**Port City on the Beira: looking a gift horse through its derriere**

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*“ I thought I saw a turquoise sea, billowing smooth and bright.*

*Wrong! It was an emerging Republic, a 700 acre wee sovereignty,*

*Passport and flag ready, she awaits an anthem, to enter the UN.*

*Defying scurrilous on-line disinformation, out of nothing came something.”*

It has been done or has it? The Port City Bill has received overwhelming approval of Parliament, all amendments suggested by the Supreme Court were incorporated, so that a referendum or 2/3rds majority requirement were foreclosed. On the Speaker signing it, following due process, the Bill became law: it is within the constitution. But social media, for which truth is not a troubling issue, are carrying out a carping, personalised campaign of innuendo and insinuation against it. It would be useful to revisit the foundational bases for this law, to judge whether there is something genuine in their concerns or social media is merely flying someone else’s flag for their advantage.

Natural harbours are created by nature, artificial ones by man. Both enclose the sea. Sri Lanka provided a wrinkle: a sea was drained, at a cost of US$ 15 Billion, creating a land mass on which six million square meters of built space will be erected, for commercial users. This collectivity is The Port City. The entire operation- of reclamation, building, and providing equity and debt finance- was undertaken by the Chinese: there were no Chinese loans given to Sri Lanka for this purpose, thereby leading her to debt traps. Sri Lanka will receive half of the reclaimed land as a gift to her people. The balance, on which Chinese driven development will take place, was leased back to the Chinese for 99 years, an instance of one’s own product being back- leased. It will be managed by a corporate body headed by a very senior, experienced and highly respected Sri Lankan. This deal was riskless for Sri Lanka, for, it was an asset created with no debt or funding from the Budget. Those who risk going far, would only know how far they could go! The reward of this deal was in aces. What was the catch? Punch drunk with debt blows and Sri Lanka on the fiscal ropes, Sri Lanka was not an enticing investment market. The public could not believe this deal. It was so good, it *must* be bad! Conspiracy theories sprouted. Social media referred to secret deals (if there were, how would they be known?). It had a wail of a time broadcasting fake news- Galle Face Green will become a brown, they said, but a quarter mile of verdant green had already been added. The cliché, *there is no free lunch,* was widely bandied. Classical Latin vendors darkly quoted Aeneas, “beware those who come bearing gifts.” (Timeo Danaos et dona ferentes.)  
 The fable of the Arab and the Camel was invoked, the Camel, given accommodation in his tent by the trusting Arab, used its vantage fulcrum point, to craftily mount a successful reverse takeover bid and later, dispossess the owner. This 700 acre transistor Republic- smaller than any municipal ward in Colombo- would be the first stop in making the country a Chinese colony, to be renamed Sino Lanka, they said.

There is confusion between rights of equity providers and of sovereignty governors. Lever Brothers, a British multinational, owns significant land parcels in Grandpass. They have managerial rights over company activities but these do not morph to exercising governance powers over Grandpass. Debt-equity swaps are a standard management tactic, to transfer risk from a debtor to owner, as Hambantota showed, but they are not equity-sovereignty swaps, like the Louisiana purchase of the US from France, a century and a half ago. In the Port City project there is no debt, all the equity is held by Sri Lanka. The Port City asset leased to China for 99 years is unlike Guantanamo, where the US forced Cuba to renounce sovereign rights over this parcel of Cuban territory to itself and in perpetuity too.

History repeats but it is now alleged, with Chinese accents. 70 years ago, newly independent Sri Lanka (then Ceylon) was in dire straits as there was a severe shortage of rice. The Korean war was on and the price of rubber rose precipitously. Sri Lanka being a rubber exporting country was unable to take advantage of this bonanza because the US frowned on rubber trade with China. China countered with a win -win offer. She sold rice to Sri Lanka at a lower price than the market and purchased rubber at a higher price than what the market offered. The nay-sayers were aghast, “there is a catch in this. It is the first step in the takeover of our newly independent country by China,” they growled. The government, though a West oriented one, stood firm. The US retaliated by cutting off assistance under the Battle Act. Today, sanctions would be the retaliatory measure. These alarmists need only scan a map. A Chinese air fleet would take eight hours flying time to reach Sri Lanka with a refuelling stop in-between, a navy will take three days. Napoleon was defeated by General Winter in his abortive invasion of Moscou. General Distance with stretched supply lines, would prove an invader’s nemesis. A successful invasion of Sri Lanka is a fantasy of unthinkers, futile as The Charge of the Light Brigade.

The Rice-Rubber agreement has lasted 70 years with no adverse repercussions. It was renewed periodically by every government, irrespective of ideology. The same anti-China arguments offered then, were now dusted and re-presented. But the international situation has changed. A Thucycydian scenario has inserted itself. What happens when an upstart power challenges a long established one? The US superiority is in hard power- land, sea (750 bases all over the world, some nuclear armed), undersea, air, cyber, nuclear and space. China’s counter was soft power, build infrastructure all over the world, a dire need if the third world were to benefit from development. The Port City furore is all about geo-politics, of a change of power relations, whether a numero uno would let itself get downgraded tamely without resistance. The US used its superior public relations repertoire to denigrate China by instilling fear of the Chinese Dragon swallowing innocent Sri Lanka, the Arab and the Camel fable re-furbished. Social media provided the billboard for her.

Anything is permitted for debaters. For them,

To be or not to be, is not a question but a continuing answer.

The time has come to talk of many things,

Whether pigs have wings?

These debaters are eternal talkers of the *‘could’* (the possible), but not of the *‘can’* (doable) or making the doable an *‘is’* (done). Only a century ago did human beings grow wings to fly. Perhaps, eventually, pigs too may get air borne! Just seven years ago an entrepreneurial chance was offered to Sri Lanka, to get built a Port City. The central issue was how, a *‘Could’*, be made to become a ‘*Can’* and later, an *‘Is’*. The challenge was taken. Rewards go only to the venturesome, whether in life or in love. The losers, chagrined, then take recourse to social media, with gossip, unsupported accusations of corruption, abuse- the fox and grapes- and fake news. Social media played the Game of Losers: they lost. Their opposites- past masters- played the Game of Winners: they won and handsomely too.

When new projects are proposed, professional contrarians and fundamental rights lawyers are attracted to them, like blue bottles to rotting protein or gossipy social media, to gain carrion comfort. Columbus had a trying time getting acceptance to go West, to an unknown land mass. This was the time when Flat Earth was the prevailing cosmology. The question was posed, what will happen at the end of the outward journey? When the Gal Oya scheme was proposed all the Left political parties opposed it, saying the reservoir will silt in twenty five years. If the current social media were in existence then, they would have talked of deforestation, environmental degradation, rights of those living in the this doomed habitat- the Vedddahs. If these protests were heeded, one could imagine what Amparai would be like today. With the wave of new independent countries post- 1950, the UN wanted to set up regional Economic Commissions. One was proposed for Asia and the Far East (ECAFE). The headquarter location was offered to Colombo. Sri Lanka turned it down. Bangkok grabbed the chance.

“No” is the ugliest word in the vocabulary of development. It gives power to those who do not take responsibility for their decisions like the ECAFE one. It is against entrepreneurship, it conspires against innovation. The cost of projects undertaken could be measured but not the cost of projects ***not***undertaken, caused by the fall of the *kaduwa,* **no.** No is reactionary, it congeals existing social and economic structures to an unchanging permanence which induces a violent revolution to dissolve. *No Bungawewa*!

Saying “yes” to a postage stamp Port City has developmental benefits, a sea change on the land where the sea had been drained. The investment is very high. To be able to pay the interest on loans taken by the Chinese, instalment payments and have a modicum of return on capital, the Port City cannot depend on cultivating turmeric, green chillies, setting up garment factories or exporting domestics. It has to go very high tech with high value addition serving overseas markets. A matured Port City is not for this century but the next. As much as the determining economic activity of this century is Information Technology, the next would be Artificial Intelligence (AI)- in which robotics will have a major part to play- cryogenics, global financial innovation where economic activity is a 24 hour business cycle following the sun in its progress from East to West and East again. In none of these activities has Sri Lanka significant experience. The Sri Lankan work force entering the job market are journeymen, making their daily journeys to homes of politicians in search of permanent, pensionable government unsackable jobs. The Port City will be a training ground for high paying jobs in high tech, jobs having international demand.

There is downside too. The lubricant coursing through Port City’s different functions and parts is cold cash. The Port City will have a different culture where cash is king. There will be cultural costs where value is determined by cash not morals. Port City could become a cess pit like Havana under Batista. The Governing Board has to keep a laser eye peeled to prevent it.

Change is necessary for stability. Sri Lanka, instead of getting involved in Thucycydian dialectics, should clearly survey the current scenario through unprejudiced eyes. Spurning China is monumental folly. China is becoming a superpower. The Port City project is giving Sri Lanka an opportunity to prepare herself for next century’s strategic commitments. Decisions taken now will determine whether she will an exporter of domestics, which brings her, her highest foreign or a Singapore, who, when she was ejected from the Malaysian Federation had to import drinking water. Today she is the third highest exporter of oil products though she does not have a drop of oil.

Will Sri Lanka be a Nepal or a Singapore?