

# External Debt Crisis and Development

by Dr Abdul Moyeen Khan

## Dealing with Jail Killing

The Jatiya Sangsad held an unscheduled but lengthy discussion last Monday on an issue that has remained a thorn at the side of the nation's collective conscience — the killing on November 3, 1975, of four national leaders in prison. The Speaker of Parliament called the issue a sentimental and a humanitarian one; the Deputy Leader of the House termed the killings tragic and inhuman and the Minister for Information condemned the event which deprived the nation of four leaders who had provided bold and uncompromising political leadership — at a critical moment in our history — during the War of Liberation of 1971.

It was highly encouraging to note that members of parliament of either side of the political divide were prepared to look for a minimum ground of convergence rather than a maximum one of discord, on an issue that has remained a contentious one for 16 long years. Those members of the Treasury Bench who voiced apprehension that relaunching an inquiry into the jail killings may reopen old wounds and prove to be too divisive for the nation to handle, were voicing a legitimate fear. However, it is equally true that so long we continue to treat the issue as a taboo, it will become even more divisive in nature, and thus prepare the ground for greater frictions within the body politic. The demand for proper investigation into the matter and publication of the report so that the nation may be taken into confidence about the event, is something the government should consider sincerely for a number of good reasons.

Although deaths from violence are no stranger to Bangladesh, there is something particularly immoral and inhuman about killings inside a prison cell. Once a person is put in jail, the entire responsibility for his well-being — from ensuring his meal to medical treatment — falls squarely on the shoulders of the state. Prison is not supposed to be only a place for punishment, but also one of state protection. In addition, when the four victims — Syed Nazrul Islam, Tajuddin Ahmed, Quamruzzaman and Mansur Ali — were national heroes who were in prison without having any charges lodged against them, the killings took on a political character which demanded investigation and redress.

A full public investigation is vital because, at a time when we are talking about establishing rule of law and giving democratic institutions a solid foundation, no issue with such grave legal and moral implications should remain a no-go area. Exposure of the truth and punishment of those responsible would also send strong signals that the new democratic dispensation would not tolerate any criminal activity, no matter which section of society may instigate such crimes. It will help in our institution-building efforts because coming clean about the jail killings would also mean that the state accepts its responsibility for the welfare of those in its custody, and that the legal process cannot be treated as a sideshow which can be circumvented whenever a group or groups feel like it.

Important as well is the issue of natural conscience. Any killing is morally reprehensible, and should be condemned as such. But the thought of these four veteran leaders being gunned down in cold blood without so much as a right to trial or protection of law, never mind self-defence, sends shivers of shame through the national psyche. It is incomprehensible that a civilised nation could ever condone such barbarism. To our immense credit, voices defending the killings are few and far between. But the silence on the issue is also too deafening for comfort, because silent acceptance of an injustice can too easily tempt others to try the same. Reopening the files may also reopen old wounds in the short-run, but in the longer-run, it will heal those wounds permanently. The nation deserves to have this burden of shame lifted from its tired shoulders once and for all.

## World Championship for Sutrapur

A seminar on 'urban research application' was this week told by an expert that the Sutrapur area in the capital city had the densest population 'in the country and possibly in the world'. We do not have necessary figures that can corroborate the world championship claim, but we can wonder about how dense can this densest population be. Professor Shahidul Ameen says 350 thousand live there in an area of 1.1 square kilometres. The figure packing so many human beings in so small an area really becomes an ideally credible candidate for world championship.

Three of the densest populated cities in the world belong to the subcontinent — and the champion, that is Calcutta, and the runner up which cannot be Dhaka, are both cities of the Bengali people. Calcutta tops with 78 thousand to the square kilometre while Dhaka follows far behind with 40 thousand. Bombay is close enough with 35 thousand and fourth metropolis Mexico City, trails far behind with 20 thousand.

Although Sutrapur couldn't help Dhaka to make it to the top, just imagine the area housing a lot more than four times the density of Calcutta population! How are they making do, those Sutrapureans? Like the proverbial sardines in a jar or like the closer-to-home chicken packed inside their transportation basket-cages? The people in this pocket will need about 3600 acres of double-cropping land to supply them with their daily rice and will daily need about 40 million litres or 40,000 tonnes of water if ever our city corporation comes to give each person his or her due. What amount of sewage they produce?

The answers to all statistical queries as to their living and working condition will only produce nightmares in even the most wakeful of observers. And the Sutrapureans are very plainly a bunch of somnambulists. One can of course always say that they are living a sub-human life over there.

If Sutrapur has hit the population jackpot, can the other thanas of the metropolitan Dhaka area lag far behind? In nine years that is by the turn of the millennia the city will literally be bursting at the seams — if it has any, that is. All the thanas will hopefully beat Sutrapur by then. Even then, man will be living in this city — and working. Only a little more subhumanly and we cannot afford to mind that.

According to all available data debt crisis, far from being over, continues to constitute a grave threat to the political, social and economic orders in the debt distressed countries. The external debt of the developing countries, which remained more or less unchanged during 1987-89, has thus continued reaching a new peak of 1.2 trillion in 1990. We are about to enter the second decade of this crisis with very little sign of significant improvement in the overall situation.

It is indeed disturbing that as a consequence of this unabated crisis, a reverse flow of resources from developing countries is taking place. The World Economic Survey notes that in 1990 alone, the net outflow of resources from developing countries was about US\$ 39 billions. There are also other worrisome signs of a continuing crisis. Latin America's debt, for instance, remains staggeringly high. In case of the Least Developed Countries, the weakest amongst the developing countries, the picture is equally, if not more, disturbing. Their total accumulated debt was \$ 85 billion at end 1989 and in 1990 and accounted for 60 per cent of their combined GDP. Service payments of this debt absorbed about 30 per cent, in some cases a 50 per cent of their exports of goods and services.

The impact of this worsening crisis continues to be serious and debilitating. Heavily indebted countries in Latin America, Africa and the Least Developed Countries have thus barely been able to maintain a minimum acceptable level of growth. In many cases they have experienced stagnation and in others even serious retrogression. All recent studies on this subject clearly bring out this strong correlation between despairingly slow growth in developing countries

and their progressively increasing indebtedness. Between 1982-89 the growth in all the heavily indebted countries has thus been consistently very low. To add to this, during the last few years, very few of the severely indebted countries have been able to date to restore a workable balance of payment position despite repeated and painstaking adjustment efforts. What is even more serious, investment and crucially important social expenditures in all these countries have seriously suffered. The tragic and inevitable impact of such cuts, particularly on the disadvantaged groups, are increasingly becoming apparent.

### Restoring Productive Investment

In this context, we believe that, as a first step, we need to move towards restoring productive investment as a key element in our debt strategy. Higher investment is crucial. Without it higher growth cannot resume. Moreover, more productive investments are needed to fully consolidate the gains of the stabilization programmes and structural changes so painstakingly undertaken by many indebted developing countries. Additional efforts must also be made to cast the debt strategy in an explicit medium term framework with consequent implication for assured and predictable flow of development resources.

In our search for a durable solution to the debt crisis effective debt relief of a sufficient scope must also continue to play an essential role. Debt reduction measures need to be massive enough to remove the depressive impact of debt significantly. Debt should no longer act as a brake on the economies of the indebted developing countries. During 1990 important steps were

taken by several industrialized nations to reduce the outstanding debts of a number of indebted countries. We welcome this positive approach. We also sincerely hope that the scope of this constructive approach would equally be extended to cover other debt distressed developing countries.

Bangladesh also welcomed the Brady Strategy. This was a major step towards broadening the consensus on the desired orientation of a credible debt strategy. Over the last two years several limitations of this strategy have become apparent which must now also be urgently addressed to deepen the impact of the Brady Strategy.

In his report presented last year the Personal Representative of the Secretary General on debt Mr. Bettino Craxi made several recommendations which deserve our serious attention. We fully agree with the Secretary General's Personal Representative that success of the debt strategy requires the participation of all creditors, not only banks but also Government and multilateral institutions. Similarly, we also share the view that the success of the strategy will require more and timely provision of resources as well as better co-ordination in order to manage the crisis. Mr. Craxi also rightly noted the need to encourage the private banks by means of appropriate fiscal incentives and other regulatory supports. These recommendations have great practical sense. We must act on them swiftly.

### Official Creditors' Role

Official creditors, both bilateral and multilateral, who hold an overwhelming proportion of the external debt of highly indebted poorest coun-

tries, must also play a key role. The proposal adopted by the Toronto Summit of the seven major industrialized nations marked a major advance in the stance of the official creditors with regard to non-concessional debt owed by these countries. The sensitivity displayed during the Paris Conference on LDCs through the decision to extend the Toronto options to all LDCs, according to established procedures, is most welcome.

However, since 1988 the implementation of the Toronto options have shown a number of important shortcomings. The World Economic Survey for 1991 outlines many of these shortcomings. These relate to the degree and timing of concessional and additional involvement in these measures. These limitations must be seriously addressed. In this context, we welcomed the request emanating from the Houston Summit of the seven major industrialized countries to the Paris Club to review the implementation of the existing options. The decision of the Houston Summit in this regard was most timely. Such a review, we hope, will examine ways to overcome these limitations.

We also deeply appreciate the specific proposals of the Netherlands made during the Second United Nations Conference of Least Developed Countries in 1990 and the United Kingdom during the meeting of Commonwealth Finance Ministers in 1990. The Netherlands called for the cancellation of all official bilateral debt of Least Developed Countries. The United Kingdom has asked for (a) rescheduling of the total stock of eligible debt of concerned countries in a single operation rather than in tranches, (b) cancellation of two-thirds of

such debt and (c) rescheduling of remaining debt over 25 years. These are very constructive proposals. We are sure, when translated into an agreed set of actions, these would significantly help ease the burden of official debts of LDCs.

### ODA Debts

Cancellation of the ODA debts of the LDCs, either in pursuance of Trade and Development Board resolution 165 (S-IX) or independently, must also be an integral part of a realistic strategy to deal with LDCs' crippling debts. We fully endorse all actions on the implementation of equivalent measures to deal with this aspect of the debts of the poorest countries. Comprehensive actions need also be taken with regard to the debt of the LDCs to multilateral institutions. Although non-concessional debt of LDCs accounts for less than 10 per cent of their total debt repayment for 40 per cent of their total long-term debt services to multilateral institutions. As part of multilateral debt relief measures, effective relief to reduce this type of LDCs obligation should, therefore, be undertaken as a first step. All possible options must be explored in this regard without adversely affecting the financial viability of multilateral institutions. The refinancing scheme established by the World Bank, which forms part of the Bank's SPA, may be used extensively to provide relief for this and other types of multilateral debts. This scheme could be taken as a point of departure for planning further measures. The model could also be applied to other multilateral agencies and to regional development institutions.

We strongly urge that additional funds should be mobilized, through contributions by

donor governments and/or through bilateral arrangements for the purpose as was done in the World Bank context. The use of resources in this way could play an important role in sufficiently restructuring LDCs' multilateral debts by refinancing on terms which accord with their particular economic situations. We also appreciate the significance of the rights accumulation procedure introduced in case of IMF arrears and its other possible variants as useful ways to help individual countries depending on their specific requirements.

There is an essential link between trade policy and debt crisis. A successful debt strategy must give the indebted countries the opportunity to increase exports of their products to the developed countries. The reactivation of growth in the developing countries, so essential to enable them to overcome their debt overhang, would in the ultimate analysis depend on the progress in the area of trade. If the developed countries continue to restrict access to their markets this would only further aggravate the debt problem of the developing countries. In this context, we are seriously concerned at the present stalemate in the Uruguay Round of Multilateral Trade Negotiations. This stalemate must be overcome and the renewed upsurge in the protectionist trends must be effectively reversed. Our failure to do so timely would only further compound and aggravate the complex challenge that faces us today.

The author is a Member of Parliament. This article is extracted from his statement to the Second Committee of the UN General Assembly this year, which he attended as a delegate from Bangladesh.

# Atlantic Alliance Looks Southward for New Enemy

by Geoff Tansey

WITH the withering of the military threat from its traditional east bloc rivals, the North Atlantic Treaty Organisation (NATO) is looking beyond the defence of Europe. Indeed, the Gulf War has left some leaders wondering if their mandate should be broadened to give NATO forces a role wherever conflict breaks out around the world.

By treaty NATO is a defensive organisation committed to treating an attack on one as an attack on all and restricted to operating in the territory of its 16 member-states.

An attack from the Soviet Union or its constituent parts is now acknowledged to be extremely unlikely. Yet NATO is still organised to treat Moscow as the main enemy. Nonetheless, Owen Green, lecturer in international security at the University of Bradford in England, says NATO philosophy has also begun to stress "the need to be able to mobilise quite large forces to send anywhere in the world at short notice to defeat an adversary like Iraq President Saddam Hussein."

NATO heads of government are to meet in Rome on November 7 and 8 to work out new strategies. They seem determined that their treaty, conceived to link Western Europe with North America, should remain. But remain as what?

Green says NATO members have drawn two lessons from the Gulf conflict. First is the need for NATO to maintain high-technology armament research and development so as

*The North Atlantic Treaty Organisation (NATO) was created as a defence pact to check the expansion of communism in Europe. Now with the Warsaw Pact dissolved and Soviet disunion increasing by the day, the future role of the ostensibly defensive NATO is under scrutiny. When NATO heads of state meet for a strategy review November 7-8, they are to discuss a new role for the Atlantic alliance. That could see NATO expanding its area of operations into the developing world.*

## NATO changing direction



to develop reaction forces which can deal quickly and decisively with enemies such as Saddam.

The second is that countries which practice together go to war together more effectively: joint exercises can prove valuable when it comes time for multinational forces to be co-ordinated.

The greatest challenge facing NATO now is internal strife, not the Soviet Union.

its own Rapid Reaction Force able to intervene outside the NATO area, not just defensively but also in a peace-keeping role or in disaster relief. Decisions would be coordinated with NATO and the EC.

The WEU proposals were upstaged a few days later by Franco-German plans for a joint force of up to 100,000 servicemen which could form the core of a future European Community army.

NATO had already set up its own 100,000-strong Rapid Reaction Force (RRF) earlier this year under British leadership. The force draws largely on British, German and United States contingents and includes armoured, mechanical, parachute, commando and airborne units.

Green says that when NATO wants to send the force outside its treaty area, the alliance could relabel it a WEU force. Such a move, he said, would allow NATO to continue playing an active role in the world stage. Andrew Duncan of London's International Institute of Strategic Studies says no scenarios other than the emergence of another Third World leader like Saddam

Hussein would result in the RRF being used outside NATO territory. And for the moment, Duncan sees no one on the horizon with the force and political will to challenge Western interests.

NATO heads of state must now agree on a new plan to

replace its "flexible response" strategy, which foresaw the use of battlefield nuclear weapons in the event of a Soviet advance. Soviet and US disarmament initiatives have seen the elimination of all battlefield nuclear weapons and a reduction in the number of NATO nuclear gravity bombs by half.

Although much of the debate at the summit will have a European focus, changes in NATO strategy could have implications far beyond the alliance's territory.

— GEMINI NEWS  
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## OPINION

### Cancer Problem in Bangladesh

We thank Dr Sayyid Fazlul Huq for his nice and informative discussion on cancer published in The Daily Star of October 22, under the above caption. His overall discussion on the cancer and its precautionary measures are very important and effective to arrest the cancer problem. We hope that Bangladesh Cancer Society will leave no stone unturned for making the people conscious to control the dreadful disease. In view of Dr Huq's version on cancer I want to add the following as precautionary measures which are not too hard to follow to get rid of the attack.

The medical profession has been theorizing as to the cause and cure of cancer for many years. But causation of cancer is still unknown to us except some general conceptions which have been experienced by many researchers. Those are as follows in a nutshell: (1) Mental worry: Mental worries or physical irritations weaken the nervous system, lower the nerve power and thus, most likely, open the way for the invasion of cancer. (2) X-ray: Excessive, careless and abuse of X-ray or radium causes various growth in body whose ultimate goal may be cancer. (3) Vaccination: Long ago, Dr A. H. Grimmer announced at the Cancer Research Center in Chicago that different types of vaccines were frequently and profusely being used for the treatment and prevention of various diseases. Excessive usage of these vaccines bring about the structural changes in tissues and cells which may be the cause of cancer. In countries where there is enforced vaccination, cancer has been found on the increase. (4) Meat-eating: Meat-eating is suspected as a prolific cause of cancer. In England the mortality from cancer has increased; it is four and a half times greater than it was fifty years ago. In countries where the diet is almost entirely vegetables there have been a very minimum cases of cancer. (5) Tea and coffee: Tea and coffee weaken the

coats of the stomach and nervous system and produce various disorders in the human system. It must be borne in mind that if the nerve power falls below the normal standard there is danger of invasion of cancer. (6) Alcoholic stimulants: Excessive use of intoxicating liquors is assumed as one of the causes of cancer. Among the wine and spirit merchants in England, the death rate is five times higher than other men. Beer drinking society and towns have a high mortality from cancer.

Where there is cancerous heredity, they should be more careful about the attack of cancer by means of checking the above six factors and by way of correcting living habits. Avoid all such habits as may tell on health. Keep the nerve system strong and vigorous, and stop worrying. In this way we can protect ourselves against the dreaded monster. A return to the 'simple life' of our forefathers is what we need now-a-days. Modern civilization with all its luxury, smoking and drinking, and filling the stomach with all kinds of pernicious food and drink, has been responsible for incidence of cancer.

In case of cancer, no matter how far the disease has advanced or how bad the case is, there are two things that we have to depend upon for a cure: First, we must stimulate the nerve power and the vitality of the patient at or as near normal as possible. Secondly, much will depend on the constitutional response to the action of the remedy selected. In conclusion, I would like to mention that since Homeopathy treats the patient, not the disease, and it is medicine of symptom similia, it has a wider scope to treat and cure the patient. Therefore, the government should think about establishing a Homeopathic Hospital for cancer treatment to maximize services to the nation.

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## 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.

### Bravoes

Sir, To watch him bowl is one of life's rare pleasures. To admire is to appreciate the very deal of cricketing excellence. To know him is to hold him in respect, perhaps even affection. Imran Ahmed Khan Niazi is a full man. A complete personality, cricket has produced.

Imran Khan's elevation to the Pakistan captaincy must be the finest thing that has ever happened to Pakistan cricket. We had seen them lifting Sharjah Cups and the prestigious Nehru Cup under the captaincy of great Imran. It is very nice to see General Khan back to lead his warriors on a battle field which threatens to be far tougher than the ones he has led his troops on so far. The Pakistanis will be playing in the World Cup under incomparable Imran's captaincy.

Pakistan's victory in the three-nation Wills Cup put ice on the cake. We had seen

them lifting the Wills Trophy in Sharjah in a tournament where both India and the West Indies were made to bite the sand in the desert. It were the Pakistanis who made the West Indians and Indian tigers appear caged in their own den, even after being beaten by both the teams in their first two matches. All the members of the team gave excellent performance, especially Rameez Raja, Javed Miandad, Saleem Malik, Zahid Fazal, Imran Khan, Aaqib Javed, Waqar Younis, Aamir Sohail and Wasim Akram. Critics go on to the extent of mentioning Salim Malik as the best batsman in the world. Today Waqar Younis is rated among the most lethal and deadly fast bowlers the world has ever known.

The Wills Cup final was really an exciting one. It was a cup final of the highest standard, as the finals usually are. Everything was there: the drama, the excitement and the

tension, thus in a nutshell, cricket at its best. That's how one can describe the Wills Cup final between Pakistan and India at Sharjah on Oct 25 last.

Ambition makes a man active, energetic, and prompt in the performance of his duties. So was Imran. One should have seen the face of Imran throughout the Wills Cup tournament, when he was at the crease. Imran's vision was clear. The path to victory was his destination. I congratulate Imran and his players, and wish them all the success.

Rashid Sultan (Babbar)  
Nawabpur Road, Dhaka.

### Dustbins in Uttara

Sir, I am a resident of Sector One of Uttara Model Town. It is a model town (!) but wherever you go you will find heaps of rubbish beside the roads. There is not a single dustbin in Sector One. For this all wastes are thrown here and there. Dogs, cats, crows spread and split them over the road. These obstruct passage while stinky odour pollutes the atmosphere. A notice by municipal office requests residents to throw their household wastes in the dustbin. But before that the authorities should realise that each sector have adequate numbers of dustbins.

So, I should hope that all the sectors are provided with adequate numbers of dustbins by the municipality without delay.

Apu,  
Uttara Model Town  
Dhaka.

### DU bus service

Sir, Many years have passed since Dhaka University started its own bus service. It was good, and then limited to few routes only. Now, of necessity, the varsity buses ply on at least eight routes. But buses are few in number, simply inadequate for thousands of students who attend classes from distant parts of Dhaka city and its suburbs. When the buses run on the road they are found densely packed by the students, many of whom standing on the door pad of the bus at the risk of accident any moment. This gives a deplorable picture of Dhaka University bus service. So authorities should increase the number of buses to avoid any road accident.

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