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NEW YORK, WEDNESDAY, FEBRUARY 3, 1993

Elbe Neill Emit aims

IsraelPicks Deportees to Go Home

B at Palestin ians Insist on All 400

By CLYDE HABERMAN

Spcctal to The New York Times

JERUSALEM, Feb. 2 - The Israeli compromise on Monday night, report-
Army began today to draw up a list of edly had qualms about it. Housing Min-
100 exiled Palestinians who are to be ister Binyamin Ben-Eliezer, a retired
broughtback soon from southern Leba- general who once served in the West
non, but it seemed a pointless exercise Bank, was said by two newspapers to
because the dcportees said that no one have expressed the security establish- .
would return unless all 400 of them did ment's concern that the compromise
so. would be interpreted by Palestinians in

The Israeli compromise, part of an the territories as a sign of Israeli weak-
agreement reached with the United ness and, therefore, an encouragement
States on Monday, was also rejected by to new Violence.

the Palestine Liberation Organization But Mr. Rabin and other senior offi-
and allied leaders in the occupied terri- cials shrugged off both Palestinian re-
' ecause it leaves nearl 300

tories, b y Jections and opposmon protests as pre-
mincgslfsbaazgggggstg?rhzsg'g un- dlctable, and even irrelevant. Thelrtop
g priority was to strike a bargain with
dermined its credibility as an impar- l .

. _ the Americans and stay in the good

Hal sponsor or the Mlddle East peace graces of the Clinton Administration,
talks, Palestiman leaders reaffirmed and that, they said, is what they believe
that they would boycott the' "630."? they did. If the Palestinians do not like
tions as long as the deportation cnsns hat one If . l 'd . . .

' d unresolved . - 0 ma 581 . that IS not our

remaine . problem."

lThe Clinton Administration

sought to cast Israel's plan torreturh #42232;:ggaglzzlgeweg13:512:58

the 100 deportees in an optimistic x_ions from Syria and moderate Arab

light as Arab countries pressed :countrles like Lebanon and Egypt.

ahead at the United Nations With which called the agreement ua step in
their campaign for Security Council ,the right direction." The reactions suge

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sanctions against Israel. Page A9.1

Interpretations and Intentions

In Israel, the opposition Likud Party

denounced the deal as a surrender to

United States pressure after Prime

Minister Yitzhak Rabin had insisted

for seven weeks that the expulsions

were final and that to undo them would

be to hand a victory to his main target,

the militant Hamas movement of Is-

lamic fundamentalists.

Even some ministers in the Cabinet,

which had voted unanimously for the

gested to the Israelis that despite Pal-

estinian protests, Arab countries are

eager to put the deportation crisis be-

hind them and keep it from causing the

collapse of the peace talks.

The American-Israeli agreement

calls for the quick return of the 100

deportees, judged to be the "less se-

vere cases" among the 396 Palestin-

ians camped on a snow-covered hill-

side, nearly all of whom Israel de-

b scribes as Hamas leaders, fund raisers

l and instigators of violence.

Halvlnng of Two-Year Exlles

In all probability, a spokesman for

the army said, the men would be trans-

ferred to prisons in Israel or its territo-

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IE

ties. The remaining 296 are to have their original exiles of two years cut in half, and they would be allowed to receive humanitarian aid, but only by helicopter, Israel says, and not overland through what Israel calls its "Security zone" in southern Lebanon. The army spokesman said a list of 100 eligible men would probably be completed in a few days. But the exiles declared to a man today, with a show of hands, that they would stay put until all returned, as demanded by Security Council Resolution 799, which was voted with United States support on Dec. 11.

For its part, the United States promised to shield Israel against possible United Nations sanctions, a move that the Israelis have never had to face despite repeated violations of Security Council resolutions over the years. The Americans also agreed to give the stalled peace talks a kick-start and to shop around for a third country that might accept the exiles, because Lebanon has refused to receive them. For now, however, the chances of finding such a haven would seem small.

A key point for Mr. Rabin is that the agreement is, in his words, a package deal, one that he considers final and not dependent on Palestinian acceptance. Asked on Monday what he would do if he were called on for still more concessions, he replied, "These are not salami tactics."

As for the Palestinian rejection, Foreign Minister Shimon Peres counseled patience. "I would wait a little bit," he said. "I don't expect their first reaction is necessarily the real reaction." But not everyone here is convinced that the crisis is over.

From the start, aides to Mr. Rabin have confidently predicted that interest in the deportees would quickly fade and world attention would turn elsewhere. That has clearly not occurred. Prof. Avraham Sela, a Middle East specialist at Hebrew University in Jerusalem, said he doubted that would occur while 300 to 400 men remained camped out in the open.

If they are there, they are a constant reminder of this unresolved issue," Professor Sela said. "It seems to me that even though Israel and the United States have an agreement, it won't hold water if the Palestinians don't accept it. The Americans will come back and say: Hey, they don't accept it. You have to do something."

"The New York Times

Deportees at a tent camp in Lebanon rejected Israel's compromise offer to let them return.

THE NEW YORK TIMES INTERNATIONAL WEDNESDAY, FEBRUARY 3, 1993

OFFER BY ISRAELIS

IS PRAISED BY U.S.

But Arabs at UN. Press Case

for Sanctions by Council

By PAUL LEWIS.

Special ID 1110 New York Times

UNITED NATIONS, Feb. 2 - The

Clinton Administration sought today to cast the offer of Israel to take back about 100 of 400 deported Palestinians in an optimistic light as Arab countries pressed ahead here with their campaign for Security Council sanctions against the country ,

In Washington, the State Department spokesman, Richard A. Boucher, called the Israeli decision "a breakthrough" and said the important process that has been established obviates the need for further action in the Security Council. "

Mr. Boucher said it was now time to concentrate our efforts on invigorating the Arab/J'sraeli peace negotiations," adding that the United States would soon be consulting with Russia, the other co-chairman of the Middle East peace conference, about dates for the 1 next round of talks, the ninth.

U.S. Hoped for More

But the 100 Palestinians that Israel has agreed to take back fall well short of earlier American hopes that it could be persuaded to accept at least twice that number immediately and the rest shortly afterward, thus answering Arab charges that it is in violation of the Security Council's order that all 400 deportees be allowed to return.

Many Council members said today that the Clinton Administration's call for the Council to drop the whole Palestinian issue was making their position very difficult because it seemed that the United States was trying to block discussion of an issue that still angered many countries. Arab and many other nations feel that the Council is imposing a double standard at American insistence whereby it punishes countries like Iraq, Libya and Yugoslavia for defying its orders but excuses Israel.

Arab countries appeared to harden the sanctions they want the Security Council to impose on Israel until it complies with the Council's demand. They dropped a previous suggestion that Israel be banned from future human rights meetings organized by the United Nations, including the world conference on human rights due to take place in Vienna in June. Instead they asked the Council to order all countries to withdraw trade concessions or other preferential economic treatment given Israel, including its important preferential trade arrangements with the United States and the 12 European Community countries. I

Secretary General Boutros Boutros-Ghali appeared to add his voice to those, saying 151 ael was still not in full compliance with the Security Council 5! orders.

Lester Pollock, chairman of the Organization of Presidents of Major Jewish Organizations, quoted the Secretary General, after meeting with him today, as saying he still had it reservations about whether they are in compliance, reservations about whether a partial return is good enough."

72 Killed as Militants

Battle to Seize Kabul

KABUL, Afghanistan, Feb. 2 (AP) - Fundamentalist guerrillas stepped up a two-week battle for the capital today, firing scores of rockets that killed at least 72 people and wounded more than 80, the state-run radio said.

In Pakistan, United Nations officials said they had ordered non-Afghan workers to leave an eastern Afghan province today after gunmen ambushed a United Nations convoy and killed four people. No one claimed responsibility, and two Afghan drivers also were killed.

Much of Afghanistan has been besieged by fighting or banditry since a Communist government collapsed in April after a 14-year civil war. Feuding over the running of the country arose quickly among the victorious Muslim guerrilla groups.

In its evening news broadcast, Kabul Radio said more than 75 rockets exploded in the city today. The radio blamed the Hezb-i-Islami guerrilla faction, which has been trying to unseat the moderate Islamic Government of President Burhanuddin Rabbani and set up a strict fundamentalist state. Government troops have repeatedly attacked Hezb-i-Islami bases on the southern edge of the city. But neither side appears to have the advantage in fighting that has killed more than 300 people, wounded 1,500 and forced tens of thousands to flee since Jan. 19. Hezb-i-Islami's leader, Gulbuddin Hekmatyar, has vowed to keep attacking the city until Mr. Rabbani and his Government step aside and agree to nationwide elections within a year. Mr. Rabbani has rejected the demand.

THE NEW YORK TIMES INTERNATIONAL WEDNESDAY, FEBRUARY 3, 1993

U.S. ASSERTS IRAQ
CHANGED BEHAVIOR

Harassment of Jets Guarding

No-Flight Zones Has Been.

Halted, Pentagon Says

By THOMAS L. FRIEDMAN

Special to The New York Times

WASHINGTON, Feb. 2 _ The Penta-

gon said today that the Iraqis had
halted their behavior" and halted
their harassment of American planes
policing the no-flight zones over north-
em and southern Iraq.

The Defense Department spokes-
man, Bob Hall, said in response to
questions at today's Pentagon briefing
that Iraq had not used target-acquisi-
tion radars or fired on American or
allied planes policing no-flight zones
over northern and southern Iraq since
Jan. 23, three days after Mr. Clinton's
inauguration.

Mr. Hall was asked if the Iraqi ac-
tions had ceased 'because the Iraqis
have stopped behavior that you previ-
ously described as violating the terms
of the no-fly zone or whether its also
because there has been any change in
US. policy." i

illt's the former," he replied.

tChanged Their Behavior'

HThe Iraqis have changed their be-
havior," Mr. Hall said.

HWe certainly think it's the right
thing for them to do," he said when
asked if the United States welcomed
this change.

The Clinton Administration's public
acknowledgment of the change in Iraqi
behavior, coming in the context of a
routine Pentagon briefing, neverthe-
less underscored the mutual interest
that both parties appear to have in
toning down the Iraqi-American con-
flict for the moment.

The Clinton Administration, anxious
to focus attention on solving problems
at home, probably does not want to get
distracted by Iraq, especially after:
having been diverted in its first week in:
office by the dispute over homosexuals
in the military. President Saddam Hus-
sein has a strong incentive to explore
whether the signals Mr. Clinton has
sent - that he is ready to tolerate Iraq
if it behaves itself _ will lead to a
different relationship. '

In an interview before his inaugura-
tion, Mr. Clinton said of the Iraqi lead-
er, 'If you want a different relationship
The New York Times

Officials said Iraq had stopped i
harassing allied jets in two zones
where Iraqi flights are banned.
with me, you can begin by observing
the UN. requirements, and change
your behavior."

The next day Mr. Clinton insisted
that these remarks should not be inter-
preted as inviting a normal diplomatic

relationship with Baghdad.

To the Iraqis, while Mr. Bush was committed to removing the Iraqi leader, Mr. Clinton is ready to at least tolerate him - provided that he continues abiding by United Nations resolutions and does not threaten American aircraft.

Nizar Hamdoon, the Iraqi representative at the United Nations, and a former envoy to Washington, is currently back in Baghdad for consultations with Mr. Hussein, and some American officials believe that he is strongly encouraging this goodebehavior approach for the time being, to see what it produces from the new Administration.

A Change in Tactics

Senior Administration officials said the overlap in language today between the Pentagon statement and Mr. Clinton's interview was a coincidence. Administration officials also said that for the moment it is their assessment that Mr. Hussein has taken a tactical decision to behave in a relatively conciliatory way to see how this is received by Mr. Clinton.

Mr Hall said today that there would be no change in American behavior toward Iraq in response to its changed military behavior. The current policy, set in President Bush's final days in office, is to enforce, by military means if necessary, Iraqi compliance, and for American pilots policing the no-flight zone to fire when they deem it necessary for their safety.

He said that Iraq was still not 'in compliance with all United Nations resolutions imposed on it after the 1991 gulf war, and had not yet destroyed all of its weapons of mass destruction.

U.S. Reviewing Policy

President Clinton has ordered a review of Iraq policy, which the Pentagon, State Department and National Security Council staff are currently working on,

Nevertheless, American officials expect that any challenge the Iraqi leader mounts against President Clinton will likely be more subtle than with President Bush. They expect that he will try to comply with most of the United Nations cease-fire resolutions, while challenging the no-flight zones imposed over northern and southern Iraq, which ') not have explicit United Nations authorization.

/_lir Attacks on Angola Rebels

? Delay Rescue of Foreigners

f LUANDA, Angola, Feb. 2 (AP) - Government air attacks against rebels in the north again prevented the rescue of up to 20 foreign oil workers held in the town of Soyo, officials said today. . The Belgian oil company Petrofina has tried for nearly two weeks to res-

c'ye the workers, who missed an earlier evacuation when fighters of the rebel group known as Unita 0Verran Soyo on Jan. 18.

:A spokesman for an Angolan subsidiary of Petrofina said the company had had a plane waiting in Libreville, Gabon, since Jan. 20. The spokesman, Arlindo Fereira, said 17 Petrofina workers were in Soyo - 14 Portuguese, an Italian, an Argentine and a Briton - and possibly two or three workers from other companies. -

rAngola's civil war resumed Oct. 31 after the rebel leader Jonas Savimbi refused to accept defeat in elections. Diplomats estimate more than 10,000 people have since died in the battles, which broke a truce brokered by the United Nations.

airo Journal

Vith Islam in Vogue, Egypt Follows in I ts FashiOI

By YOUSSEF M. IBRAHIM

Special to The New York Times

IAIRO, Feb. 2 - Al Salam Shop-

3 Center for Veiled Women is the

verhouse of Muslim fundamental-

chic in Egypt: a three-floor store

Jne of Cairo's finest suburbs, try-

to sell solutions to the puzzle of

v a woman can cover up from head

toe while preserving a sense of

hion.

n this country of 56 million, where

lservatism has been undeniably on

rise in the last decade, ever-in-

asing millions are being spent at

res like this one. Year'after year,

re of Egypt's middle- and upper-

ss women have been shunning

hionable Western attire, de-

inced by fundamentalist preach-

as sinful, lewd and sexually pro-

:ative, for garb they fervently hope

i be attractive as well as Islami-

ly acceptable.

?The basic condition for veiling is

t all dresses must be long and

se, they must hide all curves of the

Male body from the eye, and cover

'ry part of a womanls skin," said

Vear-old Mohammed Said, an ener-

ic buyer of fashions for Muslim

damentalist women. He is a man-

gr at Al Salam and one of the few

n allowed to work there. _

ihe result is row after row of

sses that come in the gaudiest of

k, purple and turquoise, studded

h gold embroidery, stuffed with

:e shoulder pads, topped with rhin-

Jned head covers that envelop the

r and the ears, and complemented

h face veils of silk or cotton.

i Chanel Skirt With Veil

or the extremely conservative

nen who hide all but their eyes,

: attire is accompanied by dark,

yzk stockings and gloves, making

e not an inch of skin shows.

'rices range from the equivalent of

to more than \$300 for wedding

sses and fancy evening gowns, an

ronomical sum in a country where

average income is around \$100 a

nth and where the whole idea be-

l veiling is modesty.

Che colorful clothing is finding

yny enthusiastic buyers. Some mix

, match Western clothing and tra-

onal garb for their own interpreta-

IS O! Islamic chic.

I wear Chanel skirts and the veil,"

l Maissa Gaber, a translator at Al

m Al Yom, a daily financial news-

er, who was elegantly attired in a

)rful head scarf and a long West-

-style skirt that touched the floor.

iere is nothing that says I have to

Ieiled but not elegant."

Veiling has existed for centuries, but was formerly limited to peasant women and working-class communities outside the cosmopolitan environment of large Egyptian cities. Over the last 10 years, the veil began to appear as a political, social statement, fueled by Muslim fundamentalism and what is known here as the The dresses are demure in their way, but not your basic black.

"petrodollar culture" of the Persian Gulf region. Some 10 million Egyptians have lived and worked there since the early 1970's, returning home with money and more conservative values.

Fashions Greatly Expanded

Since Al Salam opened a decade ago, it has vastly expanded its fashions. It has found that many wealthy Arab women from the austere Persian Gulf oil countries, encouraged by their enterprising Egyptian counterparts, are willing to spend more to break away from the rigorous black-on-black look that is standard in Saudi Arabia, Qatar, and other emirates in the Arabian Peninsula.

'The trend toward veiling has been spreading as good Muslim women felt tired of looking cheap and naked in Western dresses that are alien to Islamic values," said Al Salam's stern general manager, Farouk Mohammed Abdelhafez. He is a former army general who runs the shop as he might an army, maintaining iron discipline over the 120 veiled saleswomen and standing guard at his desk from 10 AM. to 11 PM. seven days a week.

Then why the dazzling colors, the far-from-modest prices, the occasional "fashion shows" and the catalogues of fashion houses around the world from which models are lifted, slightly modified for loose, long fitting, and sold as "Islamic" copies?

"The lady who wants to veil," General Abdelhafez said, "will not start by putting on this black tent upon her, although this is our objective ultimately. She needs time. She needs to do it in phases. First she covers her head with a colorful head cover, then comes the wider dress, then she moves on to darker, longer garments.

Breaking the Mold

11We offer this step-by-step approach here. It is not only a commerce. It is a service for Islam and piety. But the ultimate goal is for her to veil and we have, of course, all the black veiling requirements here."

That is true, but the section is hard to find on the three floors of the department store. In fact, Al Salam makes its huge profits by selling what

one Arab Cabinet minister, a liberal from the gulf region, mockingly calls "avant-garde fundamentalist designs."

Mischievous Egyptian columnists have suggested that - taste aside - Egypt is, again, playing its perennial role as the cultural sponge of the Arab world, absorbing the most recent assault of militant Islamic fundamentalists and regurgitating it all Egyptianized," in a fashion that breaks the fundamentalist mold.

Mustafa Amin, one of Egypt's and the Arab worlds best known writers, has argued in his daily column in Al Akhbar that those who react with fear to the latest assault of Islamic fundamentalism should be reminded that over the centuries Egypt has absorbed Persian, Roman, Christian, Arab, Turkish, Mediterranean, British and French invasions without losing its distinct cultural identity, ultimately sending the invaders packing.

The Arab Cabinet minister, who has known Egypt since the 1940's, observed that Al Salam's fashion designers had so put their own stamp on the traditional severe veil that if Ayatollah Ruhollah Khomeini, the militant Iranian Muslim cleric, ever came back to life to see what they had done to his ideas of female modesty he would die of cardiac arrest."

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THE NEW YORK TIMES INTERNATIONAL WEDNESDAY. FEBRUARY 3. 1993

Bosnian Pleads for a Chance at Unity

By JOHN F. BURNS

Special to The New York Times

SARAJEVO, Bosnia and Herzegovi-

na, Feb. 2 - President Alija Izetbegovic

appealed today to President Clinton

to reject a proposed peace accord for

Bosnia as tantamount to endorsing

"ethnic cleansing" by the Serbian na-

tionalists who have seized two-thirds of

this former Yugoslav republic.

_ Mr. Izetbegovic, in an interview at

the presidency here, said the United

States would be promoting a tthuge

tragedy" if it bowed to pressure from

the United Nations and the European

Community to endorse the accord and

to support a resolution in the Security

Council to enforce it.

The President, head of the Muslim-

led Government, and Radovan Kara-

dzic, leader of the Serbian nationalists.

--in Bosnia, rejected the peace plan when

. its principal authors, Cyrus R. Vance

- "and Lord Owen, set a deadline last

:Saturday for its acceptance by the

eMuslims, Serbs and Croats.

. When only the Croatian leader, Mate

-- 'lBoban, accepted the plan in full, Mr.

'..Vance and Lord Owen suspended the

stalks in Geneva and said they would

, seek to have the plan imposed by the

wSecurity Council.

f lPlease, Donlt Do ltll

_ If he could talk to President Clinton,

rwHOSe Administration has expressed

:major reservations about the plan, Mr.

-Izetbegovic said, til would tell him, lIf

, you endorse this plan, you are accept-

'ing the results of ethnic cleansing, and.

:you are giving a kind of reward to anl

army that was responsible for mass

lKilling and genocide.' I would say to

, ;him, 'Please, don't do it!' " '

- Mr. Izetbegovic returned to Sarajevo a

'after the suspension of the talks and

vnplans to remain in the besieged capital.

.He has refused to attend the Security

-Council sessions; Dr. Karadzic and Mr.

fBoban plan to attend.

; "My place is here, not in New York,

.not in Washington," he said.

. Referring to the suggestion by Mr.

Nance and Lord Owen that he again

, ;meet with Dr. Karadzic, with whom he

.negotiated in Geneva, the President

:switched from Serbo-Croatian into

:Englishand said angrily: ltThey forced

tme to Sit at the same table with a man

f-who inspired all these terrible crimes.

:Despicable is not too strong a word."

f: The Unraveling of a Republic

; Mr. Izetbegovic's participation in the

Geneva talks was fiercely criticized by

inany Bosnians who support his Gov-

ernment. Although Mr. Izetbegovic and

the Muslim political party he leads, the

Party of Democratic Action, cam-

paigned successfully in 1990 on a na-

tionalist program that in many ways

mirrored the strident campaigns of the Serbian and Croatian leaders, the Government under his leadership has held out for what it calls 3 "Citizens state." This means maintaining Bosnia as a united country, with a strong central Government and a constitution that is not based primarily on ethnic divisions, as favored by Serbian and Croatian nationalists.

Mr. Izetbegovic said he hoped that the Administration would act on Mr. Clinton's statements during the election campaign and try to lift the United Nations arms embargo on Bosnia, which has locked in the advantage that Serbian forces enjoy because they inherited manpower and weapons from

An appeal to

Clinton to reject

appeasement

the Yugoslav Army in Bosnia. V This, he said, would give added momentum to the Bosnian forces, which are fighting more effectively against the Serbs.

"We are getting stronger all the time, and they are getting weaker," he said.

An Appeal for Arms

Last summer, during a meeting in Helsinki, Finland, Mr. Izetbegovic appealed to President Bush directly for military intervention and was turned down. Now, he said, he would prefer to get arms for Bosnians to use.

"If I had to choose between military intervention and a lifting of the arms embargo, I would take the lifting of the arms embargo," he said. "It would be better for us. It's more in keeping with our dignity for us to fight to defend ourselves."

The Geneva plan calls for division of the country into 10 mostly autonomous provinces; at least nine would be dominated by one of the three national groups. The central Government would have severely limited powers and no Army. Its authority in many areas, including monetary policy, would also be divided among the ethnic groups.

Mr. Izetbegovic, who is 68 years old, said that he not been eager to participate not to alienate the Western nations that stood behind the co-chairmen, Mr. Vance and Lord Owen, whose influence in the Security Council could decisively affect the Bosnian conflict. He spoke admiringly of the co-chairmen, calling them "very noble, very accomplished men" who had been given a difficult task. "They were supposed to square the circle," he said, "and it couldn't be done."

But Mr. Izetbegovic spoke harshly of the negotiators' proposal.

Dividing the country into ethnic enclaves, giving the provinces almost all key powers and denying the central Government an Army, he said, would confirm the dissolution of the republic

that had been accomplished during the 10-month war. Eventually, he said, the plan would lead to the secession of the areas controlled by Serbs and Croats, who have made no secret of their intention to annex their territories to Serbia and Croatia.

Accusation of Appeasement

In practical terms, the people who made this plan would reward the aggressors for their ethnic cleansing, 'by leaving them in control of the territories they have taken,' he said. "What they should have done was exactly the opposite. They should have punished the aggressors and given back the ethnically cleansed territories to the 805. nian Government, to the Bosnian people and to the state of Bosnia and Herzegovina."

Mr. Vance and Lord Owen, he said, knew as well as he did - hand probably better," since they had access to Western intelligence briefings - about atrocities committed by Serbian nationalist forces.

The Long Shadow of 1938

He said that the negotiators had spoken frequently of their horror at the excesses, including mass executions of Muslims and brutality against Muslims in detention camps, but that they had told him, "We have no army, we have only the power to negotiate."

What this had led to, Mr. Izetbegovic said, was appeasement similar to that shown in Munich in 1938, when Britain and France let Hitler dismember Czechoslovakia, forcing the President, Eduard Benes, into exile in London. I'll have often thought of this," he said. "Instead of Munich, it is Geneva. Instead of little Czechoslovakia, it is little Bosnia. Instead of negotiating for a real peace, they are negotiating for an imaginary one. And instead of Benes in the Geneva talks but that he felt Benes, it is me,"

THE NEW YORK TIMES,
U.N. Chief-Shifts Key Official.
To a Rolesfas Peace Mediator:
By PAUL LEWIS

' SpeClaI to The New York Times
UNITED NATIONS, Feb. 2 - In a
move to give the United Nations a
stronger role in solving disputes before
they develop into armed conflicts, Sec-
retary General Boutros Boutros-Ghali
today reassigned the top official over-
seeing peacekeeping missions to a post
in charge of peace mediation instead.
The official, Under Secretary Gen-
eral Marrack Goulding, a former Brit-
ish diplomat, will take over the peace-
making post involving potential con-
flicts in Europe, Asia, the former Sovi-
et Union and Latin America. He re-
places Under Secretary General Vladi-
mir F. Petrovsky, a foT-mer Deputy
Foreign Minister of the Soviet Union,
who is moving to Geneva to take
charge of the United Nations offices
there from Antoine Blanca of France.
Mr. Goulding, who has supervised
peacekeeping missions for the last sev-
en years and now commands some
60,000 United Nations troops and police
in 13 different missions aroundr the
world, will be being succeeded by his
deputy, Kofi Annan of Ghana.

,_ At U.N. for 3 Decades
Mr. Annan, who has worked at the
United Nations for three decades, will
be promoted to the rank of Under Sec-
retary General. He is the first non-
Briton to be named to the top peace-
keeping post. Mr. Goulding took over
the job in 1986 from Sir Brian Ur-
quhart, who had run peacekeeping op-
erations since their inception under
Secretary General Dag Hammarskjold
in 1960. "

The Clinton Administration has re-
jected a suggestion by Mr. Boutros-
Ghali that the United States give up the
top management and budget post ,at
the United Nations. The Secretary Gen-
eral had proposed that he appoint an
American to head the information divi-
sion instead and act as his spokesman.
Aides said the Secretary General felt
that an American communications ex-
pert was needed to revitalize efforts by
the United Nations to promote itself
around the world and explain Mr. Bou-
tros-Ghali's position on critical policy
issues.

Officials at the United Nations say
the Clinton Administration insisted
that an American must remain in the
senior management and budget job if
Mr. Clinton is to succeed in persuading
Congress to pay more than \$400 million
that the United States owes the United
Nations in unpaid dues and peacekeep-
ing costs.

Thornburgh ls Leaving
Dick Thornburgh, a former United
States Attorney General who served at

the United Nations as Under Secretary General for management and budget during the Bush Administration, is leaving at the end of this month. The other American Under Secretary General, Joseph Verner Reed, has already resigned for personal reasons and for the moment is not being replaced.

As Under Secretary General for political affairs, Mr. _Goulding will focus on peace issues in troubled areas like WEDNESDAY, FEBRUARY 3, 1993

Central America, countries of the former Yugoslavia, territories of the former Soviet Union, the Kashmir region between India and Pakistan and South-east Asia. '

Another Under Secretary General, James Jonah of Sierra Leone, oversees peacekeeping in Africa and the Middle East. .

The decision to move Mr. Goulding into the main peacemaking job is viewed here as reflecting the Secretary General's desire to see the United Nations play a more active role in what he calls "preventive diplomacy," or trying to spot and resolve tensions before factions or countries attack each other militarily.

' The need for such diplomacy was one of the main themes of "Agenda for Peace," a report submitted by Mr. Boutros Ghali to the Security Council. Trying to solve disputes between nations before they break out.

last summer. It has won strong backing from Council members and from the General Assembly at a time when United Nations troops assigned at to "keep" peace in several countries are now surrounded by all-out civil war.

Among the preventive tactics envisioned by the Secretary General is stationing peacekeeping troops along the borders of a country that feels threatened by its neighbor. The Council has already authorized one such operation in the former Yugoslav republic of Macedonia, where United Nations troops will be deployed to head off widening of the Balkan war.

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Mr. Blanca, the French official who had been running the United Nations office in Geneva, is returning to the French Government. 0 ,

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LYS MUSLIMS AWAIT MOVE

i nly Act in Town,' Owen Says

1 After He and Vance Fail to

Persuade ChristOpher

By R. w. APPLEJr.

Lord Owen, one of the two chairmen
the international mediation effort in
1? Balkans, complained yesterday
it the Clinton Administration's reluc-
lce to back the effort threatened to
cuttle chances of ending the War" in
nsnia and Herzegovina.

"Against all the odds, even against
,l own expectations, we have more or
:s got a settlement," Lord Owen, the .
'mer British Foreign Secretary, said
i an interview. uBut we have a prob-
n. We can't get the Muslims on
ard. And that's largely the fault of
3 Americans, because the Muslims
in't budge while they think Washing:
i may come into it on their side any
ir that goes on and on?" he asked,
ferring to Washington officials.
titts a Bitter Irony'
y now."

"What do they want down there, a
"This isn'tt just the best act in town,
' s the only act in town," Lord Owen
id: of his team's peace proposals.
L's the best settlement you can get,
d ittts a bitter irony to see the Clinton
ople block it."

Cyrus R. Vance, a former Secretary
State who represents the United
ltions in the negotiations, and Lord
ven, who represents the European
immunity, moved the talks to the
iited Nations from Geneva this week.
I On Monday they tried to persuade
cretary of State Warren Christopher
I, endorse their peace plan, but after
i eir talks he pointedly declined to do
,confining himself to praise for their
tireless, courageous effort."

As Lord Owen assailed the United
ates, the leader of the Bosnian Mus-
ns was urging the Clinton Adminis-
ation to stand fast. (Page A8.1
Apparently in a bid to influence
American public opinion and thereby
change President Clinton's mind, Lord
Owen has made a series of statements
in Europe and the United States seek-
ing American support. Yesterday he
and Mr. Vance held a news conference
:at the United Nations to state their
.case, and Lord Owen has been on sev-
eral television programs.
. Asked at the news conference wheth-
-er he was appeasing Serbian aggres-
sors by continuing his negotiations, Mr.
,Vance replied: "That is absolute hog-
.wash. It makes me pretty damned an-
rgry."

.' The Serbs and, with less enthusiasm,
,the Croats have signaled agreement to
.a peace plan that would divide Bosnia

into 10 near-autonomous provinces, which critics describe as ethnic enclaves. The leader of the Muslim-dominated Government, President Alija Izetbegovic, has so far held out. -. A senior Administration official, insisting on anonymity, said Mr. Clinton continued to have questions not only about the practicality of the plan - like whether it could be enforced - but also Owen and Vance 1 bristle at ' questions about appeasing the Serbs.

v. about the justice of embedding in any agreement what he called "ill-gotten Serbiangains that stem from ethnic aeansing," a reference to Serbian terror tactics intended to drive other ethnic groups out of regions they have occupied.

2 Nevertheless, there were veiled suggestions in Washington that Mr. Clinton and Mr. Christopher might be preparing to work toward an accommodation with the negotiators, perhaps by reducing the areas Serbs were permitted to keep, rather than by seeking United Iflations authorization to end the embargo on arms shibnieTn-tsito the Bosni- 'an Government or by cornmitting the United States to military air strikes on the Serbs. .

Lord Owen said he had the feeling that Mr. Christopher "didn't really take in what I was saying." His sense, he said, was that because Mr. Clinton had promised bolder action in Bosnia in his election campaign liand because they've had to pull back on so much already, they're afraid to do so on this, too."

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THE NEL/V YORK TIMES, WEDNESDA Y, FEBRUARY 3, 1993

But he said he and Mr. Vance continued to hope that "eventually, they'll get it and help us." Mr. Vance is a more courtly and less brusque figure than his British colleague, but the two appear to agree on all the major points. Lord Owen asserted that Britain, France and Russia, which support the Vance-Owen plan, would probably veto any United States attempt to win Security Council approval for arms shipments to Bosnia.

If not, he said, such shipments would lead to arms shipments from Russia and Belarus to the Serbs. He said Bosnia could even be the issue that breaks the hard-won unity of the five permanent members of the Security Council, which was forged in the days before the Persian Gulf war.

While he said he did not oppose the use of air strikes as a means of enforcing an eventual agreement, Lord Owen added that air strikes or other military intervention before a five-power

agreement would constitute "an irresponsible tilting of the balance."

"Don't try to tell us anything about I , the outrages that have been committed by the Serbs and, to a lesser degree, by everyone else in this war," Lord Owen said. "That's what's driven us on for five months. This could be the big prize for Clinton. If he wants a new policy, then he should stop all of this loose talk about using force, make it clear to Izetbegovic that he's got no real alternative to these negotiations, work with us on improving the map, and then send American troops as part of a NATO force."

The map to which Lord Owen referred is a painstakingly negotiated document delineating the 10 provinces. He said parts of it could be renegotiated, but he warned that there are limits to how much conquered territory you can reclaim back from an army that has not been defeated on the battlefield."

As presently constituted, Lord Owen said, the plan would return 24 percent of the territory the Serbs have seized from Croats and Muslims. It might be possible to increase that figure slightly or to adjust the boundaries, he said.

"But Izetbegovic will not sit down at the table for that or anything else," Lord Owen said, "as long as the Muslims think that military help may be on the way, either arms shipments or actual outside intervention."

For Mr. Vance and Lord Owen, the conflict with Washington is especially ' painful because of old personal relationships. Mr. Christopher was Mr. Vance's deputy at the State Department in the Carter Administration, when Lord Owen, then David Owen, worked closely with the Americans on a number of issues, including the ' lengthy talks on Rhodesia.

Lord Owen is also a longstanding friend of Defense Secretary Les Aspin, another important figure in the Administration's deliberations.

THE NEW YORK TIMES, WEDNESDAY, FEBRUARY 3, 1993
U.S. Issues Visa to Bosnian Serb to Meet at U.N.
A I -

By STEVEN A. HOLMES

Spectator in The New York Times

WASHINGTON, Feb. 2 — The Clinton Administration issued a visa today; to Radovan Karadzic, the leader of the Bosnian Serbs and a man formerly Secretary of State Lawrence S. Eagleburger listed as a possible war criminal. The State Department spokesman, Richard A. Boucher, said today that the visa was issued to Dr. Karadzic to allow him to take part in negotiations on a peace treaty for Bosnia and Herzegovina at the United Nations headquarters in New York. The type of visa issued Dr. Karadzic normally restricts the recipient to a 25-mile radius from the United Nations headquarters. He will not be subject to arrest on war crimes charges while he is here.

In the Presidential campaign, Bill Clinton had advocated taking a more muscular stance toward Serbian aggression in Bosnia, and after the No-Despite talk of war crimes; sessions go on.

Before election, he embraced President Bush's policy on war crimes. Asked if the Clinton Administration stands by Mr. Eagleburger's characterization of Dr. Karadzic, Mr. Boucher said today, "We continue to believe that this man has things that he has to answer for."

; Talks Moved From Geneva

Mr. Boucher said the visa was granted at the request of Cyrus R. Vance and Lord Owen, leaders of a joint United Nations-European Community mediation effort in Bosnia. Mr. Vance and Lord Owen moved those talks from Geneva to New York on Monday.

The State Department issues C-2 visas to officials from governments not recognized by the United States. Under a 1947 agreement establishing the United Nations headquarters in New York, the United States is obliged to issue visas to officials having business at the United Nations even if the United States does not extend diplomatic recognition to their governments.

On Monday five Republican Senators sent a letter to Mr. Christopher urging him not to extend the visa to Dr. Karadzic. The letter was signed by Senators Alfonse M. D'Amato of New York, Larry Pressler of South Dakota, Jesse Helms of North Carolina, Richard G. Lugar of Indiana and the Minority Leader, Bob Dole of Kansas.

"It bothers me a great deal," Mr.

Pressler said today when asked about the granting of the visa. "We're giving up an opportunity to really express ourselves, to show some backbone. It's

just business as usual."

The issue of granting visas to officials of governments or movements the United States considers pariah has surfaced from time to time, principally involving Yasir Arafat, chairman of . the Palestine Liberation Organizationi The United States forbids the principal P.L.O. officers to enter the United States to conduct business at the United Nations, though it gives the Secretary of State the power to waive that prohibition. Such a waiver was granted to Mr. Arafat in 1974.

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THE NEW YORK TIMES, WEDNESDAY, FEBRUARY 17, 1993
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Israel Relents. Will the Arabs?

Credit the Clinton Administration with its first modest Mideast success. Under pressure from Washington, Israel's Government agreed Monday to return at once 100 of the 396 Islamic militants it expelled from the occupied West Bank and Gaza Strip in violation of international law. And it promised to return the others later this year. ' That concession makes further Security Council action unnecessary. Even countries unmoved by Israel's concerns about Islamic terrorism should recognize that any effort to press for the immediate return of all 396 by imposing sanctions would be excessive and counterproductive. , _

The militants would not return home a day sooner. An already wobbly peace process would be dealt a further blow. And the US. would be obliged to cast its first Security Council veto in more than two years. _

The greater challenge now is to revive the stalled peace talks. To do so, the Administration will need Arab help. Now that Israel has compromised on an issue of principle, are Arab leaders willing to do the same?

Predictably, the PLO. has rushed to say no. And some Arab countries still press for sanctions. But others react more cautiously, and Egypt goes so far as to call Israel's move "a step in the right direction." '

Israel's concession is significant. Deportations have been a standard Israeli response to Palestinian unrest, even though they violated Geneva conventions on the treatment of civilians in occupied territories and drew repeated U.S. condemnation. But until recently, Israel ignored Washington's protests and counted on the certainty of an American veto to block U.N. punishment.

When the Security Council discovered that it could act unanimously in the Gulf War, after years of cold war gridlock, it began to take itself and international law more seriously. Israel now appears ready to recognize that the days of automatic American vetoes are over.

The latest expulsion, the largest ever, followed the murders of Israeli soldiers and police. But those deported were never directly linked to these crimes, only to active roles in the fundamentalist Hamas organization. Their exile is thus doubly troubling under international law: a case of group punishment as well as mistreatment of civilians under occupation.

As Secretary of State Christopher carefully noted Monday, Israel's concession is likely to result in the full implementation of Security Council Resolution 799 on the deportations. But the resolution, which the US. supported, calls for all deportees to be returned immediately. Further American diplomacy is necessary to expedite the remaining cases and to persuade Israel to avoid future deportations. Meanwhile, Arab countries can best encourage the new seriousness about international law by returning to the peace talks. Their demand that all deportees be returned is justified. But they can immeasurably strengthen their case by agreeing to continue the wider search for peace.

"flu: WtSlllVll'th Post

WEDNESDAY, FEBRUARY 3, 1993

U.S. Hopes Israeli Concession

Will End U.N. Sanctions Drive

By John M. Goshko

Washington Post Staff Writer

UNITED NATIONS, Feb. 2_-The

Clinton administration, armed with Israel's agreement to accept the immediate return of 100 of the Palestinian deportees in southern Lebanon, believes it now will be able to sidetrack pressures for a United Nations condemnation of Israel long enough to get Middle East peace talks started again.

That, U.S. officials and other diplomatic sources said today, is the underlying premise of Monday's arrangement under which Israel promised to take back some of the Palestinians and the United States agreed to block any imposition of sanctions on Israel by the UN. Security Council. Nearly 400 Palestinians remain stranded in a desolate no-man's land since being expelled there by Israel Dec. 17 and Arab states have called on the Security Council to impose sanctions to enforce its Dec. 18 resolution demanding the men's repatriation.

Although Palestinian spokesmen dismissed the Israeli move as inadequate, Secretary of State Warren M. Christopher said the United States views it as compliance with the Dec. 18 resolution. He indicated that Israel's foes would face a U.S. veto if they attempt to bring a sanctions resolution to the council.

However, the sources said, the United States is banking on the assumption that adroit diplomacy can be prevent the dispute from reaching that point. They said the United States believes that Israel's concession has bought sufficient time to enable Christopher to visit the Middle East this month and try to arrange resumption of the U.S.-sponsored peace talks, which have been suspended since December.

The sources said the United States has sent messages to the Arab participants in the peace process-Syria, Lebanon, Jordan and the Palestinian delegation from Israeli-occupied territories-asking them to be prepared to discuss new dates for the talks when he goes to the region shortly after mid-February.

The biggest problem, U.S. officials acknowledged, will be to coax the Palestinians to remain in the talks. The Palestinian negotiators are loyal to the Palestine Liberation Organization, and the PLO delegation here wrote a draft resolution that has been the basis of discussion about imposing sanctions against Israel.

However, the officials noted, the deportees allegedly are activist members of Hamas, an Islamic fundamentalist group that is coming with the PLO for influence among the Palestinians of the West Bank and Gaza Strip. For that reason, the officials said, Christopher will attempt to convince Palestinian negotiators that if they boycott the talks, they will shut themselves out of the effort to find a political solution to the Palestinian problem and cede the ground to extremist groups like Hamas.

If he succeeds, the United States would be able to argue that the situation had entered a new stage and that further attempts to punish Israel would run counter to the UN goal of achieving a solution to the Arab-Israeli conflict. That is in sharp contrast to the situation late last week when Christopher told Rabin that unless Israel made a significant gesture to defuse tensions over the (it's very clear, the United States could not stop Arab) governments and their allies from initiating the votes for a similar resolution.

Whether the United States will be able to forestall attempts to punish Israel's unclear. A number of nations had not reacted today to the Israeli gesture, but several diplomats here said their impression was that most U.N. members do not want to antagonize President Clinton at the outset of his term and probably would seize the opportunity for delaying action on the deportees. These sources said Washington's European allies on the council, which last week felt obliged to censure Israel, now have an excuse to plead that Christopher should be allowed more time to try to restart the peace process. Even among the Arab countries, the sources said, states such as Egypt, Saudi Arabia and Morocco, which have close U.S. ties, now have better grounds to argue for proceeding cautiously.

The reaction of UN Secretary General Boutros Boutros-Ghali was unclear. He has vigorously sought Security Council action against Israel if it did not repatriate the deportees. Christopher met Boutros-Ghali yesterday and afterward praised him at length, stirring speculation that the secretary general had moderated his stance. But spokesmen for an American Jewish delegation that met Boutros-Ghali today said he had spoken of "reservations" about whether Israel is in compliance with the council's resolution on the deportees.

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Hamasas Resilience Surprises Israel
Military ng oflslamic Group 13 Proving Hard to Disable
By David Hoffman
Washington Post Foreign Service

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JERUSALEM, Feb. 2-In the sandy soil of the Gaza Strip, the two men burrowed a 24-inch-wide tunnel under the electric security fence surrounding the Jewish settlement of Ganei Tal and concealed themselves in tall bushes.

When a three-man Israeli army jeep cruised by in a pre-dawn patrol, the men opened fire with automatic weapons, killing two of the soldiers and wounding the third. They fled on foot, taking with them weapons from the dead soldiers.

After the attack Saturday, spray-painted messages appeared on walls in the IsraeIi-occupied Gaza Strip: The ambush was the work of the military wing of Hamas, the Islamic Resistance Movement.

It was the third surprise attack on Israeli troops since early December, and the first since the mass deportation of suspected Hamas organizers, teachers and clerics to Lebanon Dec. 17. Although Prime Minister Yitzhak Rabin claimed this week that the deportations "delivered a real blow to Hamas," the Ganei Tal ambush was seen by others as the latest sign that Hamas militants are still operating and thriving in the occupied territories.

For almost five years, since Hamas took shape in the early days of the intifada, the Palestinian uprising, Israel has been trying to quash it by arresting its leaders, ferreting out its sources of money and capturing its armed cells. But each cycle of arrests has been followed by an escalation of attacks against Israeli targets, and the armed cells have regenerated themselves almost as fast as they are uncovered.

The Islamic fundamentalist organization has proved to be far more resilient, particularly in the crowded refugee camps and poor neighborhoods of the Gaza Strip, than Israeli authorities bargained for, according to Israeli military and security officials and outside analysts.

"The decapitation of the leadership and the flow of money can curb or stall the operations for a while," said Moshe Maoz, an Arab affairs scholar at Hebrew University. "But not in the long run. The hard core of activists are still around, at large. You could see it in the various guerrilla operations in the Gaza Strip."

ttWhat Israel is doing is giving aspirin to a problem with very deep roots," added Moaz, who advocates a more far-reaching effort to alleviate economic despair and political frustration in the territories. But the Rabin government has recently focused instead on trying to crimp the Hamas leadership through the largest peacetime expulsion in Israel's history and stanch its sources of overseas money. This week, Israeli officials rushed to publicize what they described as "proof" that the deportations had dealt a severe blow to Hamas. ities of

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Israel Finds Islamic Resistance Force
Unexpectedly Difficult to Put Down
HAMAS, From A19

who were arrested Jan. 25 on suspicion of distributing thousands of dollars to Hamas activists in the West Bank and Gaza Strip.

"Hamas suffered such a setback that they were obliged to send two American citizens of Palestinian origin-activists of the Hamas-that came to Israel to make sure that communication will be established and money channeled to them, to reorganize the damage, and try to reverse the setback of the Hamas in the territories," Rabin told reporters.

Although no charges have been filed against Mohammed Salah, 39, and Mohammed Jarad, 36, both of Chicago, an Israeli military judge today ordered them held another two weeks. Both remain barred from consulting attorneys.

Saleh's family said Monday he had told U.S. diplomats who visited him Sunday that he is not a member of any political or illegal organization." The family said Saleh denied giving any statement to his interrogators. Israeli authorities told reporters Sunday that Saleh and Jarad had given voluntary confessions about Hamas activities. The government has staged a daily publicity campaign, with organization charts, color photos and secret police press briefings, about the investigation of the Palestinian-Americans. In recent days, Israeli authorities have renewed allegations that the United States is a center for Hamas's overseas support, along with some Arab countries and Iran.

Since 1988, there have been waves of raids against Hamas, only to be followed by new violence. In a major roundup in 1989, Israel jailed the spiritual leader of Hamas, Sheik Ahmed Yassin, and more than 260 suspected activists, after the slaying of two soldiers in Gaza. But Israel later acknowledged that while those arrests had "caused a reduction of activities" in Gaza for a while, it was merely temporary, and within months Hamas embarked on a reorganization marked by an escalation of incidents."

Like many secular Arab regimes, Israel has seemed confounded by the expansion of Islamic fundamentalism. Following the 1967 war, it saw the Palestine Liberation Organization as its chief adversary, and took an ambivalent view of the fundamentalists. In the early 1970s it allowed Yassin

to open a community center in Gaza and some Israeli military commanders viewed the growth of Islamic fundamentalism as a valuable counterbalance to the PLO.

Yassin preached the virtues of claiming hearts and minds for Islam over violent resistance to Israeli occupation. But, according to Raphael Israeli of Hebrew University's Truman Institute, the Iranian revolution, the assassination of Egyptian president Anwar Sadat and the rise of Islamic resistance to Israel after the war in Lebanon paved the way for an increasingly militant Islam in the territories in the 1980s.

This force was unleashed at the outset of the intifada, when Hamas was formed by Yassin and others to capture the fervor expressed by young Palestinians for the revolt. Hamas became the second-largest Palestinian bloc, propelled in part by economic troubles in the West Bank and Gaza that followed the cutoff of remittances from Persian Gulf states at the time of the Gulf war, followed by popular disenchantment with the peace process. Rabin, under international pressure, offered a partial retreat this week from the mass expulsion of suspected activists in Hamas and the smaller Islamic Jihad, but the deportees unanimously rejected the offer today. In making the concession, Rabin had shown himself anxious to demonstrate to both Israelis and outside critics that the deportation had an impact and that his government is uprooting Hamas. While the mass deportation targeted the organizers and clerics in the leadership, Israeli intelligence and military officials admit they have not disabled Hamas at the military level, where it is organized around small cells.

Drawn from the youthful, impoverished neighborhoods, the gangs have been operating in two- or three-man groups with deadly professionalism, they said. A high-ranking security source said there are at least 35 members of these military units wanted by the authorities. Others say prospects for capturing them are slim, since they are not easily infiltrated or found through Palestinians who work with the Israeli authorities. i-

The military wing of Hamas "was not touched" by the deportation, one official said. Israeli authorities have yet to apprehend any of the Hamas participants in the string of December surprise attacks against Israeli targets that preceded the Dec. 17 deportation. ;

According to columnist Danny

Rubinstein Of the daily newspaper Haaretz, the gangs enjoy popular support and protection. "When llamas gangs have such a solid public backing, they dont need organizational infrastructure, and not,a lot of money either," he wrote. . llSeeurity people estimate that the entire expenses of a gang like this are not more than \$4,000 a year. These gangs need only a drop from the sea of budgets of Muslim authorities that maintain education systems, mosques, courts, Clinics and welfare organizations. It is impossible to destroy all of these in order to get a hand on the little money flowing from them to the terror gangs."

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WEDNESDAY, FEBRUARY 3, 1993 B11 _

UN. Negotiators Call on US.

To Clarify Its Bosnian Policy

By Julia Preston

Special to The Washington Post

UNITED NATIONS, Feb. 2-

David Owen and Cyrus R. Vance, the mediators in peace negotiations on former Yugoslavia, today urged Washington to define its policy quickly towards the talks and called on President Clinton to provide American ground troops to help enforce any settlement they reach.

"It is going to impede us if they don't get going soon," Vance said.

Vance said the mediators heard

from Secretary of State Warren M.-

Christopher in a meeting late Mon-

day that the US is doing "home-

work" to work out its views on the complicated and brutal conflicts in Bosnia-Herzegovina and Croatia.

"One of the best things President Clinton could do to demonstrate his commitment," Owen said, "is to add credibility to the peace settlement by having some Americans on the ground" to assist French, British and Spanish troops already serving in the United Nations peacekeeping force in Bosnia. The mediators stressed they are not calling for any combat intervention on the ground.

Dismissing as "loose talk" a widespread impression that the six-month old talks had failed last weekend in Geneva, the mediators insisted they are "very close" to a settlement, with agreement on 11two-thirds" of the issues between the Bosnian Muslim government, the Serbs and the Croats.

The Serb leader, Radovan Karadzic, is arriving in New York Wednesday, after the U S. issued him a visa today. Muhamed Sacirbey, the U. N ambassador representing Bosnia '5 Muslim government, called on Washington to deny the visa, charging that Karadzic is a war criminal. High-ranking leaders of the Croat faction in Bosnia are also expected, but Bosnian President Alija Izetbegovic is sending a delegation headed by his foreign minister, arguing he has been away from the government in Sarajevo too long.

The talks are expected to start again Thursday, and could continue for at least 10 days.

Vance and Owen will meet with the Security Council Wednesday, but no council action is expected until next week, when the mediators hope it will pass a resolution either to bless and help implement any agreement they reach, or bring sanctions against any side that does

not sign.

Representatives of the two sides in renewed fighting in Croatia, the Croats and the Serbs, will also be talking here this week.

A number of Security Council countries remained skeptical about the plan pushed by Vance, who is the representative of UN. Secretary General Boutros Boutros-Ghali, and Owen, who represents the European Community.

Speaking for the Bosnian Muslims, Sacirbey said, "I don't think there's much of a chance" for the plan in its present form. The principal differences arose over a map proposed by Vance and Owen dividing Bosnia into 10 loosely federated autonomous provinces divided along ethnic lines.

The Bosnian government also has strong reservations about a proposal Vance and Owen circulated in Geneva Jan. 29 for an interim government to control Bosnia until elections can be held.

The Vance-Owen proposal, which would go into effect immediately upon signing of the peace agreement but is not a formal part of the proposed accord, calls for Izetbegovic to transfer his presidential powers to a nine-member council made up of three representatives from each side.

The interim council, which would govern by consensus, would have among its responsibilities to administer and police Sarajevo, the Bosnian capital.

In addition, the proposal calls for a special government for the province of Sarajevo also to include three representatives from each side. Serb diplomats here described the plan as a return to the form of government in Bosnia before the civil war erupted, and they accept it.

But the proposal means that Izetbegovic's government will have to relinquish the power it currently holds in Sarajevo, where it has endured a devastating Serb siege for many months, and consent to be partially governed in the interim by Serb leaders, many of whom it regards as war criminals.

Staff writer Don Oberdorfer contributed to this report.

S. Africa Offers

Bill of Rights

For Next Rulers

3 Opposition Leaders Assail

Pactis' Timing, Legitimacy

By Paul Taylor

Washington Post Foreign Service

CAPE TOWN, South Africa, Feb. 2-With its own 44-year reign drawing to a close, South Africa's white-minority government moved today to constrain the powers of its eventual successor in a way that it never constrained itself-by proposing a bill of rights.

The 37-clause document would guarantee equality before the law for people of both sexes and all races, as well as protect freedoms of speech, assembly, religion and private ownership. Its content and overall thrust drew widespread praise, but its timing and the proposed method for its enactment were widely criticized by opposition leaders. Representatives of white opposition parties and predominantly black anti-apartheid groups said passage of a bill of rights should be done by the broad-based constitution-writing body that is expected to succeed parliament, not by the government that created South Africa's apartheid system of racial separation. Some political observers said they feared that the proposal could wind up complicating rather than easing South Africa's transition from apartheid state to nonracial democracy. Whites make up just 15 percent of South Africa's population, and the ruling National Party has been doing all it can in this transition period to safeguard minority rights in a new political order in which the country's black majority would likely hold the lion's share of political power.

"This is a deathbed conversion," said Tony Leon, 3 member of the opposition Democratic Party, who nonetheless praised many features of the proposal.

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Cyril Ramaphosa, secretary general of the African National Congress, South Africa's leading anti-apartheid group and the likely senior partner with the ruling National Party in the first post-apartheid transition government, objected to the government's proposal to have the Bill of Rights negotiated and given the force of law prior to the election of a nonracial constituent assembly. For the bill to have the legitimacy, authority and moral force it deserves . . . the process of drafting and adoption must itself be legitimate," Ramaphosa said. He called the government's proposed manner of adoption "clumsy" and said the ANC will hold out to have a bill of rights written after the first non-racial election, not before.

The document released today was drafted by the same National Party government that spent four decades constructing-and the past three years dismantling-the legal structures of apartheid.

"We do not claim to be proud of the infringements of the past, but we do claim the right and privilege to change the situation positively," said Justice Minister Kobie Coetsee, who spoke of his sense of "pride and fulfillment" in releasing the document.

The proposed bill of rights deals generally with "freedoms from" rather than so-called "positive" rights, or "freedoms to." It says ' ' 1 ,mu.. would be

favorable or prejudiced by reasons of race--an extraordinary shift for a society in which blacks, who account for nearly 80 percent of the population, have never had the right to vote for parliament and until three years ago did not have the right to live or work where they wanted. It does allow for affirmative action. One section of the bill prohibits the state from indemnifying itself or its employees for unlawfully killing or injuring anyone. Three months ago, the government pushed through, despite great public outcry, just such an indemnification bill. It covers state employees and anyone else who claims to have acted unlawfully for a political reason. The bill of rights would allow for the reintroduction of the death penalty, which has been subject to a moratorium ordered three years ago. It would also give the state the right to detain people under certain circumstances for up to 10 days without seeking a court order.

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Slow Days for Baidoaas 6Death Truck9

Foreign Forces, Influx of Food Help Revive Somali wan

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., . gers. During the worst phase of the crisis, in August

By Keith 8' Richburg and September, the Red Crescent had hired 78 men to

w dig the shallow graves along the riverbank that had be-

BAIDOA, Somalia-For this town that has come to come a landmark in this city of death. Now
, according

symbolize famine-stricken Somalia's suffering and to Red Crescent manager Hussein Dahir A
hmed, only

death, the best news is that there is almost no work left 14 gravediggers are needed.

for gravediggers. The decline in the death rate here is just one sign

The Hdeath truck" still makes its morning rounds col- that Baidoa-like many towns in Soma
lia's devastated

lecting the bodies of those who died the night before. "famine zone"-is slowly but assure
dly struggling back

But these days, the truck is nearly empty. After the to life. The stench of death that hu
ng over the city last

mind-boggling death tolls of last fall-6,000 people fall has been lifted. Instead, childr
en are playing soccer

starved to death in September-the daily death rate in the streets, some schools have been
reopened with

now is less than 10. assistance from relief groups, farmers are moving back

As a result of that diminished toll, the Somali Red to their villagesto plant seeds, and
fewer hungry people

Crescent relief organization is laying off its gravedig- See BAIDOA, A22, Col.1

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BAIDOA, From Al

are showing up for meals at the feeding centers and kitchens that were once the only source of food for thousands of Baidoa's starving. The security situation also has dramatically improved. The ubiquitous "technicals"—the gun-mounted Land Cruisers that once freely roamed the city's streets, terrorizing local residents and extorting money from relief agencies—are all gone. There are still incidents of random crime, but compared with the violent chaos and looting of just six weeks ago, when some relief agencies were barricaded behind sandbags in their compounds, Baidoa today is a different place.

Reasons vary for the drastic changes that have transformed this city from a living hell into a place of renewed hope. Many Somalis credit the U.S.-led foreign intervention forces, which arrived here in December, with restoring some semblance of order and chasing out the young thugs who had terrorized the town. Others say the massive relief effort here was starting to pay off long before the troops arrived. Some say that improvement in Baidoa was merely a question of demographic inevitability: The high death tolls of last autumn simply could not be sustained in a town of just 60,000 people.

"Beginning from December, the situation started to improve," said Ahmed of the Red Crescent. "The number of dead bodies decreased to less than 10 per day, so that indicates improvement. The water

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problem has been solved with so many wells being repaired. . . . As for insecurity, now it is quiet. There are no problems—no big problems—of security since the Marines arrived?

TTThe other sign of improvement is that the people you saw here in September were really dependent on relief aid," he added. "Now you'll find most of them are trying to stand on their own two feet. You used to find them standing in line for food. Now you find them standing in line at wells for water that they can sell in the market."

So different is the Baidoa of today from the devastated town of just a few months ago that the International Committee of the Red Cross—the first relief agency to respond to the crisis by setting up a network of "kitchens" to feed the starving—has begun scaling down its operations.

Paul Oberson, the Red Cross del-

egation leader in Baidoa, said his group already has phased out 14 of its kitchens within the city and is planning to reduce the number of kitchens in the countryside from the current 60 to only 17. The Red Cross's remaining eight kitchens in the city each now serve only about 500 hungry people daily; in September, when there were 22 Red Cross-run kitchens in the city, each was packed with more than 2,000 people a day.

"The needs are more or less covered now," Oberson said, discussing plans for the reduced operation.

' "We will phase out, apart from the main urban centers." He said the Red Cross also was planning to shift to more "non-food assistance," meaning items such as blankets, soap, cooking pots, textiles for clothing, seeds for farmers returning to their villages and veterinary care for livestock.

A22 WEDNESDAY, FEBRUARY 3, 1993

By William Branigin

Washington Post Foreign Service

PHNOM PENH, Cambodia_As

the United Nations struggles to bring peace to Cambodia, all four warring parties are ravaging the country's forests to meet a tapacious foreign demand for tropical timber and to finance their political or military activities, according to UN. and diplomatic sources here.

Up to now, most international attention to the problem has focused on timber exports by the notorious Khmer Rouge guerrillas, who have granted lucrative concessions to Thai logging companies in guerrilla zones near the border with Thailand.

But UN. and diplomatic sources say the Phnom Penh government, which controls about 85 percent of Cambodia's territory, is responsible for a far greater volume of logging and has been violating a month-old timber export ban with impunity. All four parties have intensive logging activities in the areas they administer," said Roger Lawrence, the chief economist of the UN. Transitional Authority in Cambodia, the 22,000-member peace-keeping and administrative body known as UNTAC.

In an effort to stop the massive destruction of Cambodia's forests, UNTAC secured the majority agreement of Cambodia's Supreme National Council, a fourparty reconciliation and negotiating body set up under a U.N.-sponsored peace plan, to ban the export of uncut timber starting Jan. 1. The Phnom Penh government and two noncommunist opposition groups voted in favor of the ban, while the Khmer Rouge opposed it.

Despite attempts by the Phnom Penh government to portray the ban as a UN. sanction against the radical communist Khmer Rouge for failing to adhere to the peace plan, UNTAC officials said, in fact it applies to all the factions all over Cambodia.

But while the Thai military, after a shaky start, has largely shutdown cross-border timber imports from Khmer Rouge zones in compliance with the UN. call, the cutoff of exports has been brazenly violated in areas under Phnom Penh government administration, including the port of Kompong Som, and the border with neighboring Vietnam, UN. officials and diplomats said.

"The Khmer Rouge are not the main violators," one knowledgeable UNTAC official said. "We see open, blatant violations of the ban by the

lPhnom Penhl administration, supported by the army." Ships laden with logs continue to sail from

THE WASHINGTON POST

Phnom Penh Said to Undercut

UN. Effort to Save Forests

Kompong Som and from smuggling ports at Serei Ampil and Koh Kong, the official said. "They dont even try to hide it."

UNTAC has been monitoring violations of the ban, but has taken no action to enforce it. UN. officials argue that enforcement is up to the four factions.

Although the Phnom Penh government and the Khmer Rouge are bitter enemies, the two groups have been cooperating at the local level to export timber, the UN. and diplomatic sources said. Faced with the Thai crackdown on timber imports from Cambodia, they said, the Khmer Rouge has been sending log shipments out through government-controlled territory to Kompong Som and the other ports in straight commercial transactions between the two sides.

"We're talking serious commerce," a well-informed diplomat said. "This is not ideology. This is money in the pocket. They've got cooperative arrangements."

The two sides sometimes tax timber shipments through each other's territory, officials said. There also have been reports that local authorities loyal to Phnom Penh have sold or bartered fuel to the Khmer Rouge in violation of UN. sanctions against the guerrillas. Citing total timber exports up to

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BY LARRV FOGEL-

THE WASHINGTON POST

five times higher than sustainable levels, a report commissioned by the UN. Development Program last year called for an "environmental cease-fire" by Cambodia's warring factions, including a moratorium on logging concessions.

After the four parties signed the peace accord in Paris in October 1991, the report said, "an unprecedented period of 'asset stripping' began taking a "potentially catastrophic" toll on Cambodia's remaining forests. "The four parties apparently see timber, and in some cases the letting of mineral and oil concessions, as primary means of funding their administrations and election-related activities," the report said. U.N.-sponsored elections are scheduled for May.

The study said deforestation was in part responsible for flash flooding in August 1991 that caused damage estimated at \$150 million in three central provinces.

The report put Khmer Rouge log exports to Thailand at about 200,000 cubic meters in 1992. But it attributed nearly four times that volume to the Phnom Penh government or groups operating in territory it controls, including more than 250,000 cubic meters shipped to Vietnam. The two noncommunist factions accounted for combined exports to Thailand of about 178,000 cubic meters, the study said.

Phnom Penh's Forestry Department has estimated that up to 4.9 million acres of forests have been

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lost or degraded since 1979, when invading Vietnamese forces drove the Khmer Rouge from power and installed a pro-Hanoi Communist government in Phnom Penh. However, UNTAC officials say that government figures for forest losses and timber exports are far too low. According to the latest satellite imagery available to UNTAC, 4.7 million acres of forests have been lost since 1989 alone, including 22 percent of Cambodia's tropical hardwood forests.

"The present pace of exploitation is much faster than in other Asian countries," an UNTAC expert said.

"In five or ten years there will be nothing left."

Since the ban does not apply to sawn timber, crude new sawmills have been springing up in various parts of the country, and some existing ones are being expanded, officials said. Among those being enlarged is a major sawmill on the outskirts of Phnom Penh owned jointly by a Japanese company and the Phnom Penh government.

Japan was the largest consumer of Cambodian timber before the ban and is still believed to be receiving some illegal log shipments from here-besides the legal sawn timber-despite Japanese government concern about enforcing the prohibition, UN. officials said.

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Administration to Study

Giving Spy Data to Business

CIA Designee Says price Is Hottest, in Field

By R. Jeffrey Smith

Washington Post Staff Writer

The Clinton administration plans to review whether economic intelligence gathered by U.S. spy agencies should for the first time be shared with private companies or individuals, according to CIA Director-designate R. James Woolsey. Woolsey, who described the issue as "the hottest current topic in intelligence policy," told a Senate confirmation hearing yesterday that the administration's review will examine the "complexities, legal difficulties and foreign policy difficulties" of passing along to private firms important commercial secrets learned in the course of the CIA's routine spy work.

The review is expected to fuel debate about the CIA's potential role in helping American companies combat foreign competition. The debate began in earnest under the Bush administration, as the end of the Cold War forced the agency to reexamine its fundamental missions.

Former CIA director Robert M. Gates strongly opposed authorizing any sharing of commercial secrets with private firms, saying in several speeches last year that "the U.S. intelligence community does not, should not, and will not engage in industrial espionage."

But some business organizations and independent experts have since urged the government to reverse

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that decision, citing increased efforts by foreign intelligence organizations to obtain industrial secrets from major US. corporations. A 1987 classified CIA survey, for instance, estimated that 80 percent of Japanls intelligence assets were directed toward gathering intelligence on the United States and Western Europe, according to a recent book entitled "Friendly Spies" that discusses this problem.

"Some of our friends and allies . . . are involved in economic intelligence operations" against US. firms, Woolsey told the Senate Select Committee on Intelligence without elaboration. Four committee members questioned Woolsey about the issue, although none stated support of a shift in CIA policy. Woolsey said he decided to seek the review after consulting with national security adviser Anthony Lake and National Economic Council Director Robert E. Rubin. But Woolsey declined to state his personal view about sharing intelligence with private firms, saying he preferred to address it in a later closed-door session with the committee.

Gates supported limiting the CIA's activities in this area to analyzing broad economic trends, keeping track of new technological developments that have far-reaching implications and warning US. corporations of specific, foreign intelligence-gathering efforts directed against them-missions that Woolsey said he also endorses. But Gates opposed helping individual US. firms compete, arguing that it was not the government's responsibility and would pose questions of fairness. He also said disclosing information to private firms could compromise secret intelligence sources and methods.

Woolsey deflected the panel's questions on several other topics, including the CIA's future budget and its efforts to bolster intelligence-gathering from human sources, explaining that he needed time to conduct more study. Sen. Dennis DeConcini (D-Ariz.), the panel's chairman, reiterated his intention to press the CIA for new savings, but Sen. John Glenn (D-Ohio) said he opposed additional cuts.

The economic plan that President Clinton put forward as a candidate during last years campaign called for \$1 billion in "intelligence cuts" during 1993 out of current intelligence spending of more than \$28

billion, and stipulated another \$4.5 billion in such reductions by 1997, but the plan did not say how those cuts would be achieved.

"I do not see my role, nor does the president, as a policy adviser," said Woolsey, an attorney who has

' long been active in Washington de-
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bates on defense matters. He said, however, that he would resist disruptive cutbacks in CIA personnel.

"Although the risk of a single cataclysmic threat to the United States is substantially lower than it was during the Cold War, the number and complexity of very serious threats to major aspects of our nation's security and interests has grown, not shrunk," Woolsey said.

Asked if he would promise to notify Congress of covert action within 48 hours after presidential approval, Woolsey offered less than the blanket pledge sought by some lawmakers.

"I find it extraordinarily difficult to come up with a hypothetical in which there could be any reason for a delay longer than a very few days," Woolsey said, adding that Clinton had expressed a desire for "full candor and cooperation" with Congress.

Woolsey said the administration had not yet formulated a position on whether the 48-hour notification demand was constitutional. Former president Ronald Reagan stirred controversy over the notification issue by failing to report promptly his administration's covert arms sales to Iran.

Woolsey, 51, was generally praised at yesterday's hearing and is expected by senators to win confirmation as the CIA's 16th director without difficulty.

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garding the 396 Palestinians it expelled into Lebanon. It will allow 100 of them to return, and will shorten the expulsion of the others from the original two years to one. Confronted with widespread criticism for the tactic of summarily throwing the Palestinians out of the country, the Israelis saw that they had to make a substantial gesture. This compromise is evidently sufficient to ensure it the United States' support at the United Nations, and probably to deflect the pressure there for a Security Council vote on sanctions against it. Whether it will also be sufficient to get the peace talks moving again remains to be seen-and it is the peace talks that are the goal of all the maneuvering.

Israel's purpose in pushing the 396 out of the country was to respond to a series of killings of soldiers and to break up the Islamic fundamentalist movement, Hamas, which had taken responsibility for some of them. The Israeli authorities apparently assumed that these Palestinians would make their way north into Lebanon. But the Lebanese refused to admit them, and they have now been living since mid-December on the ISRAEL HAS now offered a compromise re-open ground, in tents, between the Israeli and Lebanese lines. That spectacle has done more for their cause than for the peacemakers'. In that spirit, the 100 now eligible for readmission say that they won't return until all the others are allowed to come back as well.

This incident has required the Clinton administration to begin making decisions on the peace process sooner than it might have wished. But it has used its opportunity to show the Arabs that it is willing to lean on Israel to take difficult and uncomfortable steps like this one, while at the same time showing the Israelis that it is prepared to accept moderate split-the-difference accommodations.

-Israel has one growing concern in common with all of the Arab governments of the region-how to deal with the kind of militant Islamic fundamentalism represented by Hamas and many other organizations. The immediate question is how to prevent the radicals and intransigents from continuing to disrupt the peace talks by spectacular acts of violence and provocation. The tents in no man's land illustrate the importance of finding ways to deal with that challenge.

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FINANCIAL TIMES WEDNESDAY FEBRUARY 3 1993

PLO rejects Rabin expulsions offer

Opposition party says government bowing to international pressure

By Hugh Carnegie

In Jerusalem

MR Yitzhak Rabin, the Israeli prime minister, was attacked yesterday by the opposition Likud party for offering to take back 100 of the more than 400 Palestinians Israel expelled to Lebanon, while the deportees and the Palestine Liberation Organisation rejected the move.

Mr Rabin's Labour-led government had enjoyed broad support from the rightwing Likud for ordering the controversial expulsions in December after a series of killings of Israeli soldiers by Islamic fundamentalist militants. But this evaporated after Monday night's policy reversal.

Mr Yitzhak Shamir, the former prime minister, said the government's credibility had been undercut by its inability to withstand international pressure. Israel's position in Middle East peace negotiations had been weakened, he said. "It is an unnecessary blow to our prestige in the Arab world and the international arena."

Mr Binyamin Netanyahu, a leading candidate to succeed Mr Shamir as Likud leader next month, said: "I believe in retrospect it would have been better not to deport at all."

The 396 remaining deportees, most of them alleged members of the Hamas Islamic movement, voted unanimously in their snow-bound Lebanese encampment to reject Mr Rabin's proposal, which included reducing the terms of exile of those not allowed to return immediately to no more than one year and the offer of food and medical supplies.

Likewise, the PLO said at its headquarters in Tunis that it would continue to press for sanctions against Israel to enforce UN resolution 799 calling for the immediate return home of all those expelled. "We will not allow them to shelve the problem. We will keep it at centre stage," said Mr Nabil Shaiath, political adviser to Mr Yassir Arafat, PLO chairman.

Mr Rabin, however, dismissed the Palestinian rejection of his offer as "their problem". He would be happy for the deportees to stay put, saving him the humiliation of having to organise their return.

His chief aim in making the

compromise was to cement relations with the Clinton administration in Washington. Government officials expressed satisfaction that Mr Warren Christopher, the secretary of state, quickly applauded the Israeli move. They were confident the US would keep any debate of sanctions out of the UN Security Council. However, Palestinian leaders bitterly criticised the compromise as an Israeli-US deal which did not take Arab concerns fully into account. Scramble to preserve US link,

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FINANCIAL TIMES WEDNESDAY FEBRUARY 3 1993

S Africa taxi Death penalty would be reimposed for some crimes

Pretoria unveils bill of rights

drivers in

new protest

POLICE and protesting black taxi drivers clashed for a second straight day yesterday, leaving three people injured and tempers high in parts of central Johannesburg, AP reports from Johannesburg.

The drivers were angry that some people held in Monday's confrontation remained in custody, despite an agreement with city officials that called for their release.

Law and Order Minister Her-nus Kriel said he would declare Johannesburg an unrest area, giving police wide powers to arrest people and disperse crowds.

Protesting taxi drivers were complaining that traffic police harass them and that they want subsidies similar to those given the Public Utility Transport Corp. bus company. Taxi drivers are notorious for dangerous driving and are often involved in accidents.

_____I

By Patti Waldmeir

In Cape Town

THE SOUTH African

government yesterday published proposals for a bill of rights which would outlaw race and sex discrimination and protect private property. but which would impose the death penalty for certain serious crimes and permit detention without trial.

The proposal forms an essential part of Pretoria's blueprint for a constitution which prevents blacks from dominating whites. However, it will not become law without the agreement of the African National Congress and other parties to constitutional negotiations. The draft bill of rights seems specifically designed to outlaw the gross human rights abuses committed by the ruling

National party during its 44 years in power, including torture, murder, discrimination by race and infringements of basic freedoms of speech, movement and association.

Asked whether the proposals did not represent a "deathbed conversion, to human rights protection, Justice Minister Kobie Coetzee admitted the current constitution permitted

abuses against fundamental rights, and that abuse had taken place.

Pretoria's proposal is likely to provoke wide controversy, as it would reimpose the death penalty (suspended since 1990) for certain crimes, would permit loaday detention without trial, and includes only limited provisions to protect individuals from race discrimination while providing far more protections against sex discrimination.

It makes no move to redress any of the economic wrongs of apartheid, including forced expropriation of land from blacks, but outlaws expropriaA tion by any future government. Measures included in the bill to protect private property rights will attract widespread criticism. as they are designed to protect whites.

The ANC is likely to oppose the proposal on the grounds that economic rights. such as the right to employment, housing, health care and education, are not guaranteed. The ANCl's own draft bill of rights includes such guarantees, but the National party argues that they cannot be enforced against a government which lacks the resources to finance huge social investment.

Government officials say the publication of their draft bill of rights demonstrates Pretoria's desire to move rapidly away from apartheid discrimination. Other recent moves have also been announced, including a decision to remove the racial bias in per capita education spending.

cramble to preserve US

The deportee
issue has -
shaken IsraePs
relationship
with

Washington,
writes Roger
Matthews

7 I LMB SPEED and relief
with which Mr Warren
Christopher, the US sece
rotary of state, welcomed
Israel's offer to take back 100 of
the 415 Palestinians it deported
in December revealed far more
about American-Israeli rela-
tions than it did about the
future of the Middle East peace
process.

It had taken Mr Christopher
several days and phone calls to
persuade Mr Yitzhak Rabin,
Israel's prime minister, to drop
his insistence that the decision
on the deportees was final and
irrevocable. The Palestinians
had said that they would not
resume peace negotiations
unless the fate of the men was
satisfactorily resolved, but it
, was not this issue which
appears to have been upper-
most in Mr Christopher's mind.
His primary concern was
that the new administration,
which condemned the expul-
sions, should not be forced into
using its veto to block any
move to impose UN sanctions
i against Israel for refusing to
implement Security Council
resolution 799. Very quickly
after Israelis statement on
Monday night, Mr Christopher
asserted that not only was talk
of sanctions now unnecessary,
but that it could undermine
the whole peace process.

To this extent, a relieved Mr
Christopher and a bruised Mr
Rabin might reflect on their
success in sustaining the sin-
gle most critical relationship in
the Middle East. However, it
cannot augur well for the
peace process, launched in
Madrid in October 1991, and

' -

w .
will not have quashed moves
for sanctions against Israel.
The episode has already cost
Mr Rabin domestic political
capital that he needed to pre-
serve for the day when Middle
East peace negotiations move
on to substantive issues which
demand Israeli concessions.
After performing the partial
thurn_ the Israeli leader may

seek to reinforce his already hardline stance on security issues, while being even less ready to compromise at the negotiating table. There will also be less enthusiasm for compromise on the other side of the table. Mr Rabin's decision to expel the Palestinians was aimed at crippling Hamas, the radical Islamic organisation which is gaining ground in the occupied territories at the expense of the Palestine Liberation Organisation.

Instead, Hamas has been given a substantial political boost. Deportees on their hillside in southern Lebanon provide potent images of defiance. While they remain, it is almost impossible for the more flexible PLO to ask its negotiators to return to the negotiating table. The US did not want to be forced into vetoing UN sanctions against Israel.

Mr Rabin's offer to let 100 men return does nothing to satisfy PLO demands and may perversely be damaging Israel's own peace talks strategy. In the past few months Israel's negotiators have increasingly come to sense that links

it might just be possible to strike a deal with Syria over the Golan Heights. Furthermore, any hint of real progress with Syria would provide a bit of impetus for the Palestinians to become more pliant to avoid being left behind.

Syria has been providing some encouragement for this belief with Mr Farouk al-Harazi, the foreign minister, stressing last month that Arab delegations should not break off bilateral talks where they had most to gain. If they wished to boycott anything, he argued, it should be the multilateral talks which involved greater benefit to Israel.

But Israel's negotiators concede that while the Palestinians stay away it will be difficult for the Syrians, Jordanians and Lebanese to return. At the very least, the framework for a solution to the plight of the deportees had to be in place, and Mr Rabin's concessions on Monday did not meet that requirement.

If anything, argue some Arab

diplomats, the apparent US endorsement of Mr Rabin's action has made the situation worse by damaging American credibility as an honest broker. They say Mr James Baker, former Secretary of State whose efforts made the peace process possible. would have played his hand more astutely.

This sense of frustration is heightened by the understanding that the three Arab governments and the PLO have no alternative to the peace process. The reasons that brought them to the Madrid conference are still valid.

At some point they will have to return to the table. But with every new confrontation, such as that of the deportees, hopes for negotiation are less easy to justify.'

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Goulding
ends role
as peace
negotiator

By Michael Littlelohns, UN
Correspondent, In New York
MR MARRACK Goulding, the
senior Briton in the United
Nations secretariat, who has
been in charge of its peace-
keeping operations for the
past six years, is to become
under-secretary general for
political affairs as part of a
reorganisation programme ini-
tiated by Mr Boutros Boutros
Ghali, the secretary general.
Mr Goulding's successor will
be his Ghanaian deputy, Mr
Kofi Annan. Mr Goulding, a
former member of Britain's
UN mission and later ambassa-
dor to Angola, replaces Mr
Vladimir Petrovsky, a former
Soviet deputy foreign minis-
ter, who moves to Geneva as
head of the UN European
Office.

Mr Antoine Blanca, current
UN chief in Geneva, will be
returning to the French gov-
ernment service from which he
was seconded. The changes are
effective on March 1.

Mr Boutros Ghali will soon
have to replace Mr Dick
Thornburgh, former US attor-
ney-general, who has been
serving as head of UN adminis-
tration and management but
resigned after President Bill
Clinton's victory.

UN stops
travel near
Jalalabad

By Farhan Bokhari
in Islamabad

THE United Nations yesterday
suspended road travel for its
staff between northern Pakis-
tan and the city of Jalalabad
in eastern Afghanistan, after
four of its staff members were
killed on Monday in an
ambush by unknown gunmen.

The road provides the most
important land link for trans-
portation of relief goods from
Pakistan to the Afghan capi-
tal, Kabul.

Rival groups of mujahideen
tribesmen have recently
exchanged fire to gain control
of the road, western diplomats
and officials say. '

The bodies of two of the
UN's international staff mem-
bers were brought to Islamae
bad yesterday to be flown to
their home countries.

Arafat in talks

with Saddam

MR Yassir Arafat, leader of the Palestine Liberation Organisation, yesterday met Iraqi President Saddam Hussein, Reuter reports from Baghdad.

Diplomats said the visit, the first since the PLO's public attempts at reconciliation with Saudi Arabia, could be a mediation attempt by Mr Arafat to help bring Iraq back into the Arab fold. It was the first time the two leaders have held talks since January 1992.

Israel w smooths

EC investment

in West

By Lionel Barber In Brussels

ISRAEL and the European

Community have agreed to lift obstacles to direct EC investment in the occupied territories of the West Bank and Gaza, Mr Shimon Peres, the Israeli foreign minister, said yesterday.

Mr Peres said the EC was becoming a world leader in foreign and humanitarian aid and the accord would allow the EC to invest in housing, hospitals and businesses in the West Bank without dealing with the Israeli authorities. Israeli-EC relations improved this week after the Rabin government agreed to the return of 100 of the Palestinian deportees from no-man's land in Lebanon and shortened the length of exile for the other 296. Mr Peres said the compromise cleared the way for talks to update a 1975 bilateral trade Bank ' accord with the EC, but EC officials were more cautious, describing it as a "very good step" only.

Israel wants to free the movement of capital and services with the EC and upgrade technological co-operation. Israel has a \$4.5bn trade deficit with the EC.

Reuter adds from Paris:

France said yesterday Israel's offer to allow back 100 expelled Palestinians was a step in the right direction but further efforts were needed to end the dispute and revive the Middle East peace process. "Ideas put forward by the Israeli government point to the will to seek a settlement. . . it is therefore a step in the right direction," the foreign ministry spokesman said.

He added the offer did not meet Palestinian demands and France hoped for more efforts to find a just solution.

State to keep control of telecoms company

By Hugh Carnegie

THE ISRAELI government

decided yesterday to maintain control for an unspecified period over Bezeq, the state-owned telecommunications monopoly, preferring a gradual programme of liberalisation in the sector and limited public

share offerings to proposals for the early sale of a controlling stake to a strategic investor. Bezeq is one of the biggest of Israel's many state-owned companies and was earmarked as a prime candidate for privatisation when the Labour-led government took power last July promising to speed up the privatisation process. Critics said the decision showed the government's reluctance to embrace radical privatisation, despite its promises. The government has ruled out selling its control of Israel Chemicals and made little progress on other companies such as the airline El Al. But the cabinet sub-committee that controls privatisation, which includes Prime Minister Yitzhak Rabin and Mr Avraham Shohat, the finance minister, said competition in the economy would be enhanced by dismantling some of Bezeq's monopoly before it moved out of government hands. The committee said it would move to allow private competition in cellular telephones and international links. The state would reduce its 75 per cent holding in Bezeq to 51 per cent through share offerings on the Tel Aviv stock exchange.

Downturn pushes Japan's

Unemployment to 2.4%

By Charles Leadbeater

In Tokyo

JAPAN'S unemployment rate rose to 2.4 per cent in December as the downturn in the economy began to take its toll upon the jobs market.

Most Tokyo economists expect the official unemployment rate will rise in the course of the year to nearly 3 per cent, the peak it reached during the downturn of the mid-1980s.

The main cause of the rise from 2.3 per cent in November is the virtual evaporation of private sector job offers, in both manufacturing and services, as companies freeze recruitment to cut costs.

The ratio of job offers to job applicants stayed at 0.93 in December, the same rate as November, which means there are 93 job offers for every 100 applicants.

This ratio's stability was mainly due to a surge of job offers from the construction sector fuelled by expanded public works programmes. Government ministers and business leaders used the weak unemployment data to renew their calls for an early cut in interest rates.

The official unemployment rate is an underestimate of the extent of unemployment in Japan. Job losses among self-employed and mainly women part-time workers who do not register for unemployment benefit have already risen sharply.

Japan's lifetime employment system means that thousands of workers are being kept on company payrolls even though they have no work to do. Some financial analysts estimate this so-called in-company unemployment amounts to about 6 per cent of the industrial workforce.

The rise in unemployment is one of the main factors depressing consumer confidence, which fell by 3.2 per cent to 38.2 per cent in the final quarter of last year according to the official index published yesterday by the Economic Planning Agency. Consumer sentiment about the employment outlook fell 8.6 per cent to 27 per cent in the

last quarter of the year, fueling growing pessimism among consumers about the outlook for their standard of living. As private investment is deeply depressed a revival in personal consumption is seen as essential to reigniting economic growth. Business confidence remains depressed, 'but not as depressed as the end of last year, according to a separate report by the EPA. Its index of business sentiment for the first three months of this year stood at minus 24, compared with minus 32 in the final quarter of last year.

M

h.

elm seeks

full isolation

10f Belgrade

By Judy Dempsey In Berlin

and Laura Sllber ln Belgrade

l.

- 'GlillMANY will ask the US to

"support a total isolation of

' Serbia as ene Of the few

Ti'emainim: options aimed at

5 stopping the war in the fenner

_ Yugoslavia. llut it will not sup-

lport a selective lifting of the

'arms embargo, even though

'lWashiutou appears to be

shiftingy its policy towards arm-

Him; the llosniau Moslem forces.

l The request, which will be

made when Mr Klaus Kinkel,

lthe German foreign minister

Xvisits Mr Warren Christopher,

lhis US counterpart, in Wash-

'iugton tomorrow, reflects the

'urowiug frustration and fears

twithiu Germany that Croatia

land Serbia could be moving

itowurds an all-out war.

' Foreign ministry officials in

i Bonn yesterday said they have

'asked President 'l'udjman of

'Croatia to stop his offensive

tinto the demilitarised "pink

'zones" of tlte republic. These

l straddle United Nations protec-

't0rates set up last year on (im-

atian territory seized by Serb

'forees.

"We want 'lludjman to stop

lthis offensive, even though we

understand why he is doing it,

land to accept an extension of

'the UN mandate in the republ

ilie. If not, then this could pm-

'v0ke the Yugoslav army inte

iattacking Croatia. The pres-

sure must be kept up on

Serbia, but pressure should be

imposed on (lmatia as well," a

jforeign ministry ellicial said.

:i Despite pressure from public

topinion, both in the US and

jGermany, Mr Kinkel (lees not

gsupport arming the Bosnian

:Meslems. We would not go it

'alone in lifting the arms

.embargo," an official said,

Talks on the lINvl'IC peace plan

for Bosnia will resume at the

UN tomorrow or Friday and

could go on for weeks, Mr

)yrus Vance and Lord Owe".

the ee-ehulrmen, said yester-

day, writes Michael l,littlejohns

in New York.

They voiced concern that the

US had not yet determined its

policy in the erisls but they

also appeared willlm,r to make

allowances for a new

administmtieu.

Lord Owen again strongly opposed waiving the arms embargo imposed on the states of former Yugoslavia, adding that it would be (lilli-eult to see how more arms in the region would stop the war from spreading.

Germany also recognises that the US will not commit ground troops as a means of lifting the siege off the llesnian capital of Sarajevo, impose a no-fly zone, which is "fairly irrelevant by this stage", or back selected air strikes either in llesnia, Or Serbia.

lu Belgrade General Satish Namhiar, the eemmauder of UN forces in the former Yum)-slavia, yesterday said the renewed SerhosCreat clashes had derailed the place plan in Croatia hut dismissed fears of a pullout hy the M,()0t)-streng peacekeepim,r force.

"We have gone hack to square one. What we are engaged in now is damage limitation. We are trying to assure that the conflict does not spread," he told reporters.

Gen Namhiar suggested that the peacekeeping forces should have their mandate extended in order to deal with the situation on the ground.

THE biggest increase in nearly a decade in the US index of leading indicators and a sharp rise in new home sales provided further evidence yesterday of an accelerating economic recovery.

The figures were released amid hints from officials that the Clinton administration may be planning a short-term economic stimulus of about \$31bn, rather than the \$15bn-\$20bn mentioned by aides last week.

The leading index rose 1.9 per cent in December, the Commerce Department said, the largest increase since December 1983. Separate figures showed a 6.3 per cent increase in new home sales in December and a large upward revision for figures for November. New home sales rose 19.4 per cent in 1992 as a whole - the largest annual increase for nearly a decade.

A White House spokeswoman said President Bill Clinton was encouraged by the improved tone of recent economic statistics but remained very concerned about the lack of jobs growth. "We've got to find a way to put people back to work," the president said on Monday night.

The possible \$31bn stimulus package would include an immediate increase of about \$15bn in federal spending, to take effect this fiscal year, with the remainder devoted to an investment tax credit. No final decisions, however, have yet been made.

The administration is continuing to search for ways to cut the budget deficit by \$145bn by fiscal 1997. Some senior advisers fear that mooted tax increases - such as a broad-based energy tax - would represent a politically damaging repudiation of Mr Clinton's pledge to lower the tax burden on middle-income families.

Mr Clinton will spell out his economic strategy in his State of the Union address on February 17 and deliver a full budget on March 23.

Federal Reserve governors and regional presidents met yesterday to chart monetary strategy for 1993. The Fed has signalled it will cooperate with the administration by holding short-term interest rates at current levels for

the foreseeable future.

The rise in the leading index was led by a surge in consumer confidence, a drop in weekly claims for unemployment insurance and an increase in corporate order books; only two of the 11 components of the index - real monetary growth and commodity prices # failed to contribute to the overall increase.

The December rise followed increases of 0.5 per cent in October and 0.7 per cent in November. However, economists at Merrill Lynch, the Wall Street brokerage, warned that the leading index might decline in January, reflecting recent weaker figures for consumer confidence, unemployment claims and monetary growth.

The consensus view is that the economy is growing at an annual rate of about 3 per cent, somewhat lower than the 3.6 per cent annual growth rate in the second half of last year.

The 38th Floor

The source of that tlinternational pressurell that pushed Israel into caving on the deportees this week actually has a real address: 38th floor, United Nations, NYC. The 38th floor is home to Secretary-General Boutros Boutros-Ghali. It is where Mr. Boutros-Ghali-an international bureaucrat and negotiator - did much of the work that is now forcing Israel to welcome back 100 Hamas terrorists. (T0 repeat what is not often noted, Hamas is the group that states one of its goals is fighting ltuntil the last Jew in the world is exterminated")

Mr. Boutros-Ghali's official job description does not include defining the New World Orderls position on Israel. But a review of his recent work shows that is what he's been trying to do. His first effort was to take sides on a matter before the Security Council-a PLO-supported U.N. resolution calling for sanctions against Israel in language reminiscent of the sanctions-language against Iraq.

Meanwhile, Yasser Arafat was in Baghdad yesterday visiting with Saddam, testifying t0 (the greatness of the Iraqi people and their leader." Mr. Boutros-Ghali's second effort was to send a team to Israel, whose work he chronicled in an internal report to the Security Council. In that report, the secretary-general went beyond the bounds of negotiating and far into policy making. Israel had not been cooperating with Decemberls Security Council Resolution 799, backed by the U.S., calling for Israel to repatriate the deportees. That is Security Council business, but Mr. Boutros-Ghali took the chance to record his dismay at t'the gravity of the situation." His team also chose not to go to Lebanon, whose noncooperation compounded the refugee problem.

The secretary-general then widened his attack on Israel, arguing that hit is important to recall that the deportations carried out by the government of Israel are only the most recent in a series of violations of the Fourth Geneva Convention (on treatment of civilians in war-zonesl." This last statement is pure Boutros-Ghali. It is a matter of some controversy in fact whether these deportations violate the Fourth Geneva Convention.

Meanwhile, the secretary-general is apparently eroding the United Statesls presence in the U.N. Secretariat office. One of the few hope-inspiring changes at the U.N. Secretariat in recent years was making former U.S. Attorney General Richard Thornburgh undersecretary for administration and management. It was the top

U.S.-held job in the Secretariat, and was key to a U.S.-led initiative to reform the bloated operation.

High on Mr. Thornburgh's list was an effort to reform the Secretariat's quota system, which allotted jobs by nationality, rather than merit and competence. But Mr. Thornburgh quit recently (perhaps disgusted with the slow pace of change) - and now Secretary-General Boutros-Ghali is moving to lock in the quota system by filling the only important American post in the Secretariat with a Norwegian or an Indian. Secretary of State Warren Christopher met with the secretary-general Monday, but Foggy Bottom has so far said nothing about the jobs status.

The post-Desert Storm hopes for the U.N. continue to fade, as Mr. Boutros-Ghali's organization reverts to business as usual.

Asides

Road Map to Trouble

The Center for the Study of the States has released a breakdown of tax changes for 1992. It confirms several things we've noted. Kansas had the biggest proportional rise - 12.6%. Other big increases came in Iowa (7.5%), Mississippi (6.7%), Maryland (6.1%), Tennessee (5.8%) and Montana (5.1%). The only substantive declines were in New Jersey (5.2%) and Pennsylvania (3.7%). The center forecasts bigger hikes overall in 1993.

CIA Knew of BNL Loans

To Iraq, Gonzalez Says

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON-Banking Committee

Chairman Henry Gonzalez said that information from British intelligence indicates U.S. intelligence agencies knew about Iraq's large loans from Banca Nazionale del Lavoro's Atlanta branch months before the bank was raided. British intelligence agents learned that Iraq was using the Atlanta branch to finance military-related items four months before federal agents raided the bank, Rep. Gonzalez said.

The Texas Democrat said the British government's chief spy in the case. Paul Henderson, a director of tool manufacturer Matrtx-Churchlll Ltd., has told Banking Committee investigators that the British agents he alerted about the BNL-Atlanta connection assured him that the information would be passed on to U.S. intelligence agencies. Matrix-Churchill is an Iraqi-owned, British-based concern.

U.S. banking officials have said they first learned about the BNL-Atlanta problem in late July 1989 from two informers at the bank. Federal agents raided the bank on Aug. 4, 1989.

Since 1991, former Central Intelligence Agency chief Robert Gates and other agency officials have told the Banking Committee that the agency had no knowledge of BNL's huge loans to Iraq until after the Atlanta branch was raided. ttMr. Henderson's evidence strongly suggests that these claims are untrue," Rep. Gonzalez said.

rockets are being readied to take on their US and European counterparts; The US vice-president has called for a tough line to be taken in delicate talks between Washington and Moscow. China is waiting in the wings to pick off the losers. It may sound like the cold war, but it is 1993 and the battleground is commerce, not ideology. The prize is a slice of the international commercial space launch market worth \$2bn a year. The Russian space industry is offering to launch western satellites for about half the cost normally paid in the west, and in some cases much less. But a price war could undermine western companies' struggle to diversify out of defence contracts. The Clinton administration has indicated that it might protect what it sees as a strategic industry and end the Bush doctrine of supporting this area of Russian industrial strength. Cut-price launches would bring many benefits. Telephone calls and satellite television should become cheaper. There could be improvements in air traffic control, weather forecasting and environmental monitoring. Companies might be able to make economic use of the weightlessness and vacuum of space in precision manufacturing. Many western companies are keen to capitalise on Russia's price advantage in the space industry. "Everyone who wants to put up satellites is thinking about the Russians," says an executive at an international satellite services operator. In December, for instance, London-based Inmarsat, one of the world's top satellite operators, gave Russia its first commercial launch contract, worth \$36m. The equivalent launch with the international market leader, Europe's Arianespace, costs more than \$60m. More western contracts should follow. Lockheed, one of the largest US defence contractors, has signed a pact with Russia's Khrunichev Enterprise, the builder of the world's most reliable rocket, the Proton. The joint venture will try to sell cut-price launches on

Protons to companies and governments around the world.

"This is the tip of an iceberg that will lower the cost of transportation into space," says Mr Mel Brashears, assistant general manager of Lockheed Missiles and Space.

The iceberg is big enough to threaten the dominance of the west's launch industry. Built final frontier

Daniel Green and Leyla

Boulton on the rise of Russia's satellite launch industry

W...

Russia has offered to launch South African missiles on converted 88-18 or 88-25 intercontinental ballistic missiles on the requirements of arms

and space races, the Russian space industry still launches more than 50 rockets a year for scientific and medical

research, ground observation, and telecommunications. Mr

Yuri Milov, deputy director of the Russian Space Agency, says it could

presently conduct four to five

big commercial

launches a

year, and more

in future with

foreign investment. Ariane-

US

space, by comparison, had 10 International

launches last year.

The western US

launch industry Europe

3150 has FONS International

in defence and Rest of world

is suffering

from the fall in

the value of

contracts which has followed the end of the cold war. Many

defence companies have tried

to diversify into civil work

such as commercial satellite

launching.

Four- western companies

have been successful in this

business. Paris-based Ariane-

space, owned by more than 50

European aerospace and

finance companies and five

governments, has half the mar-

Share of global

communications

satellite market

(% share)

Completed 1981-1991

Forecast 1992-2003

'Forecast; Source' Eu/consult

and sales of FFrsbn

(5:600m) a year. Its FFrl4bn

order book represents three

years work.

In the US, General Dynamics and Martin Marietta, both defence contractors, have their Atlas Centaur and Titan rockets, and McDonnell Douglas, the aerospace company, has the Delta rocket. Their biggest customer is still the US government, but they also undertake commercial contracts.

Despite Arianespacels dominance in launching commercial satellites, it is in the US where efforts have been greatest to ward off the Russian assault. Vice-president Al Gore has endorsed industry calls for "fair market pricing" and limits on the number of launches made by eastern competitors. "The emergence of (space industry) competitors from non-market economies increases the opportunities for predatory pricing - the very same economic weapon that foreign countries employed in the American manufacturing base," he said in a speech immediately prior to the November elections which outlined the incoming administration's aerospace policies.

The Clinton administration has the power to prevent Russian commercial launches by refusing export licences for satellites. This would be a reversal of the previous administration's policy of encouraging both the Russian and Chinese space industries in an attempt to encourage economic reform. Lockheed is confident that Washington's authorisation of its deal with Khrunichev, at a time when Bush administration officials were working closely with their successors, is a sign that policy will not change much.

Yet the pressure for protection of the western launch industry is likely to strengthen as Russia seeks to increase its commercial launches. Further Russian price cuts are already on the table. Russia has offered to launch South African satellites on converted

83-18 or 88-25 intercontinental ballistic missiles. The sophisticated guidance systems in the missiles should allow the accurate placing of a satellite in orbit. The price is \$10m. In an attempt to avoid a damaging dispute, Russian government and industry officials are holding informal talks with their American counterparts, as well as with the European Space Agency and European Commission. A tripartite deal setting quotas and price floors for Russian launches could emerge later this year. But commercial pressures may quickly mount. Within days Eutelsat, the Paris-based group which provides satellite telecommunications between European countries, will choose to launch its next satellite with either General Dynamics, Arianespace or Proton. Mr Jean Grenier, Eutelsat's director general, acknowledges his organisation's "pro-European solidarity" with Arianespace and a recent success with the General Dynamics rocket. But the Russians also get approval: "We need reliability and a good price and without any doubt the Russians have a lot of experience, they have invested a lot of money and talent in their space industry." A second contract for Proton would confirm the arrival of the Russians as a significant presence in the satellite launch market. But in so doing, it might also increase the prospect of a trade war in space.

Investors
shunning
developing
countries

By David Dodwell,
World Trade Editor

DEVELOPING countries have been increasingly marginalised by foreign investors over the past decade, with their share of global inflows falling from 25 per cent to 19 per cent, according to an Organisation for Economic Co-operation and Development report.

Just 10 countries - led by China and Hong Kong, Singapore, Brazil and Mexico - accounted for three-quarters of the inflow.

This occurred at a time when dwindling access to bank lending increased developing countries' reliance on foreign investment.

Overall, the report says, the restoration of steady noninflationary growth in the world economy is a prerequisite for maintaining the 1980s' unprecedented pace of investment

FINANCIAL TIMES
growth.

The decade saw Japan emerge as the world's leading foreign investor, with a strong shift towards investment in services and high-technology industries.

The report notes that the impetus for a quadrupling of investment from \$48bn in 1981 to an average of \$188bn in 1989 and 1990 was economic growth, market integration, the globalisation of business, the growth of regional economies, and technological innovation.

What happens in the 1990s will depend largely on these factors, it adds.

While foreign investment has been closely linked with deregulation, privatisation and the dismantling of monopolies "on an unprecedented scale", the report says a number of sectors remain "sealed off" from foreign investment and competition.

These include basic telecommunications, transport, public utilities such as gas, electricity and water, and sectors of "special economic interest" such as mining, oil and gas, and electricity.

International Direct Investment - Policies and Trends in the 1980s. OECD.

BUSINESS TRAVEL

A QUICK READ ON TRENDS AFFECTING BUSINESS TRAVELERS

Northwest, KLM

cut European fares

By Doug Carroll

USA TODAY

While their competitors cut fares to Europe, Northwest Airlines and KLM Royal Dutch Airlines are cutting the price of

U.S. competitors can't

match deal on routes

Northwest Airlines and

KLM's new fare program is

bringing grimaces from the

competition.

American Airlines, United

Airlines and Delta Air Lines

can match lower fares be-

tween the USA and Europe.

But they can't match fare-cut-

ting on intra-European routes.

That's because they don't do

much flying between Europe

and cities, and their access is

restricted by treaties. KLM

serves more than 80 destina-

tions in Europe and North Af-

rica from Amsterdam, Neth-

erlands.

The Passport to Europe of-

fer is the first pricing move by

Northwest and KLM since the

U.S. government let them

merge operations. That fol-

lowed the signing of an "open

skies" treaty between the USA

and the Netherlands, liberaliz-

ing airline competition.

Says American spokesman

Marty Heires: "This is just an-

other example of the advan-

tages created by the open

skies' agreement. . . that other

U.S. carriers will never be

able to overcome."

- Doug Carroll

nying around Europe.

The airlines' Passport

to Europe coupons, which

went on sale this week,

are designed to save mon-

ey and time for U.S. fliers

who want to visit a num-

ber of cities in Europe

and North Africa. "If you

want to travel intra-Eu-

rope, it's a hell of a bar-

gain," says Thomas Nulty,

of Associated Travel

Management

The Northwest-KLM

move comes amid a fare

war aimed at U.S. fliers to

Europe. Friday, TWA cut

its Europe fares up to

30%. Other airlines, in-

cluding KLM and North-

west, followed by cutting

their lowest fares up to

40%. The fares must be

bought by Feb. 19 and are

good for travel April 1-

Oct. 31.

The Passport coupons have no expiration date.

They're only good for coach-class seats, but they can be purchased with any published KLM or Northwest round-trip transatlantic fare,

Here's how they work:

You need one coupon for each segment you fly.

Many KLM flights stop in Amsterdam, so you may need two coupons for each additional city you

visit. The coupons cost \$100 for each of the first three, \$80 apiece for the fourth and fifth ones and \$70 for each one after that. You must buy at least three. Additional coupons can be purchased in Europe. Prices are higher April 1-11, Christmas-time and summer. Lower rates apply year-round for children ages 2 to 11. Infants fly at 10% the adult airfare. Some European airlines have similar programs, but restrictions vary. Travel agents say the coupons offer an alternative to the normal sky-high fares on inter-European routes as well as less expensive - but more time-consuming - trains or buses.

Say you live in Los Angeles and want to visit Rome, London and Paris. The normal fare would be \$1,280 round trip. Using the Northwest-KLM coupons, the same trip costs \$819, for a savings of \$461, Nulty says. And you'll likely get to your destination faster than by train. A train ride from Rome to Amsterdam, for instance, takes 25 hours.

Though aimed at leisure travelers, Passport coupons may appeal to some business fliers, too. Advance reservations and minimum stays aren't required for flights taken on the coupons.

THE ECONOMIST JANUARY 30TH 1993

Russia

Things fall apart

FROM OUR MOSCOW CORRESPONDENT

CC OSCOW and its regions are like two people locked in a bad marriage; any step, even one intended to make things better, in fact makes things quite a bit worse," argues Paul Goble, an analyst at the Carnegie Endowment for Peace in Washington. He predicts that the Russian Federation will not survive another year. The mere possibility that Russia could end up being much smaller than the current borders of the Russian Federation encourages regional leaders to increase their demands for more autonomy; it also increases Russian nationalists' dislike of the government of Boris Yeltsin.

The pressures to bust up the federation should, in theory, be containable. Four-fifths of its population are ethnic Russians, who are also the majority in over half of its republics. Besides, the demands of most local leaders are still modest. For example, Anatoli Koptsov, the chairman of Bashkortostan's council of ministers, says, "There can be no question of secession. We are part of the Russian Federation and we have no mind to break away?

That is the theory. In practice the federation is under pressure from live directions. In the north, local people would like more control of the region's mineral wealth. Their tiny numbers mean that, should grumble come to growl, Moscow will have its way. The republics along the Mongolian border, like Tuva and Buryatia, are gradually slipping away from Moscow's control. The same process is under way in the Caucasus, in bloodier fashion. Chechnya in effect seceded when it refused to sign the federation treaty in March 1992.

The other two challenges are more serious. One is in the middle Volga, a region that controls transport links between European Russia and Siberia, as well as access to western Siberia's oil fields. Tatarstan has also refused to sign the federation treaty, and has now adopted its own constitution, which declares the supremacy of the laws of the republic of Tatarstan on its territory. Plainly, there are limits to how much independence the Tatars can hope to win when they are surrounded by Russians. Nonetheless, at the end of last year the Tatar parliament called for a Volga confederation. This is a resuscitation of a project promoted by Tatar nationalists in the 1920s, which if realised would give Tatarstan a border with Kazakhstan.

The biggest threat, however, comes from within. According to the chairman of the Russian parliament's committee for nationalities, Ramazan Abdulatipov, the federation is in danger, because laws are not being observed, because there is a power crisis and economic reforms are not conclusive." He quotes the example of Repyakhovka, a village in the Rostov oblast (region) in southern Russia, which has solemnly de-

clared it is not subject to any Russian laws that are contrary to the interests of the Vile lage. Mr Goble reckons Russials 88 oblasts have now passed 14,000 regulations that directly contradict Moscowls legislation. This collapse is not necessarily a bad thing. Russials chances of developing will always be stifled as long as all its 88 oblasts are ruled rigidly from Moscow. It all depends on whether the collapse is orderly. The signs are bad. The regions' desire for more autonomy has become a weapon in the battle between Mr Yeltsin and the parliament, led by Ruslan Khasbulatov. The former has consistently tried to enlist the republics as allies against parliament. The danger in this strategy is clear: Mikhail Gorbachev tried to use support from the ex-Soviet republics to defeat the challenge from Mr Yeltsin, but merely hastened the union's collapse. Undeterred, Mr Yeltsin and his prime minister held talks in Tatarstan earlier this month. Next month a treaty is to be drawn up that will grant Tatarstan more autonomy than is allowed to other republics under the federation treaty. The others are likely to demand equal treatment, and they have a simple way of doing so: they can include a question on the

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THE ECONOMISTJANUARY 30TH1993

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Iran and the ex-Soviet Union

Great games

FROM OUR IRAN CORRESPONDENT

DROP into the lobby of an hotel in north Tehran and be wafted back to the days of the Soviet Union. One day it is packed with Georgians, the next with Ukrainians. These are the visiting delegations. Always around the place are visitors from Azerbaijan and Tajikistan, a couple of Uzbeks plus a Russian or two.

Iran is out to win friends in Central Asia-and to win trade contracts and weapons from Russia and Ukraine. The West may be trying to block such links, but it is increasingly clear that the ex-Soviet states welcome the prospect of a flow of petrodollars from the Islamic republic.

Russia's president, Boris Yeltsin, is expected in Tehran next week bearing a list of goods and services that he is keen to sell to Iran. What he will give in return is the subject of worried speculation among the Arab Gulf states that fear an Iran rearmed with Soviet weapons. Even more worryingly for some of them, it will be an Iran that no longer has to guard its back against the Soviet Union and can therefore stand firm

1m: ECONOMIST JANUARY 30m 1993

INTERNATIONAL

against the "enemies" on its southern flank. Iran's foreign policy thinkers are clear on priorities. The objective, says a man from the Foreign Ministry, "is to become the premier power in Central Asia and to show the Arab Persian Gulf states that they cannot have security in the region without us." The way to this goal, says another official, is through Georgia, which he sees as the key to all the other states. It is of the utmost importance, he adds, to have closer links with Georgia and to be able to influence it.

In obedient response, the Iranian press made a tremendous fuss of Edward Shevardnadze's visit to Iran on January 19th and 20th. It was, at least in Iranian eyes, the most significant visit by a foreign head of state to Iran for several years. Press, radio and television faithfully recorded what Georgia's president said and did as he moved around, often accompanied by President Ali Akbar Rafsanjani. The evening news on the last night of his stay was largely devoted to the visit.

Iran's intentions were clear: it wanted to show the world that it was a force to be reckoned with in the ex-Soviet Union. What the Georgians wanted was 2 billion cubic metres of free gas and a boost of capital to revive their industry. In return they offered to extend to Iran the gas pipeline that now runs to Armenia. The Georgians are also said to have discussed selling live SU-25 ground-attack aircraft to Iran's air force. But the official statement at the end of the visit merely said that 15 accords were signed; there was no reference to gas, let alone military aircraft. Members of the Georgian delegation let it be known that they were disappointed and were leaving

empty-handed; they suggested that the Iranians had misled them, using the visit as a public-relations exercise. Iranian sources provided a more subtle explanation. They claimed that, since the Americans jump down the throats of anybody who makes friends with Iran, it is often better policy to let them think a hairs that were in fact concluded, were unsuccessful."

If this is true, it supports the argument that Iran is doing well in the region, but at least partly by stealth. According to a western journalist based in Georgia, "The Turks are running all over the place, spending money, while the Iranians are gaining ground quietly."

Farewell to Savimbi

America must offer no comfort to the man who has returned Angola to civil war THREE times in the past five months, peace has crept cautiously on to Angolans streets only to disappear in a riot of gunfire. A peace agreement supposedly ended 16 years of civil war two years ago, but as many as 10,000 people may have died in Angola in January alone. This week the belligerents were due, once again, to try to settle their differences, this time in Addis Ababa (see page 40). But so far efforts at peace-making have come to nothing. The United Nations' Angolan mandate, which runs out on January 30th, looks set to be extended by three months. But it promises to be a mandate without men: the UN force is to be cut by 90%. This scuppers any lingering hopes of imposing a peace. The best hope now lies in negotiation. Bill Clinton could help.

The reason Angola has been plunged back into civil war is the stubborn refusal of Jonas Savimbi, leader of the rebel UNITA movement, to accept defeat in last September's elections. He says they were rigged. Outsiders disagree. UN monitors declared them not flawless but mostly free. More than 90% of Angolans voted; the ruling party, the Popular Movement for the Liberation of Angola (MPLA), won a convincing 58% in the legislative election. Mr Savimbi could have had a second chance for the top job: in the presidential vote, Jose Eduardo ing out. The UN monitors will sit about, waiting for a telephone call offering peace talks from whichever side is momentarily weaker. Meanwhile, thousands more will die. If the UN cannot do the job properly, it might do less harm, at least to its reputation, by quitting Angola altogether.

No solace for sour grapes

Trying to squeeze out a negotiated peace is probably the only way forward. The one instrument that could do some squeezing is in the hands of the United States: it is the power to recognise Mr dos Santos's government. This America has never done. The Bush administration disliked the (once-Marxist) MPLA; some of George Bush's people had lingering sympathies

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dos Santos, the MPLA leader, won 49.6%—just short of the 50% he needed to avoid a second round. Mr Savimbi chose the battlefield instead.

His decision to do so might not have mattered had the UN not made such a hash of disarming the two sides. The UN was supposed to have confiscated arms before holding elections. It failed, enabling Mr Savimbi to retreat to the bush to try to win by force what he had failed to win at the ballot box. His guerrillas may be unbeatable in the bush, but the government has the advantage of air power. Both sides have the means to rebuild their arsenals: the government has oil money; UNITA smuggles diamonds. The fighting could go on for months.

In an ideal world, the UN would try again to do what it failed to do properly before: disarm both sides. But without their co-operation, this would be virtually impossible. It would take many more troops than are now embroiled in Somalia. Angola is twice as big. Its terrain is not open desert but thick bush. Its battle-hardened armies are fiercely determined. Even if the political will existed to mount a huge operation—which it does not—the UN has too many calls on its resources elsewhere. Instead, the UN has decided to shrink its already feeble presence to a tenth of the size, and wait until April before pulling

Oran
for Americans cold-war protégé, Mr Savimbi. Though Mr Bush promised to recognise a freely elected government in Angola, formal relations are non-existent.

Mr Clinton should change that. Admittedly, Mr dos Santos did not quite win 50% in the presidential vote, and his government is not a paragon of democratic virtue. On balance, though, Mr Savimbi is the villain of the piece. For as long as his former patron fails to recognise Mr dos Santos's government,

Mr Savimbi will hold out the hope that his cause is not lost. By opening relations with Mr dos Santos, the Clinton administration would be sending the first clear signal to Mr Savimbi that he is on his own. If he chooses to keep fighting, he should be in no doubt that he will be friendless.

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THE HUNGER EQUATION

Feeding a world of 10 billion
Ever since Thomas Malthus
published his 11Essay On the
Principle of Population11 almost
200 years ago, forecasters have
been warning that worldwide
famine was just around the next
corner. The mushrooming popu-
lations demand for food, they
Somali starvation. But not for lack of grain
warned, would soon outstrip its
supply, leading to widespread
food shortages and starvation.
But in reality, the worlds total
grain harvest has risen steadily
over the years. Except for rela-
tively isolated trouble spots like
present-day Somalia, and occa-
sional years of bad harvests, the
worlds food crisis has remained
just around the corner. Most ex-
perts believe this can continue
even if the population doubles by
the mid-21st century, although
feeding 10 billion people will not
be easy for political, economic
and environmental reasons. .
Better crops. Optimists point to
concrete examples of continued
improvements in yield. In Africa,
for instance, improved seed, more
fertilizer and enlightened growing
practices have more than doubled
corn and wheat yields in an ex-
periment sponsored by the Carter
Center's Global 2000 project.
Elsewhere, rice breeders at the
International Rice Research Insti-
tute in the Philippines are using
botanical tinkering to produce a

ALFRED 7 EPA PRESS

plant with fewer stems and more
seeds. Together with colleagues in
India, they are also developing
hybrid rice that outyields current
varieties by 15 percent in initial
tests. There is no guarantee that
plant breeders can continue to
develop new, higher-yielding
crops, but most re-
searchers see their suc-
cess to date as reason
for hope.

There are grounds
for concern, however.
The steady loss of natu-
ral ecosystems-which
may accelerate as the
demand for agricultural
land grows-threatens
the genetic raw materi-
al that breeders rely on
for further crop im-
provements. Land deg-
radation and urban
sprawl claim millions of
acres of arable land ,
each year. And global

climate change may alter temperature and rainfall patterns, many scientists fear, with uncertain consequences for agriculture. The hunger equation involves economics and politics as much as it does science. Soil erosion, for example, is not an inevitable consequence of intensive farming. But today's narrow profit margins leave many farmers feeling they can't afford the measures needed to control it. Boosting grain yields on a test plot may prove far easier than providing fertilizer, high-yielding seed and good roads to farmers in developing countries. Most of the world's nearly 1 billion hungry today are starving not because of a food shortage but because of political turmoil or shortages of money. Even if hard work and massive agricultural investment can eke out enough food for 10 billion, a crucial question remains: Will the world's hungry have the money to afford it, or the political stability to ensure its efficient delivery?

BY BOB HOLMES

WORLD REPORT

Security agencies remain largely unencumbered by legislative and judicial restraints. On paper, the Security Ministry has even more Clout than the Old KGB. Last year, Yeltsin restored the domestic security agency's status as a cabinet ministry, which had been stripped from the secret police by Nikita Khrushchev after Stalin's death. Yeltsin wanted to go even further and combine the MB and the Interior Ministry, the national law-enforcement agency, into a security superministry--but the Russian Constitutional Court overturned his presidential order on the grounds that it would concentrate too much power under one roof.

Yeltsin also gave the MB control of the 240,000-strong army of Border Guards, taken away from the KGB after the failed coup. Missing files. The KGB's offspring are technically accountable to the Russian parliament for their actions and budgets, but the legislatures attempts to oversee intelligence activities are off to a bumpy start. Parliamentary deputies seeking information on KGB activities have uncovered evidence that the security organs already have systematically destroyed incriminating material in their files. Investigations of the KGB's role in the coup have stalled for lack of evidence.

A security law passed last March makes information about agents of the special services a state secret and divulging their identities a crime. Security officials argued that the law was needed to avoid social fissures like those that tore apart the former East Germany when secret police agents were exposed. The year-old security law also gives Russian special services all the right to break into private homes without following normal legal procedures. Russian and foreign journalists report renewed bugging of their telephones.

In time-honored fashion, the KGB has managed to infiltrate its supposed overseers. The KGB organized candidate lists in republican and local elections in 1990, and nearly 2,800 Chekists were elected to local and republican legislatures. There have been no elec-

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If many Russian reformers think the Security Ministry looks too much like the old KGB, the Russian Intelligence Service is showing a far different face to the outside world than its predecessor, the KGB's First Chief Directorate. But while the RIS is advertising its openness, among other things accepting faxed inquiries from Western journalists, Western counterintelligence officials have noted a marked increase in spying by the GRU, Russia's military-intelligence agency, which may be picking up some of the espionage slack from the security organs have systematically destroyed incriminating files. 1
its slimmed-down sister intelligence agency.

The RIS's director, Yevgeny Primakov, is a former journalist and Middle East expert who was a close adviser to Gorbachev and earlier Soviet leaders, but he and his aides insist that they have abandoned the Soviet Union's ideological rivalry with the United States. They say they are focusing instead on preventing the proliferation of nuclear weapons, collecting intelligence on technology critical for national security, tracking regional conflicts, checking out potential business partners of the Russian government and fighting international crime. The RIS has even taken some tentative steps toward cooperating with Western

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intelligence agencies. We used to say, wherever the Americans had people, we had to have people? says RIS spokesman Yuri Kobaladze. i'Now we think only about our own security needs." Trimming down. RIS spokesmen say the agency has closed 30 intelligence posts abroad and cut its staff in foreign posts by half. Western analysts, however, argue that the RIS needs fewer people than the KGB because Russian undercover officers no longer have to cart around bundles of cash and distribute them to Western Communist parties—a task that made up half the workload of many KGB stations. Western counterintelligence agencies also worry about the number of former KGB officers who are building capitalism in Russia. As many as 100 ex-KGB officers are involved in commercial ventures abroad, including in the United States, giving them cover to travel widely in the West. Kalugin has opened a business consulting firm. And former spy chief Leonid Shebarshin, who headed the KGB for one day

after the failed coup before Gorbachev forced him to resign, now runs the Russian National Economic Security Service, a consulting firm for Russian businesses. Not all the ex-agents have come in from the cold willingly. Many are bitter about the collapse of the Soviet system and remain convinced that the CIA is behind Russia's woes. Intelligence officers aren't vegetarians, says one bitter ex-KGB senior official. "Our counterparts in the West understood just how weak we were and exploited the weakness for all it was worth? This former official claims the CIA still has agents in the Russian leadership. Whether it is true or just post-Communist Russia's version of McCarthyism, the charge of American moles in the Kremlin is a potential political bombshell for Yeltsin. Despite the signs and claims of change, the modern KGB continues to do what its predecessors did best: survive in a Russia that, despite its declared intention to reform, still clings to a relic of totalitarianism, perhaps as a hedge against an uncertain future. I

BY JEFF TRIMBLE IN MOSCOW

U.S. NEWS & WORLD REPORT. FEBRUARY 8, 1993

' WORLDREPORT

New act,
old tricks
Dismantled after the failed Soviet coup, the
KGB is just ourz'shz'ng in Boris Yeltsin's Russia
It a recent trip to explore trade
0 prospects in deepest Siberia, an
American lawyer was pleasantly
surprised by the worldly confidence and
business acumen of his Russian trading
partner. The American, however, was
taken aback by his host's business card,
which identified the Russian as a
retired colonel from the Ministry
of Security, the post-Communist
name for a venerable Soviet institution: the KGB.
Crowds toppled the Moscow
statue of Felix Dzerzhinsky, the
founder of the Soviet secret police,
after the failed 1991 coup against Mikhail
Gorbachev, and Gorbachev formally
abolished the KGB in October 1991. But
it refused to die along with the Soviet
Union. The KGB that tormented Andrei
Sakharov, tossed other dissidents into
mental institutions, harassed religious
believers, trained Arab terrorists and
spearheaded the 1979 invasion of Afghanistan
has shed its once sacred duty as the
sword and shield of the Bolshevik
Revolution and methodically remade itself
into a fixture of democratic Russia.
Familiar faces. The KGB's Lubyanka
headquarters in Moscow is now occupied
by the Ministerstvo Bezopasnosti -
the Russian Ministry of Security,
one of the old KGB's four offspring
(box, Page 43), and most of its offices
are occupied by the same people who
sat in them under the KGB. The officers
now report to the Russian president, not
the Politburo, and they pledge to defend
the fatherland - not Communism. 0 Titles and
organization charts have changed, says Oleg
Kalugin, a retired KGB general and
sharp critic of the security organs. 0 But
the people have not. Yesterday they
were fervent Communists, today they
say they are committed democrats."
Some Russian democrats fear that Lubyanka
is a Communist Trojan horse.
But while some Communist diehards remain,
most of the KGB has opted to support,
rather than fight, the new order
as a means of assuring the survival of the
mammoth security bureaucracy. And
Russian President Boris Yeltsin,
perhaps uncertain of his ability to
stave off another coup attempt
or to repel attack on his reforms
from hard-line nationalists or
unreconstructed Communists,
has cultivated the former KGB
and even strengthened its authority.
As a result, former KGB officers, who
are among Russia's best-educated and
best-connected citizens, are in the
vanguard of Russia's budding capitalist
class - to the chagrin of democratic re-

formers and the consternation of Western counterintelligence agencies, which wonder if the annuitants have really severed their ties to their old employer. A renewed sense of confidence permeates Lubyanka. After the 1991 coup attempt, KGB officers desperately sought to distance themselves from their Communist roots. Now officers of the security ministry are once again calling each other *litchekestili*—a name that harks back to the Bolshevik secret police, the Cheka, a KGB forerunner.

Yeltsin's government has fired only about 400 KGB officers, and the MB still employs about 135,000, many with unsavory pasts. They feel they have survived the worst, says Kalugin. There is a different feeling in the halls; the old pride is back. The security services' academics are turning away applicants for lack of space.

Many KGB officers have proved to be adept at making the transition from defending communism to building capitalism. The Moscow magazine *Srolitsa* reported last year that 75 percent of the employees of the new Russian Stock Commodities Exchange Center are former KGB officials. *litchekesti* also have taken other influential, noncommercial jobs. Alexander Drozdov, a former KGB officer in Japan, is now the editor of a major new weekly newspaper, *Rnsz's'tm*, published by the Russian parliament.

Lower-level ex-KGB personnel have also found work in Russia's new private sector, especially in the burgeoning security-and-protection industry that has sprung up as crime has worsened. One security agency for businesses, Alex, employs 2,000 men, mostly former KGB and Interior Ministry officers. Crackdown. The old tone is creeping back into the MB's pronouncements and behavior. Security Minister Victor Barannikov, a former Soviet Interior Ministry official, pledged at the December Congress of People's Deputies that his ministry will thwart "subversive activities of Western secret services" and their attempts to turn Russia into a sort of raw materials appendage and assume control over its nuclear potential? Barannikov also complained about the brain drain from Russia and said that concerted efforts should be made to contain the exodus of scientists and other professionals, raising questions about possible future foreign-travel restrictions on Russians.

Barannikov's speech brought no rebuttal from Yeltsin, with whom the security minister has a close personal relationship. In Moscow, Barannikov is known as Yeltsin's "right-hand glass," meaning close drinking buddy.

In December, Yeltsin promised a mighty assault on corruption, bribery and general crime in Russia, to be carried out by the security organs—including Barannikov's MB. The Security

Ministry Claims to have a long list of
ltrecidivist criminals, who occupy ltma-
jor positions" in certain ministries, per-
haps signaling a coming purge of Yel-
tsinls government.

In Russiais volatile political climate,
the KGBls files-which contain inti-
mate details about virtually everyone in
the power structure-can provide Yel-
tsin with ammunition to muzzle or de-
stroy would-be rivals. Worried demo-
crats recall that Stalin launched his
purges with ltcrackdownsll on corrup-
tion, but Yeltsin and Barannikovls anti-
corruption drive plays well with a Rus-
sian public frightened by huge increases
in crime and sickened by revelations of
corruption and abuse by Russials new
democratic rulers.

Even more worrisome is that despite
the passage of new laws to regulate
their activities, in practice Russials se-
U.S.NEWS & WORLD REPORT. FEBRUARY 8, 1993

WEDNESDAY, FEBRUARY 3, 1993

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Arch

South Africa unveils
human rights charter

CAPE TOWN, South Africa _-

The government proposed a bill of rights Tuesday that would guarantee equal treatment of all races, a move to reverse long-standing policies of privilege for the white minority.

But the document made no mention of redressing actions under apartheid, such as the government's widespread confiscation of black-owned land.

It also would allow detention without trial to continue and reimpose the death penalty, which has been suspended.

"In the past, human rights in this country have been infringed upon and we do not claim to be proud of such infringements? Justice Minister Kobie Coetsee told a news conference.

He said the document would guarantee equality, and no one may be able to discriminate on race, sex, color, whatever you want?

Coetsee stressed that the document was only a proposal that should be debated in black-white talks aimed at abolishing apartheid. Negotiations were broken off last year because of violence in black townships, but meetings could resume within weeks.

The African National Congress, the leading black group, also has proposed a bill of rights that includes affirmative action programs for blacks. The 22-page government proposal made no reference to affirmative action.

Violence is escalating
between cops, cabbies

J OHANNESBURG, South Af-

rica - Police fired shotguns and tear gas Tuesday in a second day of confrontations with black taxi drivers that left one person dead, three injured, and tempers high.

Law and Order Minister Hernus .

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Kriel said he would declare Johannesburg an unrest area, giving police wide powers to arrest people and disperse crowds.

Cabdrivers complain traffic police harass them. They also seek subsidies similar to what the government pays the bus company.

Bystanders ran for cover with burning eyes as tear gas drifted through the business district Tuesday. Dozens of taxi drivers blocked intersections, creating traffic jams.

Tow trucks hauled away the taxi

vans, and officers arrested at least six people.

Most blacks depend on the taxis and public buses. Taxi drivers in the city are notorious for dangerous driving and are often involved in accidents.

The cabbies were angry that some people arrested during Monday's clashes remained in custody, despite an agreement between taxi association leaders and city officials that called for their release.

Peace talks in Somalia said to be near collapse

MOGADISHU, Somalia _ A new round of peace talks among warring Somali factions foundered Tuesday after fighting erupted near the southern port of Kisumu. '

A United Nations spokesman said the talks were near collapse because of objections by Gen. Mohamed Farrah Aidid, one of Somalia's main warlords, to what he called new cease-fire violations by a chief rival.

The negotiations, scheduled to have begun Monday, still had not
THE RECORD A-9

convened late Tuesday, although the parties were talking informally, said spokesman Farouk Mawlawi.

"I can't say when the formal talks will begin, or even if they will," said Mawlawi, spokesman for the UN. office in Mogadishu that is sponsoring the conference. The talks in Mogadishu were designed to set an agenda and decide who will attend a national reconciliation conference the United Nations hopes to convene March 15.

Firing lights up skies over Zaire's capital
KINSHASA, Zaire - Heavy weapons fire erupted late Tuesday night, and tracers could be seen over Kinshasa's skyline. Troops were reported looting in far-off eastern Zaire, indicating the violence may be spreading.

No information was available on the circumstances of the firing in Zaire's capital.

Mourner, ILN. worker

die in Bosnia fighting

SARAJEVO, Bosnia-Herzegovina

- A man died when machine-gun fire raked a funeral Tuesday in Sarajevo, as the Bosnian capital came under heavy attack. A translator with a UN. aid convoy was killed elsewhere in war-torn Bosnia.

Rival Serbs and Croats, meanwhile, battled in Croatia, where a

Croatian offensive 12 days ago
broke a year-old cease-fire.
Serbian-dominated Yugoslavia
warned it was being pushed into
the Croatian conflict, which
threatens to plunge the Balkans
into a wider war.
The head of UN. peacekeepers
in former Yugoslavia, Gen. Satish
Nambiar, said in the Yugoslav cap- _ 1,
ital of Belgrade that tensions were
rising throughout Serb-held re-
gions of Croatia.
In Sarajevo, 300 mourners at a
funeral in the Muslim old town
scattered under machine-gun fire.
Dr. Farouk Kulenovic of Kosevo
Hospital said that one man died
and that 14 were wounded.

THE CHRISTIAN SCIENCE MONITOR

Monday, February 1, 1993

In releasing report, Russians state
goal of controlling proliferation
Former KGB Details
Nuclear Arms Spread

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By Daniel Sneider

Staff writer of The Christian Science Monitor

MOSCOW

In its first public report, the Russian
Foreign Intelligence Service un-
veiled findings that 16 Asian,
African, and Latin American countries
either possess or are "on the road" to
having nuclear, chemical, or biological
weapons.

Controlling the proliferation of weapons
of mass destruction is now a top pri-
ority of the Russian intelligence service
following the end of the cold war, Rus-
sian spymaster Yevgeny Primakov told
reporters at a press conference un-
veiling the report last week.

"Russia is not interested in the emer-
gence of new states possessing weapons
of mass destruction along the perimeter
of its borders," said Mr. Primakov, who
was an adviser to Soviet President
Mikhail Gorbachev. Primakov has
headed the external spy service since it
was formed last year from the foreign
wing of the Soviet KGB secret police.
The Russian intelligence service iden-
tists, "if we don't do anything to provide
scientists and experts here with a decent
standard of living, it is only natural that
such a person may sign a contract,"
says Geimady Yevsmfyev, who heads the
Russian intelligence department on
arms control. He proposes creating an
international commission to control nu-
clear scientists' movements.

Following the cold war's end, control
over mass-destruction weapons has
been identified as a main area of cooper-
ation between Russia and the West. The
Russians support the Western conclu-
sion that Iraq, once a close Soviet ally,
was well on its way to having nuclear
and biological weapons to accompany
its chemical-weapons stock. At the time
of Desert Storm, however, the Russian
report asserts, the Iraqis were still some
distance from having a nuclear weapon.
The Russians worry that, despite the
United Nations program to destroy
Iraq's capability to build weapons of
mass destruction, Baghdad is still work-
ing to revive these programs, particu-
larly an ability to produce long-range
missiles. The Iraqis may still be hiding
sensitive materials the report adds,
But even if they are, the production fa-

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THE CHRISTIAN SCIENCE MONITOR

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titied several countries as already having deliverable nuclear weapons, including Israel, India, and Pakistan. It says several are close to developing such weapons, including Iraq, Iran, North Korea, and South Africa. The report also discussed countries described as having the potential to develop weapons of mass destruction, including Argentina, Egypt, Syria, Algeria, Brazil, Taiwan, Chile, South Korea, and Libya.

Libya, for example, has stockpiled 70 to 80 tons of chemical weapons, the Russians say, and it is researching biological weapons. Egypt is described as capable of producing a range of chemical weapons, including nerve and other poison gases. Primakov criticized Arab nations for not signing the recent international convention to eliminate chemical weapons, though he also assailed the United States for having a "double standard" by tacitly accepting Israeli possession of nuclear weapons.

No flight of expertise

The report, which was prepared in part based on Russian intelligence information, provides information for the first time on nuclear programs in countries that received Soviet assistance in the past. Primakov and other senior intelligence officials say they have found no evidence to support press reports that unemployed Russian nuclear experts are now working in Iraq, North Korea, or other countries.

But Primakov acknowledged the danger of those specialists going abroad to work in fields adjacent to nuclear-weapons research. Even for nuclear specialities capable of making nuclear ammunition are destroyed."

Iran's dummy corporations

Iran, the rival of Iraq and a country that borders the former Soviet Union, does not yet possess nuclear weapons but has an extensive research program underway, the Russians report. Without assistance, however, nuclear weapons production is 10 years away, they assert.

The Russians warn that the Iranians have set up dummy companies to evade international controls on technology that can be used to make nuclear weapons. Still, imported equipment remains accessible to inspection by the International Atomic Energy Agency (IAEA), and no evidence of a secret "parallel" nuclear program in Iran has emerged yet.

Neighboring communist North Korea, another former Soviet ally, is described as also having a nuclear-weapons program that is at "an advanced stage, though its scientific and technological level is not very high." The Russians, who assisted the North Korean civilian nuclear research efforts beginning in the

19605, say North Korean Army experts are part of the program. Talks between North and South Korea aimed at opening facilities to full international inspection have recently foundered.

The North Korean ambassador to Moscow told newsmen here that his country would refuse even existing IAEA inspection unless South Korea and the US cancel military exercises scheduled for March, the ltar-Tass news agency reported Jan. 28.

US. Says It
Will Retaliate
Against the EC

By Peter Behr

Washington Post Staff Writer

The Clinton administration, seeking to put its stamp on trade policy, said yesterday it would retaliate against government procurement rules adopted by the European Community that favor the community's telecommunications and electrical equipment manufacturers.

The first of the sanctions, which would take effect March 22 if the dispute is not resolved, would forbid a number of federal agencies from purchasing a limited range of European products. Only about \$50 million a year in European exports would be affected initially, but the administration raised the threat that sanctions could be broadened to cover as much as \$500 million in European products and services sold to the federal government annually.

With trade tensions between the United States and its economic partners heating up and the Clinton administration still trying to assemble its trade team, the procurement dispute offered Clinton trade officials a chance to send a few signals about its priorities, officials said.

In a brief statement, US. Trade Representative Mickey Kantor stressed the "discriminatory" nature of the new EC rules, which "prevent some of our most competitive companies" from selling telecommunications and power-generating equipment to government-owned utilities.

Tin: WASumnoN POST

Some administration officials are predicting that the sharpest trade sanctions available to the US. government will be invoked in defense of "competitive" US. firms whose exports are being thwarted by "discriminatory" practices abroad, in keeping with President Clinton's priority of expanding employment in export industries. This case fits that model.

"We do not want to close our procurement market, but we must insist that our major trading partners show an equivalent commitment to open . . . policies," Kantor said.

In response, the 12-nation European Community accused the Clinton administration of "bullying."

"I cannot believe it is in anybody's interest . . . to attempt to deal with trade issues in this way," said Sir Leon Brittan, the P205 commissioner for external economic affairs.

While acknowledging that its rules were discriminatory, EC officials said they are also an improvement over past practices and offered the basis for future bargaining.

In an interview yesterday, Kantor suggested the administration would not be rushed by Brittan or other critics. "Time deadlines, painting people

into comers, playing blame games are not particularly effective in reaching agreements in the best interests of the people," he said.

Brittan is scheduled to meet with Kantor Feb. 11.

The procurement conflict had been brewing for almost a year and the Bush administration had threatened sanctions if the EC put its directive into effect. The EC acted in January, after final negotiations on a compromise broke down.

Kantor said the steps announced yesterday "enjoy the full support of the president and his entire administration" and reflected the "guidance" of the National Economic Council, the White House office charged with coordinating economic policies.

The sanctions that Clinton chose were among the options devised at a Wednesday meeting of the Trade Policy Review Group, a committee of deputy-level officials headed by the U.S. trade representative and including representatives from the State, Treasury, Justice, Labor and Commerce departments and several White House offices. The panel is made up of both Clinton administration appointees and career officials.

The initial action prohibits federal agencies from awarding contracts to companies within the EC for a narrow range of products and services that now lie outside an existing code on government contracts under the General Agreement on Tariffs and Trade. Defense and national security contracts are not affected.

The bigger stick is the administration's threat to withdraw from the GATT procurement code, which would permit it to bar a much broader array of imported products and services.

1-8 THE RECORD

WEDNESDAY, FEBRUARY 3. 1993

Palestinian exiles vote

to reject Israeli offer

MARJ AL-ZOHOUR, Lebanon

- Palestinians in a snowbound

exile camp Tuesday unanimously

rejected Israells offer to take back

100 deportees and ship supplies to

the rest, leaving Middle East peace

talks in jeopardy.

Many Arabs are insisting that

the talks be halted until Israel

obeys a UN. Security Council de-

mand to return all of the exiles to

their homes in Israeli-occupied

territories.

Officials from the Palestine Lib-

eration Organization said they

would press for UN. sanctions on

Israel and continue to boycott the

peace talks until all the deportees

are repatriated.

Israeli Prime Minister Yitzhak

Rabin's government Monday of-

fered to allow 100 deported Pales-

tinians to return immediately from

Lebanon, and cut in half the two-

year exile period for nearly 300

others. Israel also offered to per-

mit aid shipments to the men by

helicopter.

The 394 deportees voted on the

offer at the frigid tent camp where

they have lived since being ejected

Dec. 17 by Israel, which accuses

them of links to militant Muslim

fundamentalists groups.

Iraq lowers pressure

on no-fly zone patrols

WASHINGTON _ Iraq still

has surface-to-air missiles posi-

tioned in the southern and north-

ern no-fly zones patrolled by US.

aircraft, but it has stopped using

MIDEAST

radar that threatens U.S. pilots, a

Defense Department spokesman

said Tuesday.

Bob Hall, the spokesman, said

US. and allied aircraft are con-

tinuing to monitor the no-fly

zones, where Iraqi aircraft are not

permitted, but have not been

threatened recently by Iraqi mis-

siles or associated radar.

Hall said this was a welcome

change from Iraqi actions in the fi-

nal few weeks of the Bush adminis-

tration.

the certainly think its the right

thing for them to do? the spokes-

man said in the first Defense De-

partment news briefing since

President Clinton took office.

On Jan. 20, Iraqi President Sad-

dam Hussein declared a unilateral

cease-fire, saying he wanted to give

the new American president a

chance to review US. policy to-

ward Iraq.

The Washington Post in its Tuesday editions quoted an unidentified senior Iraqi official as saying all Iraqis surveillance radar had been ordered shut down. In his Pentagon news briefing, Hall said he could not confirm the Iraqi statement.

Israeli gay says he was hounded out of military

JERUSALEM - A former senior army official described Tuesday how he was drummed out of the military several years ago after revealing his homosexuality, even though Israel doesn't officially ban gays in uniform.

"It was like an iron curtain went down between me and all my colleagues," Uzi Even told a group of lawmakers at a conference on gays in Israeli society.

They were told not to speak to me," said Even, who held a senior position in defense research and now heads the School of Chemistry at Tel Aviv University.

Suddenly, I was not able to continue my research," Even said, adding that at least after I had come out of the closet, the threat of blackmail didn't exist for me." Even said he was stripped of his rank and barred from his army reserve unit. He said he still couldn't disclose his rank for security reasons.

Arafat, Hussein confer on rebuilding Arab ties

BAGHDAD - Iraqi President Saddam Hussein and PLO chief Yasser Arafat held talks Tuesday, reportedly on PLO moves to improve relations with Saudi Arabia and other oil-rich Persian Gulf states.

Hussein called on Arafat, chairman of the Palestine Liberation Organization, at his state guest house, the Iraqi News Agency reported.

The two were shown on television Tuesday night, smiling broadly as they embraced and kissed each other on the cheeks and then sitting and chatting.

Arafat, a longtime supporter of Hussein, is the only major Arab leader to meet Hussein since the 1991 Persian Gulf war. He last visited Baghdad in January 1992. He had planned a visit last summer, but fell ill.

- FROM THE RECORD'S
NEWS SERVICES

LONDON
) RITISH Prime Minister John Major is coming
under pressure from the Clinton administra-
) tion to change his government's foreign
ey priorities in the post-cold-war era.
tut Mr. Major's Cabinet members and backbench
) orters in Parliament are resisting calls for
ain to support deeper military involvement in
nia-Herzegovina and agree to have Germany
Japan join the United Nations Security Council.
enior ministers have already decided that
ed States pressures for a stronger commitment
iosnia should be opposed. Last week Major
,e to President Clinton urging him to proceed
Major, visiting India, said he
was "happy to look at new ways

of making the Council effective," but his officials privately criticized Mr. Christopher's remarks. Adding Germany as a permanent Council member, they said, could build up pressure for the European Community to be allotted a single Council seat.

France and Britain are already permanent Council members. Major is said to be as determined as French President Francois Mitterrand that his country keep its Council seat.

Bans on external military action in the German and Japanese constitutions, the British are saying, would make it difficult for the two countries to join the Security Council without modification of the UN Charter.

In his comments Mr. Hurd took a sharp tone with Washington. He noted that Britain always paid its UN dues on time" and said he hoped the US would find a remedy for past delays" in its payments to the UN.

London officials say Major and his ministers hope that when the president and the prime minister meet in Washington later this month they will be able to iron out disagreements.

Major wants to develop a "special relationship" between London and Washington. Successive British governments have seen close ties with the US as a counterweight to their sometimes difficult peacekeeping troops in Bosnia.

In his comments, Hurd warned that working for a "safer and more decent world" required "disciplined and constrained" effort. In responding to demands that Britain should deepen its involvement in world trouble spots, he said, the government would "probably have to say no" more often than yes."

British sources confirmed last week that a US request for British troops to be sent to Somalia to supplement US forces there had been refused. Despite the tough line on military intervention adopted by government ministers, there are signs that Britain may be about to increase the planned number of troops available for military service overseas.

Under plans hatched immediately after the collapse of communism in eastern Europe, the British Army's strength is set to fall from its current strength of 140,000 to 116,000 by 1995.

Members of the House of Commons ally party defense commit-

tee, however, have said that in a report to be published on F b. .9 they will urge the government to think again about the cuts. After a visit to the former Yugoslavia last week, Baroness Chalker, Britain's overseas aid minister, said it was ucrazy" to think that direct military intervention would stop the lighting.

eial Route 12, which links Phnom P m h to the north, analysts say the Khmer Rouge has shown itself unable to mount major military campaigns. Many Western analysts doubt the group's ability to retake power if the peace process collapses. Instead, the guerrillas may capitalize on anti-Vietnamese sentiment, economic disarray, and corruption in Phnom Penh. The government has faced growing (-ondemnation by human rights activists for intimidation by its security forces.

Monday, February 1, 1993
the issues involved in negotiations," ANC information (li-
reeter Pallo .Iordzm said in a
statement.

uDe Klerk's statement to
Parliament has not assisted us
in bridging it."

The ANC, however, did not
mount a street protest outside
the Parliament. session for the
first time since the organiza-
tion was legalized 2 1/2 years
ago.

In his speech, President De
Klerk set an optimistic tone,
but gave little of substance
other than announcing intro-
duction of a single education
system and the phasing out of
"own affairs" administrations,
a euphemism for the rem-
nants of administrative
_ apartheid.

uGood progress is being made toward
getting multiparty negotiations resumed at
the beginning of March," I)e Klerk said. "If
that happens we will be able to move well
within our projected time-seales which
could result in a transitional executive
council in June and a new transitional ('ou-
stitution in September."

De Klerk made no reference to the elec-
tion that he once said should be held by
March or April 1994. Western diplomats
are increasingly skeptical that this time
frame, spelled out by

De Klerk last
September, is realis-
tic.

"The government
is reluctant to (lis-
euss the details of its
proposals on power-
sharing and the pow-
ers of regional gov-
ernments and the
ANC appears to be
over-optimistic and
too trusting that it
will all come out
right," says a West-
ern diplomat who
has analyzed I)e
Klerk's speech.

The diplomat
pointed to major dif-
ferences that re-
mained between the
National Patty and
the ANC after two ex-
tended rounds of hi-
lateral talks at the
beginning of De-
cember and again
last week. The talks
will resume on

THE CHRISTIAN SCIENCE MONITOR

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'llhursday and eon-
tiue next week.

Despite the significant rapprochement of the past two months, major areas of difference remain, including:

I The powers and functions of a Transitional Executive Council - and a series of commissions and sub-councils - which would take over functions of government in June and prepare for the first non-racial democratic elections for an interim government. and a constitution-making body in March or April next year.

I The powers and functions of regional governments in a new constitutional order and the degree to which this would be settled in multiparty negotiations (the government's preference) rather than an elected (constitution-making) body (the ANC's preference).

II The nature of a transitional constitution that would come into effect, after the first election and remain in place until a new constitution was implemented around 1998.

III The duration of the period of interim government. Consensus is emerging around a period of five years but this is yet to be approved by the ANC rank-and-file. A further five years of power-sharing after a new constitution was adopted could mean another 10 years before full majority rule is achieved.

IV The definition of power-sharing during the initial term of the first post-apartheid government that would follow the adoption of a new constitution. The government wants to continue a system of consensus decision-making, while the ANC wants to settle for proportional representation of all parties in the Cabinet. The government and the ANC which have been involved in acrimonious exchanges in recent weeks, took steps to improve ties at bilateral talks last week, but they are still at loggerheads over the government's constitutional proposals and the method of negotiation, a constitution

THE SUNDAY RECORD

HOWARD KURTZ

Iglon Post News Service

ASHINGTON # What happened to the
81 media that supposedly gave Bill Clin-
avery break during the campaign?
the blink of a news cycle, the new presi-
has gone from Times ltMan of the Year"
nching bag of the week. Like a videotape
on fast-forward, the Bill Clinton Show
whizzed from administration in waiting
iministration under siege.

he president is stumbling? said NBCls
Russert. thoooh, what a week," said
3 Dan Rather. "The common sense of a
'l wrote columnists Jack Germond and
Witcover. "Seems to have lost control
e public agenda," warned the Seattle
Intelligencer. tlHope is rapidly turning
illy uneasiness, even dismay," said the
ngeles Times.

dia analysts say that journalists are
'out of step with a public that continues
ive high hopes for the Clinton adminis-
.n. With their relentless focus on. the
l term, the backstage confiict, the flap of
.iy, reporters may be unduly magnifying
)n's woes.

.ie press has been overdoing it," said
l J. Sabato, a political scientist at the
rsity of Virginia. ttIt's almost as though
i e trying to prove their critics wrong and
iansate for the pro-Democratic tilt of the
l

)n season. Theylre trying to say, You
elre tough on all incumbents. Now that
k

Media turns from mild
to wild in an instant
Clinton is in, welre going to give him the Bush
treatment.' "

The sour tone of the coverage may be influ-
enced in part by a bitter dispute over access.
White House oflicials have barred reporters
from the inner sanctum of the press office,
been slow to answer media inquiries, and
warned middle-level officials not to speak to
reporters.

the're very unhappy, frustrated, and dis-
couraged," said Karen Hosler, a Baltimore
Sun reporter and president of the White
House Correspondents Association. uYou're
trying to get information from people you
donlt know, who wonlt return your phone
calls, who won,t even answer their phones?
The decision to break a 30-year tradition
and allow television to broadcast the daily
briefings by communications director George
Stephanopoulos has put this rancor on public
display.

tilt gives them contentious, combative, and
somewhat defensive footage every night?
said one Democratic strategist. "You have
people screaming at him about gays in the
military. We like watching sausage being
made."

To be sure, Clinton guaranteed himself a
spate of bad press by backing off campaign
promises involving Haitian refugees, taxes,

?iving Clinton the Bush treatment
and the budget dehcrit. The president also has
supplied the ammunition with his ltPutting _
People Firstll book, the most detailed list of _
campaign pledges ever committed to paper.
uThe Clinton campaign reminded the press
corps daily about lread my lips and inundat-.-
ed us with faxes about Bushls lack of fulfill-
ment of campaign promises? said Russert,
NBC's Washington bureau chief. uNow the
press feels we should demand just as much
consistency from the Clinton administration. ,
Theyltre being measured by their own prom-
rses."

The 12-day-old administration is also being .
skewered by a talk-show culture that renders
instant, thumbs-up or thumbs-down verdicts
on virtually everything.

llI think the press should be ashamed of
this kind of unprecedented pressure for speed
and action, driven by the desire to feed the
news cycle? said Frank Greer, a Clinton cam-
paign consultant. ttThere should be a respect
for the need for thoughtful deliberation and ,
quality decision-making and good public poli-
cy.v v

Republicans, of course, see it differently.
"The press is writing what itis felt all along
_ a mild contempt for Clinton that they put
aside because they hated Bush? said Mike
Murphy, who made commercials for George
Bushls presidential campaign. "Maybe
thereis a little guilt there. They let him get
away with murder in the campaign. Everyone
knew the middle-class tax cut was hokum.
Now theyire writing it?

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A-4 THE RECORD

Haiti

Letter into

contract

FROM OUR CENTRAL AMERICA CORRESPONDENT

Y WEDNESDAY, Bill Clinton's inauguration day, the rickety boats on Haiti's north shore had not set sail for Florida. A flotilla had been feared but Mr Clinton deterred the would-be immigrants by announcing that he would stick to George Bush's policy—which meant that the American coastguard would detain the Haitian boats and take their passengers home. The ousted Haitian president, Jean-Bertrand Aristide, had helped by urging his compatriots to stay at home as new efforts were made to reach a settlement that would enable him, too, to return. But mixed signals from Haiti's military rulers have cast doubt on hopes for a solution to the country's woes. The regime is said to have agreed, albeit vaguely, to the first stage of a United Nations proposal. This would allow a group of international observers to be based in the country. The idea is that their presence would curb human-rights abuses, restore stability and lead to an agreement under which Mr Aristide would be allowed to return to the (unoccupied) presidency so long as he had a prime minister from one of the parties opposed to him. However, a crucial letter from Haiti's generals to the UN is said to be vaguely worded and makes no direct reference to an observer group. And General Raoul Cedras, the army commander who led the coup against Mr Aristide last year, played down the significance of the letter in a sullen radio interview.

By-elections on January 18th, held in defiance of international objections and boycotted by Mr Aristide's party, have not helped. Voting was cancelled in the capital, Port-au-Prince, after a fight broke out in the vote-counting headquarters over payment of election workers. Ballot boxes full of voting slips were spotted in polling booths where few people had voted. The result gave a commanding parliamentary majority to the army-backed acting prime minister Marc Bazin. This may discourage Mr Bazin from agreeing to the eventual return of his old adversary, Mr Aristide.

Nonetheless, the UN envoy, Dante Caputo, a former Argentine foreign minister, believes the generals have been co-operative and that the letter represents a contract which, if broken, would result in consequences.

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quences". These consequences might include a UN trade embargo tighter than the porous one of the Organisation of American States. Canada's prime minister, Brian Mulroney, has proposed a UN naval blockade to stop oil tankers docking at Port-au-Prince. American coastguard and naval ships have already formed what has been described as "a white picket fence" around Haiti. Inducements are on offer as well: the

Americans say they will give the generals \$50 million in nonlethal military aid if they agree to a settlement with Mr Aristide.

There are still hopes that a UN observer group of 60 or so will go to Haiti soon. Several hundred more may follow if the regime agrees. This would be a promising start.

What matters now is how tough President Clinton will be in maintaining pressure on the generals to restore democracy.

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JANUARY 30TH 1993

Economist

Who will fight for the world?

HOW quickly hopes of a more enlightened, better-ordered world seem to have been eclipsed. With turmoil and bloodshed becoming all too common, the relatively rich democracies—which have done most in the past to keep order, and which now feel most uncomfortable at the spreading disorder—ought to ask themselves whether they want to stay in the order-restoring business. Those that do need to rethink how they will go about it.

That is partly because of the scale of the disorder. Serbs, Muslims and Croats battle on in ex-Yugoslavia, making outside intervention seem more urgent, if less easy, by the day. Around the ex-Soviet rim, from Georgia to Tajikistan, the end of empire has brought murderous muddle—sometimes open warfare—in its wake. Somalians warlords and Cambodians Khmers Rouges practise mostly stay-at-home thuggery. Devotees of the cross-border sort include Iraq (which still claims Kuwait) and Serbia; future miscreants may include Libya and Iran (arsenals expanding to match chips on shoulder), North Korea (possibly still bomb-building), China (with large army and local scores to settle) and Russia (pulling apart, with 26m countrymen already stranded abroad).

Of this catalogue of calamities, some can be managed—perhaps even prevented—by diplomacy. Of those that cannot, by no means all could or should be sorted out by military intervention, whether under a United Nations flag or anyone else's. All the same, given the upheavals in Europe's backyard, the enduring turbulence of the oil-rich Middle East on its doorstep, and the instabilities that may threaten western friends in Asia as a result of America's dwindling presence there, few would argue that orderly-minded governments should strike camp and go home.

Yet, in the democratic parts of the world, it is much harder than it used to be for governments to put their soldiers in harm's way. To do so, they need either a clear threat to national security or, as America judged in Somalia, at least the prospect that a lot of good can be done at minimal risk to soldiers' lives. Unhappily, few trouble-spots are so simple. The West's indecision about intervening in Bosnia reflects not so much a fear of casualties—many countries have sent soldiers to do the dangerous job of supporting humanitarian-relief efforts—as a reluctance to lose a lot of men for nothing. Outsiders doubt that anything less than a huge and prolonged commitment could bring order to a war in which up to five sides are engaged. As the latest Croat action shows (see page 45), the outside world has not yet sent enough troops even to keep an agreed peace in Croatia, let alone to impose a new one in Bosnia.

The West may not be able to undertake even peacekeeping in future, unless it can sort out the muddles it is in. One kind of muddle is understandable, and hardly fatal. Since the end of

THE ECONOMIST JANUARY 30TH 1993

the cold war and the collapse of communism, western armies are being cut. America's was planned to shrink by 25% even before the new Clinton team started looking for deeper cuts to pay for its domestic policies; Europe's armies are to shrink by similar proportions, with governments anxious to spend the peace dividend, and never mind the lack of peace. Since governments have fewer resources but still plenty to do, the obvious answer is better burden-sharing of a military, not just a financial, sort.

If West Europeans and Americans were to forget the past and think instead of what is needed to meet the military challenges of the future, they would come up with a long list. Forces for the home front, obviously. Rapid-reaction units, able to

move quickly, either to quell conflict or to hold the line until reinforcements arrive. To back up these units, excellent reconnaissance, along with enough aircraft, helicopters and ships to move troops to where they are needed. On occasion, help from outsiders willing to contribute troops, facilities or money to a particular venture. And at the centre, a core military organisation, well-drilled and provisioned, that could accustom soldiers of different armies to light together effectively.

Staying in business

Luckily, such an organisation already exists. It is called NATO. In the past few years NATO has trimmed and simplified the structure it developed during the cold war (though more could be done), redesigned its fighting forces along more multilateral lines and created smaller, more mobile forces. Although NATO is still formally there for the defence of the North Atlantic area, it has recently agreed that it might undertake peacekeeping operations at the request of the over-stretched UN or the impotent Conference on Security and Co-operation in Europe. When all the shifting around is complete, NATO's forces will be able to do the fighting job their governments may want done.

The governments have not adjusted so well to the new landscape. America, long accused of wanting to play world sheriff, is reluctant to take on all the world's troubles alone, especially as the Soviet Union-biggest troublemaker, and chief threat to Europe's peace-is no more. But many of the West Europeans eager for a new law-and-order posse are riding in different directions.

Germany's politicians, after enjoying four decades of protection from their western allies, still cannot agree to lend soldiers to fight alongside those allies in trouble-spots beyond NATO territory (see page 46). France, though admirably keen to do its peace-keeping bit for the UN in Bosnia, Somalia and elsewhere, is still inclined to keep America at military arms length. It prefers to operate through the Western European Union, a

LEADERS

wholly European grouping which has no infrastructure, no command organisation and no logistics support. On the few occasions that the WEU does do something-like providing part of the naval flotilla now in the Adriatic-it relies on NATO procedures, infrastructure and command arrangements. Despite this dependence on NATO, some big European countries-France, Germany, Spain, Italy-have their sights on a nebulous llEuropean defence identityll, which would perforce exclude America. Yet in these straitened times it is clearer than ever that Americans and Europeans can defend themselves better together than separately. Of the other jobs needed in Europe, most will benefit from NATO'S American link: it is the most effective way of reassuring those-Germans and non-Germans-who worry that a more militarily active Germany will be a more menacing Germany.

NATO still has not changed enough. In the post-cold-war world, Europe ought to take on more responsibilities within NATO, and especially to take on some of the more expensive duties. For their part, European countries, especially Germany and France, must also accept that NATO should have the full go-anywhere-do-anything mandate that it needs if it is to be in the order-restoring business. Even with expanded horizons, NATO will not want to go everywhere. Other regional organisations, someday even the United Nations own forces, may be better suited to deal with particular conflicts. There is plenty of work for all, and NATO still has a big job to do.

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FEthniC-B ased Dissent

Tests Ethiopias

Move to Democracy

ADDIS ABABA, ETHIOPIA

Ethiopia is now run by a young team of former rebels who say they are trying to make democracy work.

But police killings of university students during a recent unlicensed demonstration, and the subsequent closing of the University of Addis Ababa, underscore the concerns of many critics of the young regime: Despite its talk of democracy, they say, the government does not tolerate sharp dissent.

Since toppling the Marxist dictatorship of Mengistu Haile-Mariam in May 1991, the Ethiopian People's Revolutionary Democratic Front (EPRDF) has been attempting to find a way to govern amid Ethiopians' vast ethnic diversity.

President Meles Zenawi established a transitional coalition government consisting of 80 political parties and a federal system of 14 ethnic-based states. The government also allowed a rebirth of publications and broadcasts in local tribal languages. The transition period is scheduled to end in January 1994 with Ethiopia's first democratic ballot.

Getting democracy to take root is now the political priority in Ethiopia, says Dawit Yohannes, an EPRDF official.

The student protest - organized, according to the EPRDF and Western diplomats, by the All-Amharic People's Organization - is an example of the kind of ethnic tension the new government faces. Sparked by a visit of United Nations Secretary-General Boutros Boutros-Ghali, the Jan. 4 demonstration was to protest a UN-backed plan to conduct an independence referendum in the Ethiopian province of Eritrea.

Ethiopians of many ethnic groups, especially the Amhar, strongly oppose Eritrean independence. The Amhar were the dominant political class in Ethiopia during the past century, and fought a 30-year war against Eritrean secessionists.

The Tigreans are the dominant element in the current government. As rebels, these leaders received considerable support from the Eritreans during their 17-year war to oust Mr. Mengistu. Clashes between students and police at the demonstration resulted in the death of either one or four students, according to official and student views, respectively. The campus was closed Sunday, and its president and vice president have been dismissed. Ethiopian Foreign Minister Seyoum Mesfin charged Monday that there were unarmed elements among the demonstrators, who provoked violence and wounded three government police personnel.

Many protests have been licensed and carried out peacefully, one Western diplomat says. And Marc Bass, US ambassador to Ethiopia, says the new regime has started a process toward a pluralistic political system, which will take time. There's an absence of fear," he says. People are able to speak out, to demonstrate."

, - FTER 30 years of civil war and 17 years of Marxism,

While other demonstrations have challenged details of government economic policies, this one touched a nerve - a central political policy backing Eritrea's referendum.

Ethnic-based challenges such as the student protest are met with repression, claims one distressed Ethiopian resident here. "There's no freedom" under the new government, he claims. Another Ethiopian, who also does not want to be named, says people still fear open discussion of politics.

The Amhar, Oromo, and other key ethnic groups charge that the central government used strong-arm tactics and stooge candidates to gain control of the regional governments in last June's state elections. During that ballot, the EPRDF backed candidates of the pro-government Oromo Peoples Democratic Organization (OPDO), its own creation.

The main Oromo political and military group, the Oromo Liberation Front, alleged government violence against OLF supporters, prompting the group to boycott the elections. The EPRDF claims the OLF used violent tactics against the OPDO. The OLF also vacated its 12 seats on the 87-member national Council of Representatives. One Oromo resident of Addis Ababa, who asked not to be named, said the withdrawal leaves Oromos, who comprise about 40 percent of Ethiopia's 53 million people, with little national influence.

- Robert M. Press

Russia Acts Against Inflation,
Shifting From Industry Focus
By Iuslin Burke
Special to The Christian Science Monitor
MOSCOW

THE Russian government is taking
emergency measures to stave off
hyperinflation, but its chances for
success are threatened by deep policy dif-
ferences among the Cabinet, the Central
Bank, and parliament.
Combating inflation has become the
governments top priority, Deputy Prime
Minister Boris Wodorov said at a news
conference Wednesday, adding that tight
fiscal policies are planned to cut the money
supply-

The announcement signals a major shift
for the government of Prime Minister Vik-
tor Chernomyrdin. Since becoming pre-
mier in December, Mr. Chernomyrdin often
said the governments top priority was
stopping the fall in industrial production.
The collapse of industry was the primary
reason for Yegor Gaidar's replacement by
Chernomyrdin, who takes a go-slow ap-
proach toward reforms.

But if loose monetary policy is not im-
mediately reversed, the nation is headed
for catastrophe, Privatization Minister
Anatoly Chubais says. He estimates infla-
tion, which was 25 to 27 percent in De-
cember, at 50 to 60 percent this month - a
level of hyperinflation that he says will
prompt capital flight.

There are several large obstacles Mr.
Fyodorov - who is in charge of economic
reform - will have to overcome if he is to
implement tight monetary policies, some
Russian economists say.
Officials, such as First Deputy Prime
Minister Vladimir Shumeiko, have played
down Cabinet rifts between pro-Gaidar
radical reformers and the cautious allies of
Chernomyrdin. At a recent press luncheon
Mr. Shumeiko insisted the Cabinet is work-
ing together, saying the ministers all sup-
port the move to a market economy.
But Fyodorov confirms sharp differ-
ences among ministers over reform tac-
tics, saying the tight money policy was ap-
proved following a heated discussion
during a Cabinet meeting. Another sign of
discord within the Cabinet was the deci-
sion earlier this week to lift price controls,
implemented by Chernomyrdin on Jan. 5.

"We don't have 'a government that's
functioning as a single team,'" says Rair Si-
monyan, an economist at Moscow's Insti-
tute of International Economics and Inter-
national Relations.

Russia's Central Bank and parliament
are strong opponents of tight money poli-
cies. Central Bank Chairman Victor
Gerashchenko has been an outspoken ad-
vocate of increasing credits to industry. Fy-
odorov says he will pressure the Central
Bank to restrict the money supply.
Meanwhile, parliament's decision this
month to increase the minimum pension
by roughly 90 percent, to 4,200 rubles

(about \$9) monthly, could have a ruinous effect on the government's monetary policies, Finance Minister Vasily Barchuk says. Fyodorov's ambitious austerity plan aims to cut monthly inflation to 5 percent by the end of the year and Russia's budget deficit to less than 5 percent of the gross national product. The International Monetary Fund and other creditors have insisted Russia meet such stringent targets if it is to receive large-scale financial aid. Stabilizing the Russian ruble is the key, Fyodorov says. Currently the ruble is at an all-time low of 493 to the US dollar. He also says credits to industry will be drastically curtailed, though the government will not allow wide-scale bankruptcies because it does not possess the means to handle mass unemployment. Administrative methods may be used to turn failing companies around. It is the privilege of the state to reorganize enterprises and replace the managers who are used to living an easy life by lobbying for credits," Fyodorov says. Other measures in Fyodorov's program include raising interest rates to encourage savings, establishing quarterly budget deficit ceilings, and issuing government bonds to provide additional finances.

