

Osama Bin Laden Syndrome Freedom Fighter or Terrorist?

One man's freedom fighter is another man's terrorist and vice versa. That sums up the dilemma that confronts both the US and Osama Bin Laden, once the darling of the CIA (and by extension the US), now the object of its concentrated hatred. Can one contain terrorism by countering it with terrorism?

ILL a few days ago, Osama Bin Laden was only known to the anti-terrorist and intelligence wings of the law enforcement agencies of the world. In a few days so much has become known, one doubts even Osama Bin Laden can keep up with the flow of information about himself. As is normal for intelligence agencies over the world, fact is usually embellished with fable, the subject of enquiry seeming to appear in all odd places and involved in every terrorist incident, major or minor. All of a sudden he has become a threatening colossus with an extensive network all over the globe, one may well ask what were the intelligence agencies doing while the so-called "Osama Bin Laden" was off as a freedom fighter, a Mujahideen, against the Russian occupation of Afghanistan. In the early 80s this was not unusual since the Afghan movement attracted activists from all over the Muslim world, what was unusual was that this was a moneyed man, a scion of a famous construction family in Saudi Arabia, personally worth over US\$ 300 million. That he chose to face the rigour and the risks was indeed worth notice — and praise. He was actively sponsored by the CIA and other intelligence agencies, soon making his mark by acts of bravery, leading his men in action from the front. As any person of any military consequence knows, the sound of a bullet is a great equaliser, it separates the men from the boys. As a leader Osama Bin Laden earned the respect of men hardened in battle. The purity of his purpose symbolised his penchant for sacrifice, at that time suiting CIA and other handlers. As the Afghan War wound down, Osama Bin Laden came into his own and started looking at horizons beyond Afghanistan, falling first out of favour in his own homeland for his rather "radical" views with respect to the established customs and traditions. As the Afghan cauldron heated up due to internecine quarrel in the aftermath of the Russian departure, Osama remained mostly neutral in the fray, building up strong relationships in the geographical areas adjacent to and/or in the proximity of Pakistan, roughly approximating the area of origin of the Taliban. Command and respect among all Afghan factions, obviously, there was something much stronger in his bonds with the present rulers of Afghanistan. His sanctuary in Afghanistan became that much safer with their advent into governance.

Contrary to intelligent opinion, the Taliban are sensitive to world attention when it focuses on issues away from their core principles of Islam. The Taliban hierarchy requested Osama Bin Laden to respect the rules of "sanctuary" and that was to refrain from statements and/or acts that may propagate cross-border violence. A Press conference that he gave in Afghanistan several months ago was so full of brimstone and fire that it was frowned upon by the Taliban hierarchy. He was "requested" to refrain from further such activity, spoken or in deeds, particularly against the US and other western governments. By all accounts, till the bombings of US diplomatic buildings in Khartoum and Sudan he kept his peace. While Osama Bin Laden has denied any involvement in the bombings, there is strong evidence given by held suspects to suggest a direct connection, a "smoking gun" so to say.

The Cruise missiles devastated a couple of training camps in Afghanistan (made originally by CIA and CIA funds) where Osama Bin Laden was suspected to be. At least one of the camps was being run by the Harkat ul Ansar (HUA) for training Kashmiri Mujahideen. The Durand Line is rather elusive in the tribal territory of North Waziristan, most Afghans depend upon adjacent Pakistani towns for their socio-economic needs. Other than some initial confusion about missile damage in Pakistan itself, the information of the attack was received in some detail and quickly. By the time the "fog of war" (to quote Clausewitz) cleared, one thing was certain, the attack had missed the prime quarry, causing human and material damage of some consequence, about two dozen dead, many more injured. However, it set off a storm of protest in the Muslim world, specially in Pakistan. Out of nowhere Osama Bin

caught in crossfire, deliberately engineered. There is no bravery in planting bombs and maiming innocents, that is the stuff of cowards. Similarly the US Cruise missile attack was hardly defensible, there is no honour in killing people in so-called training camps without warning and without proven provocation. Purely on the logic of escalation it sets off a cycle of violence between civilisations bringing some truth to Samuel P Huntington's "Clash of Civilizations". It puts at risk US citizens all over the world, in turn it invites US reaction on a majority of Muslims who are innocent of even thinking of any wrongdoing. Above all, it provides adequate grist to the fire and brimstone-types whose only logic is to resort to violence at the slightest pretext. While the US, as any other country, is well within its rights to react to acts of terrorism against its citizens, the modus operandi should be to go in for precise, surgical operations and they should be prepared to take casualties in the accomplishing of the mission rather than rely on the use of Cruise missiles as an all-compassing method. Before such an operation is launched there must be incontrovertible evidence of guilt. As the Cruise missile failing to clear Balochistan province for technical reasons can verify, machines can and do go wrong. Freedom fighters have to work on a fail-safe line with respect to only targeting military assets, sometimes civilian targets are considered fair game when directly related to the enemy effort. In Kashmir this modus operandi has been meticulously followed. Deliberately targeting uncommitted civilians makes Osama's "holiness" suspect, almost as if the act of violence is more important than the stated purity of his campaign. Today, our media is highlighting him as a hero, the US missile attack put him on that pedestal, would we really like our sons to emulate his rather murky agenda, particularly when targeting non-combatants?

AS I SEE IT Ikram Sehgal writes from Karachi

The moment non-essential US diplomatic personnel started being evacuated from Pakistan, even a layman could guess that a retaliatory US operation was very much on. With the arrival of US ships off the Pakistan coast, this was more or less a confirmed exercise. The lack of an aircraft carrier in the vicinity meant either that an assault would be mounted by air from the Gulf or more likely Cruise missiles would be used. On the evening of 20 August 1998, 60 Cruise missiles were fired at targets in Afghanistan. That it surprised official circles in Pakistan was a surprise since the Navy had already passed on to the Government the unusual presence of US warships outside Pakistan's territorial waters. The discussions that Gen Jahangir Karamat, Chairman JCSC had with the Deputy Chairman US Joint Chiefs of Staff General Ralston, ostensibly on a refuelling stopover between 7:30 and 10:30 pm the same night, evoked the possibility of an attack on terrorist targets. Not only did the Chairman JCSC hold this to be unwarranted he immediately passed the information to the government, directly to the PM. A man of Gen Ralston's military stature does not just casually drop into the country for dinner alone, that also at short notice.

Laden became the long-lost hero craved for by the Muslim world. The missile attack unleashed forces that unless harnessed have the capacity to destroy the world as we live in today. From the upper reaches of Chitral down to the sandy beaches of Karachi, such widespread support has rarely been seen, albeit this religious awakening may be a wisp and may fade away after a short span of time. The US Cruise missile attack on the Afghan bases was uncalled for and wrong, as wrong as were the bombings of the US Embassy buildings in Nairobi and Dar-es-Salaam. Two wrongs do not make a right. A terrorist act cannot be met with retaliation in a form equivalent to a terrorist act, particularly when it infringes on sovereignty and self-respect. The moment Osama Bin Laden attacked non-combatant targets, he stopped being a freedom fighter in the classical sense and became a terrorist. The worst thing any soldier can do is to kill an unarmed prisoner, even worse than that is targeting old people, women and children. A majority who died in the blasts in Dar-es-Salaam and Nairobi had no idea of the secret war being waged between the US and Bin Laden and even if they had they wanted no part in it. They were innocents

'Biological Warfare' Allegation as Screw Worm Spreads

Felicity Arbuthnot writes from London

As another row brewed between Iraq and UN weapons inspectors, Baghdad was also concerned by a livestock epidemic, with one newspaper conjecturing that the outbreak might have been started deliberately. Whatever the cause, reports Gemini News Service, UN officials warn that unless carefully managed, the infestation could spread through the Middle East region.

AN outbreak of the potentially lethal screw worm pest has reached epidemic proportions in Iraq and threatens the entire Middle East region, according to the UN Food and Agriculture Organisation (FAO). Its emergence in Iraq, where it has never previously been seen, has produced accusations of United States-backed biological warfare.

Recalling US participation in the elimination of infestations in the Americas through the release of millions of sterilised male screw worm flies, *The Baghdad Observer* newspaper commented: "The US government's involvement in the sterilisation facilities also cover for producing the screw worm fly in biological warfare."

Infestation is caused by the larvae of the screw worm fly, which can live in the wounds and orifices of warm-blooded animals. Within 12 hours of a fly laying several hundred eggs on the edge of a wound, the larvae hatch and enter the body for feeding. They can kill a cow in less than seven days.

The losses come on top of an already seriously livestock situation. A shortage of imported feed has reduced poultry production to five per cent of its pre-Gulf War output. Dairy production is down by two-thirds. Until now, the traditional cattle sector, which includes buffalo, has fared better, but in a country where the UN Children's Fund says one-third of children suffer stunted growth or impaired intelligence due to malnutrition, further decimation of livestock could herald disaster.

But the allegation deserves scrutiny. George Pumphrey, a senior researcher for the German Parliament who has extensive knowledge of biological warfare, claims that "Iraq is but the latest victim of what appears to be a deliberate introduction of the screw worm as a biological weapon."

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Racial Slurs, Assault on South Asians

Michel W. Potts, writes from Artesia (California)

Three adults and four juveniles have recently been arrested and charged with assault after they allegedly shouted racial slurs and sprayed four South Asians in Artesia with what the victims claim was an acid-like chemical. Investigators however claim the liquid sprayed was a water-based solution. Sheriff's deputies were called to the heart of the 'Little India' section of Artesia, a California town, by four South Asians who, according to *The Los Angeles Times*, claimed they had been standing (Aug 20) in front of the office of an Indian-owned firm when a group of teenagers drove by and began shouting racial slurs. The teenagers then allegedly sprayed two of the businessmen with what they claimed was a stinging chemical. Approximately half an hour later more than 20 teenagers and young adults reportedly returned in five cars. Again, they shouted racial insults and one of them allegedly brandished a gun. That time the victims appar-

ently chased them in their car but were sprayed once again on catching up with the youths. The names of the three adults and the four juveniles arrested have not been released. Officials of the Lakewood County Sheriff's Department told the *Times* that investigators believe the four victims, none of whom had been treated for burns, had in fact been sprayed with water. Hamid Khan of the Artesia-based South Asia Network has been working to have the case tried as a hate crime. "I've done a little bit of my own investigating and we've found a pattern developing," Khan told the California newspaper *India-West*. "This is not an isolated incident," he claimed. Khan stated a person working near the spot where the incident occurred "said this has happened before." He claimed, "There is a general sense of discrimination against the South Asian community from the locals."

The Harvard Boys : Adventures in Russia

Naeem Mohaiemen writes from New York

RUSSIA is in the midst of a very "prolonged" economic crisis. The nation's calamitous experience with privatization began with the disastrous "shock therapy" program of 1992, followed by collapsing industrial output (down 50% since 1991) and wholesale handing over of Russia's wealth to profiteers and the mafia. Forty million Russian workers, half of the total workforce, are now forced to wait months for wages. The government's wage debt is \$10 billion, growing by 4 per cent every month. Coal miners have been owed \$28 million in wages since August 1997. Aircraft workers have not been paid in 19 months. The crisis of back-wages has contributed to endless rounds of strikes. In 1997, workers went on strike from the Zvezda Submarine Yard, Arsenyev Progress aircraft plant, Vladivostok and numerous other coal mines. In September, air traffic controllers shut down 50 airports and 1,100 schools went on strike. Barred by law from striking, nuclear workers and military employees organized demonstrations demanding back wages — \$1 billion in the case of the army officers. Who had predicted market forces would boost productivity and consumer demand, watch aghest as industrial production drops lower than it did during America's Great Depression. At Moscow's Moskvitch auto plant, 25,000 workers built 200,000 cars a year in 1987. Today, a few hundred workers build 2,000 cars a year. Welcome to the Russian free market!

sia's disastrous privatisation programme. The American institution that stands accused of financial improprieties is the Harvard Institute for International Development (HIID) prior to the Russia fiasco. HIID was one of the world's most influential think-tanks, stretching back to its inception in the 1960s. HIID worked as a global consulting service run by Harvard faculty, and most often received subcontracts for projects funded by USAID, World Bank and the UN. The institute managed projects in 60 countries, with 55 resident field-advisors and 200 consultants. HIID's involvement in Russia began in late 1991, as the Soviet State was disintegrating. Led by Harvard professor Jeffrey Sachs, western economists and pro-Yeltsin reformers prepared an economic blueprint for the free-market "future". Sachs and economic czar Yegor Gaidar prepared a plan for "shock therapy" — which called for immediate elimination of almost all price controls and subsidies that Soviet citizens had received for the last half-century. Immediately after the policy was put in place, inflation hit 2500% overnight. By year-end 1992, Gaidar was besieged by criticism over his disastrous policies and forced to resign. In the midst of the pandemonium of "shock therapy", young reformer Anatoly Chubais became Yeltsin's new economic czar and immediately vowed to wipe out the last vestiges of communism. Chubais' had fans in the US administration, especially former World Bank official Lawrence Summers, infamous for his "toxic dumping on developing nations" memo. Summers, recently appointed Deputy Treasury Secretary and a former Harvard economics professor, was an enthusiastic supporter of HIID. At that time, Harvard was the only institution that was already set up in Russia and had Russian-speaking staff to fulfill AID's needs. USAID was quite easily persuaded by Summers and others to bring in HIID to manage the reshaping of the Russian economy. Several key "Harvard boys" all with impeccable credentials, were now brought in to manage the Russian projects. — Jeffrey Sachs, director of HIID, who also lobbied successfully for USAID grants for work in Ukraine in 1996. — Andrei Shleifer, Russian-born emigre and tenured economics professor at Harvard,

who became head of HIID's Russia project — Jonathan Hay, Rhodes scholar, Harvard Law graduate and former World Bank consultant. From 1992-1996, HIID received \$57.7 million in aid funds, of which only \$17.4 million was through competitive bidding. In addition, HIID also coordinated the disbursement of \$300 million in USAID grants to other contractors, including several of the largest American accounting firms. In connection with Russia's "voucher privatization" program alone, some \$7.8 million was spent on 10 "consultants" hired by HIID. Yeltsin's government had begun several privatization programs. Managed by Chubais, these programs became infamous because they encouraged the accumulation of property in a few hands and led to widespread corruption. HIID's involvement, which led to allegations of financial impropriety, began with the setting up of a network of aid-funded "private" organizations that were intended to bypass government agencies and the Russian parliament. One of the biggest members of this network was the Russian Privatization Center (RPC). HIID was one of the founders of this organization, and Andrei Shleifer was on the board of directors. Chairman of the RPC board was Anatoly Chubais, even though he was head of the GKI at the same time — a clear conflict of interest. Ira Lieberman, a senior manager of the World Bank's private-sector development department, reported to "The Nation" magazine that the board's other members were also recruited by Chubais. RPC received a staggering \$45 million from USAID, \$49 million from the World Bank, \$43 million from the European Bank for Reconstruction and Development and millions from the European Union, European governments and Japan. One direct result of this funding was the financial enrichment of Chubais and his allies. In addition to the allegations of personal enrichment against Chubais' cronies, charges began to surface against the Harvard advisors themselves. An early incident of favoritism was the 1995 insider

auction of prime national properties ("loans-for-shares"), organized by Anatoly Chubais, the Harvard Management Company (HMC), which managed Harvard's endowment, and billionaire currency market speculator George Soros, were the only two foreign entities allowed to bid for property. This was at the same time that Harvard's specialists were advising Chubais on the best way in which to privatize these very same state-owned properties. In 1996, the US government began investigating the conduct of HIID advisors who were managing the Russia projects. The status of the investigation, and the alleged financial improprieties of HIID advisors, has been documented in the forthcoming book, "How America Built the New Russian Oligarchy", by noted Soviet specialist Anne Williamson. According to Williamson's research, the US government investigation alleges that Hay used USAID financed resources and his influence to help his girlfriend, Elizabeth Hebert, set up a Russian mutual fund — Pallada Asset Management. Pallada was the first mutual fund to be licensed by the newly-established Federal Commission on Securities (FCC). It was approved ahead of two applications pending from the much larger, and more established, Credit Suisse First Boston and Pioneer First Voucher. The FCC was set up through aid funds, with the help of HIID, and run by Chubais' protegee Dmitry Vasiliev. Investigators did not have to dig very far to connect the dots and uncover the conflict of interest: HIID helped set up FCC. The FCC was run by Vasiliev, beholden to Chubais, who was himself allied with HIID. HIID advisor's girlfriend started a mutual fund, which received suspiciously quick approval from the very same FCC. Another aid-funded institution that HIID helped create was the Institute for Law-Based Economy (ILBE), which received \$8 million from the US and \$4 million from the World Bank. ILBE was then prevailed upon, allegedly by the HIID advisors, to start up a private consulting firm. One of the first clients for this company was Shleifer's wife, Nancy Zimmerman, who ran a Boston-based hedge fund

that traded heavily in Russian bonds. The spousal connection was not the only conflict of interest. Investigators have revealed that Russian registration documents clearly showed that Zimmermann's company set up a Russian firm, and appointed the ILBE chief Sergei Shishkin as general director. The address used by this company turned out to be the same one used by ILBE. In addition to these large-scale conflicts of interest, ILBE also became embroiled in an embarrassing case of petty theft — in August 1997, USAID accused Institute director Sergei Shishkin of stealing office equipment worth \$500,000. The third organisation being investigated by the US government was the First Russian Specialized Depository, funded by a World Bank loan. Julia Zagachin, an American married to a Russian, who also happened to be a close associate of Harvard's Jonathan Hay, was selected to run this organisation. But investigation later revealed she did not have the required capital. The stated goal of all these "independent" financial institutions was that there would be no connection between a depository and any mutual fund using its services. But First Russian and Pallada were clearly connected to each other through the web of mutual Harvard acquaintances. In 1996, the US General Accounting Office (GAO) first reported that USAID's management of HIID projects was "lax". In early 1997, incriminating documents were sent to USAID's inspector general about HIID's activities in Russia. The inspector general promptly began investigating the conduct of American advisors in Russia. By May 1997, USAID cancelled most of the remaining \$14 million reserved for HIID, citing evidence that Shleifer and Hay were engaged in activities for "private gain". The most serious allegation was that the two Harvard advisors had used their position to make huge profits from investments in Russian securities markets and other private companies. US-AID cited reports that Hay and his father had used insider information to invest in Russian bonds. Once the report became public, Jeffrey Sachs fired both Hay

and Shleifer, saying that HIID policy didn't allow its employees to invest in the countries they counseled. While making the announcement, Sachs tried some modicum of damage control — contacted by the *Moscow Times* on May 28, he announced, "In 4 years of HIID activities this case is basically unparalleled." Ironically, only a few months earlier, in an interview with the *Straits Times*/Singapore (January 1998), Sachs had boldly claimed "The HIID is proud of its independence. Its people have no financial stake in what they say. They speak as academics." The HIID's announcement of the investigation was precipitated by Anatoly Chubais' public break with the Harvard advisors. In a letter to AID head Brian Atwood, Chubais asked that all remaining contracts with the Harvard Institute in Russia be terminated. "Because of changing conditions," wrote Chubais, "continuation of these agreements is not consistent with Russian interests." (*Moscow Times*, June 10, 1997). Recently, the Moscow Mayor Yuri Luzhkov, speaking at the Harvard Kennedy School of Government's US-Russian Investment Symposium, shocked his hosts with uncommon candor. Not only did he verbally flail Chubais' misguided privatization policies, Luzhkov also singled out Harvard for the harm inflicted on the Russian economy by HIID advisors. Venjamin Sokolov, head of Russia's government auditing agency, was even more direct in an interview with the *Boston Globe* (June 11, 1998): "Hay had ultimate control over the entire privatization effort in Russia. This route to privatization led to a disaster for Russia." In spite of the scandal, Shleifer remains a tenured professor at Harvard and Hays continues to work in Russia. Both men may ultimately face criminal or civil prosecution in the US. Through their attorney, the two men have denied any wrongdoing. Their statement claims that USAID's conflict-of-interest requirements do not apply to their posts or their investments, nor to Shleifer's wife and Hay's companion. In a telephone interview with the *Boston Globe*, Hay expressed shock at the scandal: "I

feel totally devastated. It's very painful to have been doing all this work and find the reaction isn't what I thought it would be." While denying the latest allegations Hays did admit that in 1996, while he was working as an advisor to the government, he had invested in high yielding Russian treasury bonds (GKOs) — which can only be purchased by invitation. Meanwhile, in spite of his troubles and the disasters of Russian privatization, Shleifer boldly claimed that privatisation was a "rare success story of Russian economic reform" in his new book "Privatising Russia" (MIT Press). Following the shakeup at USAID, the World Bank also investigated the utilization of a \$31 million loan to the Federal Securities Commission, which was partially used to pay for ILBE's consulting services. However, the World Bank auditors were unable to find any evidence of wrongdoing with Bank funds, the Bank still cancelled a tender for a \$89 million loan to help develop Russian capital markets. A Clinton administration official summed up the situation to *The Boston Globe* (May 25, 1997): "This is like a metaphor for the end of the Cold War. Americans are running around trying to turn these countries into little capitalist Americas, to recreate our economy, and they're not setting a very good example. These guys went over and helped invent the Russian banking and market system, then they are accused of trying to make money off it. It's farcical."

Russia is only the most spectacular of HIID's mis-steps. Critics say Harvard faculty members have become cozy with oppressive regimes in other parts of the developing world, most recently China and Burma. HIID was attacked by human rights activists because its program officer Thomas Valley was working on a UN project in Burma — directly in opposition to the "free-Burma" movement, which was trying to isolate the military dictatorship. Finally, when Valley publicly called Aung San Suu Kyi's position on sanctions "wrong" and praised the military junta, Harvard staff moved to bar Valley from doing any further work in Burma. The Burma program was transferred over to Robert Rotberg, whose first statement upon taking charge was, "HIID will not work with the present government of Burma in any way, shape, and form." Documents obtained by the *Boston Globe* also show that the Harvard Faculty of Arts and Sciences received \$1 million from Nigeria's military dictatorship in 1994, as part of a "nucleus fund" for its fund-raising campaign. GAO also investigated HIID's projects in Ukraine in 1996. The investigative team's conclusion was that US government exercised "favoritism" towards Harvard, but this conclusion and supporting documentation were excised from the final report. In fall of 1997, the US Congress asked GAO to investigate Eastern European aid programs and Shleifer's role in the Gore-Chernomyrdin Commission — which orchestrated US-Russian oil deals. Although Sachs puts a brave face on HIID's troubles, the Russian adventure has cost the institution a heavy price in damage to reputation. Most recently in June of 1998, HIID lost its Cambridge Headquarters building in a "hostile takeover" led by Joseph Nye, dean of Harvard's Kennedy School. According to *The Boston Globe*, the takeover was done "on behalf of an administration worried about the loosely supervised activities [of HIID]."

The *Washington Times* (Aug 18, 1997) also noted: "William F Buckley once said in jest that he would rather be governed by the first 1,000 people listed in the Boston telephone directory than by the Harvard faculty. Who would have believed that Russians would offer real-life confirmation of Mr. Buckley's theoretical observation?" In her investigation of the Russian crisis, Janine Wedel concluded: "By largely putting their eggs in one basket and allowing so much aid to be used as the tool of one group, aid planners and politicians have alienated non-western reformers and opened themselves to suspicion and cynicism about aid programs, capitalism and the West." Although Harvard's lustre has diminished due to these scandals, other consultants continue to fly all over the world, visiting emerging economies, and dabbling in various privatization projects without oversight or accountability. Even if the recent investigations yield results, the targets remain individual violators and corrupt officials. No investigation is attempted of how overall US aid policy, in attempting to force a transition to the free market, is systematically enriching a small group of the super-rich — the "robber barons" of this new age.