Founder-Editor: Late S. M. Ali

Dhaka, Wednesday, April 5, 1995

Hillary's Midas Touch

This has been a most heart-warming visit Bangladeshis have ever been host to. The centrepiece of Hillary Clinton's trip was her contact with the grassroots level here. She and Chelsea in a fitting combination, beamed rare humaneness and warmth towards some Bangladeshi women and girl children who have shown what good things they can do with their lives with little bit of organisation and help.

Hillary never tired of telling everywhere she went to that the gain has been hers — all the way. She said, almost in a refrain, that she learnt a good deal, her heart filling with satisfaction to see the work being done here and that the impressions she was carrying home would be useful in her humanitarian pursuits in the USA. But the pervasive feeling in Bangladesh about her trip, she must know it, is that she has done a lot of good to our country and its people. Dignitaries have come and gone, mostly with courtesy or token exposure to the people of the land. Symbolism being highly prized in Bangladesh, the people here could not have missed the message that although she could not shake all the hands in this country her appreciation of the work of a few was a tribute to the rest. The visit has been dramatic and unique; because, here was a high-profile woman, the First Lady of the USA, the only superpower in the world, linking up with the poorest of the poor in a developing country and that too with an express intent to take a few lessons home.

We have a very special appeal to make to Hillary and to the members of the media team who accompanied her. You have seen the face of our struggle against poverty and the role the development workers are playing in it. You can be the most credible disseminator of the message that here is a people who want to live and prosper by the invincibility of their spirit, sweat of their brow and their creative flair.

Hillary's visit has done for us what perhaps a billion dollar worth of contrived public relationing or image-building exercise by us overseas would have failed to deliver: She has seen our. best face and is in a position to present it powerfully to the others — to the people of the USA, and the rest of the world.

Security Breach

Sunday night's break-in at the office of the Finance Minister and that of the Banking Secretary has once again thrown the question of security of files open. That it was not an ordinary incident of burglary is clear from the fact that the intruders had on their minds, if we believe the officials of the concerned ministry, important papers rather than other valuables to spirit away. The Ministry of Finance deals with files involving hundreds of crores of taka. If the late night burst into the ministry was to carry off confidential files, there is every reason to be worried.

Happily though the intruders' attempt failed through this time around. Although they had time enough to rummage through as many as 12 rooms apparently they left empty-handed with none of the files missing, according to a preliminary assessment of some ministry officials. But was it not too early to say so? Have they taken stock of all the documents and papers in all those rooms

and come to this conclusion?

The finance ministry is located in the secretariat, the most important and supposedly the best protected building complex of the government. If the security there is so vulnerable that outsiders can enter there surreptitiously at night, confidential files of all ministries are equally at risk. Why the security system there is not working? Something at some point must have gone wrong. There are obviously serious loopholes to be plugged. The other question is no less pertinent which is that guarding the secretariat alone will not do. There are directorates, corporations where important decisions involving crores of taka are reached. What about the fool-proof safekeeping of the documents there?

Given the difficulty of access to the secretariat, the break-in could not have been possible without some help from inside. An investigation by our intelligence service should bring out the truth.

Environmental Threat

We have long been suspecting this. Now the confirmation comes from an authority to the effect that the country has no more than five to six per cent of forest cover. On paper, the forest area has been shown to be 12.8 per cent — more than double the actual figure. The bad thing about such an inflated projection is that people remain in the dark about a precarious situation developing to one day spring the rudest of surprises for them. Where the minimum requirement of forest area in a country is 25 per cent, even half the size is a cause for concern. But if it is suddenly discovered to be just one fourth of the requirement, people should get panicky.

However, we have become so callous that we may not get alarmed at all. There is no guarantee that even the present level of forest cover will be maintained, let alone its improvement to a more reasonable and healthy level. But this is a serious matter. The seasonal tree plantation drives can do little to replenish the loss we sustain regularly through the reckless felling of trees. We must take a hard look at the three different types of human activity accounting for major forest depletion: establishment of homestead, urbanisation

and deforestation.

Expansion of homestead is directly linked to the increase of population. Urbanisation and deforestation also relate to the growth of population but with better planning the losses can be minimised and new forests can be grown within our limited land-area.

Perhaps we need changes in our habits as well. The other day a report quoted an authoritative source as saying that the nation can save Tk 800 crore annually simply by switching over to unboiled rice instead of the boiled variety we eat saving fuel in the process. Then improved ovens can make the gain to the tune of Tk 2,000 crore. Can we really think along these lines so that the pressure on our depleted forest resources is eased to some extent? We must do so if we want to avoid an environmental catastrophe.

The Reconquest of Mexico

by Eqbal Ahmad

Since the outbreak of the crisis in early January, the Mexican peso has plummeted 67%. The Bolsa, bellwether of Mexico's stock market has fallen 62%. Bank rates have risen 67%. Unemployment has begun to soar. Most economists believe these to herald severe recession.

more unknowing than their ancestors were centuries ago Despite the warnings of such sages as Rabindranath Tagore. they became hooked into the ideology of nationalism and the quest of nation states. That done, they embraced the shibboleths of the cold war, bit into derived notions of bipolarity and national security. Since the cold war's end, we have witnessed a well-orchestrated, brightly packaged, and global sale of the 'free market' Every country from Kenya to Indonesia and Morocco to Bangladesh is buying it feverishly, without looking closely for the poison in the package. Even now that Mexico's econ omy has collapsed from excessive dose of 'freedom' and a reconquest of sorts has begun, few in the corridors of third world power are drawing the necessary conclusion.

Among Emperor Market's emerging favorites none matched the lures of Mexico. As the US Treasury Secretary Robert Rubin emphasizes repeatedly: Mexico "has been the proto-type economy, an exemplar of the way to privatize big industries, open markets. and create a growing middle class eager to buy imports". For five years it offered American and European investors in bonds and certificates of deposits a bonanza of quick and high profits.

It all started in the late 1980s after Nicholas Brady. George Bush's Treasury Secretary crafted the Brady Plan'. Its goal was insure repayments on the huge commercial debts many third

world countries had incurred. Buth into the complex formula were the appearance of America's generosity toward the third world and the assurance of full profit for American capital. Banks agreed to reduce the total amount of debts (which were likely to be being defaulted) in return for the debtor country's commitment to resume regular repayments. Therein lay the catch: to repay they needed to borrow and sell. Borrowing spawned trade in bonds - "Brady bonds" they were called - sold by banks and big investments houses like Goldman Sachs & Co. of

Secretary of Treasury, was then co-chairman. Selling in volved the underdeveloped country's "family jewels" — industries, lands and forests national assets sold cheaply to foreign and domestic in vestors. With this clever formula, foreign investments of \$10 to \$15 billion flowed into Mexico annually. Its politicians and business compradors had never been happier until, that is, the bubble burst at the dawn of 1995.

which Robert Rubin, now the

In just two months Mexico suffered a catastrophe from which it may not recover for many years, certainly not without sacrificing its sovereignty. Since the outbreak of the crisis in early January, the Mexican peso has plummeted 67%. The Bolsa, bellwether of Mexico's stock market has fallen 62%. Bank rates have risen 67%. Unemployment has begun to soar. Most economists believe these to herald severe recession.

the United States, have huge investments in Mexico. So they have devised a "rescue plan" of which the largest component is the \$20 billions in US loans and guarantees. Others have also chipped in: (i) Loan of \$17.8 billion from the International Monetary Fund. (ii) Short term loan of \$10 billion from the Bank for International Settlements. with the Swiss-based BIS serving as clearing house for contributions from European and other countries. (iii) \$1 billion in Latin American swaps of dollars for pesos. (iv) \$1 billion from Canada in short-term swaps. (v) \$3 billion in new loans from Commercial Banks.

Rich countries, especially

The total of new debts comes to \$52.8 billion which Mexico must repay with interest. But the price tag is higher than that; it includes Mexico's sovereignty. The US loan agreement imposes on Mexico what the New York Times editorial described as "harsh. though necessary restrictions on Mexico's monetary and fiscal policies." The agreement requires Mexico to deposit all its revenues from oil and petro-chemical products into the Federal Reserve Bank of New York. This money shall be effectively under US control and shall be automatically seized if Mexico defaults on any part of its repayment on various loans. In addition. Mexico has undertaken to submit every week a wide ranging report on its economic condition, and post it on the computer Internet for the benefit of its creditors

Mexico's strict diet of aus-

Bureaucratic Mystique in South Asia by A K M Jalaluddin ACR-II

Another Love Letter Chief Secretary, East Pakistan and later

became the Secretary of the Federal Government in the Ministry of Labour. Ishaque had a reputation of being competent and a out above the runof-the-mil bureaucrat. He wrote a book "ABC of Rural Reconstruction*.

Mr/XYZ, an East Pakistani Officer was a Deputy Secretary of the same Ministry. Ishaque commented in his confidential report that XYZ lacked in a sense of proportions. The adverse remark was duly communicated to XYZ. The latter wrote to Ishaque something like this:

My dear Secretary, I have been informed by the concerned authorities of your comment, that I lacked in a sense of proportions. I should be grateful if you would kindly let me know of the specific

cases/occasions when showed a lack of the sense of proportions.

quarter of 1994 it bought more

than \$51 billion in imports

bought \$51.7 billion.

Moreover, recession in Mexico

will undoubtedly put pressures

of illegal immigration on USA.

A healthy Mexican economy is

important to a healthier

out-Mexico" package suggests

that its immediate aim is to

rescue the American and

European financial institutions

and individuals who had in-

vested there in hopes of mak-

ing a fast-buck. Thus, half of

the \$20 billion US loan is to

enable Mexico to pay off those

American investors who had

invested mostly in the bonds

(tesobonos) and certificates.

The remaining \$10 billion will

be held for "contingencies".

When a failing Mexican bank is

'saved' and required to pay off

its foreign depositors, a con-

tingency will have been met.

"The depositors", said Robert

Rubin, until recently a bond

Czar himself. "must be pro-

Two questions arise: what

factors have caused Mexico to

get so deep in economic trou-

ble that it must sacrifice, for a

time at least, both its people's

well being and its national

sovereignty? What lessons do

the case of Mexico hold for the

other countries which are

seeking, so eagerly and so un-

questioningly, to fall into the

grasping embrace of emperor

market? Next week I hope to

The Author is an eminent US

based Pakistani political

scientist. He has written

several books and contributes

regularly to newspapers in

USA Middle-East and Pakistan,

and occasionally to this paper.

answer these questions.

tertect.

Yet, a reading of the "bail-

American one.

terity is to be administered

under watchful American su-

pervision. This "diet" includes

a regime of tight money and

raised interest rates. The tight

money requirement prevents

the government of Mexico

from spending state funds

even to stimulate employment

and the economy. The idea is

to control inflation, and re-

store the confidence of foreign

investors even though it

squeezes Mexican people dry.

With such severe cuts in

spending, the onset of a deep

recession is predictable.

Similarly, interest rate has

been driven up. By end

February interest for Mexico's

benchmark treasury certificate

(consumer and commercial

rates are fixed above it) was

raised to 59%. The idea is to

stabilize the peso. But high in-

terest rate are choking off

what little native strengths the

economy has been spared. The

economy reflects reality, nev-

ertheless, and public percep-

to drop.

tion. The peso has continued

Secretary for Treasury spoke

of the loan package as aimed at

preventing the underpinnings

of the Mexican economy from

crumbling". It makes sense

that the US should want to halt

Mexico's economic break-

down. After all, Mexico ran

neck-to-neck with Japan as

the US's second largest trad-

ing partner. Through the third

Robert Rubin, the American

the US while Japan

Ishaque promptly wrote back a solid love letter:

"My dear XYZ.

I am saddened to receive your letter. You should yourself remember the cases/occasions when your lack of sense of proportions and judgement were pointed out to you, albeit politely. It was your business to take note of the cases so that you could im-

I have now the unfortunate duty to report further that not only you lacked in a sense of proportions but you also lacked in retentive faculties. I hope you will be able to overcome these deficiencies and become worthy of the cadre to which you are fortunate to belong

Bhutto Wants Her Aircraft — or Her Money Back

Tariq Butt writes from Islamabad

With Indian and Pakistani nuclear capabilities in the spotlight as the nuclear Non-proliferation Treaty comes up for renewal this month. Prime Minister Benazir Bhutto's visit to the US (1 1April) gives her a chance to put her case to Washington. Her aim is to improve relations, which have slumped since the end of the Cold War.

UNS not butter are the T top priority for Pakistan Prime Minister Benazir Bhutio during her visit to the United States.

HE conquest of Mexi-

co happened in 1520.

With his well-built

ships and newly discovered

navigational techniques, the

Spanish General Cortes

penetrated the 'New World'

and — by an unrelenting

process of deception, betrayal.

warfare, and wanton violence

- subdued and destroyed the

mighty Aztec empire, then un-

der Montezuma, its last unsus-

pecting, hospitable chief.

Thence, the willed ruination of

great civilizations followed.

Massacres' were committed by

the hundreds - the word

genocide had not come into

usage then - grand cities were

destroyed, palaces and tem-

ples burned, an survivors

forcibly converted to

Christianity. The rehearsal had

been carried out decades ear-

lier upon the Moors of Spain.

The holocausts suffered by the

Aztecs, Mayas, and Incas, went

largely unrecorded in the self-

in history, the augury of a most

violent and transforming world

system of domination that hu-

manity has ever experienced.

We know it as the age of west-

ern, capitalist imperialism

Yet, not one of the future vic-

tims of this behemoth - not

the Indians and Chinese, nor

Arabs or Africans — took notice

of it until, that is, it was too

late. Their failure was compre-

hensible. In Asia and Africa, it

was the age of the gun pow-

der empires - Ottoman.

Safavid, Mughal, and Ming.

Their elites contentedly

used/misused power, luxuri-

ated in wealth and patronage

of the arts. So they missed the

marriage of science to tech-

nology, and missed also to no-

tice the rise of the new world

system which put new knowl-

edge to the service of old

greed. The price of this failure

was conquest and colonization.

rary Asian and African elites

travel now on 'information

highways but they appear even

It is strange that contempo-

It was a momentous event

righteous annals of the west.

She wants military hardware, particularly the 38 F-16 aircraft for which the bill is \$1.4 billion.

To get the fighters, Bhutto has to persuade Washington to remove Islamabad from the focus of the Pressler Amendment, a US law which enables aid to be cut to countries believed to be developing

nuclear weapons. Application of the legislation to Pakistan in 1990 fractured 43 years of military cooperation and has left senior officials here feeling abandoned and mistreated by the US in the post-Cold War era.

"We have repeatedly told Washington that the Amendment discriminates against Pakistan and has not served as a check against nuclear proliferation," says Foreign Minister Sardar Aseff.

The aid block is serious because throughout the Cold War the US has been Pakistan's predominant source of military hardware.

"The blockage has created a serious military imbalance between Pakistan and India," says Defence Minister Aftab Shahban Mirani, a line Bhutto will pursue during her talks in Washington in April.

She is cautious about the prospects of success: "I can bring F-16s tomorrow if we are ready to pay a price," she says in an effort to cool expectations. "But we will not compromise on our national interests and principles."

Washington's price is Pakistan's signature on the nuclear Non-Proliferation

Pakistan says its nuclear programme is designed as a deterrent to India, which exploded a nuclear device in 1974. Says Foreign Office official Munir Akram, "We are ready for any restrictions on the nuclear programme if they are also imposed on India."

Several years discussions have failed to break the Pressler Amendment deadlock. But Bhutto will be pressing for a special waiver to get at the blocked supplies. She will also argue that if the hardware is not released Pakistan should be reimbursed the \$658 million it has paid so it can obtain equipment else-

where. She may take up an argument outlined by P I Cheema, professor of international relations at Quaid-e-Azam University, who urges the US

PAKISTAN

Army: 520,000

Airforce: 45,000

Reserves: 313,000

Military budget: \$3.4bi

Arabian Sea

Nuclear: India refuses to

oin Nuclear Non-Proliferatio

Treaty until it is universal and

non-discriminatory; opposes

Pakistan says it has no bomb

to realise that its stance forces

Pakistan to put more reliance

on nuclear weapons "since its

conventional arms capability is

pledges by US investors of en-

ergy sector investments worth

\$3.5 billion because the legis-

lation prevents guarantees for

investments in Pakistan by the

US Overseas Private Invest-

meetings with American ex-

ecutives. Despite the energy

sector promises. US private

Bhutto will hold a series of

Pressler also jeopardises

going down."

ment Corporation.

any form of regional treaty

but has all the elements to

Navy: 22,000

Bordering on war

investment in Pakistan since independence in 1947 stands at only \$45 million.

Her strongest cards in dealing with Washington are goodwill generated by the prompt extradition of Ahmad Yousuf Ramzi, accused of masterminding the bombing of the World Trade Centre in New York in 1993, and by the expulsion of Arabs who fought with the Afghan guerrillas against the Soviet-backed government in Kabul. Her government has also told non-

government organisations to

Army: 1.1m

Since Independence in 1947

fought three wars - in 1948

stop collecting funds for mili-

tants fighting Indian control in

the disputed province of

the recent confiscation of the

property of seven known nar-

cotics barons, have averted the

danger of the country being

placed on Washington's watch-

drive against drugs. Washing-

ton recently described Pakis-

tan as "a strategically-located.

moderate Islamic state with a

nuclear weapons capability.

In approving aid for the

list of terrorist states.

These moves, together with

Kashmir.

the two countries have

Navy: 55,000

Airforce: 110,000

Reserves: 300,000

influence with other Islamic countries. And in January, US Defence

has also used its moderating

Secretary William Perry also described Pakistan as a "moderate Islamic state" - a description that was music to the ears of Bhutto and top officials. It means the Prime Minister's negotiating position will not be distracted by US questions about fundamental-- GEMINI NEWS

TARIQ BUTT is on the staff of "The News." Islamabad The government of Pakistan

OPINION

Green Jute Pulp: A Clarification international organisation.

This has reference to your editorial The Chewing Syndrome" carried on March 31. 1995. We appreciate the concern and interest which you are correctly showing about tangible progress on green jute-based manufacture of pulp and paper. It is The Daily Star which picked up and gave considerable coverage to this indigenous breakthrough. As such, we are slightly taken aback on certain remarks carried in the editorial, which we feel is due to information gap.

You would appreciate that any Bangladeshi worth his salt would be euphoric about this significant breakthrough. As such, the Minister's interest in the matter is in no way to overplay the issue at anybody's cost. We draw your kind attention to the recommendations of the national workshop held on 13-14th October, 1994 at BCIC Bhaban on jute pulping which was participated by the senior representatives of Bangladesh Council of Scientific and Industrial Research (BCSIR), Bangladesh Jute Research Institute (BJRI), Bangladesh Forest Research Institute (BFRI). Dhaka University, BJMC, BCIC etc. The recommendations were embodied in the Report on pulp making from jute. From the recommendations of the work shop (page-55 of the Report). it can be observed that while accepting potential of jute fibre as pulping raw material they were skeptical about the techno-economic viability of manufacturing pulp and paper from green jute. However, bold decision was taken to go ahead with carrying out commercial batch test in Sylhet Pulp & Paper Mill and accordingly, a Task Force was formed to im plement the decision. BCSIR, BJRI etc. did not

such information would have been available with the respec tive organisations and pub lished paper regarding technoeconomic feasibility of green jute would have been placed in the workshop. However, the workshop did not have the benefit of the privilege of any work done regarding technoeconomic feasibility of green jute as pulping raw material This would have made the job of BCIC much easier in manufacturing commercial batch of pulp to evaluate the technoeconomic viability of Green Jute pulping which was carried out successfully at Sylhet. Pulp & Paper Mill testing laboratory. Needless to mention. this laboratory is comparatively equipped with much less sophisticated equipment than a Research Organisation in this field. Following the technological breakthrough attained in the manufacturing pulp from green jute in Sylhet Pulp & Paper Mills, production of pulp from green jute on commercial scale is continuing in all four pulp and paper mills under BCIC. Mentionably, the production of this green jute pulp is more cost effective in compar ison to pulp made out of conbamboo and wood.

considered a major milestone in diversified use of green jute (Reference IJO letter dated 2nd February '95 vide page

new item of sale for the jute growers. BCIC has produced till date 10,200 MT pulp and paper and the balance quantity of green jute will enable the pulp and paper mills to produce further 1,500 MT pulp raising the level of immediate production of pulp to 11,700 MT. The country has saved Tk 50 crore through production of pulp from green jute. Karnaphuli Rayon & Chemical Company (KRC) has manufactured 103 MT GRSF (Green Jute Staple Fibre) from green jute pulp made in Karnaphuli Paper Mill and this has also yielded saving of Tk 1.29 crores in foreign exchange. Khulna Newsprint Mill and North Bengal Paper Mill which use Gewa and Bagasse low grade FRM (Fibrous Raw Material) necessitating blending with superior quality pulp imported from abroad. As such production in these two mills would have come to a halt or import of paper would have been required, had the successful production of 10,000 MT pulp not been achieved. Furthermore, we are confi-

dent that breakthrough that has been made in green jute based pulp, paper and rayon and fabrication of 65% heavy pulping machinery (reference process, flow chart, page 146 of the Report) are not really 'chewing syndrome' but silent march towards tangible achievement. Moreover, this techno-economic break through has been internation ally recognised and appreciate. Joint Venture proposal are

being received by BCIC for setting up pulp, paper and GRSF manufacturing projects based on green jute. BCIC is confident that by September '95, not only 2500 MT pulp would be produced but in all probability the target would be exceeded. The appreciative message of the Hon'ble Prime Minister of the success of the action programme concerning green jute-based pulp and paper production speaks for it self

Mirza A Matin Sr. General Manager (PR)

BCIC. Dhaka

Distressing statistics

Sir, I came across a distressing statistics in the Hong Kong-based weekly magazine 'Asia Week' of January 27, 1995 which showed that while the number of people-per-policeman in Bangladesh was just 183 in the year 1980, it increased to 2,756 in 1995. This probably means that it is now well nigh impossible for the police force to attend to the crime situation in Bangladesh. But is the statistics, I mean both for the years 1980 and 1995, true? Can any one of your readers say something about the authenticity of the

data? Would somebody in the police department, may be the Public Relations section, if they have one, respond to my query?

A Z M Abdul Ali House 9. Road 11. Uttara Model Town. Dhaka.

Power failure

Sir, Faridabad and Gandaria are well-known residential areas in the old part of Dhaka metropolitan city. Seven to eight lakh people live in these localities. For the past few weeks residents of Faridabad and Gandaria have been experiencing intermittent power failure. Power failure has been

virtually chronic here occurring every night starting from dusk. In these hot sultry nights the sufferings of the residents especially the school and college going students know no bounds when fans do not move and lights do not burn in their congested homes.

Many times I complained about this power failure in Faridabad and Gandaria areas to the authorities concerned but to no effect. This time hope the DESA authorities concerned would cure this

Mahbubuddin Chowdhury 17, Hart Charan Roy Road Faridabad, Dhaka-1204.

problem. Won't they?

litary budget: \$7.3bn BHUTAN BANGLADESH MYANMAR

place any paper on work done regarding techno-economic aspect of manufacture of pulp from green jute. If the gentlemen, whose name you have not mentioned in the editorial was associated with any of these organisations participat ing in the workshop and for that matter, with any other

ventional raw materials like The news of indigenous breakthrough in pulp and pa per making was appreciated by the IJO, which can be seen in their letter dated 4th January 94 vide page 102 of the Report. Had IJO any techno-economic study on green jute pulping, they would have in variably referred to the same Further breakthrough in producing Rayon Grade pulp from green jute GRSF (Green Jute Rayon Staple Fibre) is also

104 of the Report). Now your esteemed readers would be pleased to learn that during the crop year October September 1994-95, BCIC has succeeded in initiating bulk purchase to the extent of 71.000 MT. green jute - a