Dhaka, Sunday, August 11,1991

Prudent Action Needed on BCCI

The government's decision to allow account holders of the Bank of Credit and Commerce International (Overseas) or BCCI to receive up to 50,000 taka advance, is a most welcome gesture on humanitarian grounds. We take this opportunity to commend the Prime Minister on whose directive the initiative was taken.

What remains to be seen now is whether this constitutes a start towards resolving the serious problem arising out of BCCI's closure worldwide in general, and suspension in this country in particular. A humanitarian gesture is useful for the very short term, but that is not a solution in itself.

Assurances that were given by Bangladesh Bank concerning honouring BCCI commitments have not been fully carried out. It was said that the Agrani Bank would handle all Letters of Credit (LCs) agreements entered into by BCCI, but the reality, so far, has been far from satisfactory. Agrani Bank is yet to organise an efficient system of meeting the requirements of importers and exporters. Obviously, this is one problem that has to be solved with as much urgency as the government has shown in the case of small depositors' cash holdings.

But it is the long-term solution that requires the greatest, and most careful, evaluation. There is no reason why Bangladesh Bank should follow a policy of liquidation. After all, the BCCI in Bangladesh is not only a solvent bank, having more than enough liquid assets to cover its credit advances, it is also a bank that handles, or rather handled till July 4, 33 per cent of the country's foreign trade transactions. The impact of liquidation on the economy would be too detrimental to be an acceptable option. We simply cannot afford to have confidence in the banking sector shaken at this stage of the country's economic development.

One option open to Bangladesh Bank is to merge BCCI with an established commercial bank, with the latter taking on all the former's assets and liabilities. However, the government needs to be extra careful in choosing the bank with which to merge BCCI, since the success or failure of the new set-up will hinge exclusively on public perception of its long-term viability. In that case, a degree of state involvement to begin with, may be in order.

Another option is re-floating BCCI under a different name, but that too might leave the question of confidence unsolved, leading to a run on the new set-up the moment it opens its door to trading. Here, involvement of other banks, local or foreign, with Bangladesh Bank playing a more prominent part than usual, may be necessary to hold the bank steady while public confidence returned.

It is a pity that neither the Bangladesh Bank nor the sinance ministry undertook to send a delegation to Abu Dhabi to see what the bank's majority shareholders, the al-Nahyan family, could do to help, once the bank's troubles became apparent on July 6. The good news is that Foreign Minister Col (Retd) Mustafizur Rahman is now in the Gulf area, and hopefully he will take up the issue of BCCI with Sheikh Zayed of the United Arab Emirates, and impress upon him the responsibility he carries as the majority shareholder of the bank. Given our excellent relations with the UAE, there is every chance that Mustafizur Rahman and the Sheikh will be able to come to an effective and mutually beneficial arrangement to lift BCCI Bangladesh out of its current doldrums. Time is running out for many importers and exporters, with the garments industry in particular going through a critical phase. Prudent, but swift and decisive actions are the requirements of the hour.

Let Them Go Home

The release of John McCarthy from his fiveyear captivity in Lebanon by Islamic Jihad has raised hopes that eleven Western hostages, still in captivity, may soon be set free. True, these hopes have suffered a setback with the sudden abduction of a French aid worker - in Beirut by a little-known faction which has also threatened to kill him in case any more Western hostages are released. Despite this threat, analysts in Beirut still hope that the process of freeing those who are still in captivity will gradually gain momen-

This welcome development has a great deal to do with the change in political climate in the Middle East. This is nowhere more positive than in Syria and Iran. It is therefore no surprise that welcoming the release of Mr McCarthy, a spokesman of the British government specifically thanked governments of Syria and Iran for their helpful attitude in this matter. It is no longer a secret that having sided with Washington in the Gulf war, Damascus has remained keen on strengthening its ties with the Western powers, specially the United States. At the same time, Iran — more specially President Rafsanjani — is exploring all possible avenues of earning goodwill and support of the Western powers. It is in this context that both Iran and Syria appreciate the need of helping with the release of Western hostages in Lebanon.

It seems that even the radical factions in Lebanon, specially Islamic Jihad and Hizbullah, regard the continued captivity of a group of Western civilians as a liability. If certain conditions which the Jihad group have reportedly spelt out in a letter to UN Secretary General Perez de Cuellar are met, these radical groups would be relieved to let the hostages go home. Here, Israel has a major part to play in bringing about this welcome change. There are now over 300 Palestinians and Lebanese, kidnapped by Israeli forces who are languishing in Tel Aviv's detention. There are some slim indications that Israel may be willing to swap these prisoners with the Western hostages. We sincerely hope that the United Nations or the International Red Cross, if not both, will play some kind of role in bringing about a situation in which all hostages — Western, Palestinian and Lebanese — are reunited with their families, thus marking end of a sad and grim chapter in the history of the Middle East.

The Stage Appears Set for ME Peace Conference

EXT October, the long awaited Peace Conference on the Middle East is due to be held. This was announced by US Secretary of State Mr James Baker, following his latest 23day sixth tour of the region, which this time included the three Maghreb countries of Morocco, Tunisia and Algeria. This was whirlwind diplomacy in which the US has become a

great practitioner. Earlier this year when US President Mr George Bush signalled the end of the Gulf war. he went before the TV cameras and announced his intention in an unequivocal manner to take in hand the never ending Arab-Israeli conflict. He announced his simple formula of return of Arab territory occupied by Israel since the 1967 Arab- Israeli war in return for peace for Israel. He promptly dispatched Mr Baker to the area in yet another try to bring the two sides to the negotiating table. The latest tour of Mr Baker in the area followed by the announcement on the holding of the Peace Conference in October is the fruit of those months of patient negotiations.

The Second Gulf war which ended in a clear victory for the US - militarily, politically and diplomatically, provided it with an unprecedented opportunity to resolve the last big issue in the Middle East. The Arab-Israeli conflict can be traced back to 1948, with the birth of Israel and displacement of the Palestinians from their homeland. Successive Arab-Israeli wars led to the extension of Israeli borders at the expense of the Arabs. Thus in the short six-day war of 1967 the Israelis annexed Egyptian Sinai, Syrian Golan Heights and the Palestinian West Bank and the Gaza Strip. The 1973 Ramadan war reversed this process as the Egyptian forces crossed the Suez Canal in a lighting night raid and took the occupying Israeli forces completely by surprise. The debacle for Israel was saved by the massive ar-

rival of US military help. It was then that the Western world and particularly the US, friend and ally of Israel, started seriously to work for a peaceful resolution of the Arab-Israeli conflict.

It was a UN resolution which gave birth to Israel. The UN has been seized with the Arab-Israeli dispute for nearly half a century now. There are two key Security Council Resolutions Nos. 242 and 338,

which spell out the formula for settlement of the dispute. Briefly, they visualise an Israel within secure borders, created in 1948 and a homeland for the Palestinian people. Outside of the Security Council the question has been coming before the UN General Assembly year after year and resolutions upholding the rights of the

Palestinians have been adopted The plight of the Palestinians

5m. people consider themselves Palestinians, I/7m.live in Jordan



by Arshad-uz Zaman

by overwhelming majorities. In recent years these resolutions have been opposed by Israel and the US alone, thereby making Israel's isolation in the world community complete. The resolutions at the Security Council advocated the holding of an international peace conference under the UN auspices, with the participation of the conflicting parties and of course the active participation of the permanent members of the Security Council. For many years now these efforts have been frustrated by Israel, who

have succeeded in withstand

ing international pressure be-

The Second Gulf war has

cause of powerful US support.

brought about a fundamental change in the power balance in the Middle East. In the Security Council the US and the USSR cooperated in a manner unthinkable only a few years ago. In the Middle East itself the US alignments underwent a radical change. Syria, whose relations with the US has remained nearly frozen all these years, sent troops on the side of US-led coalition against Iraq, her traditional rival. It was universally recognized that the core of the Middle East problem is the Palestinian issue. The Camp David peace agreement, which saw the end of the state of war between Egypt and Israel, remained only partially successful because the essential part of the plan, which centered around the creation of a Palestinian state and continued existence of Israel within secure borders, could not be achieved. I remember those days well. The Egyptian and the Israeli delegations were to meet in Alexandria. The meeting was to be held in a hotel on the seaside, which was ideally located from the security point of view. The venue had to be shifted because the name of the hotel was 'Palestine Hotel'! Because the central issue is Palestine, all these years the negotiations have been going on mainly

with them. Also much water has flown down the bridge since 1948. Although the Palestinians do not have a sovereign territory, the Palestine State exists and is recognized by more than a hundred countries, that is more than twice the number recognizing Israel, who is a member of the UN while Palestine has only an Observer status. Palestine also has more than a hundred Embassies around the world. Again and again peace making efforts of the world community have floundered on the refusal of Israel to come to terms with the notion of a Palestinian state, which will eventually be its neighbour. In its post Gulf war peace

efforts the US is approaching via Syria, who was out in the cold at the time of Camp David. Syria is of course eagerly going along because a piece of her territory, the Golan Heights, is under Israeli occupation since 1967. Israel, sensing for the first time the isolation of the Liberation Palestine Organisation, has given a conditional approval to the peace conference. The condition is that the Jordanian-Palestinian delegation must not include not only a PLO representative but anyone from East Jerusalem. Since her victory in the 1967 war Israel has annexed Jerusalem and declared it her capital. It must be noted that Jerusalem is the holy city for Islam, Christfanity and Judaism. Jerusalem was our first Qibla. The OIC was born following an incidence of arson at the holy mosque of Al-Aqsa in Jerusalem. By demanding exclusion of any Palestinian from East Jerusalem, Israel is signalling that her annexation of Jerusalem is final. Sooner or later Israel will have to compromise on this issue, which involves three major faiths. Palestinians rightly claim that they alone must select their delegation.

Since the signing of the Camp David peace treaty, numerous attempts to convene an international peace conference have failed because Israel

could not be persuaded. It has been clear all along that US. the protector of Israel, alone had the clout to bring it about. The Palestinians have carried on a herote struggle for nearly half a century now. Diplomatically their success is outstanding for they have established their presence in the major capitals of the world minus the US. The uprising in the West Bank, the 'Inttfada', a little over three years ago brought about a fundamental change in the situation, as an armed civilians came out in the streets to face the tanks of the occupying forces.

The stage appears set for the Middle East peace conference in October. With the approval of Israel the main stumbling block has been removed. Syria, a longtime foe of Israel, who shares a border with her, has given an unqualifled 'yes'. Other Arab states in the region have also approved the US plan for the conference. Mr Baker has also travelled to the Maghreb including Tunis, the current PLO headquarters. The Palestinians have been waiting for the peace conference for so many years that it looks doubtful how they could opt out, however much the Israeli terms appear intransigent.

The mere holding of a peace conference must be considered a success for the US diplomacy if for no other reason than that so many countries of the world and the UN have tried and failed. Holding of a peace conference and achievement of 'peace's are two different propositions, as we know from Camp David. The convening of a peace conference, will, however give a very important boost to the long fruitless search for peace between the Arabs and Israel. The people of the region will reap the benefits of that peace and the US as the peacemaker will have the satisfaction to say that it is Pax Americana in the Middle East.

The writer is a former Ambassador and Assistant Secretary-General of OIC.

Small States Call for a Protective UN Force

EN small states which met recently in the resort island of Giraavaru in the Maldives to discuss their protection and security called on the United Nations to set up a common force to help small nations when their independence and sovereignty are threatened by outside aggression.

The states which met to work out a proposal to be put to the UN Secretary General were Brunei, Gambia, the Maldives, Malta, Mauritius, Papua New Guinea, Seychelles, Singapore, the Solomon Islands and Sri Lanka. Representatives of the UN Secretary General and the Commonwealth Secretary General also took part in this workshop.

The discussion was a followup to an initiative taken at the 1989 session of the United Nations by President Mamoon Abdul Gayoom of the Maldives. He piloted a resolution to safeguard small states from external threats and interference in their internal affairs.

The resolution, adopted by consensus by the special political committee of the UN, called on the Secretary General to identify the steps to be taken.

The workshop of interested states was convened to suggest concrete measures to implement the 1989 resolution entitled "Protection and Security of Small States." The partici-

pants agreed a global mechanism had to be devised to protect their sovereignty, independence and territorial

integrity. The Maldives took this initiative at the UN following a mercenary attack on the Republic on November 3, 1988, which had to be repulsed with assistance from neighbouring India. The attack demonstrated the vulnerability of small states to aggression by powerful neighbours or armed adventurers.

However, conserence sources said that last year's invasion of Kuwait by Iraq and the subsequent liberation war concluded under a United Nations mandate dominated the conference thinking.

The invasion and the Gulf War provided the case study, and the main features of both

were reviewed. Iraq, delegates recalled, was the strongest Arab country militarily, and Kuwait, a tiny territory of 7,000 square miles with a population of 1.9 million, was totally outmatched. An Iraqi-type action - physically bullying a smaller state into submission - is the fear haunting small states.

It was also noted that though both Kuwait and Iraq are non-aligned countries, Iraq broke an accepted precept of the Non-Aligned Movement by resorting to aggression. The Movement appeared to be

Harold Pieris writes from Colombo

With memories of the Gulf crisis still fresh, militarily powerless states are more aware than ever how vulnerable they are to sudden aggression.

states."

helpless and its capacity is now in question.

Further, resolutions passed by the UN bodies condemning lraq and calling on it to withdraw from Kuwait proved to be of no avail. Sanctions likewise did not prove effective; and even the Soviet Union, which had a friendship treaty with Iraq, could not persuade Iraq to withdraw. It was ultimately left to the joint UN Force under the leadership of the United States to liberate Kuwait.

Every phase of the crisis has helped to spell out the message. The United Nations must have a common force to intervene and protect small states. UN resolutions would have to be backed by force.

The 10 states which took part in the Maldive Islands discussions will now step up diplomatic activity to persuade the UN Secretary-General - as he prepares his report for the 46th UN General Assembly to incorporate a proposal to implement the UN General Assembly resolution 44/51 on a "UN Mechanism for the pro(Chapter VII) are designed to deal with any threat to peace.

tection and security of small Their fear is that, without propriate circumstances. such a provision, a Gulf-type crisis might see the bigger na-

ing just as they wished. The stabilising effect of a UN Force is regarded as essential. The final recommendations of the workshop state that the UN Charter contains many articles which, if effectively implemented, would strengthen

the security of small states. In of the Secretary-General in particular, Articles 39-51 Council.

"Every effort should be made to enhance the effectiveness of the Security Council," states the final draft. And it adds that the Security Council should consider providing collective security guarantees to small states in ap-

The Group of Ten ministates call on the Secretary-General to play a more active role in the spirit of Article 99 and recommend the establishment of a UN Force of a "rapid response nature" which would be under the direct control of the Secretary-General. The activation of the Force would be at the initiative consultation with the Security The Force would consist of

personnel provided from the regular armed forces of various countries - including the small countries - on a verantary basis. The final draft says that re-

gional security arrangements, though often effective, are no substitute for a UN military capacity. And while national security is a responsibility that no nation-state can evade, limitations imposed by size have to be recognised.

Finally, the 10 nations call on all UN member countries to ratify the international convention condemning the use of mercenaries.

— Depthnews Asia

Australia

tions in each region interven-

Apartheid Debate

Australia's labour government has come under criticism for favouring South Africa's black opposition and its restraint on full-scale trade and sports ties across the southern Indian Ocean. Kalinga Seneviratne of IPS reports from Sydney.

VER 50,000 predominantly white middleclass office workers packed the forecourt of Australia's famous landmark the Sydney Opera House - in October last year to cheer and listen to African National Congress (ANC) Vice-president Nelson Mandela.

Throughout his week-long tour, Mandela was flown around Australia by Royal Australian Air Force jets escorted by Commonwealth Police, feted by government, church and community leaders, mobbed and cheered by white Australians and interviewed and featured on almost

all mainstream media outlets. Australia, one of the prime movers in the 1970's in the push for sanctions against the white supremacist government of South Africa, has been working closely with the ANC as an opposition organisation representative of black South Africans.

This perceived closeness with the ANC has become the focus of a debate which opened this week over the lifting of sanctions against South Africa.

The government announced t would introduce a threephase relaxation of sanctions, following foreign minister Garth Evans' visit to South Africa last week, the first in more than 40 years by an

Australian foreign minister. Australia's three-phase approach would involve, first, a lifting of restrictions on air links, sports, academic and visa granting.

The second will be in the areas of trade and investments, the last being the lifting of oil, arms and financial embargoes. In announcing the phased

relaxation of sanctions, Evans told parliament: "The truth of the matter is that the complete abolition of apartheid cannot and will not be achieved until the South African constitution is rewritten and South Africans come on to the voting rolls."

This restraint has been criticised by the Australian media, industry and the political opposition which see the policy as evidence of the Labour government's bias for

the ANC. The opposition has called for an immediate setting up of an Australian trade office in South Africa to restore the country's US\$55 million-a-year

wheat trade. The Australian media which, until very recently, habitually described the ANC as a terrorist organisation now accuss the government of

favouring the ANC. The critics have seized on a government grant to the ANC of a US\$1.5 million training programme to ease the transition to a post-apartheid economy. Some of the money will go towards setting up a

Department of Economic Planning for the ANC. The programme will also include funds for economic scholarships and the founding of an Institute of Economic

Research at a South African university. Evans announced the grant on his return from South Africa.

Among anti-apartheid proponents here, meanwhile, there was an initial feeling that Australia "was being indecently hasty" in attempting to wind down the sanctions. South African-born Kolin

Thumbadoo, a founding member of the Australian anti-Apartheid Movement, conceded the government was "exercising more restraint and more appropriate strategy".

Ndumiso Tshinga, a spokesperson for the ANC office in Sydney, told IPS the ANC had told the government that "sanctions should remain in place until changes are irreversible".

Replying to accusations of bias, Evans told the federal parliament: "We have chosen to work primarily, but not solely, through the ANC as an opposition organisation simply because on all the available evidence, it is and remains the most representative black organisation of all."

llinting at the government's thinking on a future South African regime, Evens said that around Mandela in the ANC, "there exists a large core of mature, intelligent, sophisticated and moderate people who will make splendid leaders of the country should they be elected to play that role in

later times." Thumbadoo said Evans, and the Australian government are being politically astute in establishing "at the earliest possible moment" long term links with members of a future

government. He said it would also make sound business sense for Australian corporations "to assess the development priorities of the ANC, as this will place them at the head of the queue when the time arrives for infrastructure developments".

The sanctions debate seems likely to focus on the ANC-government links rather than on the need to enhance multiracial democracy in South Africa.

To stop smoking

Sir, I must admit that the anti-smoking movement is gradually getting popular in Bangladesh. On the other hand, it is fact that the smoking habit is increasing day by day. The reasons are believed to be: (1) Rate of illiteracy being very high, our people cannot understand the real problem. (2) Most of our literate people are consciously smoking. They even encourage smoking rather than discourage. Also some of them still consider it as an aristocratic fashion. (3) There is a legal anti-smoking provision for some specific areas, but no strict measures are ever taken by the concerned authorities to implement that provision. (4) Little motivational initiative is taken from any corner to enlighten the people about the serious harm caused by smoking. (5) Some business magnates are encouraging people to smoke through attractive advertisements in newspapers and magazines.

Recently some government high officials as well as UN officials have given more importance on extensive motivational and educational programme to make the people conscious about the harms of smoking. Some gentlemen also suggested that the existing anti-smoking law should be enforced as strictly as possible. Someone advised that some lesson on the harms caused by smoking should be included in the syllabus of primary and secondary classes specially from Class III to X.

I believe that no suggestion, no advice, no seminar/workshop is required against smoking if the production and import of cigarette/ bidi are stopped. When cigarette/bidi would not be available in any place, then automatically smoking would be stopped.

Bhabatosh Sutar Dhaka-1205.

'Foolscap'

Sir, This refers to a letter on above subject by Mr Bashir Al Helal of Bangla Academy published in your esteemed paper on August 3. I would like to quote background of 'foolscap' from Collins Everyday English Usage "Words with a Story".

"FOOLSCAP. The fool's cap (written as two words) was the close-fitting cap or hood, usually with bells, worn by me-

fools; hence, the cone-shaped paper hat, in former times, put on the head of the fool or dunce of the class as a sign of ridicule. The name foolscap (one word) for paper, approximately 17 x 13 inches was so given because papermakers in olden days used as a watermark the design of a fool's

dieval jesters or professional

Nur Mohammed Padma Oil Co. Ltd., Chittagong-1000.

'Free" energy taxed

Sir, Solar energy is free energy, a gift of God. But its use is taxable; at least, its conversion using solar cells or panels, which have to be imported.

Free convertors are also available, namely, the leaves, but only trees (and not humans) can utilise such energy.

It is not a protective tariff, but import tariff, according to one of the importers (Star, Letters Col., Aug 3). The country cannot produce solar cells, but it needs millions of panels for the coastal and devastated areas. The country is LDC Bangladesh.

A. Mawaz, Dhaka