

Sri Lankan foreign minister resigns amid intensifying government crisis

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The forced resignation of Foreign Minister Ravi Karunanayake last week is a clear sign of the intensifying political crisis facing the government of President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe.

The immediate reason for Karunanayake's resignation was to avoid a no-confidence motion presented to the parliamentary speaker by the self-named joint opposition—a group of MPs led by former President Mahinda Rajapakse.

Karunanayake was swept up in a corruption scandal last week after it was revealed that he had financial dealings with the main accused in a Central Bank bond scam, involving several billion rupees and under investigation by an ongoing Presidential Commission of Inquiry.

The joint opposition, which is a dissident faction of Sirisena's Sri Lanka Freedom Party (SLFP), saw Karunanakaye's alleged involvement in the scandal as another opportunity to exploit growing popular discontent with the government. Many MPs from Sirisena's faction of the SLFP had indicated their intention to vote for the no-confidence motion, compounding the government's crisis.

Facing a possible defeat, the government first attempted to prevent a parliamentary debate on the grounds it would be *sub judice* because the Commission of Inquiry was still investigating the bond scam. The attorney-general, however, dismissed that argument, saying the commission was not a judicial court.

Karunanayake flatly denied any wrongdoing and tried to cling to his ministerial post. But under pressure from his cabinet colleagues, then the president and prime minister, Karunanayake was compelled to resign. The government sacrificed Karunanayake in a desperate bid

to cling onto power.

The *Sunday Times* editorial on August 13 noted: “Unfortunately, Mr. Karunanayake took the correct decision to step down from his post after some deliberation and some coaxing. By the end of last week, it appeared that he had to be dragged out of his ministry kicking and screaming... He argued somewhat justifiably why he had to be the fall guy-sacrificial lamb for doing his duty by the party.”

The Sirisena-Wickremesinghe government was formed after the January 2015 presidential election, in which Sirisena ousted Rajapakse via what amounted to a US-backed regime-change operation. Sirisena exploited the widespread hostility to the Rajapakse government over its rampant corruption, austerity policies and attacks on democratic rights.

The trade unions, professional and civil society groups and pseudo-left organisations immediately rallied around Sirisena and Wickremesinghe, promoting their phony slogans of good governance and democracy, and promises of punitive action against corrupt members of the Rajapakse government.

The SLFP-United National Party unity government was quickly caught up in a bond scam that took place under the newly-appointed Central Bank governor, Arjuna Mahendran, a confidante of Wickremesinghe. Mahendran's son-in-law, Arjun Aloysius, was the principal director of Perpetual Treasuries, a regular bidder at bond auctions. In February 2015, the company had acquired bonds worth 5 billion rupees, at an inflated interest rate, in the biddings initially worth only 1 billion rupees.

Aloysius was accused of getting inside help, including information about the bond launch, particularly through the Central Bank governor, who was removed in April last year.

When all attempts at cover up failed, President Sirisena appointed the Commission of Inquiry, which exposed the role played by the government and especially Karunanayake. Amid growing criticism about his connection with Aloysius, Karunanayake was removed as finance minister and appointed foreign minister.

The inquiry further brought to light an undated letter from Karunanayake to the Central Bank governor requesting the raising of 70 billion rupees through bonds.

It also revealed that Aloysius had rented out a luxury apartment to Karunanayake in the immediate aftermath of the bond scam and paid 1.45 million rupees a month on the lease. The Karunanayake family later purchased the apartment for 165 million rupees. Karunanayake claimed he knew nothing about the transaction, which took place via a company controlled by his wife.

Last week Wickremesinghe cynically claimed that the foreign minister's resignation demonstrated the government's commitment to good governance. "We have created a new tradition" by allowing impartial investigations to operate, he told parliament.

Sirisena and Wickremesinghe yesterday appointed Thilak Marapana as the new foreign minister. Marapana was also forced to resign from a ministerial post over a similar conflict of interest only a year ago. He was accused of defending Avant Guard, a company engaged in providing maritime security for commercial ships, which was accused of massive financial fraud.

These scandals not only expose the fraud of the government's commitment to "good governance" and "democracy, but the complete rottenness of the entire political establishment in Colombo.

R. Sambandan, the leader of the official opposition and the Tamil National Alliance (TNA), backed the government and attempted to extricate it from the crisis. He hailed Karunanayake's resignation as a "bold step," saying Karunanayake had acted "in the interest of good governance and the people."

The Janatha Vimukthi Peramuna (JVP), another opposition party, praised Karunanayake's resignation in a similar vein, adding only that corruption must be eliminated. In the 2015 presidential election, the JVP backed Sirisena.

The pseudo-left Nava Sama Samaja Party (NSSP), Purawesi Balaya (Citizen's Power), Movement for

Social Justice and several other groups have attempted to turn the spotlight back onto the corruption of the Rajapakse government. At a meeting yesterday, they called on the government to set up "special courts" to charge and convict members of the previous government.

This anti-democratic proposal, which could violate the constitution, was supported by Health Minister Rajitha Senarathne, and deputy minister Ajith Perera spoke at the meeting. If instituted, such special courts could be used to arrest and imprison anyone who posed a threat to the government. Above all, such measures will be used to suppress any opposition from the working class to the government's austerity agenda.

Working people and youth should take serious note of the warning made by President Sirisena immediately after the suppression of last month's petroleum workers' strike that he "would not allow anyone to topple the government." This is not mere rhetoric. The government will stop at nothing, including police-state measures, to cling onto power and implement its austerity program.



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