy goals.

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## CHAPTER III

## REGIONAL SECURITY PERCEPTIONS

Maintenance of regional security and stability is an imperative necessity for a nation's own stability and security. This very fact has added importance to the concept of "regional security" in the literature of international relations in recent years. Certain regional as well as international developments, say for instance, Super Power arms race, militarisation in Afghanistan etc. have jeopardized the regional security and stability of the Third World. Broadly this atmosphere of insecurity is the offspring of certain factors, like (i) indigenous factors, (ii) Great Power strategies in relation to the developing world, and (iii) Super Power competition and rivalry. Accordingly, against the backdrop of internal and external environment of the sub-continent, the issues of regional security and stability in South Asia have to be analysed. A commonality of perception and approach in regard to external and internal threat is a necessary pre-requisite to ensure regional stability and security.<sup>1</sup>

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1 K. Subramanyam, "Prospects for Regional Stability and Security in South Asia", Strategic Analysis, vol. 8, no. 2, May 1984, p. 109.

Viewed from this perspective, in the South Asian context, issues like Indian Ocean, South Asian Regional Co-operation etc. which impinge on the regional security system merit greater attention. More specifically, the way the countries like India and Sri Lanka perceive, react and respond to the regional security situations needs detailed analysis, Keeping in mind their national interests and broader regional interest which complement the former they respond. So the nature and dynamism of their perceptions and responses should be analysed to comprehend the operation of regional security environment.

### Indian Ocean

The security of the Indian Ocean region is a matter of great concern, not only for the countries of the region, but also for many extra-regional countries. The heightened confrontation between the Super Powers, including the increased threat of a nuclear war and the Soviet intervention in Afghanistan have added an edge to the concern of the littoral countries about the growing likelihood of big power intervention in the strategically crucial and resource-rich Indian ocean region. However, the security of this region largely depends as much on the countries in the region as on outside powers. Both India and Sri Lanka, being situated in that region, are

particularly anxious about the security and stability of that region. The demilitarization of the Indian Ocean by converting it into a zone of peace continues to be a major objective of the foreign policy of both the countries. India and Sri Lanka with other littoral states want the Indian Ocean to remain as a zone of peace rather than an area of cold war, great power rivalry, and Super Power confrontation.

An Indian Ocean policy for India should be focused primarily on the geo-strategic significance of the Indian Ocean which plays a pivotal role in shaping the manifest destiny of India.<sup>2</sup> Therefore, India's approach to the problem of security in the Indian Ocean has been, by and large, in conformity with the traditions of the anti-colonial struggle and the country's own enlightened self-interest.<sup>3</sup> As K.M. Pannikar has warned, the future of India is likely to be decided not on her land frontiers but on the Oceanic expanse which surrounds her.<sup>4</sup>

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2 T.T. Poullose, "The Indian Ocean in India's Foreign Policy", in Satish Kumar, ed., Year Book on India's Foreign Policy, 1982-83 (New Delhi: Sage Publications, 1985), p. 185.

3 Devendra Kaushik, The Indian Ocean - A Strategic Dimension (New Delhi: Vikas Publications, 1983), p. 86.

4 Frank Moras, "The Indian Ocean", The Hindustan Times, (New Delhi), 2 January 1965.

Geographically located as it is, its security, commerce and trade - all depend on the preservation of peace and stability in the area.<sup>5</sup> Besides its chief concern for world peace, it is trying to acquire security through promoting peaceful regional co-operation among the littoral and hinterland states and preventing the militarization of the Indian Ocean,<sup>6</sup> in order to have the Indian Ocean as an area of peace.

Neither India nor the littoral or hinterland states of the region can remain indifferent to these developments. Sri Lanka, on the other hand, situated in the middle of the Indian Ocean, equally expressed her deep concern on the great power rivalry. Besides its geographical position, economic interests in the Indian Ocean - fishing and oil exploration and its non-controversial international personality made it ideal for peace-keeping responsibilities.<sup>7</sup> Therefore, T.B. Sabasinghe, Sri Lanka's Minister of Industries, viewed that "the military build up of Diego Garcia was a grim reminder that the peace in the Indian Ocean was threatened. If there is any serious tension in the Indian Ocean this may lead to

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5 B.N. Banerjee, Indian Ocean - A Whirlpool of Unrest (New Delhi, Paribus, 1984), p. 29.

6 Devendra Kaushik, n. 3, p. 86.

7 Ranjan Gupta, The Indian Ocean (New Delhi: Marwah Publications, 1978), p. 131.

world war.<sup>8</sup>

India and Sri Lanka had used different international conferences such as the Non-Aligned Summit, Commonwealth and United Nations Conferences, to provide a political slogan to the concept of the Indian Ocean as a zone of peace, India and Sri Lanka, as the two leading non-aligned states in the area had drawn much national as well as international attention towards that development. It was particularly with the initiative of Sri Lanka's Prime Minister, Mrs Bandaranaike, first in Cairo (1964) and later in Lusaka Summit (1970) of non-aligned movement the problem of Indian Ocean began to gain strength. Sri Lanka, which had been the first to propagate the idea of an Indian Ocean Peace Zone, initially focused on a "demilitarization principle" whereby the littoral states, as well as outside powers, would be called upon to limit their military capability and related activities.<sup>9</sup> Mrs Bandaranaike again firmly stated at the Commonwealth Prime Minister's Conference in Singapore that "our concept of a peace zone totally excludes the intrusion of great

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8 The Ceylon Daily News (Colombo), 29 July 1976.

9 Dieter Braun, "The Indian Ocean : Region of Conflict or 'Peace Zone'" (London: Oxford University Press, 1983), p. 172.



power conflicts into the region, with their attendant defence system.<sup>10</sup>

The evolution of this process began with the move to declare the Indian Ocean as a zone of peace at the UN General Assembly in 1971. The resolutions adopted by the General Assembly called upon "the elimination from the Indian Ocean of all bases, military installation, logistical supply facilities, the disposition of nuclear weapons and weapons of mass destruction. The resolution was moved by Sri Lanka and co-sponsored by India which called other bordering states to voice jointly, not only in giving effect to this proposal but also in keeping the Indian Ocean as an area of peace, in pursuit of the objectives of establishing a system of universal collective security without military alliances and strengthening international security through regional and other co-operation.

The general movement towards cordiality in foreign relations has been marked by co-operation between India and Sri Lanka on the Indian ocean question. India whole-heartedly, recognized Sri Lanka's initiative in international conferences on this question. India's recognition of Sri Lanka's role in the matter has also

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10 Sri Lanka Daily News (Colombo), 22 January 1971.

been motivated by the realization of its own limitation in playing such a role, given its size and military strength.<sup>11</sup> Therefore, during the Lusaka Summit, Mrs Gandhi expressed her deep concern and said: "We would like the Indian Ocean to be an area of peace and co-operation." Sri Lanka, at the same time, had realised that it cannot cope, due to its insular position, with the external pressures and it should not antagonise India which had supported her in the UN to make the Indian Ocean as a "Peace Zone". In addition to their own interests as close neighbours, they had a common interest in the defence and security of the Indian Ocean, to keep it free from military contests. Thus, Sri Lanka with the backing of India including other non-aligned countries, repeatedly paid more concern to the security and stability of that area. The success of its efforts to popularize the concept of Indian Ocean, as zone of peace, gave her the uncontested leadership in this field among the non-aligned nations.<sup>12</sup>

Though both the countries' view converged on the peace zone concept, there has also been some divergence

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11 Ranjan Gupta, n. 7, p. 139.

12 H.S.S. Nissanka, Sri Lanka's Foreign Policy : A Study in Nonalignment (New Delhi: Vikas Publishing House. Pvt. Ltd., 1984), p. 219.

of views between India and Sri Lanka on some of the multilateral issues of relevance to the region. For example, Sri Lanka supported the proposal for a "nuclear-weapon free zone" in South Asia sponsored by Pakistan after the Pokhrain explosion. Sri Lanka, while raising the question of demuclearisation of the Indian Ocean, came out with a three-point proposal viz. permanent renunciation by countries of the region of a nuclear weapon option, denying the use of their territory, waters and airspace to nuclear weapons in the area.<sup>13</sup> Sri Lanka again argued that the concept of Indian Ocean necessarily implied that "the countries of the region wouldn't themselves become nuclear-weapon powers". India, on the other hand, maintained that in the absence of a commitment on the part of all the nuclear powers to renounce and dismantle nuclear-capability, any isolated nuclear-free-zone would result in the concerned states becoming vulnerable to the pressures of the nuclear powers. India again argued that "South Asia cannot be treated in isolation as it was an integral part of Asia, the Pacific and the Indian Ocean".<sup>14</sup> India emphasized that Indian Ocean concept should be

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13 Devendra Kaushik, n. 3, p. 95.

14 Urmila Phadnis, "Indo-Sri Lanka Relation in 80's" in D.D. Khanna, ed., Strategic Environment in South Asia During the 1980's (Calcutta: Naya Prakash, 1979), p. 31.

conceived in the context of great power rivalries.

The divergent perception of India and other littoral and hinterland states again differed, because, while India believes that Super Power military presence - of the Soviet Union or the United States or any extra regional power - can pose a threat to its security as well as to the security of the other states, They believe that while the American presence in the Indian Ocean guarantees their security, the Soviet presence is a threat to them.<sup>15</sup> Therefore, they wanted that regional security arrangements should precede the withdrawal of military presence of other powers, India, at the same time, argued that regional security arrangements should follow rather than precede the withdrawal.<sup>16</sup>

Though Sri Lanka had played a leading role in this movement, it has drifted from its original position after 1977 and Jayewardene has successfully manoeuvred to dilute to basic idea.<sup>17</sup> He chose to remain silent regarding this matter during President Reddy's visit to Sri Lanka in 1982. His government's "open door policy",<sup>18</sup>

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15 K.P. Saksena, "United Nations - Reflected Ineffectiveness" World Focus, vol. 7, no. 8, August 1986, p. 21.

16 Ibid.

17 P.K. Mishra, South Asia in International Politics (New Delhi: VDH, 1984), p. 107.

18 Sri Ram Mishra, India's Foreign Policy, Annual Survey, 1982 (Bangalore: Sterling Publishers Pvt Ltd., 1987), p. 25.

was more clear when his government sanctioned extension of special facilities to the US Navy in the Trincomalee naval base, which went against the spirit of the Indian Ocean peace,<sup>19</sup> and directly opposed to the Indian view. Again to the chagrin of the littoral states during the Non-Aligned Conference in March 1983, Sri Lanka pleaded very fervently to delink the proposal for the restoration of Diego Garcia to Mauritius from the demand to delimitarise the Indian Ocean.<sup>20</sup>

The diplomatic initiatives by India as well as by other major protagonists of the concept including Sri Lanka, have not resulted in any progress towards the realisation of the Indian Ocean as a zone of peace. In June 1978, the two Super Powers had expressed their willingness to resume talks on arms limitation in the Indian Ocean in a conference, to be held in Sri Lanka in 1981, but postponed owing to the negative response from the US. In 1982, the UN ad hoc committee agreed to hold the conference in 1984, but it has been put off. Besides sharp differences between the Super Powers over developments in Afghanistan and the Middle East, Sri Lanka with the new convolutions in its foreign policy,

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19 Ibid.

20 Indian Express (New Delhi), 6 March 1983.

was reluctant to take any noteworthy initiative during the period from 1980 to 1984. The Sri Lankan leaders are somewhat shy of discussing the peace zone proposal owing to the economic situation prevailing in the country and its heavy dependence on foreign assistance. Again internal developments in Sri Lanka after racial riots in July 1983 and India's emergence as a substantial power in South Asia have been creating hindrances to the enthusiasm shown by Sri Lanka during the later period. But Sri Lankan leaders, however, continue to pay lip sympathy to the concept of making the Indian Ocean a peace zone. They, being, in such an awkward position, have started saying, in a new version: "We support the Indian Ocean peace zone concept on the strict understanding that any vacuum that may be created with the implementation of the proposal would not be taken advantage of by any other littoral state."<sup>21</sup>

India and Sri Lanka continued to launch relentless campaign to canvass support for making Indian Ocean a peace zone. India's Indian Ocean strategy has been oriented towards forging a strategic consensus without the structure of a military alliance among the

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21 S.R. Mishra, n. 18, p. 25.

states of this region. India's own conviction, its concern in this region, as the chairman of the non-aligned movement after 1983, was proved when Mrs Gandhi during New Delhi Summit said: "We must double our efforts for the convocation of an international conference on the problems of the Indian Ocean."

However, India with other littoral and hinterland states has been struggling consistently to demilitarise the Indian Ocean, to turn this region into a zone of peace. Their efforts towards strengthening indigenous military capability as well as effective regional co-operation should be seen not only as a bulwark against the pressures generated by the Great Power in the area but also as the basis of effective regional peace and security. The South Asian initiative in the Indian Ocean will depend largely on the mutuality of interests between India and Sri Lanka.

#### South Asian Regional Co-operation

South Asian Regional Co-operation represents the aspirations and concerted efforts of the seven nations of South Asia to enhance their bargaining power, vis-a-vis the industrialised 'North', to reduce their dependence on the latter, to get rid of the Super Power encroachments in the region and create a new set of equitable relations

between themselves in the region. The SAARC countries are also helpful of reaping the advantages stemming from its regional security and political dimensions. The security of the small states in South Asia against external threat cannot be sought in the UN system or in an autonomous and self-sufficient existence, it can probably be handled by collective endeavour through mutual interaction with the regional and international environment. Fortunately, all the nations of South Asia are the members of the NAM and to that extent these nations share and profess a common ideology in respect of major power blocs and relations with them. These considerations induced them to forge regional co-operation.

The SAARC has come into existence in the geo-strategic context of the Second Cold War in Asia, when a threat to security, unleashed by Russian intervention in Afghanistan, militarisation of the Indian Ocean through US deployment of RDF were looming large in the Asian environment, the South Asian countries were encouraged to strengthen bonds of peace, amity and co-operation in the region.

The idea for regional co-operation among the seven South Asian countries is of recent origin. It was first initiated by the late President Ziaur Rahman of



Bangladesh in May 1980, when he called upon the leaders of the South Asian states to "explore the possibilities of establishing a framework for regional co-operation". Indeed, Bangladesh's proposal was enthusiastically received by Nepal and Sri Lanka and warmly supported by Bhutan and Maldives, while India and Pakistan approached the idea gingerly. Of course, they could not object politically to the idea underlying it which they themselves had officially espoused.<sup>22</sup> It was decided that in case of SAARC, the emphasis should be on economic and technical co-operation. Half-a-dozen meetings at the Foreign Secretaries' level at six different Capitals, two Foreign Ministers level meetings at New Delhi and Male in 1983 and 1984 respectively and the proposal for holding the Summit meeting towards the end of 1985, testified to the fact that the regional powers - both big and small - were enthusiastic and genuinely interested in its success.

India, like Pakistan, did not show any inclination and interest to look at the problems of South Asia in a regional perspective. The Indian government accepted the proposal "in principle" but its cautious approach was

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22 R.K. Srivastava and Rajni Kothari, "SAARC - Options in South Asia", Seminar, no. 324, August 1986, p. 23.

necessitated because of the possible implications of the proposal. At this time India's relations with its neighbours was not very cordial and in fact India's stand on important issues of its concern viz. Afghanistan, Kampuchea, Indian Ocean were not shared by them. India was, therefore, apprehensive of the proposed regional forum being used as a bargaining counter where the smaller nations could collectively seek to thrust their position in South Asia. India also could not view favourably the Western approval behind the move or the US objective of building up a "cooperative Regional Security Framework" in the South and South-West Asian regions. While arms offers were made to Pakistan, India was persuaded to "evolve a regional approach" with Pakistan "in the fundamentally changed situation which the whole region faced, an obvious reference to Afghanistan. Given these implications, India counselled adequate preparatory work before the proposal was taken up at the political level.

Thus, the spontaneous reaction of India to the Bangladesh proposal grew out of her perceptions of national interests and perceived threats to her security. There was, however, nothing apparently objectionable in the proposal that in essence, called for regional harmony and co-operation aimed at economic development in the

compelling regional and international context. Therefore, India sought to modify it so as to accommodate her apprehensions and requirements through a series of exchange of views that took place following the announcement of the proposal.

Sri Lanka's perspectives, on the other hand, on the regional co-operation in South Asia have been characterized by a high degree of ambivalence.<sup>23</sup> Sri Lanka, like most other neighbours of India, has had the feeling that due to her close proximity, India, at any moment, might invade Sri Lanka. Therefore, Sri Lanka often approaches the question of SAARC from the perspective of this Indo-Lanka equation.<sup>24</sup> Sri Lanka, which responded to the idea quite enthusiastically in the beginning, and hosted the first meeting of the foreign secretaries in April 1981, appeared to have been assailed by doubts, so much so that President Jayewardene chose to maintain a discreet silence when the then Indian President Sanjiva Reddy, during his state visit to the island, sought Colombo's support to the South Asian regional co-operation idea.<sup>25</sup> On the other hand, there is the continual quest

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23 Shelton U. Kodikara, "Asymmetry and Commonalities", in Pran Chopra, ed., Future of South Asia (New Delhi: Macmillan India Ltd., 1986), p. 117.

24 Ibid., p. 118.

25 K. Bhaumik, "Decca's Initiative - Idealism, Pragmatism", World Focus, vol. 3, no. 3, March 1982, p. 9.

by Sri Lanka for a better economic relations with regional neighbours and particularly with India since her independence. Besides that, Sri Lanka with other South Asian states, also realised that collective Self-Reliance for development must begin at the regional level.

The working paper submitted by Bangladesh in November 1980 triggered off a number of Foreign Secretary level meetings held in several South Asian capitals. At the very first meeting held in Colombo, it was agreed that future decisions would be made on the basis of unanimity and that contentious bilateral issues would be outside the purview of SAARC processes. All states agreed on the basic approach that Regional Co-operation was neither intended nor expected to be a substitute for bilateral and multilateral co-operation, not should it be inconsistent with bilateral and multilateral obligations.

As regards South Asian Regional Co-operation, Sri Lanka had supported the idea of an integrated regional approach to common problems and towards common aspirations of the people of this region. Inaugurating the first meeting of foreign secretaries of SAARC at Colombo in April 1981, Foreign Minister A.C.S. Hameed emphasized the

importance of regional co-operation which he said could enable countries to derive strength from each other, whether by way of enhanced trade, the institutional linkages, sharing of technology, improved human resources or mutual investment. At the meeting, Sri Lanka was assigned Rural Development for a feasibility study in the context of South Asian regional co-operation,<sup>26</sup> and India with Meteorology. Sri Lanka, at that time was designated as the co-ordinator country for the committee of the whole comprising senior officials of the seven countries,<sup>27</sup> to consolidate and integrate action programme recommended by five working groups.

From the very beginning, Sri Lanka, unlike India, with Bangladesh have been more anxious about hastening the pace of SAARC and for widening its scope and its positive outcome. India with Pakistan have stood for a slow and steady pace and cautioned against any hasty convening of a Summit meeting.<sup>28</sup>

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26 Amuradha Muni, "Foreign Policy - Playground for Israel, US, UK", World Focus, vol. 5, no. 9, September 1984, pp. 21-22.

27 See text of Joint Communique, First meeting of Foreign Secretaries, Colombo, 23 April 1981.

28 Indrani Banerjee, South Asian Regional Co-operation: A Study of its Background and Potentials (An unpublished thesis submitted at JNU in 1984), p. 126.

The Indian Foreign Secretary also pleaded for caution regarding the pace, saying "We have an obligation to lay a solid and secure foundation on which regional cooperation can be built. A pattern of regional co-operation in South Asia should evolve itself. We do not have to jump steps and create an organisational super-structure, without first agreeing upon arrangements, modalities and programme of regional co-operation."<sup>29</sup>

In contrast to the Bangladesh proposal in the first meeting that co-operation should give more emphasis on economic field, the Foreign Minister of Sri Lanka commended a more comprehensive approach to co-operation, envisaging "closer co-operation in international fora in relation to all matters directly concerned with peace, security and economic development in the region, and settlement of disputes within the region without external interference."<sup>30</sup>

In due course, India's stand on the scope for regional co-operation appeared to be nearer to that of Bangladesh. An Indian suggestion which found general

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29 Text of Ram Sathe's statement, last para, at the first meeting, Colombo, 21 April 1981, Basic Documents on SAARC, issued by Conference Cell, Ministry of External Affairs, New Delhi.

30 Text of speech of Hameed, A.C.S., Foreign Minister of Sri Lanka, Ceylon Daily News (Colombo), 22 April 1981.

agreement at the Islamabad conference, with Bangladesh, Sri Lanka and Nepal, when the latter countries favoured co-operation in other economic fields so that the entire region might appear as a single "integrated market". India, however, stressed the need of greater traffic within the region in economic and cultural goods as much as in people.<sup>31</sup> While refraining from making any reference to political and security objectives, India has always stressed on expanding co-operation in cultural, infrastructural, scientific and technological fields, as also in relation to global negotiations with the developed countries.<sup>32</sup> India's role had been significant in determining new areas of co-operation as she proposed inclusion of areas like trade, tourism, education, in contrast to the Pakistani response. India's efforts, at last, succeeded when at the third meeting, when the Foreign Secretaries agreed to include "sports, arts and culture" for study and action as areas for regional co-operation.

There was a disagreement of views between India and Sri Lanka regarding Bangladesh's proposal on the

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31 The Times of India (New Delhi), 24 April 1981.

32 I.N. Mukherjee, "Attitudes and Percepts", in M.S. Agwani and others, ed., South Asia - Stability and Regional Cooperation (Chandigarh: CRRID, 1983), p. 24.

question of institutionalization. But India's stand on institutionalisation of regional co-operation, was on the same line with Pakistan. The Indian representative sounded notes of caution and warned that setting up of an institutional framework of association among the South Asian nations was premature. He suggested that the priority should be given to exploration of the areas of co-operation.<sup>33</sup> Sri Lanka, on the other hand, had stood for early structured institutionalisation as against the evolutionary institutionalisation as suggested by India and Pakistan. Earlier, Sri Lanka had argued that formally structured regional co-operation usually involved "the establishment of an association of states in a contiguous geographical area for the purpose of promoting and safeguarding the interests, whether they be political or economic, of the participating member states."<sup>34</sup>

The opinion of all South Asian countries again diverged about the timing while they were in favour of the necessity of holding a political level meeting. Bangladesh representative, during the third meeting of Foreign Secretaries at Islamabad, put more emphasis on

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33 The Patriot (New Delhi), 23 April 1981.

34 Ibid., 8 May 1981.



their earlier stand about the need of "affirmation for launching this comprehensive programme of action at the political level".<sup>35</sup> Sri Lanka expressed her whole-hearted willingness to the Bangladesh's proposal and had taken active initiative to carry the argument. Referring to other regional groupings, the Sri Lanka Foreign Secretary observed that all experiments in regional co-operation had been founded upon a conscious act of political will. He expressed disagreement with the view that a political level meeting was not practicable without a measure of consensus on regional and world issues. He recommended a ministerial meeting within "a suitable and finite time span". According to him the rationale of SAARC would stand jeopardized unless the countries decided to move in to a political plane.<sup>36</sup>

Though India continued to be cautious about the pace and showed less interest on the discussion at a political level, Indian Foreign Secretary, later at the third meeting of Foreign Secretaries, favoured after realising the desirability of convening a meeting at the level of Foreign Ministers. The Indian suggestion was that

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35 See excerpts from the speech of Humayun R. Choudhury, Foreign Secretary of Bangladesh in Bangladesh Times, (Dhaka), 5 November 1981.

36 See statement by the Foreign Secretary of Sri Lanka at the Third Meeting of Foreign Secretaries, Islamabad, 7 August 1982.

a few more meetings should be held at the Foreign Secretaries level before the Foreign Ministers were asked to meet,<sup>37</sup> in order to have a concrete and comprehensive action-oriented programme including specific measures for its coordination and implementation. The agreement for the Foreign Secretaries to meet in Dhaka was seen as an endorsement of the Indian stand that adequate preparatory work must precede a meeting at the political level.

Armed with the reports of various study groups and recommendations of the Committee of Foreign Secretaries, the seven South Asian states despite their bilateral differences, agreed unanimously to meet, at the Foreign Ministers level, for the first time in New Delhi in August 1983. India hailed the declaration as "a historic step" before the Dhaka meeting. This meeting was held amidst various bilateral differences among the South Asian states, but it did not affect the decisions and steps they took. Mrs Gandhi reiterated that regional co-operation was an important factor in bringing about economic and social progress. She, however, cautioned that "in this forum, we should avoid bilateral differences and concentrate on what unites us and helps us in our common quest of peace

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37 H.K. Dua, Indian Express (New Delhi), 9 August 1982, India, Ministry of External Affairs, Annual Report, 1983-84, p. 64.

and development".<sup>38</sup> She pointed out that the regional groupings is not "moved by any ideological and military consideration", but was mainly intended to "promote development and strengthen economies of industrial countries",<sup>39</sup> and continued to say that economic co-operation will give strong impetus to closer friendship and greater stability in South Asia.<sup>40</sup> There was a broad consensus among the foreign ministers that they should forget the legacy of the past and invest their collective capacities for the common good. They identified areas of co-operation launching an Integrated Programme of action covering diverse fields, such as telecommunications, meteorology, agriculture, health and population activities etc.

Indian rulers have reiterated on various occasions that they respect the independence, autonomy and sovereignty of other South Asian countries. At the ministerial conference of the SAARC held at Male (Maldives) in July 1984, India tried to convince other member nations that expansion of the areas of co-operation would be in the long-term interests of the region itself. During this meeting Indian Minister of External Affairs said that

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38 The Times of India (New Delhi), 2 August 1983.

39 Ibid.

40 V.P. Dutt, India's Foreign Policy (New Delhi: Vikas Publishing House Pvt Ltd., 1984), p. 387.

"as we gather momentum the emphasis will have to shift to activities which are more operational in nature".<sup>41</sup>

Much of the activity is still confined to information gathering, evolving programmes of bilateral co-operation and recommendations for fostering mutually beneficial programmes of action in individual areas of co-operation. India proposed for the inclusion of trade and tourism in the area of co-operation. Besides this, the decision of elevation of SAARC to the summit level during this meeting evoked varied response, with Sri Lanka favouring it. Curiously enough, one of the motives this elevation to summit level is that President Jayewardene's participation in the summit would invoke greater involvement of other departments and ministers in Colombo in SAARC activities.<sup>42</sup>

It is pertinent to note here that the varying perceptions and responses of India and Sri Lanka in particular, of the South Asian countries in general, towards SAARC arise mainly from their divergent socio-economic structures, exigencies of domestic environment, and foreign policy orientations. In fact, Sri Lanka's relations with Western countries and its attitude towards

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41 R.V.R. Chandrasekhara Rao, "Regional Cooperation in South Asia, Indian Role", The Round Table, no. 293, January 1985, p. 62.

42 Amuradha Muni, n. 26, p. 22.

multilateral issues have often been motivated by its self-perceived need to meet the imperatives of its safety and security; therefore, its search for a wider range of options in foreign policy and for greater flexibility for manoeuvre in the regional and global issues. One such option, kept open, has been its membership of the ASEAN grouping to which India was not in favour of it, while participating in talks for South Asian Regional Co-operation.

In the initial period, Sri Lanka had favoured a comprehensive framework of SAARC that included understanding and co-operation in security and strategic fields. Later, an inconsistency is being reflected in the stand taken by Jayewardene Government towards India, which has kept the two nations in the twilight zone of suspicion. Again, the recent ethnic crisis in Sri Lanka and the Punjab problem in India which put India especially in a very embarrassing position, again intensified their soured relationship. A headway in mutual co-operation was, therefore, at that time, remained contingent on the generation of a climate of trust and consistency in their relations.

The success and failure of SAARC largely depends on India's consistency in its foreign policy with her neighbouring countries. The latter countries have to motivate themselves against any apprehension of India's

aggressive designs, and avoid focussing on the areas of mutual discord, but concentrate mainly on the areas of common interest for collective benefit. Thus, by pursuing a commonality of approach within the regional framework, India and Sri Lanka may strengthen the process of SAARC for their own benefit as well as for the benefit of the region as a whole. This would ultimately insulate the subcontinent from Super Power rivalry and interference in the Indian Ocean which have become possible from divergences prevailing among the regional states. In the long run, it would enhance the collective self-reliance and bargaining power of the regional states which can reduce or eliminate extra-regional interference or threats.

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## CHAPTER IV

## BILATERAL ISSUES : POLITICAL AND ECONOMIC

The period under review is of special significance not only in India-Sri Lanka relations but also with its relations with other neighbouring countries. In the beginning of this period, the newly emerged Janata party adopted the policy of "beneficial bilateralism" which became the main thrust of India's policy towards its neighbour. This envisaged, building "bridges of trust and co-operation with her neighbours".<sup>1</sup> As such, India's relations with its neighbours - Sri Lanka in particular - were cordial during the Janata period. Such cordiality was somewhat eroded after Mrs Gandhi came to power, partly because of the ethnic conflict in Sri Lanka and partly due to her cool attitude towards J.R. Jayewardene, the leader of the ruling United National Party.

An attempt will be made in this chapter to analyse three major issues: first, the repatriation issue of stateless persons of Indian origin (though

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1 Atal Bihari Vajpayee, "India and the Changing International Order", India and Foreign Review, vol. 15, no. 9, 15 February 1978, p. 12.

theoretically solved, but in practice still unsolved), second, the ethnic issue in Sri Lanka to the extent it has impinged on India-Sri Lanka bilateral relations and third, the issue pertaining to economic interaction between the two countries i.e. trade, aid and joint ventures.

#### Citizenship Issue and Repatriation of Indian Citizens from Sri Lanka

Notwithstanding two historic agreements of 1964 and 1974 between India and Sri Lanka on the contentious issue of stateless, the problem remained to be an irritant factor in the bilateral relations of the two countries mainly due to the several bottlenecks in their implementation.

Therefore, the most important outcome was that though the scheduled period of Shastri-Sirimavo Pact had lapsed on 31 October 1981 even after the two years extension, the agreement failed to fulfil the main objectives. After twenty years of the Pact the problem of the stateless Indians still remained unresolved. Various political and administrative obstacles from both the sides which had existed during pre-1977 period, also remained responsible for the tardy and slow process of repatriation and conferment of citizenship even in post-1977 period. It was clearly found from the official figures that 45,790 people were repatriated to India in 1976, but the number



declined further to 39,804 in 1978 and to 28,769 in 1979.<sup>2</sup> Again, up to the end of October 1981, only 255,425 persons plus a natural increase of 75,038 making up a total of 330,463 had been granted Indian citizenship, and repatriated to India while the number granted Ceylonese citizenship was 145,956 plus a natural increase of 40,924 making up a total of 186,880 persons.<sup>3</sup>

The slow rate of repatriation of these persons from Sri Lanka was a matter of concern to both India and Sri Lanka. However, they claimed that both sides were to be blamed for the slow progress. Sri Lanka, on the other hand, argued that unless India stepped up the repatriation process, the grant of citizenship cannot be speeded up further.<sup>4</sup> However, later it expressed its hope that "the implementation of Shastri-Sirimavo Pact which had come to a stand still due to various internal difficulties will be pushed through".<sup>5</sup> India following the same line, expressed to streamline the procedures for the repatriation and rehabilitation of Indian people from Sri Lanka.

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2 Financial Express (New Delhi), 29 April 1980.

3 S.U. Kodikara, Sri Lanka's Foreign Policy: A Third World Perspective (New Delhi: Chanakya Publications 1982), p. 35

4 Patriot (New Delhi), 12 February 1979.

5 Ceylon Daily News (Colombo), 11 September 1980.

Mrs Gandhi took up the matter after Morarji Desai, with President Jayewardene in a way of honouring the commitments for the early settlement of this vexed human problem. But it is pertinent to say that after the advent of Jayewardene to power in Sri Lanka and joining of S. Thondaman to his Cabinet in 1978, the prospects for a solution to the problem of statelessness had taken a marked turn for the better.<sup>6</sup> The Sri Lanka government adopted a new constitution in 1978, which allowed the stateless persons to enjoy fundamental rights for a period of ten years after which they would either be repatriated to India or acquired Sri Lankan citizenship under the agreements of 1964 and 1974.<sup>7</sup> This obviously had reflected government's hope of finding an early solution to the problem within the stipulated period.

Subsequently, Sri Lanka government had taken some administrative actions to end the continuing problem of statelessness, that has defined solution for three-and-a-half decades<sup>8</sup>. While promising to streamline the administrative procedures, Prime Minister R. Premadasa moved a legislation in Parliament in July 1981 to amend

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6 B. Udayasankar, "Indo-Sri Lanka Accord", Strategic Analysis, vol. 9, no. 12, March 1986, p. 1242.

7 M.G. Gupta, India's Foreign Policy (Agra: Y.K. Publishers, 1985), p. 317.

8 Ceylon Daily News (Colombo), 12 November 1981.

the Indo-Ceylon Agreement (Implementation) Act of 1967, delinking grant of Sri Lanka citizenship to persons of Indian origin from the repatriation of those who were accepted as Indian citizens.<sup>9</sup> He again expressed that "the implementation of above agreement would be advantageous because (a) once a person is granted Indian citizenship he can be repatriated to India at a time decided by Sri Lanka government, (b) the pace of grant of Sri Lankan citizenship would be expedited if it is related to the number granted Indian citizenship without waiting for repatriation."<sup>10</sup> Again this amendment enabled nearly fifty thousand persons to acquire Sri Lankan citizenship with immediate effect.<sup>11</sup>

But this stateless problem took a different turn and continued to assume a sense of urgency after the expiration of Indo-Ceylon Pact, when Indian High Commission refused issuing further application forms for those who had opted for Indian citizenship. Assuring all party delegation from Tamil Nadu and the Chief Minister, M.G. Ramachandran, Mrs Gandhi declared India's intention

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9 B. Udayasankar, n. 6.

10 Dalton De Silva, Letter from Sri Lanka, "End of Statelessness" for Indians, Commerce, vol. 143, no. 3659, 1 August 1981, p. 206.

11 B. Udayasankar, n. 6.

of not entering into any fresh pact with Sri Lanka on lines of Shastri-Sirimavo Pact - which lapsed on 31 October 1981.<sup>12</sup> It was India's contention that those who did not want to become citizens of India could not be compelled to do so, rather they should continue to live there as full citizens of the country.<sup>13</sup> Sri Lanka, however, argued that time was not of essence and that the agreement should be implemented in spirit.<sup>14</sup> Thus, later, an attempt was being made to know the wishes of the remaining unregistered people without reopening the question of registration.<sup>15</sup>

However, India and Sri Lanka were in constant touch with each other in order to accelerate the implementation process, while giving more emphasis on needs and aspirations of the people. In response to a call attention motion on 12 March 1982, India's the then Foreign Minister, Narasimha Rao, while taking into mind the residual problem of the statelessness explained:

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12 The Hindu (Madras), 8 December 1981.

13 Ibid., 5 February 1982.

14 Ibid.

15 Indian Express (New Delhi), 13 March 1982.

"We are confident that a comprehensive resolution of the question will be achieved bearing in mind the desires of the persons concerned."<sup>16</sup> Jayewardene also maintained the same line and assured the foreign ministers of both the countries that "he would be taking appropriate steps to resolve the outstanding matters".<sup>17</sup>

Their efforts continued throughout the year 1987 and agreement between them was reached during second round talk of All Party Conference in March 1984, granting citizenship to 9,300 stateless Tamils of Indian origin, so that the problem would come to an end, once and for all. This accord seemed to assure Sri Lankan citizenship and permanent residence on the island for the group, who did not wish to go to India. It was found according to the report of the Sri Lankan High Commission in Madras, up to 31 May 1984, India had conferred citizenship on 4,17,718 (with their natural increase of 1,64,477), while Sri Lanka conferred citizenship on 1,94,899, along with their natural increase of 63,800.<sup>18</sup>

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16 Asian Recorder, vol. 28, no. 15, 1982, p. 16542.

17 Ibid., vol. 29, no. 23, 4-10 June 1983, pp. 17208-9.

18 V. Suryanarayan, "Tamil Repatriates : Rehabilitation Not Easy", World Focus, vol. 5, no. 9, September 1984, pp. 26-27.

Indo-Ceylon Agreement : 1964 - Statistics March 1984

	Up to 29.2.84	During March	Total
<u>(1) Indian Citizenship</u>			
(a) of 525,000 (born before 30.10.64)	415,998	344	416,342
(b) Natural Increase (born after 30.10.64)	161,178	996	162,174
<u>Residence Permits Issued</u>			
(a) 525,000 (born before 30.10.64)	262,711	300	263,011
(b) Natural increase (born after 30.10.64)	72,053	143	72,196
<u>Residence Permits Extended</u>			
(a) of 525,000 (born before 30.10.64)	59,617	4	59,621
(b) Natural increase (born after 30.10.64)	10,883	-	10,883
<u>Repatriates Left</u>			
(a) of 525,000 (born before 30.10.64)	319,344	2,231	321,575
(b) Natural increase (born after 30.10.64)	113,424	1,333	114,757
<u>(2) Ceylon Citizenship Granted</u>			
(a) 300,000 (born before 30.10.64)	191,842	1,023	192,835
(b) Natural increase (born after 30.10.64)	62,108	452	62,560
(c) No. of applications received	249,197	-	249,197
(d) No. of applications withdrawn	30,734	39	30,773
(e) No. of applications returned	105,211	-	105,211
(f) No. of applications allowed	79,288	480	79,768

Source: Sri Lankan High Commission, New Delhi.

But, throughout the period, simultaneously to the grant of citizenship, the conditions of the persons repatriate to India and welfare of those in Sri Lanka raised a response of both the sides with issues of human rights and welfare being the common bases. The Government of India is wholly responsible and had taken many urgent steps to provide better rehabilitation to them. The rehabilitation assistance offered by India consists of (a) Employment in tea, rubber and cinchona plantations and state farm corporations and land colonisation schemes, (b) Employment in co-operative spinning mills, (c) Business loans of Rs. 5,000 per family for self-employment, (d) Repatriates bank schemes, employment in industries financed by the Repatriate Co-operative Finance and Development Bank; and (e) Purchase of private agricultural lands agricultural loans and housing loans.<sup>19</sup>

It is significant to note here that majority of the repatriate persons are settled in Tamil Nadu. According to the Policy Note of the Government of Tamil Nadu, 1985-86, till the end of 1984, a total number of 4,59,327 persons consisting of 1,15,400 families from Sri Lanka, have been repatriated to India. Of the 1,15,400

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19 Ibid., p. 27.

families 1,10,408 have been settled in Tamil Nadu and the balance 4,992 families rehabilitated in other States.<sup>20</sup>

The Indian Government has contributed a lot to rehabilitate Sri Lankan repatriates. For them, the amount spent since 1969 was Rs. 51.70 crore.<sup>21</sup> Annual expenditure according to the performance budget of the Rehabilitation Department in Madras for the year 1983-84 is Rs. 5.41 crore.<sup>22</sup>

From our above discussion we observed that the repatriation process is still very slow and the steps taken to rehabilitate them are heading with very limited success. It is again pertinent to mention here that since December 1984, there are no arrivals of repatriates of Indian origin, due to ethnic strife in Sri Lanka. Though the problem of stateless Tamils had no direct linkage with the demands raised by the TULF, it had an indirect impact on ethnic conflict of Sri Lanka.

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20 Vamadevan, M., "Rehabilitation of Sri Lanka Repatriates in Tamil Nadu : An Evaluation", in V. Suryanarayan's Rehabilitation of Sri Lankan Repatriates - A Critical Appraisal (Madras: University of Madras, 1986), p. 24.

21 Report of the Department of Rehabilitation for 1981-82 (New Delhi: Ministry of Supply and Rehabilitation, 1982),

22 Ibid.



### Ethnic Crisis in Sri Lanka

In addition to the question of citizenship and repatriation of Indian Tamils, the repeated occurrence of communal violence between the Sinhalese and Tamils of Sri Lanka affected not only the domestic polity and stability of the island but also of India. India, at the official level, have reiterated that this ethnic conflict is an internal matter of Sri Lanka and that they do not support the separatist demand of the Tamils.<sup>23</sup> But the continuation of racial riots against the helpless Tamils in Sri Lanka during Jayewardene's regime, with frightening and almost "clockwise precision", every two years, provided opportunities for India to show what she called "concern" about the internal affairs of Sri Lanka.<sup>24</sup>

### India's Stand on 1977 Ethnic Violence

The 1977 communal violence in Sri Lanka broke out because of Sinhalese reaction to Tamil separatist movement and Tamil frustration due to their treatment as "second class citizens". It had caused widespread

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23 In 1976, 'TULF' formed from TUF and demand for 'Eelam' was first made in this year.

24 H.S.S. Nissanka, Sri Lanka's Foreign Policy - A Study of Nonalignment (New Delhi: Vikas Publishing House, 1984), p. 355.

concern among the Indian community in Sri Lanka and among the people of India. Since India did not have any outstanding problem with Sri Lanka till then, this violence was a test case of its policy of good neighbourliness for the Janata Government.

Expectedly, there was much agitation in Tamil Nadu and Pondicherry, and the Indian Prime Minister had been under considerable pressure to send an emissary to see the situation there first hand. The report served to reassure the Indian Prime Minister that the riots were entirely an internal matter and reflected nothing hostile to India and Indians.<sup>25</sup>

The Chief Ministers of Pondicherry and Tamil Nadu also were apprised of the situation by Morarji Desai that "the Central Government was in close touch with the authorities in Sri Lanka".<sup>26</sup> Desai, on the other hand, assured the Sri Lankan Prime Minister that he appreciated the difficulties he faced and ~~that he had~~ India's good wishes. He also expressed his sympathy towards the hard steps he had taken to bring the situation under control.

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25 K.M. De Silva, *Managing Ethnic Tensions in Multi-ethnic Societies in Sri Lanka, 1980-1985* (New York: University Press of America, 1986), p. 343.

26 Asian Recorder, vol. 23, no. 38, 17-23 September 1977, p. 13944.

The sincerity of this attitude was further proved by his calling a Sri Lankan Tamil in 1978, who was canvassing for a federation with India and declaring that "they should not do this. They are Ceylonese and not Tamilians".<sup>27</sup> This statement implied that the Indian Government on the one hand maintained a policy of good neighbourliness with Sri Lanka, and for peaceful settlement of the issue. It was hoped that the Sri Lankan government would take positive action in this direction which would improve their relationship.

#### India's Stand on 1981 Riots

In 1981, Sinhalese chauvinism attained a new height and the hapless Tamilians were butchered mercilessly. Its impact was soon felt in Tamil Nadu and elsewhere in the country. There was demand to raise the issue in the UN, to secure justice and protection to the Sri Lankan Tamils.

In spite of the change of government, the riots in 1981 did not change drastically the stand of the Government of India. Though the Indian Government expressed its deep concern and declared that the events happened in Sri Lanka as "essentially an internal affair of Sri Lanka", hot-headed parliamentarians demanded Indian interference in the Sri Lankan affair, to check

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27 Kodikara, n. 3, p. 41.

the "genocide" of the Tamil people. However, some parliamentarians showed courage of conviction and reason. As Subramanyan Swamy, a Janata MP said: "Government of India should not spoil its relation with Sri Lanka because it is an emotion ladden subject".<sup>28</sup>

However, the Indian government was concerned over these developments since they affected a large number of persons of Indian origin and possibly some Indian citizens.<sup>29</sup> But India restricted only to expressing concern and maintained the same line as in 1977. It stated rightly that India has no desire whatever to interfere in the internal affairs of Sri Lanka.<sup>30</sup> Naturally, this view was appreciated in Sri Lanka. But this did not satisfy the representatives from Tamil Nadu who proclaimed that "the relations are important not at the cost of many millions of Tamils in Sri Lanka". They again pleaded the government to solve the problem while giving protection to all Sri Lankan Tamils.

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28 Lok Sabha Debates, vol. 18, no. 3, 19 August 1981, col. 294.

29 P.V. Narasimha Rao, *ibid.*, col. 299.

30 *Ibid.*, col. 314.

India took keen interest in the affair. It hoped that the Sri Lankan government would succeed in its efforts to put an end to the present violence and restore confidence so that the present difficulties would soon be solved and no shadows are cast on the traditional close relationship which existed between India and Sri Lanka. As Zail Singh, the then Home Minister said while addressing the Press Conference: "We would, however, do our best and hope that the Sri Lankan government would approach the issue on humanitarian grounds."<sup>31</sup>

#### India's Stand on 1983 Carnage

The Indo-Sri Lanka relations entered a new phase after the July 1983 carnage. This riot has been described as the worst violence since Sri Lanka gained independence. It provided "renewed prominence" to the issue of the political future and socio-economic status of Sri Lanka's minority, "Tamil Community" and Sri Lanka immediately shot into world prominence. The Sinhala-Tamil conflict not only called for India's diplomatic intervention in the internal affairs of Sri Lanka for the first time but also created deep mistrust between these South Asian neighbours.<sup>32</sup>

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31 The Statesman (New Delhi), 7 September 1981.

32 V.P. Vaidik, "Ethnic Crisis in Sri Lanka : India's Response", in Satish Kumar, ed., Year Book on India's Foreign Policy, 1983-84 (New Delhi: Sage Publications, 1986), p. 81.

Like in 1981, even in 1983 India responded by saying that "it is a domestic problem of Sri Lanka". But the scale and magnitude of destruction put India in an extremely difficult situation. The Indian government instantly reacted and expressed concern over the fate of helpless Tamilians - Indian and Sri Lankan - who were the victims of the attacks by Sinhalese chauvinists.

However, public statements of concern in Mrs Gandhi's case was more than self-serving, with general elections due in 1984 and her electoral base eroding in many parts of India, including some of her strongholders in Southern India.<sup>33</sup> She was anxious to mollify Tamil Nadu and retain, if not consolidate her - and the Congress party's base there.<sup>34</sup> Thus, unlike Morarji Desai, Mrs Gandhi sent a cabinet minister to Colombo on 27 July and later with the consent of the Sri Lankan Government a mediator, G. Parthasarathi, an experienced diplomat.<sup>35</sup>

Though Indian reaction was predictable, Mrs Gandhi expressing India's distress over the development

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33 K.M. De Silva, n. 25, pp. 343-4.

34 Ibid, p. 344.

35 Ibid.

in Sri Lanka said:

We are against secessionists movement in sovereign states, nor do we condone terrorism....We are committed to maintaining and developing friendly relations with Sri Lanka as between two sovereign neighbours who have much in common. In dealing with this particular problem, we hope Sri Lanka will respond with the same spirit and bear in mind the sentiments of the Indian people. 36

Foreign Minister, Narasimha Rao reiterated in a similar tone in Parliament when he said: "We have to keep our heads cool. We have to look into permanent relations between the two countries. At the same time we cannot lose sight of what is happening in the island."<sup>37</sup> These statements revealed India's strong commitment towards maintaining its cordial relations with Sri Lanka while not overlooking the plight of the Tamilians in Sri Lanka.

However, the violence evoked sharp shock waves in Tamilnadu where the passionate Tamils agitated against the agony meted out to their brethern in Sri Lanka. While condemning the brutal killings, Tamil Nadu, Chief Minister, M.G. Ramachandran convened on 28 July an all-

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36 S.D. Muni, "India and the Emerging Trends in South Asia", in Satish Kumar, ed., Year Book on India's Foreign Policy, 1982-83 (New Delhi: Sage Publications, 1985), p. 82.

37 The Patriot (New Delhi), 28 July 1983; Indian Express (New Delhi), 27 and 28 July 1983; and The Times of India (New Delhi), 28 July 1983.

parties' meeting which decided to send a delegation to New Delhi to seek "intervention by the Government of India" to put an end to the ethnic clashes in the island.<sup>38</sup> Therefore, Tamil Nadu people's feelings about the Tamils in Sri Lanka and its domestic pressure on Indian government for firm measures prompted New Delhi to consider the matter very seriously, but not sharply. Again, Mrs Gandhi's statement, clearly proved India's action when she assured the delegations that "the Centre was dealing with the Tamil question in Sri Lanka as a national issue".<sup>39</sup>

The ethnic trouble, which had brought Sri Lanka practically in the grip of civil war, further widened the gulf between India and Sri Lanka, bringing the Indian factor to the fore.<sup>40</sup> But, while taking up the matter with Sri Lanka, Mrs Gandhi acted in a cool and diplomatic manner, and went further in advancing the cause of peace through several steps in the direction of friendly

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38 The Statesman (New Delhi), 29 July 1983.

39 Ahsan Ali Khan, "The Tamil Question in Historical Perspective : Its Impact on Indo-Sri Lanka Relations", Pakistan Horizon, vol. 38, no. 2, February 1984, p. 59.

40 Nancy Jetley, "Sri Lanka : A Security Concern", World Focus, vol. 7, nos. 11-12, November-December 1986, p. 76.



friendly intercession and conciliation.<sup>41</sup> Immediately after the violence, she sent the then Foreign Minister Narasimha Rao to review the situation in person. During his stay at Colombo he got several first hand reports from the victims of violence. Subsequently, he expressed India's anxiety over the situation during his discussion with President Jayewardene including other ministers and offered the Sri Lankan President help "to alleviate the sufferings of the refugees", providing ship to evacuate the riot-affected people,<sup>42</sup> but later this offer was rejected by Sri Lanka.



The subsequent Sri Lankan efforts to get extra-regional assistance to strengthen its military caused further strains in the bilateral relations, since it indicated that Sri Lanka government may seek a military solution. Indeed, US Defence Secretary Casper Weinberger's brief visit to Colombo and Sri Lankan government's request for military assistance from USA, the UK, Pakistan and Bangladesh, consolidated a ground for the growth of mutual suspicious between India and Sri Lanka.

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41 S.C. Gangal, "Foreign Policy Issues : Before the New Government - The Sri Lanka Problem", India Quarterly, vol. 41, no. 1, January-March 1985, p. 39.

42 V.P. Vaidik, n. 32, p. 82.

Subsequently, Colombo denied the allegations and declared the despatch as "baseless and untrue".<sup>43</sup> In due course, the matter proved false when the Foreign Minister of Pakistan and Bangladesh clarified to Narasimha Rao, during the SAARC meeting,<sup>44</sup> that "their country had not received from Sri Lanka any request for military assistance".<sup>45</sup> Again the Sri Lankan Foreign Minister, A.C.S. Hameed, while reacting strongly against the report, said that "if Sri Lanka asked for any help from the international community, we would ask India also".<sup>46</sup> But the agency which despatched the news had refuted the denial of Sri Lanka stating that "despite vigorous denials, independent sources confirm that the Sri Lanka government did try last week to obtain troops and equipment from Bangladesh, Pakistan, Britain and USA".<sup>47</sup> In the midst of these controversies though India did not make any direct reaction against Sri Lanka, yet Narasimha

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43 Indian Express (New Delhi), 3 August 1983.

44 When the ethnic conflict has erupted in Sri Lanka, the SAARC foreign ministers meeting was in progress in New Delhi.

45 Patriot (New Delhi), 3 August 1983.

46 Indian Express (New Delhi), 3 August 1983.

47 The Hindu (Madras), 8 August 1983.

Rao made the statement in the Parliament that "there was substance in the report".<sup>48</sup> It was against this background that Mrs Gandhi reiterated the Indian strategic doctrine that it would not tolerate any sort of external intervention in any South Asian conflict if such an intervention had any implicit or explicit anti-Indian implications. India, on the other hand, repeatedly made it clear to Sri Lankan government that both being non-aligned countries, should not encourage any foreign involvement into the internal matters of the country.<sup>49</sup>

India's efforts to find a peaceful solution to the crisis gathered momentum largely because of the growing number of Sri Lankan Tamil refugees seeking shelter in Tamil Nadu. Mrs Gandhi vehemently stressed that India couldn't be treated as "just any country"<sup>50</sup> in Sri Lanka's Tamil problem. It is a fact that India cannot remain indifferent to the developments in Sri Lanka because of the latter's strategic location and former's own security concern. Again, India was quite aware of the

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48 Times of India (New Delhi), 3 August 1983.

49 Ibid., 6 August 1983.

50 V.P. Dutta, India's Foreign Policy (New Delhi: Vikas Publication, 1984), p. 407.

fact that the domestic turmoil and turbulence in Sri Lanka could lead to outside interference, and military presence in the country, posing a threat to Indian and Sri Lankan security. And more specifically, the Tamils of Sri Lanka have common ethnic and socio-cultural links with the people of Tamil Nadu. Therefore, India argued that "the problem was no longer Sri Lanka's internal affair but was a matter of concern for both India and Sri Lanka."<sup>51</sup> India took a firm stand and insisted that solution of this issue could be achieved through "open minded negotiations in a spirit of realism, trust, co-operation, not by force, within the framework of a United Sri Lanka involving all parties with interests at stake".

Initially, it seemed President Jayewardene was less willing to persuasion by India to settle the issue sympathetically. At that time, Sri Lanka was still suffering from the illusion of invasion of India. In an interview Jayewardene himself said, "if India by some chance decides to invade us, we will fight: may be (we will) lose, but with dignity".<sup>52</sup> The matter became more complicated when Sri Lanka did not fail to accuse

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51 Mrs Gandhi's declared this statement while inaugurating the Foreign Minister Conference of SAARC on 1 August 1983. The Hindu (Madras), 2 August 1983.

52 S.C. Gangal, n. 41, p. 39.

India of meddling in the internal affairs of the island. While strongly declaring India's policy of non-interference and strict commitment to non-alignment policy, Mrs Gandhi claimed that India stands for the independence, unity, and territorial integrity of Sri Lanka. This stand was again reiterated by her during her meeting with Mr H.W. Jayewardene, brother and special emissary of Sri Lankan President. Her discussion with him centered around "how peace could be maintained in the region and how the Tamil problem could be solved".<sup>53</sup>

#### India's Diplomatic Mediation for Political Settlement

In the aftermath of the 1983 riots, there were efforts at mediation between the Sri Lankan Government and the Tamils through the good offices of India. It was due to India's firm conviction to bring an end to the Tamil-Sinhala conflict which would "satisfy the legitimate aspirations of the Tamils and assure them security",<sup>54</sup> Jayewardene accepted Mrs Gandhi's offer of good offices in late 1983. G. Parthasarthy, Mrs Gandhi's special envoy, was an ideal choice to act as a mediator since he was not only a good diplomat but he was a Tamilian himself. His valuable discussions, during his two trips

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53 Ahsan Ali Khan, n. 39, p. 63.

54 Nancy Jetley, n. 40, p. 76.

to Sri Lanka, with Jayewardene and Sri Lankan leaders, not only helped in reducing the differences between them but also explored and advanced the possibilities of an all-party meeting in Colombo to resolve the problem domestically.<sup>55</sup> But Jayewardene's changed attitude after giving a second thought to Indian involvement, with the apprehension of India's invasion compelled Mrs Gandhi to reiterate immediately India's stand in the Parliament stating that "restraint combined with firmness" would determine the policy of the Government of India towards Sri Lanka.<sup>56</sup>

Despite repeated adverse comments, as a result of Parthasarathy's own consistent and painstaking efforts, Jayewardene agreed to consider the suggested formula of conferring greater autonomy and self-government to Tamil minority provinces within the framework of a united and integrated Sri Lanka. It was again due to India's good offices and consistent efforts to solve the problem amicably that the TULF leaders were prepared to give up the idea of a separate state and ready to negotiate with the government with the conditions that the government should fulfil their fundamental guarantees. But

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55 S.C. Gangal, n. 41, p. 40.

56 The Times of India (New Delhi), 19 August 1983.

Jayewardene adopted a very unhelpful attitude and insisted on the Tamils to give up the demand of a separate state, and proposed the merger of the District Development Councils (DDC) with the respective provinces and the recognition of the administration of Trincomalee as a Central Government function,<sup>56</sup> as a pre-condition before talks could be held between them.

However, India kept alive her efforts and was in constant touch with both the parties in order to solve the problem peacefully. Jayewardene, during the Commonwealth Conference in November 1983, met Mrs Gandhi and expressed his whole-hearted willingness to invite the TULF to the All-Party Conference.<sup>57</sup> Therefore, the TULF leader, Amrithalingam appreciated India's mediatory role which in his opinion "brought about a fundamental change in the whole situation".<sup>58</sup>

It was at India's initiative then, that the search for a negotiated settlement began in early 1984, when the President called an "All Party Conference" to "discuss the ethnic affairs and terrorism and their suitable solutions". Keeping this view in mind, the chief aim of this conference was to avoid partisan

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56a India Today, vol. 8, no. 22, 30 November 1983, p. 77.

57 The Hindu (Madra), 1 December 1983.

58 Ibid.

contention, which had repeatedly frustrated earlier efforts. Parthasarathy's talks with the Sri Lankan government led to the formulation of the Annexure C.<sup>59</sup> Though it was accepted by the TULF with the commitment to find a solution within the framework of a united Sri Lanka, this conference did not result in any settlement, as it was jettisoned by Jayewardene following the withdrawal of SLFP from the conference. The SLFP denounced "Annexure C" as a "foreign based formula" through which the TULF was trying to "invite South Indian intervention in the internal affairs of our country".<sup>60</sup> However, Jayewardene's rejection of the idea of a federal constitution and regional autonomy for Tamils led to the subsequent withdrawal of TULF from the APC. His decision may be due to his soft corner for Sinhala leaders and strong pressures from Buddhist Monks against dealing with the Tamils.

Understandably, the Sinhalese and Tamils perceptions about India's role on the Tamil issue showed a wide divergence.<sup>61</sup> Jayewardene himself underplayed the importance and significance of India's good offices and claimed that Parthasarathy's efforts were limited in

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59 For the text of Annexure C, see the Appendix.

60 V.P. Vaidik, Ethnic Crisis in Sri Lanka : India's Options (New Delhi: National Publishing House, 1986), p. 61.

61 Urmila Phadnis, Ethnic Conflict in Sri Lanka : An Overview, Gandhi Peace, July 1984, p. xxv.



influencing the TULF to participate in the conference. From India's point of view, "the progress at the Conference was very tardy".

### Post-1983 Development

Besides this, India's efforts towards this issue have been misunderstood in Sri Lanka mainly because of the Tamil Nadu politician's overenthusiasm in this matter. The widespread anti-Indian campaign in Sri Lanka prevented it from taking any further steps towards co-operation with India for the solution of this issue. Rather, India's good offices were accused being "odious Indian intervention".<sup>62</sup> Against this background India was alleged by Sri Lankan government of encouraging hostile propaganda which was supportive of terrorism in Sri Lanka. It had an adverse impact on the political sensitivities of Sri Lanka. The Sri Lankan Prime Minister, R. Premadasa, rejected India's assurances and alleged that "the Tamil terrorists were being trained on camps in South India" and went on to say that "Colombo had tolerated this nonsense for long" and that "India couldn't bully Sri Lanka."<sup>63</sup> But New Delhi, bluntly denied the

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62 Island (Colombo), 21 March 1984.

63 Hindustan Times (New Delhi), 23 March 1984 and M.G. Gupta, n. 7, pp. 318-19. In the early critical days of the July 1983 riot, Jayewardene, repeatedly had given some provocative statements like, "India was harbouring the Tamil terrorists", and Indira Gandhi should keep her hands off Sri Lanka.

charges and accused Sri Lanka of creating a "war psychosis",<sup>64</sup> while attempting to inter-nationalise a purely bilateral issue.<sup>65</sup>

Jayewardene's goodwill visit to New Delhi, after one month, provided an adverse implications on Indo-Sri Lankan relations because he did not hesitate to draw an unwarranted parallel between the Tamil issue and the unresolved Kashmir problem in Pakistan. He said "the Tamil problem is not a prob,em, it is a national disaster as you have in India of Kashmir, of Punjab and of Ulster in Britain."<sup>66</sup> After a few days Prime Minister, Premadasa compared India with "an evil-minded person who looked with envy on the good fortune of a neighbour". He asked how India would react if Colombo imparted training to the Sikhs.<sup>67</sup> These instances made it necessary for Narasimha Rao to clarify later that India was firmly opposed to all forms of violence and India neither encouraged nor supported any act of violence.

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64 India Today, "Sri Lanka Reign of Terror", vol. 9, no. 24, 31 December 1984, p. 28.

65 M.G. Gupta, n. 7, pp. 318-19.

66 V.P. Vaidik, "Sri Lanka : Travails of a Divided Nation", Strategic Analysis, vol 8 , no. 5 1984, p. 417.

67 PTI report, Indian Express (New Delhi), 9 March 1984.

India's attitude to Sri Lanka became colder day by day and relations between them appeared to have deteriorated in an unprecedented manner. In the meantime, the National Security Minister, Lalith Athulathmudali visited India to sort out the "misunderstanding" between the two countries.<sup>68</sup> India expressed its regrets about the killing of civilians in Jaffna and said that the ethnic violence would inevitably affect India and "will create an uncontrolled situation".<sup>69</sup>

The following months saw a rapid escalation in the level of violence associated with the separatist movement. Further, the atmosphere in Sri Lanka was much more anti-Indian, which compelled the Sri Lankan government to express its intention of military solution which would help to eradicate the extremists. Sri Lanka government's anti India stand caused grave concern in India. Despite India's repeated assurance to Sri Lanka, the apprehension of threat from India compelled Jayewardene to seek military assistance from foreign countries. In addition, in order to wipe out terrorism, Sri Lanka Government continued to accept anti-terrorist assistance from the Israeli Mossad, and the UK to teach their army the techniques of counter-guerrilla warfare. This

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68 The Statesman (New Delhi), 7 April 1984.

69 Ibid.

generated new tensions. Sri Lanka day by day became more inclined to the Western alliance, partly as a goal of its foreign policy, partly in its efforts to isolate India over the Tamil question, and again out of sheer cussedness in spiting India.<sup>70</sup> Jayewardene's journey to China, Japan, South Korea, the USA, the UK and Pakistan to seek moral and material support, with a view to combat terrorist elements and Tamils, injected bitterness in Indo-Sri Lanka relations. India was extremely sensitive to Sri Lanka's "Defence Agreement" with USA, its grant of lease to Trincomalee for the US naval activities in the Indian Ocean which might welcome foreign intrusion and endanger the basic principles of non-aligned movement, under the chairmanship of Mrs. Gandhi.

Tamil frustration and bitterness again grew and gradually fostered youth militancy that has chosen a path of armed struggle. Besides, India could not remain silent with such developments in Sri Lanka. The members of the Parliament and opposition members were not satisfied with India's reaction but argued <sup>that</sup> India should take aggressive measures instead of maintaining low-

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70 S. Viswan, "Sri Lanka", World Focus, vol. 6, nos. 11-12, November-December 1985, p. 66.

keyed reaction to the genocide of the Tamils,<sup>71</sup> and the criticisms levelled against India by Sri Lankan leaders. Some of them advocated military intervention and asked the Government of India to raise the ethnic issue at the UN, while maintaining restraints to the demand of military intervention, Mrs Gandhi told that "India was not only in favour of Sri Lanka's unity and integrity but was in full sympathy with the Tamils of Sri Lanka".<sup>72</sup> She expressed "military intervention" instead<sup>of</sup> solving the problem<sup>which</sup> would intensify the conflict. So peaceful negotiation in this matter was the only medicine to cure this long-standing disease.

In due course, Indo-Sri Lankan relations started deteriorating day by day. With the unfortunate assassination of Mrs Gandhi followed by general election, the Indian government's diplomatic efforts had come to a temporary standstill. It remained to be seen what kind of policy the new government would adopt, which would, one should think, not differ greatly from the one followed by the late Mrs Gandhi's government. However, it is pertinent to note here that through 1984, the relations between India and Sri Lanka appeared to have declined to a considerable extent.

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71 Times of India (New Delhi), 9 August 1984.

72 V.P. Vaidik, n. 32, p. 87.

### Economic Relations

India's economic transactions with Sri Lanka has expanded and diversified further after 1977. Though India has more potential for foreign collaboration, its methods and policies for economic interaction was rather traditional.

### Trade Balance

Trade between India and Sri Lanka is governed by the Trade Agreement of 1961. India has emerged as one of the major trading partner of Sri Lanka since independence.

In the recent past, trade between India and Sri Lanka has expanded substantially, owing to import liberalization in Sri Lanka and tariff concessions offered by both countries under Bangkok Agreement of July 1975. As a result of this Sri Lanka has succeeded in increasing its exports of major commodities to India. India, on the other hand, has been able to export, a wide variety of production - both agricultural and industrial - like heavy machinery and coaches, iron and steel, which increased by nearly eight fold from 1977 to 1979.<sup>73</sup>

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73 C.K. Raman, "India Sri Lanka Economic Relations", Commerce, vol. 143, no. 3681, 1981, p. 205.

Table 1

India's Trade With Sri Lanka

(Rs. in lakhs)

Year	India's exports to	India's imports from	India trade balance with
1977-78	5,459	227	5,232
1978-79	8,815	507	8,308
1979-80	12,848	1,225	11,623
1980-81	8,065	2,955	5,110
1981-82	5,123	4,201	922
1982-83	9,733	1,225	8,508
1983-84	10,769	3,730	7,039
April to Sept.			
1983-84	5,006	1,239	3,767
1984-85	5,146	764	4,652
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Annual rate of increase (%) between 1955-56 and 1983-84	6.1%	5.0%	

Source: Economic Intelligence Service, Economic Profiles of 40 major countries, Centre for Monitoring Indian Economy, Bombay, March 1986, p. 197.

The above table draws our attention that during 1977 to 1984, India's exports to Sri Lanka was highest in 1979. Value of exports of Indian goods during 1979-80

to Sri Lanka was Rs. 12,848 lakhs in comparison to Rs. 5,459 lakhs in 1977-78 and Rs. 10,769 lakhs in 1983-84. Again, it is pertinent to note here that India's imports from Sri Lanka has also increased from Rs. 227 lakhs in 1977-78 to Rs. 1,225 lakhs in 1979-80. In the following years there was a inconsistency in growth and fall of India's exports and imports to Sri Lanka. It is seen from Table 1, that there has obviously been an expansion in the volume of trade between the two countries. India has established advanced industrial capacity enabling it to supply vital development inputs required by Sri Lanka.

Table 2

Percentage Distribution of Imports and Exports of Sri Lanka to India

	1977	1978	1979	1980	1981	1982	1983
Imports	6.01	8.53	10.40	4.75	4.12	4.13	6.46
Exports	0.15	0.84	1.28	3.31	2.87	2.13	2.59

Source: Statistical Pocket, Book of the Democratic Socialist Republic of Sri Lanka, 1982 and 1984, Table 57, pp. 87-88 and 88-89.

In 1979, in value terms, 10.40 per cent of Sri Lanka's imports came from India compared to 1.28 per cent imports of India (Table 2), as a result of which India



accounts for over 10 per cent of Sri Lanka's total imports.<sup>74</sup> What is evident from the above-table is that throughout the period under study Sri Lanka remained as a major market for Indian exports but not vice-versa. In 1979 Sri Lankan import from India was highest in comparison to its exports. India, in 1979, therefore, gained an unique position of becoming the second largest exporter to Sri Lanka.<sup>75</sup> But the following years indicate that there was decline of exports of India except the year 1983 which gave slight improvement to exports of India.

Let us have a look at the structure of India's exports to Sri Lanka in the period under study.

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74. B.N. Banerjee, India's Aid to its Neighbouring Countries (New Delhi: Select Books, Publishers and Distributors, 1982), p. 728.

75 For details see Statistical Pocket Book of the Democratic Socialist Republic of Sri Lanka, 1980, Table 58, pp. 80-81.

L.P. Douglas Premasiri, "Indo-Sri Lanka Trade Relations", Sri Lanka News Letter, vol. 3, no. 2/83, February 1983, pp. 8-10.

Table 3

India's Exports to Sri Lanka - 1977-78 to 1983-84  
Major Commodities

Commodity items	Value in Thousands (000)			
	77-78	79-80	81-82	83-84
Transport Equipment	156,545	183,063	63,099	99,844
Machinery (non- electric)	44,408	77,215	72,320	69,240
Machinery (Electric)				
Apparatus & Applian- ces	21,437	43,829	21,744	36,635
Metal Manufactures	18,639	27,379	25,378	64,465
Jute Manufactures	34,879	7,579	9,108	106
<u>Textile Manufactures</u>				
Cotton Yarn	33,402	2,505	6,603	434
Cotton fabrics	9,762	17,839	21,449	23,537
Art Silk & Synthetic Fabrics	13	5,477	2,194	2,059
<u>Agriculture and Allied Products</u>				
Sugar & Sugar Prepa- ration	40,225	134,163	3	331,467
Fish	26,258	12,862	2,857	43,868
Spices	33,197	34,266	19,543	47,111
Natural Resins etc.	514	221	346	264
Vegetable oils	140	116	86	54
Iron and Steel	23,961	8,399	3,232	4,257
Plastic & Plastic Manufactures	6,200	5,671	5,548	4,220
Rubber Manufactures	529	1,159	1,358	731
Paper and Paper Products	5,591	1,190	784	437
<b>Total</b>	<b>455,700</b>	<b>562,933</b>	<b>265,652</b>	<b>728,729</b>

Source: Statistics of the Foreign Trade of India by Country and Economic Region, Directorate of Commercial Intelligence and Statistics, Calcutta.

We found, from India's side, its exports to Sri Lanka has not shown any dynamism, while some improvements were made on non-traditional goods like chillies, dried fish, potatoes and onions. As Sri Lanka has no engineering industry of its own, it has emerged as an extremely competitive market for India in the engineering field. Therefore, the structure of India's exports to Sri Lanka on items like engineering goods, electrical machinery, non-electrical machinery, apparatus and appliances and art silk and synthetic fabrics has increased sharply in 1979 (Table 3). It is significant to note here that in the following years, there was a continuation of falling trend of India's exports to Sri Lanka up to 1984. In addition to Sri Lanka's limited capacity to meet the supply, India failed to maintain its peak performance because of sharp fall in supply of several engineering goods and steel products, virtual stoppage of sugar also contributed to the drop.<sup>76</sup>

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76 C.K. Raman, n. 74, p. 205.

In 1981 for instance, out of Sri Lanka's total trade India's share was just 4.12 per cent (Table 2). Therefore, India's rank as trade partner of Sri Lanka fell down to ninth among other countries. But from available data we can say that there was again an increase in India's export of goods like machinery goods, cotton fabrics, a sharp increase in sugar and sugar preparations and fish, to Sri Lanka in 1983-84 (Table 3). Again, it is interesting to note that during 1983-84, there was a set back in the supply of jute manufactures to Sri Lanka which amounts to only Rs. 106 thousands in comparison to previous years (1977-78, 1979-80, 1980-81). As earlier mentioned, the cause may be due to Sri Lanka's collaboration in economic field with foreign countries like UK, Korea and Taiwan.

An analysis of the import structure of Sri Lankan goods to India will substantiate the insignificance of India as a potential market for similar exports. The main commodities that Sri Lanka is capable of supplying to India are spices, hides and skins, rubber, graphite and coconut oil. But the potential market for these commodities in India is limited. Still India continues to import major commodities from Sri Lank. Table 4 shows us that India's imports was quite high in 1983-84 in comparison to earlier years.

Table 4

India's Imports from Sri Lanka - Major Commodities  
1977-78 to 1983-84

Commodity Items	Value in Thousands ('000)			
	1977-78	1979-80	1981-82	1983-84
Spices	7,326	39,136	86,182	207,613
Hides and Skins	344	94	-	1,109
Rubber - Natural and Synthetic	-	50	20,106	14,977
Coconut Oil	11,147	-	-	12,917
Rubber Manufac- tures	-	299	26	760
<b>Total</b>	<b>20,077</b>	<b>40,388</b>	<b>106,385</b>	<b>238,708</b>

Source: Statistics of the Foreign Trade of India by Country and Economic Region, Directorate of Commercial Intelligence and Statistics, Calcutta.

From our above analysis, we observe that the balance of trade was always in favour of India throughout the year under review. The Table I reveals that the balance of trade in India's favour was the lowest in 1981-82, to only Rs. 922 lakhs, whereas it was highest during 1979-80 to Rs. 11,623 lakhs. Keeping an eye on the available figures we can say that there was a

balance between India's exports and imports in 1981-82 whereas in 1979-80 there was a marked increase in India's exports to Sri Lanka in comparison to imports. In the following years, trade balance again increased towards India's favour. As mentioned earlier, India's self-sufficiency in most of the Sri Lanka's export products pose a hindrance to the improvement of Sri Lanka's exports to India.

### Joint Ventures

Indian and Sri Lankan delegations were meeting from time to time with a view to expedite their efforts regarding joint ventures to reduce their trade balance. There was much scope in the establishment of joint ventures in automobiles, machine, tools, construction machinery industries. Therefore, the Indian entrepreneurs had shown keen interest in interesting the joint venture products within and outside the free trade zone.<sup>77</sup> In this connection, the Indian Government had cleared six proposals from Indian entrepreneurs for joint venture projects with Sri Lanka. During India's Minister of Finance, R. Venkatraman's visit to Sri Lanka in January 1981, both sides reviewed the

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77 Indo-Sri Lanka Economic Ties, Indian and Foreign Review, vol. 18, no. 7, 15-31 January 1981, p. 7.

implementation of projects identified by the Joint Commission for Indo-Sri Lanka Economic Co-operation and noted that considerable progress has been made in implementing the livestock project, microwave, telecommunication link, science and technology programme, rural technical service centres and technical assistance in sugar technology and fisheries development.<sup>78</sup>

Sri Lanka, at the same time, was willong to benefit from the Indian entrepreneurs for promoting small and medium scale industries.<sup>79</sup> They signed an agreement in Colombo on the establishment of joint enterprises - a sugar factory in Pelavatta and Sugarcane plantations in the area of Moneragal<sup>80</sup> - in order to develop their joint heavy industrial projects.

India's efforts were highly commendable in investing for the growth of the joint ventures in Sri Lanka. Private Indian investment in joint ventures before 1977 was mainly in the textile and hotel industries, but with the establishment of the Greater Colombo

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78 Ibid.

79 Keeping this in mind, during the visit of Sri Lanka's Minister, S. Thondaman's visit to India in April 1981, both countries' discussion focused mainly on the promotion of small industrial joint ventures in India and Tamil Nadu in particular.

80 . Times of India, 30 September 1982.

Economic Commission (GCEC) and its first Investment Promotion Zone in Katunayake in 1978, private investment has been attached to IPZ, the GCEC having so far approved 11 Indian projects, and signed six agreements.<sup>81</sup>

Table 5

Indian Investment in Sri Lanka's Investment  
Promotion Zone

Product	Collaborating Country	Total in- vestment (Rs) mil.	% of Equity	
			Forei- gn	Lo- cal
Footweare	India & Sri Lanka	106.5	22.8	2.5
Cotton Hosiery Yarn Bicycles	India & Sri Lanka	33.8	6.5	11.2
Bicycles	India	52.2	22.6	-
Readymade Garments	India & Sri Lanka	7.7	30.5	37.2
Wearing Apparel & Industrial Clothing	USA, India and Sri Lanka	4.1	17.5	19.0
Knit wear	W. Germany, Sri Lanka & India	19.0	10.5	15.7

Source: GCEC.<sup>82</sup>

<sup>82</sup> Note: At the time of writing, production had not commenced on any of these projects.

<sup>81</sup> S.U. Kodikara, "South Asian Regional Co-operation : A Sri Lanka Perspective", in K. Satya Murti's South Asian Regional Cooperation (Hyderabad: Institute of Asian Studies, 1982), p. 224.



Again, it is significant to note that by the end of December 1984, 14 Indo-Sri Lanka joint ventures were in operation in Sri Lanka. Some of them are: (1) Jay Engineering Works Ltd (Sewing machines and Electric fans); (2) Bhor Industries Ltd. (PVC leather cloth); (3) Swastik Glass Works (glass and glassware); (4) Colour chem Ltd (Pigment emulsions); (5) Ponds (India) Ltd., (toiletries and cosmetics); (6) BITA World Trade (India) Ltd. (promoting travel and tourism); (7) M.S. Consultants Pvt Ltd. (Cotton, yarn, hosiery); (8) Ucal exports Pvt Ltd. (Industrial rubber products); (9) Champaklal Investment and Financial Consultancy (Financial Services); (10) Adhesives & Chemical Pvt Ltd. (Starch-based chemicals); (11) Kwality Ice Creams (restaurants). Besides these, about 13 more joint ventures were under implementation by April 1984. There are in fields of synthetic, resins, canvas, footwear, hotels, int. money brokers, poultry, bored piling and tubewell, drilling rubber products, commercial vehicles and cutting tools.<sup>82A</sup>

### Economic Assistance

India's collaboration with Sri Lanka has been significant in the areas of aid and investment,

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82A Economic Profiles of 40 Major Countries, Economic Intelligence Service, Centre for Monitoring, Indian Economy (Bombay), March 1986, p. 197.

due its liberal credits for non-plan development of Sri Lanka. In 1977 India's commodity assistance was increased to Rs. 70 million and since 1978 it has increased to Rs. 100 million.<sup>83</sup>

India and Sri Lanka's economic relations strengthened further when they had signed an agreement providing for an Indian credit of Rs. 100 million to Sri Lanka to buy machinery and equipment. This agreement was signed by India's, the then Finance Minister, R. Venkatraman who paid three days visit to Sri Lanka in January 1981 and return visit of his Sri Lankan counterpart, Ronnie del Mel.<sup>84</sup> The Indian side indicated its preparedness to consider, as a special case, additional financing for any project when the present credit is fully utilized.<sup>85</sup> India has extended its traditional commodity assistance from capital goods, bus chasis, spares to non-capital goods like fishing, gear auxiliaries jute hessian and jute bags and uniform material after the 1981 agreement with Sri Lanka.<sup>86</sup>

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<sup>83</sup> C.K. Raman, n. 74, p. 207.

<sup>84</sup> Hindustan Times (New Delhi), 5 January 1981.

<sup>85</sup> Indo-Sri Lanka Economic Ties, India and Foreign Review, vol. 18, no. 7, 15-31 January 1981, p. 7.

<sup>86</sup> C.K. Raman, n. 74, p. 207.

Table 6

Credit Facilities to Sri Lanka - 1977

Date of Credit Sanctioned	Amount of Credit (Indian Rs. mil.)	Purpose
Jan. 1977	70	For purchase of commercial vehicles, electrical and telecommunication equipment, industrial and construction machinery, agricultural and fishery, equipment, railway equipment and other products
Jan. 1978	1000	For import of commercial agricultural, industrial machinery and equipment, transport equipment, electrical goods, general purchase machinery, railway, equipment, steel and wire goods etc.
1979	100	Vehicles, spares and related items, electrical and telecommunication equipment, general purpose machinery and railway equipment
1981	100	Capital goods and spares consultancy services and general items

Source: Information up to 1978 provided in Federation of Indian Chambers of Commerce and Industry. Indian Industrial Delegation to Sri Lanka, July 1978 : India and Sri Lanka (Delhi, 1979).

Mimeo, pp. 24-25, data for 1979-1981 supplied by the Sri Lanka High Commission, Delhi.

With the signing of the Rs. 10 crores credit agreement Indian economic assistance to Sri Lanka in the form of credit since 1966 had amounted to as much as Rs. 76.2 crores.<sup>87</sup>

The Indian authorities were in favour of the proposals made by Sri Lanka for a programme of co-operation with Indian banks in the sphere of rural credit and rural development. India had assisted Sri Lanka to set up 6 Rural Technical Service Centres and 10 biogas plants, and microwave link, livestock development project with the National Livestock Development Board. Besides this they expressed their intention of streamlining procedures to facilitate the full utilisation of India's credit provided to Sri Lanka.

To conclude this chapter, we can say that the citizenship issue and slow repatriation process of stateless persons, continued to be a major problem between India and Sri Lanka throughout the period. But due to continued efforts from both the sides, it found a negotiable settlement in 1986.<sup>88</sup> The outbreak of ethnic

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87 The Hindu, 7 January 1981.

88 By an accord between the Governments of India and Sri Lanka in January 1986, it was agreed that Sri Lanka would absorb additional 94,000 stateless persons to end this long-standing problem.

conflict in 1983 again bedevilled their cordial relations. India's diplomatic mediatory role in this matter to find a peaceful solution, proved to be futile. Despite India's repeated assurance of support for the political solution of this issue, Sri Lanka's response, on the other hand, remained largely negative. It is noteworthy that the aftermath of ethnic violence provided an adverse impact on the growth of economy of Sri Lanka, which in turn affected both the countries existing economic relations. Despite their constructive measures in the fields of several joint ventures, the trade balance always tilted towards India.

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## CHAPTER V

## CONCLUSION

The success and failure of any country's foreign policy depends, to a large extent, on its relations with its neighbours. Good-neighbourliness is an important necessary to maintain regional peace which in the long-run, serves the national interests. An appraisal of Indo-Sri Lankan relations in the period 1977-1984 has been analysed to enable us to diagnose the level of success and failure of the foreign policies of two neighbours with regard to each other.

India and Sri Lanka share many commonalities because they are traditionally linked together by common heritage, history, social, ethnic and cultural contacts. Though these factors are responsible for their cordial relations and bind them together, factors like India's pre-eminence in the South Asian region, threat perception, the issue of stateless Indian Tamils in Sri Lanka, ethnic issues and the competitive nature of their economies cause some strains and stresses in their bilateral relations. Therefore their relationship is not always on smooth base.

But from the very beginning, both the countries have tried to enhance their mutual relationship. Both being most-colonial, non-aligned, developing countries, commonality of views is quite evident on certain international issues. Thus, within the parameters of geographical proximity, broad coincidence of views on issues of Third World interests, both have managed to maintain an identity of approach. India's policy of "beneficial bilateralism" under Janata government, can be pointed as India's sincere attempt to foster good neighbourliness. But the later period was not as friendly as the earlier period, but started declining.

Their interests, in fact, do converge on certain global regional and bilateral issues. Their commitment and strict adherence to the principle of non-alignment, their common experience of colonialism, imperialism, racialism etc. have enabled both to contribute to world peace and security. They participated many international forums in order to express more vociferously their views on various international problems. Since both are developing countries, their outlook is identical towards the concept of a New International Economic Order. Their common opinions within the "Group of 77", South-

South Co-operation, would possibly enable them to have a meaningful dialogue in international economic forums. Besides this, their identity of views on general disarmament, their call for an early termination of Iran-Iraq war, whole-hearted support to the national liberation of Palestine and Namibia, strong condemnation against apartheid also are the issues which keep them close together in many international fora.

Identical approaches are also discernible on some regional issues. Both being conscious of their own security and stability, there is a growing concern on the part of both countries at the increasing militarisation of the Super Powers in the Indian Ocean. Their strong support with other littoral and hinterland states to the idea of Indian Ocean as a zone of peace, and their active initiative to protect this area from Super Powers' dominance was highly commendable. Their active membership in South Asian Regional Co-operation provided another forum not only to represent their aims and aspirations but also to develop their bargaining power and collective self-reliance against the developed world. They aim at reducing their dependence and elimination of extra-regional interference in the region. In this regard, India's role in SAARC



to further the regional interests and good neighbourliness among the regional countries is supplemented by the efforts of Sri Lanka.

Even bilaterally, both the countries often try to remove the bottlenecks towards improving their relationship. The Government of India has always been on the back of Sri Lankan government which could be seen when India without any hesitation sent military support to Sri Lanka when latter's integrity and sovereignty were at stake during 1971 insurgency. India, in a gesture of magnanimity and good neighbourliness handed over the islet of Kachchativu to Sri Lanka in 1975. Later, the maritime boundary agreement between them again strengthened their bilateral relationship. Again, the so-called citizenship issue of the stateless persons of Indian origin, though theoretically resolved earlier by Shastri-Sirimavo Pact continued to remain as a constant irritant. But the issue was solved amicably through negotiated settlement between India and Sri Lanka in 1986. Though their repatriation process and the rehabilitation programmes were not up to the mark, they are still continuing to expedite the process and make it a success.

However, Indo-Sri Lankan relationship is marked by both accords and discords. India's size, military strength, acquisition of technological nuclear capability, its possible hegemonistic ambitions, generate fear-psycho-sis in the minds of small powers like Sri Lanka. This has compelled Sri Lanka to maintain close ties with other external powers like the US and also regional powers to diversify its external linkages in order to enhance its bargaining capacity and manoeuvrability.

This small power-big power syndrome lead them sometimes to diverge on many important global, regional and bilateral issues. For example, India's refusal to sign the NPT is an instance in point. Sri Lanka, being a small power, not hopeful of developing a fullfledged nuclear capability in near future, remains fearful of India's nuclear capability. In order to contain India's emergence as a nuclear power, Sri Lanka lends support to the Super Power-sponsored NPT. As a corollary to this, while India has some reservations on the issue of South Asia as a nuclear weapons free-zone, Sri Lanka's support to the proposal emerged from its perception of security threat from India. Again they have an asymmetrical approach on Afghanistan and Kampuchea issue.

On the regional front, though they support the idea of Indian Ocean as a peace zone, their perceptions again diverged. Unlike India, Sri Lanka seems to be agreeable to the US presence in Indian Ocean region. These divergent views are also reflected in SAARC, thereby hampering the progress of SAARC.

Besides these, the outbreak of ethnic conflict in 1983 in Sri Lanka again proved to be a thorn in their bilateral relations. This problem put India under a peculiar predicament. The issue as India sees it - is a domestic problem of Sri Lanka. Flowing from this India has repeatedly made it clear that it will not resort to a military intervention. India played a mediatory diplomatic role to convince both Tamils and the Sri Lankan government to help bring about a politically negotiated settlement within the constitutional frameworks. It is paradoxical that, in this regard, its effort through APC and Thimpu talks proved to be futile. Sri Lankan government's non-helpful attitude and preference for military solution posed another hindrance in this matter.

Despite the obstacles which have crept into Indo-Sri Lankan relations from time to time, they have succeeded in their collaborations in the fields of trade,

agriculture, tea, fertilisers, technology and other forms of bilateral industrial development.

Since there is no possibility of an Indian intervention, Indian government should act as maturely and resolutely as possible in using its good offices in arriving at a politically negotiated settlement of the ethnic problem in Sri Lanka. President Jayewardene should act as a statesman in this matter. His government without attempting to embarrass the Indian Government should observe restraint and cooperate with Indian government. Unless a constructive solution to this problem, Sri Lanka will find itself in deeper trouble which may hamper its democratic structure.

India, on the other hand, being a more powerful country should take the lead through the forums of the SAARC, Group of 77, non-aligned movement and Commonwealth meetings to discourage external interference, eliminating the fear psychosis of countries like Sri Lanka. India should provide maximum economic assistance to Sri Lanka for its economic development while developing close friendly relations with her.

Indo-Sri Lankan friendship has gone through many ups and downs but this has not uprooted the basis

of a long-standing friendship between the two neighbours. But it is pertinent to note that the future course of events in Sri Lanka have an implications both in their bilateral relationship and India's interests for peace and security in the region. Therefore, as both are two South Asian democracies, we hope that Indo-Sri Lankan relations which have traditionally been characterized by goodwill and close friendship will continue to grow in the years to come.

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## APPENDIX I

Annexure 'C'

In terms of paragraph six of the President's statement of December 1st, 1983, the following proposals which have emerged as a result of discussions in Colombo and New Delhi are appended for consideration by the All-Party Conference. These proposals are in the context of the unity and integrity of Sri Lanka and will form a basis for formulating the Agenda of the All-Party Conference.

(1) The District Development Councils in a Province be permitted to combine into one or more Regional Councils if they so agree by decisions of the Councils and approved by Referendum in that district.

(2) In the case of the District Councils in the Northern and Eastern Provinces respectively, as they are not functioning due to the resignation of the majority of Members, their union within each province to be accepted.

(3) Each Region will have a Regional Council if so decided. The convention will be established that the leader of the party which commands a majority in the Regional Council would be formally appointed by the

President as the Chief Minister of the Region. The Chief Minister will constitute a Committee of Ministers of the Region.

(4) The President and the Parliament will continue to have overall responsibility over all subjects not transferred to the regions and generally for all other matters relating to the maintenance of the sovereignty, integrity, unity and security and progress and development of the Republic as a whole.

(5) The legislative power of the Region would be vested in the Regional Councils which would be empowered to enact laws and exercise executive powers in relation thereto on certain specified listed subjects including the maintenance of internal law and order in the Region, the Administration of Justice, Social and Economic Development, Cultural matters and Land Policy. The list of subjects which will be allocated to the Regions will be worked out in detail.

(6) The Regional Councils will also have the power to levy taxes, cess or fees and to mobilise resources through loans, the proceeds of which will be credited to a consolidated Fund set up for that particular Region to which also will be credited grants, allocations or subventions made by the Republic. Financial resources

will be apportioned to the Regions on the recommendations of a representative Finance Commission appointed from time to time.

(7) Provision will be made for constituting High Courts in each Region. The Supreme Court of Sri Lanka will exercise appellate and constitutional jurisdiction.

(8) Each Region will have a Regional Service consisting of (a) officers and other public servants who may be seconded to the Region. Each Region will have a Regional Public Service Commission for recruitment and for exercising disciplinary powers relating to the members of the Regional Services.

(9) The armed forces of Sri Lanka will adequately reflect the national ethnic position. In the Northern and Eastern Regions, the Police forces for internal security will also reflect the ethnic composition of these Regions.

(10) A Port Authority under the Central Government will be set up for administering the Trincomalee Port and Harbour. The area which will come under the administration of the Port Authority as well as the powers to be assigned to it will be further discussed.

(11) A national policy on land settlement and the basis on which the Government will undertake land colonization will have to be worked out. All settlement schemes should



be based on ethnic proportions so as not to alter the demographic balance subject to agreement being reached on major projects.

(12) The Constitution and other Laws dealing with the official language Sinhala and the national language, Tamil, be accepted and implemented as well as similar laws dealing with the National Flag and Anthem.

(13) The Conference should appoint a committee to work out constitutional and legal changes that may be necessary to implement these decisions. The Government would provide its secretariat and necessary legal offices.

(14) The consensus of opinion of the All-Party Conference will itself be considered by the United National Party Executive Committee and presumably by the executive bodies of the other Parties as well, before being placed before Parliament for legislative action.

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