

Gulf War — Dangerous Escalation

by Arshad-uz Zaman

Disciplining Our Financial Sector

The world of banking and finance in Bangladesh appears to be standing on its head. Here the largest borrowers, supposedly the most credit worthy, are among the biggest defaulters; and the poor and the destitute have a solid record to timely repayment. According to reports only 10 per cent of the loans disbursed by Development Financial Institutions (DFI) have been recovered. The rate is one of the lowest in the world. The rate is 95 per cent for the Grameen Bank where the borrowers are among the poorest in the country. Giving a comparative picture for bad loans, the governor of the Bangladesh Bank said it was 27 per cent for Bangladesh as compared to 12 per cent for India, 7 per cent for South Korea and 6 per cent of Malaysia.

As to the reasons for such a state of affairs, the Presidential Advisor for Planning, Professor Rehman Sobhan was quite categorical, "Intervention, not management inefficiency, was responsible for the existing crisis." While we might take issue with the Advisor's views of our banks' managers, there is however no two opinions regarding the damage caused to our financial institutions by interventions from political quarters and lobbies with vested interests. It is well known that the Ershad regime made a mockery of our financial institutions and significantly eroded their image both at home and abroad.

One fact about financial institutions that should never be lost sight of is that the whole edifice of banking operation is built on public confidence, which in its turn is based on a reputation of strict adherence to the rules of the game. For our financial institutions to regain that public confidence we need to ensure total independence of these institutions and allow them to operate strictly according to the norms of financial discipline. A necessary step in restoring the credibility of our much maligned banks is to initiate actions against the defaulters, especially big ones. The idea is to help the real businessmen by identifying and punishing the fake ones. This will clear the way for new entrepreneurs to come into the scene. As pointed out by the Advisor for Planning that the "new generation of entrepreneurs are being ignored by the banks, sapping the vitality of the competitive private sector."

In the comments of Prof. Sobhan there is a very important warning for the future—that of political interference in the banking system, which he says, is mainly responsible for the present crisis. Will the leaders of the future democratically elected government heed that warning and ensure that such interference will not recur? It is not unknown that democratic governments tamper, just as much if not more, with financial institutions for wooing voters in the short run, to raise party funds, to return favours, to promote party businessmen or even to cut deals with the opposition. For us to do any such thing in the future will put to risk the disciplining of our financial institutions, which in its turn will jeopardise the recovery of our economy.

Politicians, not only of our variety, often display shocking indifference or lack of awareness of the need to strictly uphold banking rules and practices. They seem to forget that it is a world where slogans, rhetorics, wishes and dreams, however well intentioned have to conform to some fundamental rules of financial discipline whose bottom line is that at the end of the day the books must balance; just as much for the banks as that for the nation itself. There is no wishful thinking away from that truth.

A Happy Spring

Bangladesh has warmed up — into spring. Literally and unmistakably. If there was any insensitive soul anywhere in the capital city, there were a thousand girls to right his lapse. Thursday, the first day of *Phalgun*, was a day equally of a very pronounced spring and of a very ubiquitous swarms of girls in *basanti* or yellow coloured sarees. One never knew Dhaka had so many women using its roads. The colour drew all eyes to their presence as well as to the advent of spring. Or is it that the girls made a special point of bringing out of their wardrobes special sarees for this special occasion to specially go out to enjoy themselves? Whoever went to the Ekushey Book Fair on Thursday afternoon must remain ever grateful to the girls — for the wonderfully warm spectacle — hundreds of yellow-clad beauties milling around — and remembering to all so eloquently that spring was here.

Kalidasa painted many an enchanting picture of spring. But he is remembered as the poet of 'pravriti' — the rains, patently for his *Meghaduta*. Rabindranath has written and sung very evocatively of the rains, but he is very much a minstrel, much like his *thakurdas*' of spring. A living joy unto himself and unto the world, he fashioned that *Khepa* or 'possessed' figure possibly after his own idea of himself. And our best melodies of spring, naturally, come from him.

To come to tunes — it is remarkable that the exuberance of spring, the bursting at the rims of the sense, fulfilment and happiness — an enchanted state of being is best represented not only by the pert celebration of life and beauty as is done by *Bahar* — said to be an innovation of the immortal Tansen, but by *Basant* as well, a melody informed with profound dejection. Spring's joy has in its heart an unrequited longing for some unknown and perhaps unreachable treasure that is only to be pined for and never attained. And, again, a surfeit of joy, like sweetness heightened to taste bitter, makes for a cupful of sorrow. Sorrow that many would die to be anointed with. Spring's lilt is not all that physical and superficial — it hides more than it gives. And it gives so much! The intoxicating fragrance, the maddening touch of wind, the red red flowers! One forgets to look deeper down.

A happy splendid spring to all.

WITH every passing day the Gulf war is assuming dangerous proportions and the threat of its spreading is a real one. On the battle front, the Allied forces led by the USA have been raining daily, within the borders of Iraq, bombs of very destructive kind. Indeed on both sides the most modern conventional and not-so-conventional weapons have been smashed.

Thousands of tons of bombs have been dropped on Baghdad, Basra and other parts of Iraq, of late, killing hundreds of civilians in Baghdad. There are holy cities like Karbala and Iraq also houses some of the archaeological wonders of the world. From the merciless pounding on Iraq, it would appear that the objective of the US-led coalition is to so pulverize Iraq that the leadership will have to sue for peace. The objective also appeared to be a reasonably short war. These objectives have not been achieved.

We live today in the age of instant satellite borne pictures. The pictures of devastation caused by this massive bombing have been scanty. Large part of globe must wait for the supply of these pictures from Western sources, who have a total monopoly.

Within a little over two weeks of the war, the Iraqi response has been to send Scud missiles to Saudi Arabia and Israel. These missiles are fitted with conventional warheads and the damage to life and property, has been not too heavy. The Iraqi strategy is no doubt to enlarge the area of conflict and draw others into it. The choice of Israel is particularly significant for President Saddam Hussein wants to bring on the forefront the festering issue of the Middle East—the Palestinian question. He also wants to put those Arab leaders on the spot, who are siding with the US-led coalition—overtly or covertly. The US has so far succeeded in holding in check the Israelis, for whom it must be a galling experience to be hit by Scud missiles of Iraq and not return any.

The US-led coalition has also carried out bombing raids from bases located in Incirlik in Turkey. Iraq shares common border with Turkey and the relationship between the two countries have been very good unlike with some other Arab neighbours of Turkey. There are no

territorial problems between the two, rather large Kurdish populations live in the bordering regions and authorities in Ankara and Baghdad have co-operated in handling this long standing problem. The present crisis has continued to put ever increasing strain on their relations. More than 60% of Iraqi oil passes through pipeline in Turkey. This was shut off immediately after passage of the resolution in the Security Council of the UN imposing economic sanctions on Iraq. Iraq saw it as an

only surmise that there may be a deal between the two and given the long border this gives Iraq a very vital breathing space. The present rulers of Tehran are no friends of the US and the Holy Places in Iraq are revered by them.

The war has found no supporter around the globe. Anti war marches are increasing around the world including Washington DC. Since the present phase of the hot war was launched by President George Bush, the US has become the target of all these demonstrations. Even

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unfriendly act. The President of Turkey spoke then of sending troops for the multinational force stationed in Saudi Arabia. There were grumblings within the military establishment in Turkey for it would amount to abandoning the foreign policy laid down by Ataturk of keeping clear from Arab disputes. The use of the bases in Turkey for bombing Iraq is seen in Iraq as a further unfriendly act. Turkey, a member of NATO, has received reinforcements from her NATO partners, in weapons, ostensibly to beef up Turkish defences.

Iraqi troops have penetrated Saudi territory at a spot called Khafji, which is located at the southernmost border with Kuwait, this is another notch in the dangerous game of escalation. Whereas the massive air strikes by the US-led alliance has been met by Iraq by launching Scud missiles, and downing some planes by anti-aircraft fire, she has really been on the receiving end. By sending troops within Saudi borders, Iraq gives notice that she would prefer a land war, where the scales would not be so heavily tilted against her. It is interesting that a large number of Iraqi fighter aircraft have found sanctuary in Iran, with whom she was locked in a grim war, only the other day. We can

peaceful and faraway Bangladesh has been the scene of ugly incidents. Very unusual and unfortunate incidents like manhandling of foreigners have taken place. Quite a few foreigners have left Bangladesh. It would be a mistake to classify these marches as stage managed, they are largely spontaneous and they are unfurling their peace flags across the continents.

Whereas death and destruction is still confined within a limited geographical area, the economic damage is being felt globally. Expenses of the war for the US-led alliance, we are told, are a half billion dollars daily. The US, who is the leader of the anti-Saddam coalition, is the principal financier, along with Saudi Arabia. Germany and Japan have been asked to open the purse strings, because they have the most robust economies and as the vanquished of the Second World War, have spent the least in defense related expenditure. We have witnessed the oil spill in the Gulf. That may just be the tip of the iceberg. Should the war continue to escalate, the Arabian peninsula, floating on oil, could be ignited, causing damages which prophets of doom may not find adequate enough language to describe.

The fallout of the Gulf war is hitting Bangladesh directly. I must quickly add that we are no unique case, for most of the Third World Countries are in the same boat. We have something like half a million citizens working in the Gulf countries. The present Gulf crisis has caused the return of nearly 100,000 Bangladeshis home. According to one estimate, should the war continue, the remittances from the Gulf would be reduced by half. If import is kept at its present level, cost will go up by US \$ 256 million. Should import be scaled down, Government revenue income will fall by 500 crore Taka, foreign assistance will fall by US \$ 50 million. During the nine years of authoritarian rule of General H.M. Ershad, dependence on foreign assistance has become total. Our budget planners have to look wistfully to the annual Paris consortium meeting, before finalising the budget. The fragile nature of our economy is easily evident from a visit to any market to establish the rise of prices. The shrinking job market and on top of it the arrival of a large number of people from the Gulf, has made social scene particularly grim. The lengthening shadow of the Gulf war on our economy calls for urgent study of the overall situation. We may no doubt be faced with the stark choice of very unpleasant decisions—which will have to be political. It will not help us in the least to put the blame on the present administration, which if anything is not geared to face such a massive challenge. If there is need for soul searching among the political community, it is now.

The war that started on the 17th January, has now reached a dangerous stage. Should the land armies be locked in battle, a very dangerous milestone in the grim battle of escalation will be crossed. In the meanwhile silently and patiently diplomats are trying to put the pieces together and find a solution.

People around the world are proclaiming daily that they want an end to the War. World waits anxiously as the adversaries commit more and more people and material in the War and attempt to draw others in this dangerous brinkmanship.

The author is a former Ambassador and Assistant Secretary-General of the Organisation of the Islamic Conference (OIC).

Slavery — one of the most emotive topics in African history — will be at the top of the agenda when the Organisation of African Unity (OAU) meets this June in Abuja, the new Nigerian capital.

The summit will be urged to demand reparation payments from the former slave trading nations for Europe and the Americas to compensate blacks, both in Africa and the "diaspora", for the sufferings they endured from slavery.

The recommendation to seek reparations came out of a conference of intellectuals from Africa, North America and the Caribbean held in Lagos in mid-December. The OAU will be asked to present a formal case to the international community on behalf of black people worldwide. As Nigerian President Ibrahim Babangida, himself a strong proponent of reparation, is to take the chairmanship of the OAU at the June meeting, the organisation is likely to push the slavery issue onto the world agenda.

The December conference that produced the reparation demands was called by Chief Bashorun M.K.O. Abiola, publisher of the Concord group of newspapers in Nigeria.

Chief Abiola had raised the issue of reparations in an address last year to an American audience. In the speech Abiola suggested that if Germany could be made to pay reparations for the damage done to Europe in the First World War and Israel compensated for the sufferings

Africa Seeks Reparations for Centuries of Slavery

Cameron Duodu writes from London

African demands for reparation from countries that engaged in slavery will take centre stage at a meeting this June of the Organisation of African Unity in Nigeria. The idea has been proposed by a conference of black intellectuals convened by newspaper publisher, Chief Abiola. The case for slavery reparation has now been taken up by Nigerian President Ibrahim Babangida, who is expected to become chairman of the OAU in June and push the slavery issue onto the world agenda.



PRESIDENT BABANGIDA Calling for huge reparations for slavery

of the Jewish people in the Holocaust, then Africa should be paid reparations for the millions of people it lost during the hundreds of years Africans were captured and sold into slavery. Black American reaction to Abiola's suggestion was so

overwhelmingly positive that he immediately thought of calling a conference, with world-wide participation, to pursue the issue. That led to the December meeting in Lagos.

Its participants included Bernie Grant, a black member of the British parliament, black American senator Bill Owens and Martin Luther King Jr. the Third, son of the assassinated civil rights leader. The High Commissioner of Jamaica to Nigeria, Dr Dudley Thompson and his counterpart from Trinidad and Tobago, Dr Randolph Peters, also took a prominent role. African representatives included the former Tanzanian minister Sheikh A. M. Babu and Nigerian author Chinweizu.

President Babangida liked the idea very much and sent Vice-President Augustus Aikhomu to open the conference on his behalf.

Babangida's opening address, read by Aikhomu, pointed out that before the slave trade, Africa was developing along lines that would have made it the equal of Europe in economic self-sufficiency. But slavers continually captured and took away the "healthiest and strongest" of the continent's people over hundreds of years, said Babangida. This depleted the continent's human resources, disrupted its social structure and left its economy in ruins. Colonialism then came along to finish the devastation.

Babangida said a Marshall Plan-type programme should be created to make reparations to Africa for harm done by slavers and colonialists. The President said Africa's huge external debt could be written off as part of the reparations.

The only reparation paid at the end of slavery was to the slave owners for loss of

property. Jamaican High Commissioner Thompson pointed out, "Several millions of pounds sterling was paid as a settlement. And to whom was it paid?" Thompson asked. "To the slave masters, as compensation."

"They were being readjusted for loss of property. The slaves whose sinews had helped to build the cities and universities of Britain, France, Spain and other European countries from the sugar, tobacco and other produce of the soil, waited many years, indeed generations for their university," Thompson added. And their descendants "are still waiting for the technology that will help them to enter the 21st Century on more equal terms."

The final resolution of the conference recognised that "merely appealing to the consciences" of the international community to pay reparations to Africa would lead nowhere. As a result, the conference formed an 11-person standing committee to look at implementation of the resolutions.

A think-tank is being created, made up of trained specialists, to provide the data base for making a "formidable case" for reparations.

A clear statement of claims is to be made and circulated worldwide, within six months of the end of the conference. The OAU will be formally presented with that claim at the June meeting. — GEMINI NEWS

CAMERON DUODU, a Ghanaian, was editor of *Drum* in West Africa for three years.

WHAT OTHERS SAY

Worthless Missile Attacks

Saddam Hussein is still firing his Scuds into Israel. The missiles are decidedly of no military value. But Saddam is after political "bangs," not effective military strikes. [After] the ignoble defeat his troops sustained while attempting to prey on the Saudi border town of Khafji, Iraq's tyrant is at pains to appear as the warrior whose abilities never fail him, no matter what crushing blows are dealt to him. The salvos of his missiles against Israel since the outbreak of the war have left the military strategists unimpressed. The only effect is striking panic into civilians. Saddam has his sights set on some dupes whose simple mind makes them believe that these sustained offensives would send shock waves within the allies and even force them to reconsider their determination to dislodge Iraqi troops from Kuwait. Ironically, these worthless hits have done Israel more good than harm. Look at the arms airlift launched by Germany. The world has never been as sympathetic with Israel as it is at the moment. In the eyes of the world, Israel now appears as a docile lamb whose wolf-like neighbors are on the outlook to pounce on it. — *Egyptian Gazette (Cairo).*

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Tax exempt donation

Sir, I read with interest the leader in your paper "The Coming Society" dated 9th February 91.

Your attention perhaps has not been drawn to the fact that since the Budget of 1989-90 restrictions have been placed on tax exempt donation. Whilst it is still permitted to donate thirty per cent of the company's profit to approved social organisations the maximum amount is restricted to Tk. 2.00 lacs. This means that any amount in excess of Tk. 2.00 lacs can be contributed only after the payment of income tax by the company. This has greatly affected the amount that is apportioned to companies to donations.

There is hardly any need to tell you how little protection does any organisation for social service receive from govt, when powers of management of such organisations have been usurped with the help of musclemen whether the organisation

be an eye hospital or a graveyard. A sufferer

Special Powers Act

Sir, Thank you for referring to the Special Powers Act in two consecutive editorials on 8th, and 9th, February. The issue must be kept alive. The volte-face by a certain political party with regard to the "colour" of the Special Powers Act is despicable. This Law is as black as black' can be and in trying to justify it by its present usage, the party has shown its true 'colour'.

All the major political parties are busy slinging mud at each other, harping on half-truths of the past. What is in the future? Reality will have to be faced less than a month from now. Or, shall we have to choose to forget that the Special Powers Act will exist (though amended); MPs will continue to bring in 'duty-free' cars whilst more than half the country goes undernourished. Saifur Rahman Gulshan, Dhaka.

Onion and garlic

Sir, About a month ago the price of onion in the retail market was Tk. 18/- per kg. It gradually came down to Tk. 15/-, but in the last two weeks the price of onion has again shot up, quite rapidly, and now a kg. of onion is selling at Tk. 26/-. There is no understandable reason for this abnormal rise at this period of the year. Never before price of onion did go so high. Similarly the price of garlic has also gone up to Tk. 80/- a kg.

In the months of January and February the price of these two items of necessity generally come down. Apparently, the profit-seeking traders and maybe some less attentive people in the administration are responsible for this condition that has affected all section, of the population, rich or poor.

Gulam Gaus T & T Colony, Dhaka

Mastans and mosquitoes in Kazipara

Sir, Mastans and mosquitoes are causing problems to Kazipara's gentle residents. Our government seems to have, taken no effective remedial steps in favour of peaceful living in the society.

Concerned quarters are earnestly requested to help the Kazipara residents in contributing to the national development.

Raushan Zahar Sher-e-Bangla Nagar, Dhaka

Political parties, a few too many

Sir, I have gone through the article 'Political Parties, a Few Too Many' and found it as being timely and very relevant to our present times and which deserves serious attention from all quarters. I fervently hope that the appeal and the underlying message conveyed reach the responsible section of our society and those entrusted with the fate of running this poor and problem-ridden country.

I agree with the views espoused by Mr. Mahfuz Anam and believe we should not simply let the issue lie there between the pages of the newspaper but make it into a movement of mass concern.

We couldn't go just 'imaginative' if we believe politics of a country is based on the principles of economic and social philosophy. Even if we have more than one party contesting the same position with their individual variations, we could not be having more than 14

meaningful parties in our national political arena. And as a believer in democracy, making allowance for one more maverick group, the number of political parties in our country should not be more than 15 in number. This sounds rather autocratic to state something in such a cut and dried manner, imposing limits. But then sometime and somewhere we should start taking the harsh lessons in discipline, to contain the pervading chaos in all spheres of our life. If newer parties were to emerge with different identity and goals, they may only justify their existence by a series of criterion as suggested by Mr. Anam like proving themselves in an election with certain percentage of votes, etc. etc.

Now a number of posh shops sell them. The sector also provides employment to a lot of people. Can't this sector fetch more of valuable foreign exchange with increased sales promotion abroad and, of course, increased government backing at home? Let's hope so.

Shahana Rahim Shamibagh, Dhaka

More hospitals needed

Sir, With an increasing population in the country, the foremost need is that for a better and wider medical facility for the masses. We do agree that there are a number of clinics which provide better than average facility. But the charges of such clinics are often more than what a person of small means can afford.

So it is our ardent appeal also to all rich and well-off people who have money, to pool amounts needed for establishing properly equipped hospitals, besides government attempts. More of hospital will cater to the needs of the poor as well as the middle class better.

Najma Khan, Gandaria, Dhaka.

Handicrafts

Sir, Handicrafts of our country have immensely improved both in quality and facade over the years. These have now become major exportable items. Decorative jewellery, household items made of bamboo, wood, jute, cane and shells are really cute.