

## A Palestinian Milestone

History was made on the West Bank yesterday. A good turn-out at the presidential and legislative council polls consecrated Palestinian self-rule in a way that wouldn't admit of any turning away from the current peace process. And in so many ways this small voting population of less than a million has beaten perhaps a hundred million Arabs into building the first flicker of democracy for the great Arab nation in more than a thousand years. All that remains is to consummate the act by shaping it into a state of true independence. And Yasser Arafat, on his election to the presidency of the Palestinian Council has as much as termed the polls a stepping-stone to full independence.

When we rejoice over the wholesomeness of the fruit, it is in order that the gardener get his share of gratitude. The indomitable Palestinian spirit was given substance by Yitzhak Rabin and Shimon Peres who in tandem launched the current peace process. They have written their names indelibly on the annals of the rise of the Palestinian phoenix.

To steer clear of euphoria, we should remind ourselves that what Palestine at the moment represents is at best an amorphous political entity. Only the seeding for the emergence of a meaningful and fetching nationhood has been done. But that is no mean performance. The weak and swaying first flame of a democratic Palestine now must walk steadfastly between the machinations of wily Israeli right and a revanchist Arab left. It will take time before these contrary forces resign to the reality of a Palestine not yet fully independent but nevertheless come to stay.

Yasser Arafat and his brave people must now build prosperity bringing wealth and culture and democracy to the whole of the Palestinian nation. That one difficult act done well, many of the present predicaments would pass. The peace process and the resultant Palestinian elections do at once mean that Israel takes an unquestioned and undisturbed seat in the region. For this is to be granted by the neighbouring Arab states or the Islamic world as a whole with true grace is something that Israel will need to pay more for — with sincerity and true fellow-feeling.

## Account for It

The Prime Minister's grant of Tk 20 lakh to 188 youth bodies provides some food for thought. The avowed purpose is to generate self-employment among the jobless youth, so that it is not in the category of unemployment dole given in the western world as part of the basic social security cover. In our scheme of things, the grant has to be accounted for, not merely by listing out the names of recipients but also against specific economic projects undertaken and materialised by them.

More questions are raised than answered by the facts that (a) Tk 10,638 is falling in the share of each of the 188 youth bodies with Tk 20 lakh being the total amount made available; and (b) this is happening in the closest possible prelude to the elections.

Supposing each of the youth bodies has 25 members. They are organised into groups of five for the purpose of starting projects. Even in this perfect scenario, with Tk 10,638 for the five groups, Tk 2,000 plus is only going to be received by each one of them. Can a viable project stand on that peanut of a sum, far less be sustained for a full year before another allocation came in? And, even if this is an addition to the Tk 10 lakh, said to have been divided last year among 67 organisations, how much viable would it all sound really? This is where the grant is open to question, especially because of the timing of it.

It has been claimed that 3.15 lakh youths and women have so far received vocational training and 60 per cent of them have become self-employed — presumably under the programme. There is a compelling necessity, nonetheless, for a greater public information dissemination on the subject. The imperative is further reinforced by the knowledge that the over-all current allocation to the youth sector is 30 times higher than that of 1989-90 fiscal. The general public would enormously appreciate specific information about the criterion used in the selection of the youth bodies, the projects undertaken and completed by them, and the accounting procedures they followed under instructions, if any, from the Youth and Sports Ministry which is running a Welfare Trust for them.

## Ramadan's Essence

Our mundane life is due for perfection during the holy month of Ramadan. The noble expectation is that the spirit should triumph over the matter. Not only through the rigours of abnegation but in the conduct of our daily lives as well.

The month brings a big change in our life-style. If one were to think it happens only for the *Rajdars* one would be amiss; because the non-fasters are under an obligation to be demonstrably sensitive to the change. They should do nothing to hurt the sensibilities of the *Rajdars*. Let's also see avoidance of intolerant behaviour in public places.

The merchant class is expected to hold any excessive profit motive in check. The high demand situation in the market should induce them to spread their profits thin and yet shutter with sizable returns at the day's end. They now have the nudge of religiosity to add to the basic push of social commitment.

Of particular importance would be a strict adherence to work ethics. A day's fasting will be worth its weight in gold if the daily quota of work is dutifully filled by the *Rajdars*. The non-fasters would be downright shirkers if they allowed any laxity to creep in their work.

# The Indo-Bangladesh Friendship Treaty

by Sayyid A Karim

*If we compare the results of the agreement on watersharing of the Ganges at Farakka, it will be obvious that the interim agreement reached by Sheikh Mujib after difficult but amicable negotiations with India in 1975 was far more advantageous than the agreement obtained by General Zia in 1977 after protracted negotiations in a confrontational spirit.*

THE Indo-Bangladesh Friendship Treaty was signed in Dhaka on 19 March, 1972 during Ms Indira Gandhi's visit to Bangladesh. At the same time a Joint Declaration was issued by the two heads of government of Bangladesh and India. The treaty became a subject of controversy almost even before the ink was dry on it.

Who initiated the treaty: Sheikh Mujib or Indira Gandhi? Who benefits from the treaty: India or Bangladesh?

The principals involved are long since dead and answers to these questions can now be given, partly at least, by those who were participants, or witnesses to the event.

Last year I saw two articles written by Mr J N Dixit, who was the Indian Deputy High Commissioner in the early years of our independence, in the *Indian Express* (4 July 1995) and Mr S A M S Kibria in *The Independent* (24 July 1995), on the Joint Declaration and the Indo-Bangladesh Treaty of Friendship. They were intimately involved with the drafting of the Joint Declaration but not with that of the treaty.

Mr Kibria has written that "Mr S A Karim, the then Foreign Secretary, worked on the treaty from our side together with his counterpart Mr T N Kaul." Actually it was Mr D P Dhar, the head of the Policy Planning Committee and Mrs Indira Gandhi's principal adviser on Bangladesh affairs, who did most of the drafting of the Indo-Bangladesh Friendship Treaty.

I have to confess that I had no inkling of any intention on our part to conclude a Friendship Treaty with India prior to the river cruise where the two leaders held a summit meeting. I feel it necessary to say this to remove any misconception of my role in the drafting of the treaty. In his book 'After the Dark Night: Problems of Sheikh Mujibur Rahman', the late veteran journalist Mr S M Ali wrote that a source close to the ruling Awami

League had told him that when Sheikh Mujib mentioned the treaty to me, I had pointed out "several political disadvantages of signing the treaty at that stage." The truth is that I was not consulted about this, nor did I have any reason to believe that our Prime Minister was contemplating such an idea. Had I been asked to give my views on it, I would probably have said: "I see no objection to such a treaty, but at the same time I see no necessity for it." I would have advocated a special relationship with India, without formalising it, like the one that has existed between Great Britain and the United States since the end of the Second World War.

According to Mr Dixit, "Soon after the boat left the docks at Dhaka, Sheikh Mujib asked Indira Gandhi as to what would be the documents that could be signed at the end of the visit." A joint press statement, a joint declaration, or a joint communiqué, said the Indian side, in that order. "When Sheikh Mujib asked what would be better than even a joint declaration, the then Indian Foreign Secretary, Mr T N Kaul said 'a treaty of peace, friendship and cooperation'." Sheikh Mujib turned to Indira Gandhi and said that he would like to have both a joint declaration and a treaty of peace, friendship and cooperation." Mr Dixit has not mentioned who else was present on this occasion from our side.

I became aware that a friendship treaty was imminent only when Mr D P Dhar geopolitical situation in South Asia, was in no position to threaten Bangladesh directly, having no common border from which to launch an attack.

Although we did not have urgent security compulsions

for signing a Friendship Treaty, there was much to be gained if we could develop a cooperative relationship with India and attempt to solve outstanding bilateral issues, notably Farakka. India was then in the final phase of the construction of a barrage across the Ganges at Farakka and it was urgent that a water-sharing agreement on an equitable basis be worked out before 1974 when it was due to be commissioned.

At some point during the drafting of the treaty, I approached Mr B M Abbas, Adviser to the Prime Minister on Flood Control, Irrigation and Power, and requested him to draft a suitable clause for the treaty. I showed it to Mr Dhar, who included it in the treaty as Article 6. It reads: "The high contracting parties further agree to make joint studies in the fields of flood control, river basin development and the development of hydroelectric power and irrigation." On further reflection, it would have been better if the wording had been stronger, and not so wishy-washy.

If Prime Minister Sheikh Mujibur Rahman initiated this Friendship Treaty, as I believe was the case, it must have been because he was convinced in his own mind that the treaty was in our supreme national interest and it was redundant to subject it to debate and discussion with other people, among whom were elements who harboured anti-Indian feelings. On this subject, he certainly could not trust some senior Awami Leaguers emerged from the area where the top leaders of the two countries were conferring and came up to me to enquire whether I had a copy of the Treaty of Peace, Friendship and Cooperation which had been signed by India and the Soviet Union

six months earlier. I happened to have a copy in my briefcase and I handed it to him. He then explained that it would serve as a model for a similar treaty between our two countries. He took out a pen and started to make sequential changes in it and asked me whether I had any suggestions. While Mr Dhar was busy with the draft, it occurred to me that it would be more relevant in the context of our relationship to insert a clause on functional cooperation between our two countries. The Indo-Soviet Treaty of the previous year had been concluded when India became concerned about growing rapprochement between China and the United States, with Pakistan acting as a go-between. Its purpose was to counterbalance the new power alignment and to deter China from attacking India in support of Pakistan during our liberation struggle. Its key provision was Article IX which obligated parties to consult and "to take appropriate effective measures" in the event of either party being subjected to an attack or threat of an attack. In 1972 Bangladesh had no reason to fear an external attack. The US Seventh Fleet had been withdrawn from the Bay of Bengal. Pakistan, defeated and humiliated by the Joint Command, could do no harm to Bangladesh militarily from a distance of thousands of miles. China, although unhappy with like Khondkar Mushtaque Ahmed, whose conduct during the liberation war as Foreign Minister in Mujibnagar was most dubious. The disadvantage of reserving this decision to himself was that there was no proper management of public opinion by the political leadership and the bureaucracy. All kinds of conclusions were drawn about the treaty, much of

which was malicious and wrong. Unprepared, the Information Ministry did not do much to counter the criticism. Except for a meeting of senior officials in Gonobhaban, which Sheikh Mujib addressed shortly afterwards, I do not remember any other occasion when he tried to explain the rationale for such a treaty. Even on this occasion he was very brief.

It is possible now to look back on some achievements which were made because Sheikh Mujib kept alive cooperation with India. He did not overlook the problems between our two countries over border issues, the sharing of waters of common rivers etc., but he believed that they would be solved in a more satisfactory way if they were approached in a spirit of give-and-take and understanding for each other's needs and requirements.

After the death of Sheikh Mujib, it became fashionable in certain circles to belittle his achievements and criticise him for giving away too much during negotiations with India. But this indictment of Sheikh Mujib simply does not stand up to scrutiny. Take Farakka, for instance, as a case in point.

If we compare the results of the agreement on watersharing of the Ganges at Farakka, it will be obvious that the interim agreement reached by Sheikh Mujib after difficult but amicable negotiations with India in 1975 was far more advantageous than the agreement obtained by General Zia in 1977 after protracted negotiations in a confrontational spirit.

Ten-day period of leanest month — May	Dependable of water at Farakka	Share of Bangladesh 1975 1977 (in cusecs)
1-10 May	56,500 cusecs	44,500 35,000
11-20 "	59,250 "	49,250 35,250
21-31 "	65,540 "	49,500 38,750

# The Anti-market Mentality

by Abu Abdullah

RONALD Coase, the 1991 Nobel laureate for Economics, has brought together some of his more popular and less technical works in a book called 'Essays on Economics and Economists'. It is, as one would expect, a thought-provoking work (and for many no doubt just generally provocative as well), written in clear, crisp, astringent prose. One essay in particular, called 'Economists and Public Policy', strikes uncomfortably close to home. It raises the question, "what contribution can economists make to the formulation of policy?" And it propounds a dilemma: "The problem is that economists seem willing to give advice on questions about which we know very little and on which our judgments are likely to be fallible, while what we have to say is quite simple... What is discouraging is that it is these simple truths which are so commonly ignored in the discussion of economic policy."

What, then, are these simple truths? Again, let me quote Coase, since I couldn't possibly put it any better: "It requires no great knowledge of economics to know that at a lower price, consumers will buy a greater quantity. Or to

know that as the price falls, producers will be willing to supply less. Even the combining of these two notions to show that, if the price is put low enough, producers will not be willing to supply as much as consumers wish to buy, so that what is called a 'shortage' will result, is easy enough to understand."

The 'simple truth' therefore is that in general price regulation (enforcing prices below market-clearing levels) is harmful. Coase illustrates the baneful effects of regulation with the example of the US Federal Power Commission's regulation of the field price of natural gas. Readers in Bangladesh may remember last year's 'urea crisis' — and ongoing attempts at price regulation — with the aid of this insight. Of course, matters are complicated by the fact that urea production is not in the private sector and hence not responsive to market prices. Most economists, and certainly market socialists (who seem to be the only socialists left) would agree that such insulation from prices is an undesirable property of a production system.

Coase does not speculate on the reasons for the persistence of the anti-market mentality, nor do I intend to try. He does note that this

mentality is in fact often diluted when it comes to the actual formulation of policies, and the costlier an anti-market policy is likely to be, the less likely is it to be implemented. "The demand for nonsense seems to be subject to the universal law of demand: we demand less of it when the price is higher."

This can perhaps be illustrated by the fertilizer distribution policy in Bangladesh. While the government seems incapable of avoiding constant nervous tinkering with the market, and the press shouts 'crisis' any time the price of urea rises (or even refuses to fall), nobody is actually proposing a return to complete public distribution. A good case in point is *The Daily Star's* second editorial on 15 January. The writer, while clearly in favour of government's attempts to operate buffer stocks and work through appointed dealers (both in fact debatable steps), nevertheless ends with a plea for a fair deal for 'genuine' traders.

A purer example of the mentality of the anti-market is provided by another editorial from *The Daily Star* of January 14, headed 'Schooling Bill'. The writer waxes indignant about

the 'horrifying heights' that schooling costs in the private sector have reached, and also about the quality of education provided. His proposed solution is extensive government regulation of both price and quality: "There should be rapid standardization at these schools — in terms of basic accommodation, various facilities, teaching staff, textbooks and quality of classrooms and extra-mural instruction level. And, it is in accord with such a package of services that the fees must be fixed in slabs."

Manifestly the 'standardization' and the fixation of fees will be done by some public agency.

As Coase says, one really does not need to know much economics to guess what will happen if such regulation is attempted. Investment in this sector will become less profitable, and will stop or at least slacken. No new schools will come up in the private sector. The quality of the service provided will fall. The 'exodus... to a neighbouring country' which the writer seems to dislike so much will be accelerated.

The writer is also very keen on 'uniformity of standards' between one private school and another and between a private school and a

government-run one. "Since all schools cannot attain the standards of the better elite schools, what the writer wants is obviously a levelling down of standards. The better schools must be brought down to the level of the worst ones, or at any rate the average ones. This, of course, is not a direct outcome of the anti-market mentality, though it is related. The anti-market mentality and a preference for quality — even at a dismally low level — both spring, in part, from an excessive concern with equity. Such excessive concern has its roots all too often in envy rather than altruism."

There may be grounds for genuine concern about the quality of the education provided. But the way to ensure quality is to increase competition. As more people respond to the lure of high profits and establish more schools (and this is happen-

ing, as a casual stroll through Dhanmondi will show), a time will hopefully come when the current state of excess demand will be replaced by one of excess supply. Then the schools will have to compete for custom, and will vie with one another to offer better facilities. The measures proposed in the editorial would have the opposite effect.

I did not set out to write an article on education. My purpose was to show that the anti-market mentality is alive and well in Bangladesh and more importantly to illustrate how much woolly thinking it gives rise to. This is not to deny that reasoned, balanced critiques of the market also exist, and merit serious consideration. If I have neglected these refinements here, it is because, as the Bengali proverb says, to straighten a bent stick you must bend it the other way.

## Art Buchwald's COLUMN

## A Poke in the Nose

When President Clinton said he would like to punch columnist Bill Safire in the nose for calling Clinton's wife a 'congenital liar', everyone in Washington stopped arguing about who had the highest snow bank in front of his house and instead discussed the fistie state of the White House.

Malcolm Mergenthaler, a presidential historian, said that the president's desire to sock a journalist came as no surprise.

He told me, "Every president save George Washington has wanted to punch a newspaperman in the nose. Some have even wanted to punch three or four and we know of a few presidents who would have liked to punch a woman correspondent as well."

When the New York Herald Tribune slandered Jacqueline Kennedy, President Kennedy's first reaction was to punch the Tribune's White House writer in the nose. But his secretary of state thought it might further the career of the scribe and get him a raise. So instead of a punch, the president canceled his subscription to the paper. That on the surface, looked like a perfect compromise, but the president always regretted not taking more physical action. Arthur Schlesinger said the president told him the next time somebody wrote something he didn't like, he would not take the coward's way out. A few months later the president hit Khrushchev in the nose with such force the Russian leader blinked.

The smart money in Washington is if the president and Safire resorted to fistfights, Clinton could take Safire in two rounds. President Clinton has a much longer reach and is in better shape than the columnist, who is known to have an exercise bicycle in his house that he never uses.

Also, if Safire landed even a weak left to the president's jaw, the Secret Service by law would have to mow the columnist down.

The subject has been discussed in the White House for days. Rather than cause the president any grief, the kitchen cabinet has voted to have Hillary Clinton punch Safire in the nose instead. She could get a Safire off guard as he is not used to being punched in the nose. Safire would come from the White House considers this an urgent matter because if something isn't done to sock Safire, not first lady will ever be safe from name-calling again.

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## To the Editor...

### Australian umpiring and cricket

Sir, We witnessed just-concluded two series of cricket matches in Australia in which Pakistan and Sri Lanka also played. Australian umpires were reputed for their bias outlook, and this time also, they lived upto their reputation.

Dozens of LBWs were awarded to Australians against Pakistan and Sri Lanka but during Australia's batting the umpires became very hard nuts to crack. Plumb LBWs were disallowed on the basis of benefit of doubt where there were no doubts at all.

Australia's pitches are very hard and the balls become de-shaped when the fast bowlers are in action. Pakistanis were charged with tempering of the balls but later on it was not followed up when Pakistanis denied the charge. It was pretty sure that due to the hard surface of the pitch, the ball lost its shape.

I wonder why Pakistanis did not react and followed it up like Sri Lanka who bounced back when they were charged in the same way and at the end of the ICC (International Cricket Council) and ACB (Australian Cricket Board) offered unconditional apology to Sri Lanka.

Umpires in Australia do it intentionally in order to dent the concentration of the opponents in order to make things easy for winning the matches and the series thereby. Lately Mr Hair (an Australian umpire) no-balled Muttiah Muralitharan of Sri Lanka in a Test watch which stunned the cricketing world. It was an apparent conspiracy. Australians are thinking they can win the next World Cup but Sri Lanka will be quite a hurdle on their way, even tougher than India and Pakistan. Muralitharan is the Sri Lanka's main strike spin bowler. So, by doing this Mr Hair has shattered the confidence of whole Sri Lankan team as they cannot groom up another strike bowler within such a short time just before the World Cup.

Muralitharan's pattern of bowling suits the slow and soft pitches of the subcontinent who can play havoc to the players who are habituated in playing hard and fast pitches.

These sort of vindictive attitude of the Australian umpires has disgraced the Australian cricket beyond any limit. At the end, I would like to predict that the Australians cannot make it upto the final of the next World Cup competition unless they bring their own umpires. I am quite ready to put a few

hundred dollars with any book-maker on my this prediction, and in case I lose, I shall also eat my words, the way Mr Bannister, an English cricket critic ate his words literally after England lost the Test series to South Africa recently.

Bachchu Goshala, Fazlul Haq Road Strajgonj

### Dhaka City — a big hawkers market

Sir, It is really very painful to see the city of Dhaka nearing its death quite fast to remain to be called a capital city of a sovereign country. It has lost its credibility to be a city, in the sense of a city is to be described.

The so-called 'city' has simply been turned into a 'bazar'. It is now better to be called the largest hawkers market in the world. In all the footpaths of the city, hawkers have started doing brisk business. Fish, meat, vegetables, spices, garments, clothes, cutlery/crockeries, toiletries, medicines, office stationeries, tailoring — everything have come up in the footpaths.

Entire Bangabandhu Avenue Area, Motijheel C/A including Shapla Chattar, GPO,

Baitul Mukarram, Paltan, Kakrail — in front of NBR and AG's offices, Outer Circular Road, Rampura, Elephant Road and New Market Area; Mohakhali — all have turned into huge bazar by the hawkers. Not a single footpath has been spared.

In some places hawkers have occupied not only the pavement but part of the main road also. Practically the whole city is now under the grip of hawkers. It is not the fault of the hawkers; they wanted to do business in the streets and they started but no body resisted or stopped them.

I simply do not understand how it's happening when Dhaka is the seat of highest authorities of the government and administration. In presence of everybody's eyes the city is decaying. Is it the policy of the government to rehabilitate unemployed people in the streets of Dhaka as hawkers?

Footpaths are public place and these are to be kept free and clean for the public use. Right now, street footpaths, I request authority concerned to look into the matter seriously and do the needful to save Dhaka.

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