

g

.

5.x '1 wk em . 3' ;

?AXx 1 E i 3,: 31?; 3):: f3 1 3 1 D

1

DAILY PRESS BRIEFING

Thursday, February 11, 1993

from

Washington Post

Financial Times

Wall Street Journal

New York Times

Christian Science Monitor

USA Today

Newsday

The Record

International Herald Tribune

THE ECONOMIST

US NEWS & WORLD REPORT

Compiled and Distributed by

Allied International Communications

445 Fifth Avenue

New York, New York 10016

Tel: 212 922-0130 0 FAX: 212 808-4839

THE WASHINGTON POST

THURSDAY, FEBRUARY 11, 1999

U.S. Takes More Active Balkans Role

Clinton Puts Tull Weight of American Diplomacy, Behind Peace Effort

By John M. Goshko

Washington Post Staff Writer

The Clinton administration said yesterday it will "bring the full weight of American diplomacV' to the search for a resolution of the civil war in Bosnia-Herzegovina and added that if an agreement is reached, U.S. forces would help enforce the peace.-

Secretary of State Warren M.

Christopher announced that President Clinton had decided the United States should try to convince the three communal groups involved in the Bosnia fighting-Serbs, Muslims and Croats-that a lasting solution to their conflict can be achieved only by negotiating a settlement within the framework of peace talks sponsored by the United Nations and the European Community.

Christopher said the administration believes U.S. intervention in the talks could galvanize the peace process and outlined a series of measures the administration will pursue to pressure the warring parties. The more active U.S. role will include an effort to tighten U.N. economic sanctions on Serbia, which is generally regarded as the aggressor responsible for the war, and an attempt to enlist the special influence that Russia has on the Serbs, Germany on the Croats and Turkey on the Muslims.

Christopher put his chief emphasis on pursuing a diplomatic approach and stressed that any U.S. military involvement would be determined by what diplomacy is able to accomplish.

Nevertheless, he made clear that the United States, which previously had shied away from a military role in Bosnia, now is contemplating committing U.S. forces-including ground troops-to enforce whatever agreement might be reached. He declined to be specific about the nature, size and timing of any U.S. military intervention, saying that such matters are "hypothetical" at this point. .

Other U.S. officials said later that American forces also might be used in the short term to ensure the safe passage of food and medicine to besieged Muslim areas.

Two senior officials who spoke with reporters on condition of anonymity said that any U.S. forces sent to Bosnia would be deployed within the framework of the UN. peace-keeping operations there.

But, the officials stressed, the U.S. troops would likely remain under American command.

The diplomatic intervention of the United States and possible U.S. military deployment were the central points of a six-step plan announced by Christopher following an intensive 21/2-week review by Clinton's principal advisers on how to deal with the Bosnia conflict. The administration believes it cannot stand aside, the secretary said, because "our conscience revolts" at the unending cycle of murder, rape and forcible expulsion of people from their homes that has come to be known as "ethnic cleansing."

As had been expected, the plan called for modifying the proposals made by former U.S. secretary of state Cyrus R. Vance, the UN. mediator, and David Owen, representing the EC, to make them more acceptable to Bosnia's Muslims. Serb irregular forces have occupied almost 70 percent of Bosnia's territory, and the administration has made clear its belief that the Muslims should not be compelled to accept all the results of aggression committed against them.

Christopher said that Clinton has named Reginald Bartholomew, a veteran diplomat currently serving as U.S. ambassador to the North Atlantic Treaty Organization, to work with Vance and Owen on finding a solution acceptable to all sides. The Vance-Owen plan, which the United States wants to subject to further negotiation, would divide Bosnia into 10 largely autonomous provinces under a weak central government.

However, the two senior U.S. officials acknowledged that while the United States hopes to win modifications in the Vance-Owen plan that would make it more acceptable to the Muslims, it would not be reasonable to expect that Bosnia can be restored to the condition it was in before the conflict began. Bosnia's identity as an independent state would be preserved, they said, but under conditions that would greatly reduce the powers of the central government and give effective control of the autonomous provinces to one or another of the communal groups. -

"That the map will reflect the results of ethnic cleansing to some degree is regrettable, but that is the reality we must deal with," one official said. "The thing you can hope for most is that peace can be brought to the area and some of the ethnic reshuffling of populations be turned around. But it seems impos-

sible to reverse things to go back to the way it was." t

"We have inherited a rather melancholy legacy," the other official said. "When we came to office, our options already had been severely constricted, and our problem is to deal with the situation as it is now."

THE WASHINGTON POST
THURSDAY, FEBRUARY 11, 1993
Mg

Those statements were somewhat at variance with Clinton's statements during the presidential campaign that the United States must take a tougher line including consideration of military force. However, Christopher said, the administration's review had concluded that military options were not feasible because they might expose U.N. peace-keeping forces in Bosnia to attack and impede humanitarian relief operations there. The other principal elements of the U.S. plan include a call for all parties to stop the shelling and a promise that the United States will again press the U.N. Security Council to enforce a "no-fly zone" over Bosnia and seek creation of a U.N. war crimes tribunal.

The senior officials said that Clinton stands by the warning given by President George Bush to Serbian President Slobodan Milosevic during the transition that the United States would resist any attempt to broaden the fighting into the Serbian enclave of Kosovo or the neighboring republic of Macedonia. At the United Nations, both Serb and Muslim delegates to the talks welcomed the U.S. initiative. Haris Silajdzic, foreign minister of the Muslim-dominated Bosnian government, said the talks had been "revitalized." Radovan Karadzic, leader of the Bosnian Serbs, said he was "relieved" that Washington apparently does not intend to intervene militarily on the ground in Bosnia before a peace settlement.

Vance and Owen, delighted and relieved after a week in which their peace negotiations languished while they waited for an announcement from Washington, welcomed the U.S. decision to work within their framework.

The mediators stressed they are "open to any suggestions" that the three warring sides can agree on to alter a controversial map of Bosnia they have proposed, and Vance noted he has "worked together in a warm and close relationship over many years" with Bartholomew.

However, the mediators cautioned that the talks remain deadlocked because of toughening positions on both the Serb and Muslim sides. Earlier yesterday, Silajdzic protested that the talks were taking place under "continuing genocide" and said the Muslims will not negotiate further until Serb shelling is halted, Serb heavy weapons are placed in the hands of U.N. peace

keepers and the Serb'campaign of "ethnic cleansing" has stopped. The senior U.S. officials said that before announcing the plan, Clinton had discussed it in phone conversations with Russian President Boris Yeltsin, German Chancellor Helmut Kohl, British 'Prime Minister John Major and UN. Secretary General Boutros Boutros-Ghali. He also talked with key congressional leaders.

In London, Major released a l statement saying he "warmly welcomes" the US. initiative and believes it will give ltadded impetus" to the peace talks.

Staff writer Barton Gellman in Washmgton and special correspondentjulia Preston at the United Nations contributed to this report.

A36 THURSDAY, FEBRUARY 11, 1993

Tm: WASIIiNC'mx POST

ClintOn9s Policy in Balkans

Puts US; Prestige, Power on the Line;

By Daniel Williams

Washington Post Staff Writer

The US. plan to resolve the Bosnian conflict puts Washington for the first time at the center of one of the world's most volatile problems, a crisis once viewed as the responsibility of European leaders.

Success or failure in the Balkans will now be an American success or failure. "American prestige and power are engaged. That changes the dynamic fundamentally," said Robert E. Hunter, an expert on European security at the Center for Strategic and International Studies.

Supporters of the US. program expressed relief yesterday that the new administration has taken a lead in resolving the conflict after months of reluctance by the Bush administration to get involved. Detractors, however, wondered whether the framework would produce anything more than cosmetic changes in peace proposals produced by UN. and European mediators and already rejected by Bosnian Muslims and criticized by the United States. Failure to bring an end soon to fighting among Serbs, Croats and Bosnian Muslims could result in further dismemberment of Bosnia-Herzegovina and spread the conflict into neighboring nations.

The six-point proposal laid out by Secretary of State Warren M. Christopher was a step back from the campaign rhetoric of candidate Bill Clinton, who pressed for tougher action against Serbs during his run for office. Christopher essentially put the blame on the Bush administration for having let conditions in Bosnia deteriorate. "We must now address the situation as it is," Christopher said as he presented the plan yesterday. The Clinton administration seems reluctant to take sides. While US. officials have designated the Serbs and their backers as aggressors and severe human rights abusers, the administration's proposals appear meant not only to give pause to the Serbs but also the Bosnian Muslims, the main victims.

The Serbs were warned to beware of American wrath, a warning conveyed in the calls yesterday for war crimes investigations, enforcement of a "no-fly zone" over Bosnia and tighter economic sanctions on Yugoslavia. Christopher also went out of his way to warn Serbia away from Kosovo and Macedonia, where Serbs have territorial ambitions.

At the same time, Bosnian Muslims were given notice that the United States intends to work within the framework of the mediating process begun by former secretary of state Cyrus R. Vance, the UN. negotiator, and David Owen, the representative of the European Community. Muslims have rejected the Vance-Owen

'S' SBSAM

awry:

plan, which called for the division of Bosnia into 10 semiautonomous regions and which would give 40 percent of Bosnian territory to ethnic Serbs. The Serbs have yet to fully sign on.

The administration has criticized the results of the Vance-Owen initiative as rewarding Serb aggression, but is now sending a special envoy to join in the effort and probably to alter it. "The administration has given the impression of opposing Vance-Owen, but they are all really on the same wavelength," said Patrick Glen, an analyst at the American Enterprise Institute, a conservative think tank.

The payoff for Bosnian Muslim cooperation appears

to be the promise of US. troops to help enforce any agreement finally reached by the warring groups. Such intervention under a UN. flag and in concert with European allies would presumably prevent further disintegration of, Bosnia. The warring factions do not trust each other, and there is considerable question whether would be accepted by Bosnian Serbs.

N Any "plan will stand or fall not on whether the parties 7' are genuine in their desire for peace," said Jonathan 'I

E

#1

% an agreement more favorable to Bosnian Muslims

4'

2

11

31

i

V

'- Eyal, director of studies at the London-based Royal 5! United Services Institute. "The plan will stand or fall on ,5 how many troops the West is prepared to commit . . . --3 i '73 lfm-mm-WP-u-u-m-v , , , and the willingness to say to the Serb militias), 11f you idonlt get out in 24 hours, we will kick you out.' " ' Eyal and others have estimated that 50,000 troops J would be needed in Bosnia to enforce a peace accord. . _ Taking the lead in the Balkans places the United 5 States in the vortex of competing interests among European states, Muslim nations and Russia. Western Europe has tread warily, reluctant to get in- _ 1 volved in a dirty war that many on the continent feel 15- " as foreign as many Americans (10. Britain, France and Italy, with peace-keeping troops on the ground in the , Balkans, worry that half measures there could lead to - a casualties among their own forces. Muslim states, including US. allies Egypt, Saudi Arabia ' and Turkey, have pressed for the lifting of a UN. arms embargo that they believe largely penalizes Bosnia's beleaguered Muslims while weapons flow to the Serbs. Russia, which has historical ties with the Serbs, has _ resisted efforts to punish them. "It is especially important to get the Russians on board to avoid some sort of new East-West struggle," said a Western diplomat. Administration officials argue that such competing international interests offer a compelling reason for Washington to take the lead. "This is the advantage of being the world's only superpower," said a senior State Department official. "We have a special role in collective action."

A36 THURSDAY, FEBRUARY 11, 1993

Macedonia Fears

it May Be Drawn into Balkan War

Tm; Wismxmm POST

By Robert Thomason

Special to The Washington Post

SKOPJE, Macedonia-War could

spread to this 15-month-old Balkan

state situated between Serbia and

Greece if diplomatic efforts in the

region fail, Macedonian President

Kim Gligorov said recently.

"As long as war lasts in Bosnia-

Herzegovina, as long as there are

conflicts in Croatia, the danger of

the war spilling over is real," Gli-

gorov said in an interview with

Western journalists.

Macedonia, he pointed out, was

the only former Yugoslav republic

to declare independence without

going to war. "If we had entered the

war, war would now be at the

Greek frontier, at the frontier of a

NATO country, and none of the

neighboring countries, including

Turkey, would remain disinterest-

ed," he said. "Then we would have

the Balkan caldron."

That caldron has been the scene

of competing claims for the lands of

Macedonia for centuries, and Gli-

gorov said he fears that if stability

does not come soon and through

diplomatic success, those claims

may reemerge.

Macedonia, a country of more

than 2 million, lies 300 miles from

the fighting in the Krajina region of

Croatia and 250 miles from Sara-

jevo, the besieged capital of Bosnia.

On its southern border, Greece,

angry over the use of the name

Macedonia, imposed an economic

blockade in August 1992, depriving

the young republic until recently of

586,000 barrels of oil.

But "the most immediate threat

of war is from the north," Gligorov

said. It is the adjoining Serbian

province of Kosovo that Macedo-

nian officials and Western observ-

ers are watching most closely, look-

ing for warning signs that tensions

there might boil over into fighting

that could extend the Balkan war

into Macedonia.

Ethnic Albanians, who constitute

90 percent of the population in KO-

sovo, charge that the Serbs who'

rule the province systematically

discriminate against and harass

them. The rhetoric of radical pol-

iticians in the Serbian parliament,

they warn, suggests a new round of

"ethnic cleansing" may be in store.

"The Serbian authorities are not

ready to sit down and discuss how

to solve Kosovo," Gligorov said.

"Until they sit down and discuss a

peaceful solution, war is possible."

There is no hint of imminent military action in Kosovo. But the U.N. Protection Force has sent a team of about 70 observers to the Macedonia-Kosovo border to prepare for 700 peace keepers due in mid-February.

If fighting flares in Kosovo, the prospect of Macedonia's and Kosovo's Albanians joining in battle is muted because of the mountainous border between the regions, Macedonia's strict control of major border crossings and the refusal of Macedonia's largest Albanian political faction to organize fighters. "But there is nothing to stop individual fighters from going," said Nevzat Halil, president of that faction, the Party of Democratic Prosperity.

Macedonians and foreign observers are more concerned about the possibility of Kosovo Albanian refugees pouring in to escape heightened repression or an outright expulsion campaign.

Although Macedonia now gets international aid to help with the 19,000 refugees from Bosnia in its refugee centers, a large infusion from Kosovo could add to this country's economic troubles.

Last fall's Greek oil blockade reduced late planting, and a small harvest is expected this spring. The United States has promised to donate grain. In the coming months, Macedonia is dependent on aid from the European Community to buy oil. The aid has yet to arrive.

A major refugee influx could also cause political problems. Although Macedonia has been spared the communal slaughter of Croatia and Bosnia, it too has its ethnic factions. Both ethnic Albanians, estimated at 25 to 35 percent of the population, and ethnic Serbs, numbering about 42,000, object to the preamble of the constitution, which speaks of a nation of Macedonians that respects the rights of ethnic minorities. Those minorities say this phrasing suggests a second-class status for non-Macedonian citizens.

Macedonia's Albanians have called for political and cultural au-

THURSDAY, FEBRUARY 11, 1993

THE WASHINGTON POST

Balkan War

tonomy, and a year ago voted for independence. Since that vote, they have formed a coalition government with the Social Democratic Party. Violence has erupted in two incidents that pitted Macedonian police against ethnic groups. In November, four died in a disturbance in the capital after police chased a young Albanian. On New Year's Eve, police clashed with ethnic Serbs in a village north of Skopje when the police removed a Yugoslav national flag and pictures of Serbian leaders.

"It does not matter if the spark that ignites the region comes from inside Macedonia," said Risto Nikovski, undersecretary for foreign affairs. "It could be a spillover from outside."

Because Greece is blocking recognition, Macedonia cannot borrow money from international lenders. This economic isolation, combined with the side effects of the UN trade sanctions against Serbian-Macedonia's major trading partner-and the general economic malaise of an underdeveloped, new country near so much fighting, has crippled Macedonia's economy.

At the beginning of the year, with three feet of snow on the ground, Macedonians felt the full effect of the shortages. Cars remained in gas lines for days; hospitals went unheated; factories closed down, causing 30 percent unemployment. Bank deposits of about \$1 billion were frozen, prompting protests in front of parliament.

Last month, Macedonia's application for admission to the United Nations was presented to the Security Council. Britain, France and Spain suggested that the name be changed for the purpose of admission and recognition by other countries. The issue of the name would be arbitrated. Greece contends use of "Macedonia" usurps its history and culture and could renew claims against northern areas of Greece that are part of the geographical and historical Macedonia. '

THURSDAY, FEBRUARY 11, 1993

Elbe maghington 1pm

NY A Mandela-De Klerk Coalition

in S. Afrlca?

In Wzdely Discussed Seenario, White Leader Would Serve
in Black President? Cabinet

By Paul Taylor

Washington Post Foreign Service

JOHANNESBURG, Feb. 10_In

a scenario widely discussed here for
South Africa's political leadership
from 1994 until the NEWS
end of the century,

. ANALYSIS

former presxdent Fre-

derik W. de Klerk would serve as a
top minister in the cabinet of Pres-
ident Nelson Mandela.

Some find it tantalizing, some
don't and others doubt it will ever
come to pass, but the idea is on ev-
eryone's lips as this country's two
principal political antagonists-
Mandela's African National Con-
gress and President de Klerk's Na-
tional Party-appear headed for a
shotgun marriage to smooth the
transition from white to black po-
litical domination.

Both parties are quick to insist
that no deals have been struck, but
two months of active negotiations
between them have produced the
outlines of a compact that envisions
a universal suffrage election-
South Africa's first-next year in
which both the legislative and ex-
ecutive branches would be chosen
for five-year terms on the basis of
proportional representation.

Current polls indicate that the
ANC would win 50 to 60 percent of
the vote in such an election, draw-
ing its support almost exclusively
from blacks. The National Party is
expected to win 20 to 30 percent,
drawing its support from whites,
Indians and mixed-race Coloreds;
regional and fringe parties would
divide the remainder.

The prospect of a five-year tran-
sitional government of national uni-
ty is popular with centrist groups,
business leaders and diplomats, who
say it offers the best hope for keep-
ing the economy afloat, investment
capital in the country and violence
in check during a post-apartheid
transition that has been marked by
a deep recession, growing capital
flight and record levels of political
killings.

But it is already drawing fire
from parties on the political
wings_left and right, black and
white_who say it smacks of elitism
and is a recipe for corruption. Some
political scientists worry that if the
two biggest natural rivals formed an
alliance, what room would be left
for the alliance's opponents, except

out on the streets?

In a bid to assuage the most powerful likely opponent of such a marriage-Inkatha Freedom Party leader Mangosuthu Buthelezi the ANC has reportedly agreed to a federal system of government in which significant powers would reside with elected provincial leaders. Buthelezi, who has a strong base in the province of Natal, has been pushing for a confederalist constitution in which the provinces would enjoy virtual autonomy. That is further than either the ANC or National Party want to go, but the gap between all the parties on this issue appears to be narrowing.

In return for the ANC's concessions on regionalism and on transitional power sharing, the National Party has reportedly abandoned its insistence that power sharing be anchored in a permanent constitution. Thus, once the term of the elected transitional government expires-most likely in five years, but still subject to negotiation-the first government elected under a

permanent constitution would not have to share power automatically with second- or third-place finishers. a

Even though the National Party created apartheid and outlawed the ANC for three decades, some people say the natural tension between them is the best thing about their anticipated alliance.

"Anyone in his or her senses would rather trust a partnership than trust either by itself," said Zach de Beer, leader of the centrist Democratic Party, which does not appear to have much of a future in the new dispensation.

Others are not so optimistic. The talk of power sharing has already prompted something of a political comeback for Winnie Mandela, the estranged wife of Nelson Mandela. After a long period in the political shadows following her 1991 conviction on kidnapping and assault charges, she has caused a stir with her warning last month that the elites of both parties were about to share "silken sheets" and forget about the masses.

She has a large following among the poor and, with Chris Hani, charismatic secretary general of the South African Communist Party, she is thought to be positioning herself to lead a radical opposition to any national unity government.

"Much as I hate to say it, Winniels got it exactly right," said Mervyn Frost, a professor of political science at the University of Natal.

"The worrying thing about this arrangement is that you know there are going to be a lot of people whose expectations aren't going to be met by the new government, and where do they turn? The opposition will have to be extra-system."

South Africa already has had more than its share of political dissent outside the system during this transition, with more than 9,000 people killed in political violence: in the three years since de Klerk released Mandela from prison.

Some argue that a coalition government will have the legitimacy the white-minority government currently lacks to clamp down on the culture of violence that has sprung up in the black townships.

To others, this sounds like a blueprint for totalitarianism, not post-apartheid democracy. But many political scientists say, warts and all, it's the best way to navigate a difficult transition.

Would de Klerk serve in a government led by Mandela? He continues to claim that the National Party will win the first nonracial election, a

claim almost no one here takes seriously. He has also pledged that, as his personal commitment to the process of change he set in motion three years ago, he would be prepared to serve in a cabinet his party did not lead. Close friends are not sure if he really means it. Meanwhile, his negotiators are pushing for a transitional executive arrangement in which the cabinet would have a kind of veto over the president.

As for Mandela, as recently as last month he said he would rather not serve in a transitional government, preferring to wait to run for the first government elected after a permanent constitution is written. But under the timetable now being discussed, he would be 80 by then-and that may tempt the actuarial tables beyond prudence. He is said to be keeping his options open.

In recent speeches, Mandela has also begun selling the transitional power-sharing arrangement as the only way to counter what he calls the "already incipient counterrevolutionary movement" within the security forces. In effect, his argument to black supporters is that unless the liberators agree to lie down with oppressors for a short time, they risk a right-wing military coup. It is an argument that could well resonate within a constituency that has felt the boot of those security forces for a long time. '

E

THURSDAY, FEBRUARY 11, 1993.

Tm: WASHINGTON POST -

M

r By Jennifer Parmelee

Special to The Washington Post

KHARTOUM, Sudan, Feb. 10-

, Pope John Paul II, making a pilgrimage to a country he considers hostile territory for the Roman Catholic Church, appealed today to leaders of Sudan's Islamic rule to avoid "a strategy of confrontation" in a country already deeply rent by religious and ethnic conflict.

: Using language that evoked earlier papal messages to Eastern Europe under communism, the pope drove home tough messages on human rights, respect for religious freedom and the need for peaceful dialogue.

In a session with Sudanese clerics, the pope compared their persecution to Christ's crucifixion, describing their plight as "a particular reproduction of the mystery of Calvary."

With few of the formalities and politesse that are customary in the Islamic world, the 72-year-old pontiff went straight to the point in a statement on arrival:

tAll the church asks for is the freedom to pursue her religious and humanitarian mission. This freedom is her right, for it is everyone's duty, the duty of individuals and of the state, to respect the conscience of every human being."

The pope's nine-hour visit to Khartoum, the last stop of a three-nation African tour, culminates a studied effort by the government of Lt. Gen. Omar Hassan Bashir to shake off the reputation of a hard-line Islamic government determined to undermine Christianity through harassment.

Church officials say violations continue. But the government has offered an olive branch, promising to rewrite restrictive legislation that affects the church and draft a separate penal code for non-Muslims—two of the main concerns of Christians.

Bashir, welcoming the pope, expressed his desire for a rapprochement and new dialogue between Christianity and Islam, saying he is confident "Sudan will once again become a land of peace, tolerance and spiritual values as it has always been through its history."

' Many followers and officials of Christian churches in Sudan have said they hope the visit will indeed catalyze "a new beginning" in relations with the Islamic state and also strengthen the hand of the more moderate ruling elements.

Others within the church, however, have angrily denounced the visit, saying it plays into a public relations

'f SAUDI

- ARABIA

Khartoum i

SUDAN

CENT.

AFRICAN

BY DAVE COOK-THE WASHINGTON POSY

gambit by a brutal government determined to win back the international esteem it lost through its often confrontational policies.

Governmental media, which often

' have referred to Christians as "infidels" and agents of "satanic" Christian conspiracies, have been full of praise for the pope's mission. Yet persistent references to "Christian crusades" in the Arab world and Africa continued. Some groups of Muslims who support the government denounced the pontiff as "an envoy of Satan."

On the street, there was a huge outpouring of public sympathy. Tens of thousands lined the pope's route, cheering and waving the yellow-and-white colors of the Vatican.

At tonight's outdoor Mass, some 200,000 turned up, surprising even leaders of the local church. A choir sang in exuberant African rhythms, causing the pope to clap and wave his white cap in time.

Some Sudanese used the pope's presence to express protests against their rulers. "The government should protect God-given rights," read one banner unfurled at the Mass. One young man rapped a sheet of paper to his chest reading "Human rights for all."

The pope sounded three themes in five speeches here—"freedom of conscience and worship," the guarantee of human rights, and a negotiated settlement to a civil war that in the last decade has consumed the nation's resources and reduced the south to an endless cycle of famine and poverty.

Bashir sat stiffly, listening to the pontiff as the older man spoke his mind in public. During a session at the presidential office, the pope urged him to find a "constitutional formula" that would end the war while respecting "the specific characteristics of each community."

The pope was referring to the divide between the predominantly Muslim and Arab-influenced north, which has imposed sharia, or Islamic law, and the animist and Christian south, which reflects more of a traditional black African culture. In a population of 27 million, 2 million are said to be Catholic.

The pope said lasting peace could only be achieved within a broad framework of social justice and hu-

man rights, a potent message to a government that recently was condemned by the UN. General Assembly for human rights abuses. His texts were laced with references to Islamic beliefs and traditions. and he offered his own interpretation of jihad or holy war.

"The only struggle which religious motives can justify . . . is against every kind of selfishness, against attempts to oppress others, against every type of hatred and violence," he said, an apparent reference to the government's past attempts to whip up support for its side of the civil war by publicly declaring a jihad.

The pope's blunt approach recalled the days when a younger John Paul adamantly opposed the oppression of his church in Eastern Europe. A Vatican spokesman said the pontiff felt similar sympathies for Sudanese Christians, many of whom clearly feel under threat, and that he had used phrases from his speeches in Poland in 1979.

Addressing Bashir, the pope described freedom of religion as "an essential element for peaceful human coexistence" and the right of political participation for minorities as "a sign of a morally mature society."

"He said the truth exactly as it is, that we are a persecuted church," said the Rev. Luigi Cocchi of the Camboni Fathers' mission. "It was stronger than I expected even from the pope. There were no half-tones."

Many had expected that the government would release a priest arrested last fall in Juba, David Tombe, as a sign of goodwill toward the pope. He remained in prison, still held without charge.

THE WASHINGTON POST

THURSDAY, FEBRUARY 11, 1993

Back to School in Somalia

Former Teachers, U.S. Troops Work to Clear Rubble for Classes

By Molly Moore

Washington Post Foreign Service

MOGADISHU, Somalia—Two weeks ago, 11-

year-old Abdirquir Osman started school for the first time in his life.

Abdirquir and his classmates sit on a dusty green plastic sheet spread across the floor of a former locker room in a roofless gymnasium. A tangle of briar bushes with lethal needles barricades a jagged hole in the wall—a primitive effort to stop looters who try to sneak in at night and steal books and blackboards.

The bare classrooms in the partially standing gym represent the first attempt by former government schoolteachers to revive the education system in a city that has been without schools for at least two anarchic years marked by clan warfare and famine. While relief agencies continue emergency efforts to feed hundreds of thousands of malnourished Somalis, many relief officials say the fragile nation now must begin the arduous reconstruction of a destroyed infrastructure. Somalia is a country with no government, no school system and no judiciary. Most of its water and sewer pipes have been dug up by looters and sold as scrap metal. Most roads are unpaved. Only a few institutions, such as the national prison and some hospitals, survived the years of anarchy, with unpaid workers remaining on the job out of duty or in return for meals—or for lack of anything else to do.

"We've reached a real period of transition," said Dennis Walto of the International Medical Corps. But regaining "stability will take months and months, not weeks and weeks."

In the past few weeks, however, Somalis, primarily with the help of relief groups and international military forces, have begun taking the first tenuous steps at rebuilding. Members of Mogadishu's police force put on their uniforms and began patrolling the streets last weekend for the first time in two years. Lawyers and former judges have formed a committee to set up a skeleton judicial system. Community elders are meeting with U.S. military civil affairs officers in an effort to set up ad hoc governments. See SOMALIA, A42, Col. 1

A42 THURSDAY, FEBRUARY 11, 1993

THE WASHINGTON Post

' Back to School in Mogadishu . r

SOMALIA, From A31

With famine and war having devastated a generation of Somali children, many officials say the key to the country's future lies in salvaging the remaining youth. s

"We've got to get the kids off the streets, take the guns out of their hands and put paper and pencils in their hands," said Master Sgt.

Dwight Walker, chief of a small group of US. Marines who have been helping make the abandoned gym-turned-school more habitable.

"If the country is going to survive, it will be through the education of its children? 3:

t - Gawahir Mohammed, a former teacher in the 'uMoga'dishui public school system, was one of the first to act. Six weeks ago, at the urging of several parents, she opened the first Somali school in Mogadishu since the January 1991 overthrow of authoritarian president Mohamed Siad Barre. '

She decided to put the school in the badly damaged gym, next to the soccer stadium where several hundred Marines are housed. With the help of friends, she cleared the rubble from a locker room, rounded up several former government teachers who agreed to work for no pay, and bought pencils and notebooks with her own money.

Student enrollment has grown from three dozen students on the first day of classes to more than 400 this week. Mohammed got Marines to help her clear space for more classrooms and excavate the basketball court from under a foot of rubble;-

, ?New faces appear every morningff said Mohammed, a slight woman who wears the traditional, gauzy turban of many Somali women.

"They are happy to be in school." a Notebooks are scarce, there are virtually no textbooks and dictionaries donated by the Marines were stolen by bandits. But the youngsters take three language classes-Somali, English and Arabic_as well , as mathematics and basic science.

, Annap, a frail-looking 8-year-old who wants to grow up to be a teacher, said she is attending school now for the first time in her life. But she and many of the other students remain uncertain about their futures.

,: "They ask me a lot of questions," said Khatra Mohammed, a teacher ' who is not related to Gawahir Mohammed. t 'Are we going to be able to live in peace? Is the fighting still coming? I just tell them everything

will be all right."

' The Irish relief group Concern is working to help reopen up to 30 of Mogadishu's 84 public schools, and hopes to have its first building ready for classes next week.

Like everything else in Somalia, the task has not been easy. Many school buildings have been taken over by squatters and refugees who have made elaborate demands as conditions for giving them up, according to Concern staffer Mark Mullen.

i We deal with all sorts of unsavory , characters trying to extract whatever they can get," he said. Where are still a lot of open threats: 'If you step foot in the place, we'll kill you or the children.' i'

, Concern persuaded one man to surrender a former school building only by agreeing to build a small house-with a security wall-for his family.

With financial backing and new uniforms provided by the United Nations, Somalia put 3,000 civilian police on the streets of Mogadishu last weekend for the first time in two years. The patrolmen in Chief

' Abdi Ellmiis district quickly nabbed ' six alleged thieves, consigning them to a tiny, fetid basement cell. No judicial system has yet reemerged to process the accused.

Despite the efforts to restore some public services, Somalia still has no government. The US. military, in a role that senior officers say far exceeds the armed forces' initial mission to provide security a for relief convoys, has begun establishing loose community-level governance in town and rural villages.

"We're trying to get the clans and sub-clans to talk to each other," said Marine Col. Werner Hellmer, who is heading the effort. "We have to get some kind of dialogue going."

Hellmer held court under a tall shade tree with the elders of a village on the edge of Mogadishu and got an earful from the group spokesman, Mohammed Adam. He complained

that the school cannot be used because it has no roof, the water system

i On a recent blistering afternoon, term has no water, the hospital has little medicine and the Marines have confiscated all the villagers' guns so only the bandits have weapons.

x After listening, Hellmer said i plaintively, "We are not politicians, we are Marines." Then he proceeded to offer diplomatic counsel.

i At the end of the session," he noted that the elders had invited no women to be members of the ad hoc village committee. :11;m not telling f you how to run your group that's

3 your business," he said in his voice heavy with suggestion. He later told a reporter, "If there are no women's groups on the committee, there's no democracy in action." The imprint of the US. military and international relief agencies is visible on almost every rehabilitation project in the country. The Marines proudly note that Gawahir Mohammed and her students' parents decided to name their makeshift school in honor of Lance Cpl. Anthony Botello, 21, who was killed by a sniper while on patrol in Mogadishu last month. But, asked who came up with the idea of naming the school for the slain Marine, Mohammed replied, "The colonel with the Marines."

E

A22 THURSDAY, FEBRUARY 11, 1993

Tm: WASHINGTON POST

myemwhmtnn most

AN

INDEPENDENT NEWSPAPER

Mr. Clinton Yitrns to Bosnia

ton has decided to defer the hard choices about military intervention for the moment and give diplomacy another chance. Until now the diplomatic effort to end the Bosnian catastrophe has been led by the United Nations and the European Community, neither of which carries much weight in the Balkans. Mr. Clinton is betting that negotiations will make better progress if the United States and, evidently, Russia begin to push them. His invitation to the Russians to take an active part is sensible and may open useful channels to the Serbs.

To get their attention, the new American plan calls for more vigorous enforcement of the embargo. It also requires a demonstrated readiness to employ military force if all else fails. Whether this approach will work is clearly uncertain, but its worth trying.

Secretary of State Warren Christopher says that he will "build on" the work of Cyrus Vance and Lord Owen, who have tried for months to mediate. But he declines-wisely_to endorse any part of their plan. The whole idea of a map dividing Bosnia into provinces, each to be given to one ethnic group or another, is fundamentally wrong. As Mr. Christopher observed, whatever solution emerges in Bosnia will stand as a precedent for all the other places around the world where ethnic quarrels have degenerated into civil war. To commit the United Nations to the concept of dividing countries into ethnic mini-states would be a terrible error.

The right answer-if the bloodstained militias can be led toward it_is a rule that protects the rights of everybody, majority or minority, under international guarantees, wherever they live. Whether anything as reasonable as that is still possible after the uncounted atrocities of the past year is perhaps open to doubt. But with the United States and Russia now explicitly among the future guarantors, it offers a hope that has to be pursued further. Any alternative would, like the Vance-Owen plan, result in massive flows of ' desperate refugees as people tried to get out of the towns and villages where they found themselves in the minority.

It is reassuring that Mr. Christopher has not forgotten about the United Nations' responsibility to prosecute the people who committed the many war crimes that Bosnian Muslims-and not only Muslims-have suffered. That won't make the negotiators' job any easier, for several of the people with whom they will be dealing are precisely those who ought to be tried first. But if there is to be a real peace, it has to include an accounting for the systematic persecution of civilians that, even by the usual brutal standards of civil war, has made this example particularly execrable.

THURSDAY, FEBRUARY 11, 1993
THE WASHINGTON POST .

—
Don't Forget the Iraqi Kurds
Christine Helms's contemptuous dismissal of the Kurds of Iraq ("Rethinking the Iraq Obsession." Outlook, Jan. 24) warrants a rebuttal. Miss Helms attempts to turn charges of human rights violations against the Kurds by citing a few unproved allegations. She makes no mention whatever of the Baghdad regime's proven use of poison gas against the Kurds, in which thousands were killed, of its publicly acknowledged expulsion of more than half a million Kurds from their homes. Nor does she mention its razing of Kurdish towns, villages and farms, or the torturing and killing of Kurdish prisoners and of the slaughter of tens of thousands of Kurds documented in the many tons of captured Iraqi government files that now repose in the National Archives in Washington.

Miss Helms also makes no mention that in May of last year the people of Iraqi Kurdistan went to the polls to choose, in elections that were certified by international observers as free and fair, their own parliament—a thing the other peoples of Iraq have never been allowed to do, under the tyranny of Saddam Hussein's Baath regime. Nor does she mention that the Assyrians, who she falsely claims were abused by the Kurds, have five representatives in this parliament as well as representatives in the regional administration. Or that people inside the Kurdish region of Iraq—be they Kurds or others—today live under a democratic administration with full freedom of expression and political participation, things that elsewhere in Iraq are brutally denied. It is hoped that this remarkable democratic experience in Iraqi Kurdistan will be the catalyst for a solution for the wider political problems in Iraq. It is only through working for a democratic Iraq, in which the individual and collective rights of its citizens are respected, that prospects of stability in the Middle East can be enhanced.

Miss Helms protests the United Nations' economic sanctions against Iraq, a wholly legal and justified action, but says nothing about the Baghdad government's illegal economic blockade of the Kurdish region aimed at starving the Kurds into submission or about its attempt to prevent international humanitarian assistance from reaching the Kurds by sabotaging relief vehicles.

If there is in fact an "Iraq Obsession," it is surely Miss Helms, not the U.S. government or the United Nations, that is its victim.

BARHAM SALIH

Representative
Iraqi Kurdistan Front
Washington

U.S. Backs Bosnian Peace Plan,
Dropping Threats to Use Force
But Clinton Would Send Troops to Support Truce
By ELAINE SCIALINO

Special to The New York Times

WASHINGTON, Feb. 10 - The Clinton Administration today abandoned the tough campaign talk of using force to end the war in the Balkans, and embraced an international peace process that currently envisions allowing the Serbs to keep lands seized from Bosnia and Herzegovina in a campaign of ethnic cleansing.

Unveiling the Administration's long awaited Balkan policy today, Secretary of State Warren Christopher offered a six-point initiative that could commit American ground troops as part of an international force to enforce peace in the country should all sides agree to a settlement. Excerpts, page A12.

The American approach marks the first time the United States has become directly involved in a mediation effort aimed at stopping the fighting that began in June 1991 when Yugoslavia disintegrated into a group of warring territories.

Criticism of Bush Policy

Although President Clinton had sharply criticized the Bush Administration policy on the Balkans and his advisers have expressed reservations about the peace process begun last September by the international mediators Cyrus R. Vance and Lord Owen, the American initiative unveiled today does not deviate substantially from either one.

Most important, it offers no revisions at the present time to the concept of dividing Bosnia and Herzegovina into a loose federation of 10 autonomous regions - most with strong majorities of one of the three main national groups - even though senior Administration officials expressed regret today that such a result would appear to reward the Serbian program of killing and expelling Bosnian Muslims from conquered territory.

"The President has decided the United States will actively engage in the Vance-Owen negotiations, bringing the full weight of American diplomacy to bear," Mr. Christopher said in announcing the initiative. To that end, he added, Mr. Clinton has named Reginald Bartholomew, the current chief envoy to NATO, to work with the two negotiators to hammer out a settlement.

During his town hall meeting tonight in Detroit, Mr. Clinton said, "We are not committing today to make war in the former Yugoslavia. We are committing to try to help get a peace and then to enforce it."

The President described the plan as "a much more aggressive position

than- the United States has taken," but
. said "I do not believe that the military
Of the United States should get involved
unilaterally there now. We have to
work with these other countries."

V Offer of US. Troops

Mr. Christopher said the United
States is "prepared to use our military
power," but only to enforce a settle-
ment.

But Senator Richard G. Lugar, the
Indiana Republican, said through a
spokesman that Mr. Christopher told
him in a telephone conversation that
the United States could contribute as
many as 5,000 to 10,000 American
troops to a 40,000-member NATO force
that would go to Bosnia under United
Continued on Page A12, Column 1

THE NEW YORK TIMES INTERNATIONAL THURSDAY, FEBRUARY __, 1993

Clinton in. Effect Supports

1C urrent Bosn ia Peace Plan

Continued From Page A)

Nations auspices after a new peace accord is concluded. Mr. Christopher also told him that Gen. Colin Powell, Chairman of the Joint Chiefs of Staff, agreed to the plan, Mr. Lugar said. It was not clear whether the plan would involve a departure from the United States tradition of keeping American troops under American commanders. The current commander of NATO forces is an American Army officer, Gen. John Shalikashvili. Mr. Clinton tonight stressed the importance of acting in concert with the United Nations and other countries, a necessity that he said put limits on Washington's ability to determine its policy.

"If we' go off on our own and everybody else is over here, we can't get it done," he said. I'll have to deal with the fact that Europe believes today that negotiations are possible, that Russia wants negotiations from a different point of view and even though they've been historically sympathetic to the Serbs, they have supported our position that we ought to toughen the embargo and stand up to aggression."

Mr. Christopher stressed that Mr. Clinton had made it clear to the war-threats of force against the Serbs are dropped.

ring parties that the only solution to the conflict was via the negotiating table, dashing the hopes of the Bosnian Muslims that once he assumed office, he would fulfill his campaign promises and somehow come to their rescue.

Mr. Christopher blamed inaction by both the Bush Administration and the West for the limited options available to Mr. Clinton.

"The West has missed repeated opportunities to engage in early and effective ways that might have prevented the conflict from deepening," he said, adding, "Because those actions were not taken, we face a much more intractable situation with vastly more difficult options."

. The American stance is a major victory for Mr. Vance, who represents the United Nations, and Lord Owen, who represents the European Community. The mediators had publicly expressed their displeasure with the Administration for holding out the possibility that it might press for the use of force to curb Serbian aggression.

"I'm generally very pleased," said Mr. Vance at the United Nations. Mr. Vance, at former American Secretary of State, also told the Security Council in closed session that he was relieved that the United States had not come up

with a map of its own for Bosnia and Herzegovina, and praised Mr. Bartholomew as an envoy he knows and respects.

The European Community and the Russians also have been supportive of the Vance-Owen plan, and have urged the United States to accept it.

Mr. Christopher said that as part of its approach, the United States will press for tightened sanctions against Serbia and Montenegro, creation of a war crimes tribunal through the United Nations to punish those guilty of atrocities in the Balkan conflict and enforcement of a United Nations ban on Serbian flights over Bosnia and Herzegovina. -

More interesting, however, is what the initiative omitted. The United States will not push for the lifting of the United Nations-imposed arms embargo, which favors the Serbs. Nor will it push for the United Nations to use force or threaten force to compel the Serbs to comply with a Security Council resolution demanding the unimpeded delivery of relief aid or to force the Serbs to close civilian detention camps and comply with international law regarding the imprisonment and treatment of prisoners. i

Concern for Western Troops .. a Mr. Christopher said the options of using air power or arming the Bosnian Muslims were considered during the Administration's formal three-week policy review, but were rejected because of concern that British, French and Canadian peacekeeping troops in Bosnia and Herzegovina might be "gravely endangered." .

Mr. Clinton had promised much more during his campaign ' for the Presidency. Last July, for example, he said that if the Serbs continued to violate terms of a cease-fire agreement, that the United States should take the lead in seeking UN Security Council authorization for air strikes" against those attacking the relief effort and that the United States should be prepared to lend appropriate military support" to that operation.

Call for Collective Action'

In August, Mr. Clinton said that the United States should call for an emergency session of the Security Council to demand, among other things, that the International Committee of the Red Cross be given immediate access to all detention camps, that all detention camps be closed, and that if the demands were not met, there should be collective action, including the use of force." '

"The United States should be prepared to lend appropriate support, including military, to such an operation," he said at the time.

Mr. Christopher stressed that by en-

tering the process in an active way, the United States will be able to put tta new degree of pressure on the parties" to reach an agreement, and he said that each party must be prepared to accept' a resolution that falls short of its goalsi
No Imposed Settlement

Unlike the Vance-Owen strategy, which threatened at one point to im-. pose a solution on those parties that did not sign their agreement, the United l States approach is based on t_he'lpromise that no settlement can be imposed on the parties, and any forced settlement would be far more difficult to sustain. , i ,;

Today, Senator Joseph R. Biden Jr., Democrat of Delaware, who has sharply criticized the Bush Administration's policy, congratulated both Mr. Clinton and Mr. Christopher for what he called its "clear-cut rejection ?of appeasement." Mr. Clinton's approach also en-' joys the support of other influential lawmakers, including Representative Lee H. Hamilton, the Indiana Democrat who is chairman of the House ForeignsAffairs Committee.

But Representative Frank McCloskey, the Indiana Democrat who has called for arming the Bosnian Muslims and using American air power against the Serbs, said: "More diplomacy is . not going to stop genocidal Serbian aggression. It's going to take military force't

Iraq Says It de,t F ree 2 Britons

Till Lendon Releases Assets

Special to The New York Times

BAGHDAD, Iraq, Feb. 10 - Iraq

refused today to free two Britons serving long jail sentences for entering Iraq illegally unless London releases frozen Iraqi assets, the director general of the British Red Cross said.

I

,6 After a meeting today with Tariq Aziz, the Deputy Prime Minister, the Red Cross official, Michael Whitlam, said: "He wasn't prepared to listen to any discussion from me, certainly not in the immediate future, about releasing of the men, so I think it looks very much as though we will be going back without them."

Mr. Whitlam accompanied the families of the two men, Paul Ride and Michael Wainwright.

"Daddy come, Daddy come," Mr. Ride's 23-month-old son, William, said as he held his juice bottle during a news conference at the Al-Rashid Hotel, where the families are staying, shortly before the men's fate became known.

Mr. Aziz said recently in a television interview broadcast in Britain, "If the British Government shows sympathy toward the hardship of the Iraqi people, then of course it would be very natural that the Iraqi Government would show sympathy to the difficulties of two or three British Citizens." He referred to the release of Iraqi assets.

But London has said the funds will not be released until Iraq complies with all United Nations resolutions.

Mr. Ride, 33, a caterer from London who was working in Kuwait, is serving a seven-year sentence. He was seized in August at the border where, he said, he had gotten lost. Mr. Wainwright, 42, a construction worker from West Yorkshire, received a 10-year sentence after his arrest in May crossing into Iraq from Turkey on a cycling trip to Australia. He said Iraqi guards let him in. Mr. Ride's wife, Julie, and his son traveled with Mr. Wainwright's mother, Iris, and his sister, Heather Horne, arrived Monday by road from Jordan.

Baghdad is trying to ease its isolation and has declared ceasefires in its battles with Kurds in the north and Shiite Muslims in the south. It has cooperated with United Nations inspectors seeking to destroy Iraq's major weapons systems. Thus the handling of this case is a test whether Iraq is sincere about improving relations with the West.

Mr. Ride and Mr. Wainwright are in Abu Ghraib Prison on the outskirts of Baghdad. The families are scheduled to pay a final visit to the men on Thursday before leaving.

THE NEW YORK TIMES, THURSDAY, FEBRUARY 11, 1993

?_ Plan B iIsv ReallyiiPIan Ai

U.S. Involves Yeltsin and Adds Its Muscle,
But Basically Backs theyVaitce-Ovye'n Plan
By-PAUL LEWIS

Special to The New York Times -

UNITED NATIONS, Feb 10 - For

the first time since the collapse of the
Soviet Union, Moscow is moving into
the center of the diplomatic arena as a
result of President Clinton's conclusion
that Russia can exert significant influ-
ence, for better or worse,
over the fate of the United
News States plan to end the civil.
Analysis war_ in Bosnia and Herze-
govma.

By making clear today

that it wants to involve President Boris
N. Yeltsin in the search for a Balkan
settlement, the Clinton Administration
appears to be seeking both to persuade
Moscow to pressure the Serbs to com-
promise and to insure that Russia does
not use its Security Council veto to
obstruct the plan.

In some ways the situation is remi-
niscent of the big-power line-up in the
Middle East during the cold war: The
United States hopes to use its influence
with Bosnian Muslims to push them
toward compromise, just as it once
sought to restrain Israel, while relying
on Moscow to bring along the Serbs,
just as the Soviet Union was asked to
put pressure on the Arabs.

Together, at Last

The two international mediators, Cy-
rus R. Vance and Lord Owen, are likely
to find their diplomatic efforts consid-
erably strengthened by Washington's
approach. Once the mediators, Wash-
ington and Moscow all agree on a
formula, any faction that resists it is
going to find itself isolated.

An audible sigh of relief went up this
morning after Secretary of State War-
ren Christopher telephoned the media-
tors to explain that he was not seeking
a territorial settlement more favorable
to the Muslims, butiwanted a deal that
a

.U y

ts. i

lall three sides could accept.

Mr. Vance and Lord Owen expressed
their respect for Reginald Bartholo-
mew, who will represent Washington in
the peace talks, but also vowed to
"keep the pressure on for an early
agreement on a comprehensive peace
settlement in the' context of the discus-d:
sions already under way in the Security
Council."

The fact that 'ahy deal theiClintoh
Administration helps to broker-istun-
likely to be very different from the
Vance-Owen plan are proposing was
I made clear in Moscow today when the
Deputy Foreign Minister, Vitaly I.
Churkin, urged the Security Council to

approve the plan and end the embargo on the rump Yugoslav federation if the plan is accepted by all. iiWe have only two hopes in this situation," he said. "One is Cyrus Vance and the other is - Lord Owen."

By sending Mr. Bartholomew to Moscow immediately and by telephone ing President Yeltsin .this morning, President Clinton is asking Moscow to use its considerable psychological influence with the isolated Serbian government to reach a settlement.

The Ties That Influence

Ethnically Slav like the Serbs, sharing the same Orthodox faith and speaking related languages, Russia is about the only country to have shown any sympathy for Slobodon Milosevic, president of the Serbian republic. Mr. Milosevic is widely blamed for starting the civil war in Bosnia and he may also be the only man capable of ending it through his influence over Bosnia's nationalist Serbian leadership. W! U? 21' To encourage Mr. Milosevic to press Xthe Serbs in Bosnia, the United States,)btr

pose a much tighter economic blockade _on Serbia and Montenegro, which make up what is left of Yugoslavia.

N(Longer-Great Expectations

But Sanctions against Serbia have proved unpopular with the assertive Russian Parliament, raising fears that President Yeltsin might use his Security Council veto to block a tighter squeeze. . . .

Involving Mr. Yeltsin is thus an attempt both to insure that new sanctions will not be needed and to persuade him x Britain and France are ready to im-not to veto them if they are.

The Clinton Administration, by making clear above all that it has no plan to divide Bosnia in ways that favor the Muslims, has pricked the bubble of Muslim expectations that were inflated by Washington's criticism of the Vance-Owen plan as rewarding Serbian "ethnic cleansing."

Encouraged by talk of a Washington policy review, the Muslims refused to negotiate until they had seen what President Clinton would offer,

' Today Bosnia's Foreign Minister, ; HarieSilajdzic, said his .Muslim-dominated Governmem WUULU never negotiate unless 'the Serbs surrendered the guns that are shelling Sarajevo. uWe will not negotiate with guns at our head," he said at a news conference.

But the United States has now made it clear that all the Muslims can expect IS what the VanceZOwen plan already offers: tough enforcement measures to insure that the Serbs do not violate a settlement, a war-crimes court, strong human rights safeguards and some territorial adjustmentsf '

If the Muslims do not accept, they

will have no allies left to turn to.

Conflict in the Balkans: Word From the Front
3 Sides Battle for Territory in Bosnia and Croatia

By CHUCK SUDETIC ,

Special to The New York Times

' BELGRADE, Yugoslavia, Feb. 10 -

Battles between Serbian and Muslim forces in eastern Bosnia and Herzegovina have reportedly exacted a heavy toll in the last 24 hours, killing 54 people and wounding 109.

Radio reports from Sarajevo, the Bosnian capital, told today of fighting in the Drina River basin near Srebrenica and Zvornik, where Serbs are trying to drive Muslims loyal to Bosnia away from an important road connecting Serbia and Serb-held swaths of the Bosnian heartland.

Serbian officials said today that the Muslim forces had floated a pair of barges loaded with explosives down the Drina river toward Serb-held areas, but that no one was injured when one exploded.

Desultory shell and sniper fire was reported today in Sarajevo, and artillery clashes erupted in northern Bosnia, where Croatian and Muslim forces daily harass traffic plying a thin corridor linking Serbia to Serbian strongholds around Banja Luka and to districts in Croatia held by rebel Serbs. Fighting for the central Bosnian town of Gornji Vakuf reportedly intensified today between Croats and mostly Muslim forces loyal to Bosnia.

The Croats and Muslims were once allies against the Serbian forces that have occupied about two-thirds of Bosnia's territory since starting their attacks in April, soon after Bosnia was recognized as independent.

' A simmering territorial conflict between Croats and Muslims exploded in serious violence last month after United Nations mediators released a map outlining a proposed division of Bosnia into 10 autonomous provinces.

The map left the Gornji Vakuf district, whose population is 55 percent Muslim, squarely in a Croatian-dominated province, and Croatian forces have moved to disarm Muslims who, refuse to accept Croatian authority. 1

In a similar conflict last fall, Croatian forces in central Bosnia forcibly ?an interview with a Zagreb weekly expelled hundreds of Muslims from ?magazine. The bridge and the dam Prozor, IUST 35 the Serbian fighters were seized by the Croatian Army soon have "cleansed" the lands they claim by evicting thousands of Muslims.

Artillery duels were also reported today between Croats and Serbs in Croatia near Zadar, a port on the Adriatic. Gen. Janko Bobetko, the Croatian Army's chief of staff, has indicated that his forces may try to drive Serbs away from a highway linking Zagreb, the Croatian capital, with towns in the fertile southeastern panhandle.

"We have given priority to three

lafter a surprise attack on rebel Serbs
near Zadar on Jan. 22.

In the interview, the general harshly
criticized the United Nations peace-
keeping forces, which were sent to Cro-
atia to oversee the cease-fire under a
plan drawn up by the United Nations
special envoy, Cyrus R. Vance.

"The United Nations has the power:

but its forces are not carrying out the
job they were given," General Bobetko

said, adding that the peacekeepers had
goals: the Maslenica bridge, the Per-
uca dam and the highway," he said in zcooperated with rebel Serbs. "

W

THE NEW YORKTIMES, THURSDAY, FEBRUARY 11, 1993

a

Pope, in the Sudan, Assails Religious

By ALAN COWELL

Special to The New York Times

at KHARTOUM, the Sudan, Feb. 10 -

Comparing the plight of Christians in the Sudan to that of Jesus on the cross

Pope John Paul II called repeatedly today for this country's Islamic leaders to cease what he called religious persecution of Christians and to end "the terrible harvest of suffering" caused by civil war in the south.

The Pope's unusually stark imagery and unequivocal insistence on minority rights and religious freedoms in the predominantly Muslim Sudan evoked centuries of conflict between Christians and Muslims in this region. The conflict has become even sharper here as the Sudan's leaders have aligned themselves with the forces of Islamic fundamentalism, particularly in Iran. Indeed, the vision of the leader of the Roman Catholic Church alighting here among 'robed and uniformed Islamic leaders seemed to symbolize the collision of "faith that has molded history since the Crusades and throughout the era of European colonialism in North Africa and the Middle East.

Just Solution' Urged

"Today it is essential to recover the sense of mutual respect and cooperation, in the service of the common good, and in the frank and honest search for a just solution to the conflict which continues to reap such a terrible harvest of suffering," the Pope told the Sudan's leaders, referring to the country's two religions. He arrived here from Uganda for a nine-hour stopover at the end of his 10th African tour.

"Rigorous respect for the right to religious freedom is, a major source and foundation of peaceful coexistence," he said.

Speaking later to priests and nuns at Khartoum Cathedral, he evoked the Crucifixion, saying, "In this part of Africa I see clearly a particular reproduction of the mystery of Calvary in the lives of the majority of the Christian people."

'And at an open air Mass in the city's main square, shortly before his departure for Rome, the Pope again revived the imagery of the cross, saying the names of the Sudan's Christians were written "on the palms of the hands of Christ, pierced by the Crucifixion."

At the Mass, the Pope spoke under heavy security provided by Sudanese soldiers carrying automatic rifles. The banners in the crowd, referring to the Government, implored the Pope to

"speak up for people who cannot speak out for themselves" and to "protect the rights of the poor and needy."

Christians, the majority of them Ro-

man Catholics, represent only 7 per- cent of the Sudan's 25 million people, concentrated along with many ani- mists in the African south rather than in the Arabic-speaking Muslim north of the continent's biggest country. Thousands upon thousands of exus- berant Christians thronged Khar- toum's streets today to welcome the Pope and attend the open-air Mass. For decades north and south, thrown together by British colonial frontiers, have fought violent civil wars. But since Gen. Omar Bashir took power in a 1989 coup, the bloodshed has intensi- fied and the country's human rights record has worsened, with charges by church and other monitoring groups of widespread torture, killing and reli- gious persecution.

Moreover, famine and war in the south have sent hundreds of thousands of refugees fleeing north to camps out- side Khartoum. There, the church says, they are subject to Islamic law, which underpins General Bashir's fundamen- talist-backed military Government and which the Pope argues should not be imposed on Christians.

'An Essential Element'

"Minorities within a country have' the right to exist, with their own lan- guage, culture and traditions, and the state is morally obliged to leave room for their identity and self-expression," the Pope told General Bashir publicly before the two had a private meeting. "The freedom of individuals and com- munities to profess and practice reli- gion is an essential element for peace- ful human coexistence."

The Pope, in his constant appeals for understanding, has also used strong language to criticize Christians who oppress Muslims. In his annual Christ- mas Day message in St. Peter's Square, for example, he called the mostly Muslim people of Bosnia and Herzegovina "hostages of pro- grammed and inhuman violence."

Though he did not name any group, the comment seemed a clear reference to "ethnic cleansing" by Orthodox Catho- lic Serbs in territories they have occu- pied.

In part, the Pope's blunt talking here The New York Times

In Khartoum, the Pope called for protection of the poor and needy. reflected what Vatican officials called his desire to avoid any suggestion that, by visiting Khartoum, he was giving his imprimatur to a Government that some of his own bishops have accused of genocide.

"While in Khartoum, you will be givv- en a red carpet welcome and you will hear many solemn, official speeches from the major authorities of the Khar- toum Government," a group of priests from southern Sudan said in a letter

handed to the Pope during his visit to Uganda. "These are the same people who persecute, torture and kill pastors, priests, sisters, catechists and evangelists. You will be shaking hands dripping with the blood of Christians."

From Khartoum's point of view, by contrast, the Pope's visit offers a rare opportunity to nurture a more benevolent and tolerant' image than it has thus far projected.

"We are confident that the peaceful resolution of the problems confronting this country will be achieved in the near future, and the Sudan will be able to live in peace," General Bashir told the Pope, invoking the Koran to say that, for Muslims, 'iChristians are closest to them in love."

The general said the Pope's visit would enable him 'ito see also how the Sudan, a multireligious, multiracial and multicultural society, has devised ways and means whereby all can enjoy life and live in harmony, fraternity and tranquillity."

General Bashir denied the Pope's allegations of religious persecution, saying that for Muslims "such action is

THE NEW YORK TIMES, THURSDAY, FEBRUARY 11, 1993

simply unthinkable." He called the reports of human rights abuses Ugrotesque fabrications." '

While he acknowledged there had been political detainees after the 1989 coup, he said, "There are none now," except very few emergency cases for very short terms."

Diplomats here said the Sudan's leaders were motivated by a concern that United States military intervention in Somalia had set a precedent that could be extended to their own country if they seemed unable to come to grips with comparable problems of anarchy and famine.

While the Pope was in Uganda, the ' Sudan's leaders sent negotiators to meet with representatives of the fractured southern rebel movement, saying they were seeking peace. Vatican officials said the Sudanese authorities had initially sought a far longer visit by the Pope to gain maximum political benefit from his presence .

But the Pope told diplomats in Uganda that conditions in the Sudan did not permit a full papal visit and insisted on keeping his stay brief and focused on his flock. Vatican officials said the Pope had purposely set out to hammer his points home from the start rather than take a circuitous approach.

General Bashir looked on stonily as the Pope registered his catalogue of complaints: "When people are weak and poor and defenseless, I must raise my voice on their behalf. When they are homeless and suffering the consequences of drought, famine, disease and the devastation of war, I must be close to them."

Israeli'Seiders Kill 2 Arabs

! In Military Garb, Army Says

JERUSALEM, Feb. 10 (AP) - Israeli soldiers in the occupied Gaza Strip opened fire today on Palestinian teen-agers dressed in military uniforms, killing two, the army said. Residents said the Israeli soldiers were dressed in Arab clothes. The army refused to comment on the report, saying that as a rule it does not discuss operational details.

The Palestinians, armed with axes and hatchets, threatened the unit's commander and the soldiers opened fire, the 'army said.

Bosnian Muslims

5: To Settle in Israel

JERUSALEM, Feb. 10 (AP)

- Israel announced today that it would take in 100 Muslim refugees from Bosnia and Herzegovina and settle them in two 'Arab villages in Israel.

It acted in response to a request by Israeli Arab mayors, some of whom visited war-devastated Bosnia last year. Israel

has taken in Jewish refugees from the former Yugoslav republic in the past. .
tthf there are no lastminute difficulties, the refugees Will arrive in Israel next week," said Gad Ben-Ari, spokesman for Prime Minister Yitzhak Rabin.
France is providing a plane to fly them here and the Housing Ministry will give them mobile homes Ben-Ari said.

Marching Blind Into Bosnia

As if his first three weeks had not been bumpy enough, President Clinton now places a tentative foot on the slippery slope of military engagement. Is anyone around the Oval Office reading history books?

' It is endemic to the office that Presidents come in full of illusions about the ease of projecting military force. They almost always regret their first sallies into combat. The kind of power that a President commands brings with it the temptation to act before he has had time to grow wise and careful in its use.

As Mr. Clinton talks in carefully hedged terms about sending American troops to Bosnia, examples ranging from the Bay of Pigs to the Beirut barracks bombing fairly shout at him to go slowly with military initiatives unless the purposes are fully understood and supported by the American people. But Mr. Clinton is not listening to the shouted lessons of history. Instead he is hearing the soothing blandishments, the temperate diplomatic whispers of Lord Owen, Cyrus Vance and their allies in the trans-Atlantic community of security experts. Every criticism of their so-called peace plan brings a frenzy of assurances from the foreign-policy establishment that they are honorable men. And so they are honorable men. But they also happen to be giving a new President advice that is as dangerous as a person in Mr. Clinton's position can receive.

This is not the time to talk about putting 15,000 American servicemen and women into a caldron of violence that our European allies have studiously refused to take on themselves.

.. Secretary of State Christopher carefully conditioned any commitment of U.S. troops. And his statements yesterday were more cautious than the hawkish briefings being conducted by White House aides Tuesday night. But Mr. Clinton should slow down even more and reconsider before events and diplomatic pressure carry him toward a decision to deploy those troops.

' At this point, Mr. Clinton literally doesn't know what he's getting into. More Bosnians could be saved, at far less American risk, by focusing U.S. diplomacy and air power on the real problem - Serbian militias intent not just on territory but on forcible expulsion of the inhabitants, mass rape and wholesale murder.

The Vance-Owen plan calls for 30,000 peacekeepers, half of them American. If they follow standard U.N. procedures, they would be exposed to unnecessary risk. Lightly armed and subject to highly restrictive rules of engagement, they would be asked to monitor the cease-fire lines and "super-vise" heavy artillery.

If the Serbs or anyone else violated the agreement, the peacekeepers could either hold their ground or withdraw. What they could not effectively do, without a very different mandate and deployment, is protect innocent lives or compel peace. During his Presidential campaign, Mr. Clinton had some better ideas. He talked about lifting the UN arms embargo that prevents Bosnians from effectively defending themselves. He proposed using American air power to counter Serbian aggression. And he drew a firm line against using American ground troops in any capacity.

The problem with these good ideas is that key European Governments, like Britain, Russia and

France, don't like them. For historical reasons having nothing to do with humanitarian needs or American interests, those nations are reluctant to put the full squeeze on Serbian leaders. That's exactly why they've all ended up endorsing the Vance-Owen non-solution, and pressuring Washington to endorse it - and commit troops to it. Mr. Clinton doesn't relish the idea of going against European allies on a European issue. Nor . does he want to act unilaterally, particularly when it comes to military options. But as President of the United States he has wider responsibilities than accommodating the political needs of European leaders and better choices than cosmetically modifying the Vance-Owen plan. He can, for example, lead the way with an American plan based on his own sensible campaign suggestions. At the very least, he can step back from the slippery slope.

THE NEW YORK TIMES THURSDAY, FEBRUARY 11, 1993

h

THE NEW YORK TIMES, THURSDAY, FEBRUARY 11, 1993

1 - WASHINGTON

Did the Bush Department of Justice -- eager to avoid embarrassing Saddam Hussein or his bankers in 1989 - make a conscious effort not to find out what the CIA knew about the huge fraud discovered at the Atlanta branch of the Banca Lavoro?

'The staff of the Senate Select Intelligence Committee was suckered by excuses from key Justice officials that they were too busy responding to their in-house "investigator" to answer the Senate, precisely why the patsy prosecutor was hired. But the recent Senate report adds useful new evidence to the Iraqgate scandal. itThe first Justice Department request to the Intelligence Community," it says, ". . . did not go out until August 3, 1990, almost a year to the day after the raid on BNL-Atlanta."

When a ' career prosecutor six months earlier told Laurence Urgenson, the Bush appointee who took control of the case in Washington, "we've got to search all of the files," the Urgenson response was, "I'll let , you know what I want you to do when I want you to do it."

Why the delay? And what changed Justice's mind about asking CIA about top-level involvement in Rome and Baghdad? Look at the date: Aug. 3 was the day after Saddam invaded I Kuwait, ending Mr. Bush's courtship. 5 Foreign policy, not a search for justice, drove this prosecution.

During the year the Attorney General's men were averting their eyes . from CIA data showing BNL-Atlanta . was in cahoots with Rome higher-ups, CIA analysts were wondering whom to tell all they were learning about ' Rome's guilty involvement.

On Nov. 17, 1989, FBI officials - employees of the Department of Justice - cautioned CIA not to give their "Rome knew" information to Justice because it would become "discoverable" in the Atlanta trial. "The defense attorneys may well request CIA files on the BNL affair," the CIA claims FBI officials said, "and claim that CIA had prior knowledge of the financing to Iraq. Especially because the U.S. Attorney in Atlanta is a former CIA officer. . . ."

This FBI-CIA conspiracy flies in the face of a Supreme Court ruling, Brady v. Maryland, and of Rule 3.8(d) of Federal rules of professional conduct, that require the Government to disclose any evidence that shows the defendant to be innocent.

One month later, the CIA agreed .with the FBI not to show its evidence
Essay

. . WILLIAM SAFIRE

V fdstlcem Contempt '

to the Department of Justice, noting
iiwe have devised ways to protect our
information and sources against dis-
covery by the defendant. . . ."
CIA lawyers now claim this was
"an inartful reference" to anti-gray-
mail statutes, but a second CIA mes
sage in the same month gives the lie
to that: "an FBI official had recom-
mended against submission of the
report 'noting that every paragraphi
contains damaging information
which is clearly discoverable. ...l "
Said the CIA supervisor, quashing the
dissemination: "It's just as well to
Prosecute
Iraggate now.
have fewer reports that are going to
wind up in court."
The name for this abuse of due
process is i'contempt of court." FBI
officials contend the documented CIA
testimony is untrue. If law enforce-
ment and intelligence officials did
what the documents suggest they did
- willfully withhold exculpatory evil
dence - then this is also a violation of
18 US Code 1512, which provides up to
10 years in the pokey for whoever
knowingly misleads to "cause or in-
duce any person to . . . withhold testi-
mony or withhold a record, document
. . . in an official proceeding." .
After following the Senate report
with the release of the CIA Inspector
Generalis report, the departing Dil
rector of Central Intelligence, Robert
Gates (who wants no aides pointing
at him before a grand jury), rejected
his 16's call for "appropriate disci-
plinary actions" and forgave every;
one because Mr. Gates could see no
tlwillful intent not to be responsive.'5
In the same mistakes-were-made
way, a rearguard in the Justice De-
partment issued an unsigned state;
ment that Justice was itpleased with
the results, which note no wrongdoing
by Departmental personnel. ..." ,
But unresponsive wrongdoing
abounds. On the evidence in the Sen;
ate and 16 reports, Atlanta Judge 1
Marvin Shoob should appoint counsel
to discover who treated his court with .
contempt. Congress should pass an
independent counsel law promptly.
And the new Attorney General should
seek that prosecutor's appointment
before lraggatets trail gets cold. D
it

.x

t Finally, the US. has accepted a leadership role in the Balkan crisis. That is the main point of the modest diplomatic initiatives unveiled yesterday by Secretary of State Warren Christopher.

a Reversing the largely rhetorical and passive stance of the Bush Administration, President Clinton has now committed the US. to finding a comprehensive plan to combat the deadly virus of nationalism that threatens to obliterate hope for a new world order.

. But there should be no illusions about yesterday's presentation. It represents a retreat from Mr. Clinton's promised tough approach. And the fact that Mr. Christopher did the unveiling shows the President does not want to commit himself fully and personally to this enterprise.

_ Also noteworthy, Mr. Christopher carefully sidestepped calling his offerings a "plan" or even a "policy." And rightly so. What he outlined was, rather, a means to a plan - if one can be devised with the approval of the U.N., Western European allies, Russia and the warring parties in Bosnia themselves.

. With the American military and allies all resisting the use of force, with allies and Russia refusing to arm Bosnian Muslims, with the UN. digging in against deviations from the VanceOwen peace plan and with widespread concern that foreign crises will divert energies from domestic priorities, the Christopher approach was probably the most Clinton aides could cobble together now. At bottom, what Mr. Christopher presented reflected a series of come .. 1.

Foreign Affairs

LESLIE H. GELB

A toe in the

Bosnian inferno.

plicated bureaucratic and diplomatic compromises, a tentative and temporizing patchwork that raises more questions than it answers.

First, how will the appointment of a special US. envoy avoid transforming a UN. responsibility into an American responsibility? Such usurpation is wrong for the Bosnian crisis and disastrous for any long-term effort to strengthen the UN. No effective plan for Bosnia will ever command the necessary international backing unless rooted in the Security Council.

Reginald Bartholomew, the envoy and a first-class pro, will be under great pressure from his superiors to act. With or without Cyrus Vance and Lord Owen. But the lead should remain with them and the UN.

Second, how can Mr. Christopher continue to speak publicly of supporting the Vance-Owen ethnic enclave proposal - thereby undermining the Administration's own plans to modify it - when he continues to damn it privately? If Clinton aides believe it is fundamentally flawed, their own efforts merely to modify it make little sense.

My own view is that no negotiated peace will be possible for some time. Bosnian hatreds run too deep. Even if the parties signed an agreement, they would bludge it daily. No peacekeeping force, of 50,000 or 100,000 or whatever, could stop them.

Third, while the Christopher approach thankfully offers to put new teeth into the economic embargo against Serbia, do Administration officials really believe this will compel Belgrade to stop the war, let alone roll back its territorial gains? The currency most appreciated in the Balkans, as elsewhere, is force.

Fourth, does Mr. Christopher's dance around the central issue of threatening and using force mean the US. will not prompt discussions of force for months to come? To be sure, he spoke of unspecified US. military involvement to enforce a treaty agreed to by all parties. He also alluded to the possible use of US. troops to help humanitarian deliveries. But these measures barely scratch the surface of what will be needed.

In my opinion, only the prospect of the West intervening and/or arming Croats and Bosnian Muslims can stun the Serbs into stopping. I know well the fears, difficulties and dangers in this course. But I am equally convinced that limited military means can be found to send the necessary messages and protect population centers and aid deliveries - means and manpower far less than the 100,000 troops that will be needed to police any "negotiated" settlement.

European leaders know the futility of diplomacy without force. But rather than risk using force, they are prepared to accept the strategic and moral consequences of ethnic cleansing. Mr. Clinton, now that he has edged toward the Balkan inferno, must live up to American values. El

THE NEW YORK TIMES, THURSDAY, FEBRUARY 11, 1993

'soldiers fail to pacify

the killing fields

I The Cambodian peace keepers were welcomed With relief a year ago but their popularity 'is waning, writes Victor Mallet '

HEY came at midnight, i

a dozen men firing auto-

matic weapons and gre-

nades at a crowd of villagers

who were dancing and watch-

ing videos outside a Buddhist

temple.

The party a few nights ago in

the village of Sret, 12 miles

east of Siem Reap and the ;

ancient Khmer monuments of 3

Angkor, was an annual festival

in memory of a former abbot.

Eight people were killed,

including a 13-year-old girl. .

Nobody is sure who carried

out the attack or why, but

Khmer Rouge guerrillas are

among the suspects; three of

the dead were government

policemen.

Two days later the village

. looked sleepy and surprisingly

5 cheerful. Yes, the inhabitants

agreed, they were frightened at

night now, but they had lived

through bad times before.

They had survived the rule

of Prince Sihanouk in the 1950s

and 1960s, the dictatorship of

Lon Nol, who overthrew the

prince, the terror of the Khmer

Rouge guerrillas who ousted

Lon Nol, and the Vietnamese

invasion which got rid of the

Khmer Rouge. Now they had

Untac.

Untac - the UN Transitional

Authority in Cambodia - was

immensely popular when it

was established in March last

year because Cambodians

thought it would stop the kill-

ing); It has failed to do so, and

its popularity is waning fast.

Bangladeshi troops are sta-

tioned three miles from Sret,

but they did nothing because

the attack on the village lasted

only five or 10 minutes before

the gunmen melted into the

countryside.

It was not an isolated inci-

dent. In the early hours of yes-

terday morning gunmen, some

J

of them on motorcycles,

attacked Siem Reap with guns .

and grenades, killing at least

two Cambodians and firing at

Untac's prefabricated offices.

Mr Yasushi Akashi, the head

of Untac, said he viewed the

assault with the utmost seri-

ousness". Siem Reap is Cam-

bodia's main tourist destination, and President Francois Mitterrand of France is due to go there this week to see the temples of Angkor. The failure of the UN's largest peace keeping operation, with its \$2bn (\$11.3bn) budget

FINANCIAL TIMES THURSDAY FEBRUARY 11 1993

Cambodia. the peace keepers and the peace breakers

10 Miles 100

150 Km

THAILAND;

x 1

Battambang

Slem .ETReap

.

PHNOM PENH ESE

Khmer Rouge strongholds

w. thmtwenmzm mm.

Kompgni'?

' Thom

/ 5Kompon

9E '

Main areas of recent

fighting between

government forces and

the Khmer Rouge

, W .,

and its complement of 22,000

soldiers and civilians, is as

damaging for the reputation of

the UN as it is for the hopes of

the Cambodian people.

Untac has succeeded neither

in bringing about the ceasefire

agreed by all the factions at

the Paris peace conference in

1991, nor in curbing banditry.

Mutilated corpses are still

seen floating down the Mekong

river, and government troops

continue to extort money from

passing cars and river boats.

In one particularly humiliat-

ing incident on a road north of

i

i

CAMBODIA .,

Ho Chi Minh

l

pecial zone -

Other recent dashes

g&? Untac infantry,

Military Battalion Provinces

: 5, sector ,

- Xx . f , 1: . , 1 Netherlands Banteay Manthey

f 2 Bangladesh Siem Reap

.. g

i 3 Pakistan Preah Vear

4 Uruguay Stung Treng,

i 3 Ratanakiri, Kratie,

Monduliri

5E Indla Kompong Cham,

, Prey Veng.

VIETNAM Syay Rieng

5W Indonesia Kompong Thorn

6 France Takeo, Sihanoukville,

Koh Kong, Kampot

8 Malaysia Battambang

9E Bulgaria Kandal,

' Kompong Speu

9W Tunkla Kompong Chhnang,

1 Pursat

Phnom Penh Phnom Penh I

Source: United Nations Transitional Authority in Cambodia (Untac)

Phnom Penh last month,

unarmed Untac troops from

Poland saw soldiers shoot dead

the driver of a van that had failed to stop at a casual road-block; then the Poles watched helplessly as the soldiers killed the two passengers in the van in cold blood.

Untacs reputation has been further undermined by traffic accidents involving the UN 5 big white cars as well as the inevitable problems of whoring and drinking in a country ; where both are cheap.

There have been successes.

Indian army doctors at the Untac field hospital in Siem Reap, for example, have been treating dozens of Cambodians for tuberculosis.

The continuing repatriation of 370,000 refugees from Thailand has been running much more smoothly than expected; and Untac electoral officers have registered 4.7m Cambodians for the general election in May. ,

But even these successes are now at risk. In its announcement last week of a government offensive against the

Khmer Rouge, Untac disclosed that some returned refugees had been conscripted by the government and used as forced labour.

Worst of all, there are doubts about whether Untac can ensure that the elections are "free and fair", as required by the Paris peace accords. Yesterday Mr Akashi acknowledged that he was still not satisfied that the conditions for free and fair elections can be met". . . '

The troops and guerrillas of the four main factions should by now have been regrouped in cantonment areas and disarmed, but the disarmament process was abandoned when the Khmer Rouge refused to co-operate.

UN military observers say the civil war, now essentially between the Vietnamese-installed government and the Khmer Rouge, has intensified since 1991, and both sides are using their weapons to intimidate voters. T

Khmer Rouge guerrillas, as well as refusing Untac officials access to most of their territory in north-western Cambodia, have seized voter registration cards from villagers in contested areas.

Government soldiers are suspected of killing more than 20 people working for the royalist party Funcinpec and have been accused by UN electoral officers of widespread intimidation in the last few weeks.

Untac's response has been extraordinarily phlegmatic in the face of repeated setbacks.

Lt-Gen John Sanderson, the Untac military commander, has been nicknamed "No Problem" because of his apparently incurable optimism.

Untac's defence is that it cannot impose peace by force;

FINANCIAL TIMES THURSDAY FEBRUARY 11 1993

x

it is for the Cambodians to fulfil their obligations and for Untac to help them do so.

Certainly Cambodians must accept their share of the blame. Prince Sihanouk, regarded by Cambodians and foreigners alike as the one man who might be able to broker a deal between the various fac-

1

tions, has been spending more time in Beijing than at home.

The Khmer Rouge has

flouted the peace agreement
and the ceasefire from the
start, while on the government
side corrupt officials have
filled their pockets with ill-got-
ten gains in the expectation of
losing much of their power '3'
li
after the election.

)
If the elections go ahead as i
planned in May _ and the
expectation at the moment is
that they will in spite of the
fighting - Funcinpec is likely
to emerge as the strongest
party in the new assembly.
The outcome of the resultant
imbalance between political,
and military power is that
Prince Sihanouk, who could
become president, and his son
Prince Ranariddh, the Funcin-
pec leader and possible future
prime minister, will probably

w
try to construct a coalition to' i
accommodate both the Khmer
Rouge and the present regime.
Not everyone believes it will
be possible to reconcile the two , '
factions which are even now l.
fighting each other across
much of northern and western
Cambodia. "I think regardless .7
of what happens during the
elections, you're going to have
civil war immediately after-
wards," says one senior Untac
military officer. "I think it's
going to be pretty intense, and
I think it will reach Phnom
Penh." That view is a pessimis- :1
tie one, but it is not unique.
See Editorial Comment
.I

FINANCIAL TIMES THURSDAY FEBRUARY 11 1993

US puts its weight behind
quest for Bosnia peace
By Jurek Martln In Washlnton
THE United States last night
committed itself fully to the
international effort to end the
fighting in Bosnia. It named a
special envoy to assist the efforts
of Mr Cyrus Vance and Lord
Owen, the UN and EC
negotiators.

Mr Warren Christopher, the
secretary of state, also said the
US was prepared "to do its share
to enforce a settlement". Without
discussing details, he said this
could mean sending US forces,
along with UN and Nato counter-
parts, to ensure that any peace
agreement was sustained.

The US plan was warmly wel-
comed in New York by Mr Vance
and Lord Owen. When they
arrived a week ago at the UN for
a final negotiating push, both
had feared that the US would opt
instead to rearm the Bosnian
Moslems.

Mr Christopher said this had
been seriously considered but
rejected after consultation with
, Britain, France and Canada,
which had advised that their
forces already in Bosnia would be
ugravely endangered" by such an
approach. Similar considerations,
I he added, constrained the present
use of US air power.

As Mr Christopher outlined it,
the US approach involved "active
engagement" in the VanceOwen
. plan, "bringing the full weight of
US diplomacy to bear". He said:
ttWe do not expect a miracle but
we believe we can make a differ
ence."

Mr Christopher conceded that
he had feared the Vance-Owen
plan might be imposed on the
warring parties. "We will not
arrive with a map and we have
no prescribed solution," he said.
The _US special envoy to the
negotiations will be Mr Reggie
Bartholomew, currently US
ambassador to Nato.

Lord Owen was said to be par-
ticularly pleased with this selec-
tion. Mr Bartholomew will first
fly to Moscow to confer with Rus-
sian president Boris Yeltsin.
President Bill Clinton phoned Mr
Clinton yesterday to discuss the
US plan. Mr Christopher said Mr
Yeltsin was supportive.

President Clinton is also send-
ing a message to all the warring
parties that only a negotiated set-
tlement can end the conflict and
that one will not be "imposed".

In an explicit warning to Serbia, he is seeking tighter economic sanctions to deter a widening of the war. ,

"We will raise the political and economic price of aggression,"

Mr Christopher said, adding that any Serbian offensive action in Kosovo or Macedonia would meet an appropriate but unspecified response. More UN monitors were required in Macedonia, Mr Christopher said.

He refused to be drawn on any US military commitment, but stressed that any agreement should contain "quite viable enforcement procedures". He said it had not been easy to reach the positions unveiled yesterday.

Mr Christopher said "our conscience revolts" at the evidence of Serbian ethnic cleansing, murders, rapes, shelling, the forced displacement of peoples and "atrocities committed by others as well".

As well as humanitarian considerations, he said the US had a strategic interest in the Balkans, because of the threats it posed to European stability. The desired US goal of promoting peaceful, ethnic democracies could not be advanced if the US ignored what was happening.

FR

FINANCJALT1

Qatar to .
increase
steel- .
production

By Mark Nicholson in 68er
QATAR'S state-owned steel
company, just emerging from
cumulative losses of \$100m in
the 1980s, is set to award a
\$275m (£182m) contract to
nearly double capacity with
the aim of exporting to Far
Eastern markets. .

Qatar Steel Company
(Qasco), which is 70 per cent
owned by the Qatar govern-
ment, said 25 foreign compa-
nies have submitted bids for
the project and a decision is
expected within weeks. Mr
Nasser al-Mansouri, head of
the company, was quoted in
the United Arab Emirates
newspaper al Khaleej as say-
ing that building would begin
before the end of this year.
A new plant will be built
under the expansion to raise
capacity from the present
560,000 tonnes of reinforced
steel bars by between 300,000
tonnes and 500,000 tonnes. The
company's present plant, built
: for several years been operat-
ing at around 70 per cent of its
, incurred during the mid-1980s
MES THURSDAY FEBRUARY
in 1978 at a cost of \$300m, has
design capacity.

Qatar plans to capitalise on
its considerable resources of
cheap gas from its north field
operations. '

Mr al-Mansouri said Qasco
will have to double its paid-up
capital of \$82m which, he said,
would be welcomed by the
company's present foreign
partners. Two Japanese
groups, Kobe Steel and Tokyo
Boeki, hold 20 and 10 per cent
of Qasco respectively. The
company would not comment
on how the recapitalisation
and expansion would affect its
shareholding structure.
Qasco last year made sales
of 3192111 and record profits of
\$40m, largely through sales to
neighbouring Gulf countries,
Algeria, Iran and Egypt. The
group's recent profits have
enabled it to clear deficits
and Mr al-Mansouri said the
company expects to complete
repayment by next year of
loans taken to build Qasco's
existing plant. 5 , V,
The company is aiming to
broaden its market ; towards

the potentially vast Iranian
market and the Far East.

Iraq rejects -
deal over -
jailed Britons
Iraq yesterday turned down an T.
appeal to release two Britons:
serving long jail terms for ille n
gally entering the country, the
head of the British Red Cross
said, Reuter reports from ,
Baghdad

Mr Michael Whitlam, direc-I;
tor general of the British Red
Cross, said he had offerede.
Iraqis deputy prime minister, '.;
Mr Tariq Aziz, further humani-
tarian assistance to the Iraqi
people if Mr Michael Wain-1
wright and Mr Paul Ride were
set free. Mr Wainwright, 42,
was sentenced to 10 years after
cycling into Iraq from Turkey
last May. Mr Ride, 33, was J
jailed last August for seven 1'.
years for straying across the '
border from Kuwait.

(i.

o.

Rwanda rebels 7'
make offer
of a ceasefire
Rwandan rebels yesterday said a h
they were ready to end three
days of fighting with govern-
ment forces but would not
withdraw from territory they
had captured, Reuter reports
from Kigali. x

The fighting raged on in
northern districts as the rebel
Rwanda Patriotic Front's clan-
destine radio station broadcast
the announcement.

Refugees continued to trek
into Kigali. Food was growing
scarce in the city and prices
have shot up amid panic buy-
ing The fighting was the worst 3
flare- -up since a ceasefire was i
agreed last August

FINANCIAL TIMES THURSDAY FEBRUARY 11 1993

Israelis

kill two

in Gaza

, clashes

ISRAELI soldiers yesterday
shot dead two Palestinians and
wounded at least four others,
i one of them an 11-year-old boy,
' during clashes in the occupied
X Gaza Strip, Reuter reports
from Jerusalem.

The army confirmed soldiers.
had killed two Palestinians but
gave no details on the
wounded.

Palestinians in the Gaza

1 Strip said soldiers manning an
army post in Jabalya refugee
camp shot and wounded sev-
eral people when a crowd of .
youths stoned them.

In the business district of'.
Arab East Jerusalem, borderi
police fired live rounds into the
air and shot tear gas and rub- '
ber bullets at demonstrators?
who threw stones and burned-
tyres, police said
Four cars were damaged but
no one was wounded. in the'
East Jerusalem clash, whichT'
began when police arrested
two youths after an Israeli bus:
was stoned. A third Palestinian:
was arrested during the unrest.
v -

FINANCIAL TIMES THURSDAY FEBRUARY 11 1993

Top US general denies rift
over Clinton defence policies

Colin Powell

says he may
retire early

By Jurek Martin

In Washington

GENERAL Colin Powell

confirmed yesterday he was
thinking of retiring early as
chairman of the US joint chiefs
of staff, but flatly denied this
was because of disagreements
with the Clinton administra-
tion.

He appeared on morning
television shows after a report
Powell: concerned over gays
in the New York Times had
quoted "friends and associates"
as saying he was unhappy with
President Bill Clinton's deter-
mination to admit homosexu-
als to the US military and with
the extent of the defence bud-
get cuts under consideration.
Gen Powell's second two-
year term as chairman of the
joint chiefs is to expire at the
end of September.

He said yesterday that he
had told Mr Dick Cheney, the
previous secretary of defence,
seek a third term, even if Presi-
dent George Bush were re-
elected last November. The
general added that he had spoken
then of leaving the post a
month or two early so as to
resettle his family.

He vigorously denied sugges-
tions that he was at odds with
the new administration's poli-
cies: "I'm not in any conflict
with the administration over
their plans and I am not plan-
ning to retire early as a result
of any conflict."

Gen Powell said the military
had received "good guidance"
from Mr Clinton and Mr Les
Aspin, the new secretary of
defence, with both of whom he
had "a fine relationship". He
said he had every intention of
testifying before Congress in
support of the new and
reduced defence budget.

The general was also at
pains to stress that the mili-
tary at large was not distressed
by the new policies. "There's
nobody over here in a blue
funk, thinking the whole world
has dropped on us," he said.
"We shouldn't let the impres-
sion be created around the
country that somehow we are
fighting the president."
He reiterated his "concerns"

about admitting gays to the military, but said the president's guidance on the issue was clear and he was not about to be "insubordinate" by frustrating it.

Gen Powell, 55 and black, is rated a phenomenally successful chairman of the joint chiefs, and not only because of the victory in the Gulf war. His doctrine of "maximum force" has been criticised by some who feel that it delayed US intervention in humanitarian crises such as that in Somalia, but his reluctance to commit forces overseas without a clearly defined mission commands much respect in Washington, where he is rated as a last summer that he would not consummate politician.

W

Georgian leader optimistic of Chances of settlement
in Armenia-Azerbaijan conflict
Shevardnadze hope I
of

By John Lloyd and Steve
LeVine In Tbilisi

MR Eduard Shevardnadze, the
president of Georgia, said yes-
terday there were grounds for
optimism" for peace between
Armenia and Azerbaijan,
which have been fighting for
five years over the disputed
enclave of Nagorno-Karabakh.
The former Soviet foreign
minister also warned that the
forces of democracy in Russia
were "more troubled than
ever". Their defeat would be a
disastrous event for the
world."

Mr Shevardnadze said that in
recent meetings with Mr Levan
Ter-Petrosyan, the Armenian
president, and Mr Abulfaz
Elchibey, the Azerbaijani presi-
dent, he had found there was
the political will to attempt a
negotiated settlement.

"I think that we have come
to the point when all our peo-
ple are tired of this conflict.
We (three Caucasian presi-
dents) are all of the same
mind," he said;

Mr Shevardnadze said con-
cessions from both sides had
been discussed - and that
both sides would "bring these
ideas out in negotiations."

Mr Elchibey said at the
weekend that "in one or two
months, the psychology of
peace will show its head" and
that the three presidents,
together with Mr Boris Yeltsin;
the Russian president, "have
common thoughts, common
ideas among ourselves". He
warned, however, that reac-
tionary forces in Russia and in
the Caucasian states were
blocking peace initiatives.

The Nagorno-Karabakh con-
flict has claimed nearly 3,000
lives and was further escalated
when Armenian and Karabakh
forces established a land bridge
through Azerbaijani territory
last summer. Over the past few
days, Armenian forces have
taken Azerbaijani villages to
the north of Karabakh, follow-
ing earlier setbacks.

Mr Shevardnadze hopes to
convene a meeting of the Cau-
casian presidents, probably in
Tbilisi, to seek a basis for nego-
tiation. He calls his project an

ambakh peace
attempt to create "a peaceful
sky over the Caucasus". He
also hopes to involve the north
Caucasian republics in Russia.
The Georgian leader also
expressed hope that agree-
ments, due to be signed
between Georgia and Russia
over the next two weeks,
would produce a better climate
for a settlement of the conflict
in the Georgian province of
Abkhazia where separatist
forces are fighting Georgian
troops. He said Russia could
play a "positive role in settling
the conflict" - though he
accused units of 'the Russian
military and mercenaries from
the Russian north Caucasus of
supporting the Abkhazians.
He said that he thought it
was a "possibility" that United
Nations troops ' would be
involved in Abkhazia. .
The Georgian economy is
suffering from acute energy
and other shortages. Mr Shev-
ardnadze said that former
Georgian leader Zviad Gamsaka
hurdia had made a "tragic mis-
take" breaking trade and other
links with Russia.

1
t

71.5. Offers Bosnia Plan That Pledges Military Backing for Any Peace Accord 1 By CARLA ANNE ROBBINS

Staff Reporter of Tm: WALL STREET JOURNAL
WASHINGTON - The Clinton administration announced its plan for bringing peace to Bosnia-Herzegovina, including a commitment of U.S. military might to help enforce any peace accord.

Secretary of State Warren Christopher, who announced the plan, refused to say whether U.S. ground troops might join an international peacekeeping force in Bosnia, declaring only that the U.S. is time-
pared to do its share to help" enforce the peace.

The plan calls for renewed diplomatic negotiations, tightened economic sanctions on Serbia, and increased deliveries of humanitarian assistance to Bosnia. It also offers the services of a special U.S. envoy, Reginald Bartholomew, who is the ambassador to the North Atlantic Treaty Organization. The plan holds out the hope that Russia, a longtime ally of Serbia, will join in the negotiations as well.

U.S. Interests

Last night, President Clinton called the plan "a much more aggressive" approach for the U.S. "We're not going to make peace over there in a way that's fair . . . unless we get involved," he said. Earlier, Mr. Christopher said a host of U.S. strategic, diplomatic and moral interests are at stake in Bosnia. Above all, he said, the U.S. can't ignore "the human toll" suffered by the Bosnians or appear to endorse the "crimes of ethnic cleansing" practiced by the Serbs. "Bold tyrants and fearful minorities are watching to see whether ethnic cleansing is a policy the world will tolerate," the secretary of state said.

The administration has been wrangling for weeks to come up with a policy of its own to end the bloody civil war in Bosnia. For all that effort, the plan proposed today is fundamentally cautious and short on specifics. There are also serious questions about whether it will do any good.

In the past, U.S. officials have rejected the idea of ethnic partitioning in Bosnia, saying it would reward Serbia's policy of "ethnic cleansing." And they warned that a "partitioning plan advanced by Cyrus Vance and Lord David Owen, negotiators for the U.N. and European Community, respectively, would not stop the civil war. It just feed Serbia's appetite 'for territorial expansion.

Yesterday, however, Mr. Christopher said the U.S. would build on the efforts of Messrs. Vance and Owen. "At this point the best we can hope for is peace in the area," a senior administration official said. ' /

The administration plan has very little muscle to persuade the Serbs to stop their aggression and negotiate an equitable

peace agreement. Mr. Christopher specifically ruled out sending arms to the Bosnians, as well as using air power to silence Serbian artillery. Those two ideas were endorsed by Mr. Clinton during the campaign. Mr. Christopher said the administration decided against these measures after key allies warned those steps would endanger their peacekeeping troops.

Other Measures

Mr. Christopher instead called for tightening economic and diplomatic sanctions against Serbia, and suggested that the US. would again try to persuade the U.N. Security Council to authorize military enforcement of a "no-fly zone" over Bosnia. He also said the U.S. would seek to create an international war crimes tribunal to bring justice and deter further atrocities." So far, the Serbs have managed to evade the economic embargo and have blithely shrugged off other threats. Mr. Christopher placed his greatest hope, however, on diplomacy. He emphasized that the U.S. could bring particular influence to bear in negotiations.

The only daring aspect of the administration's plan is the offer of U.S. military might to enforce any eventual agreement.

Despite Mr. Christopher's refusal to use the term ground troops, Sen. Richard Lugar (R., Ind.) said that the secretary of state had told him that as many as 5,000 to 10,000 U.S. troops could join a 40,000-member NATO peacekeeping force.

Mr. Christopher emphasised that because of inaction by the Bush administration, the new administration had very few options. "This is the most frustrating experience we've had," said one senior administration official. "We simply have not had the room to maneuver."

THE WALL STREET JOURNAL THURSDAY, FEBRUARY 11, 1993
Israel Securities Agency Flexes Its Muscle
Laws Seek to Make Market More Transparent to Investors
By AMY DHCKSER MARCL'S

StaffReporter of Tina WALL STREET JUL'RNAI.
TEL AVIV-Arie Mientkavich had been
at the helm of the Israel Securities Author-
ity for only a few weeks when he clashed
with Israel's largest, most powerful con-
glomerate. Koor Industries Inc.
Koor had submitted a prospectus for a
debentures issue that needed the approval
of the securities authority. the government
agency charged with regulating Israel's
capital markets. But Mr. Mientkavich no-
ticed that Koor had calculated its most
recent results in Israeli Shekels. while
accounts for previous years were in dol-
lars. Mr. Mientkavich - in a first for his
agency - refused to sign the prospectus
until Koor providedthe accounts in dollars,
which the company did after refusing for
several weeks.

Hlt turned out that Koor had lost 26
million Shekels." says Mr. Mientkavich.
uWe made them highlight that fact in hold
on the front page of the prospectus."
The fight with Koor was the first sign of
the sweeping reforms Mr. Mientkavich has
implemented in his drive to make the
Israeli market more transparent to local
and foreign investors. Since his appoint-
ment in 1987, Mr. Mientkavich. 50 years
old, has pushed through legislation that
vastly expands the agency's powers; he
has stepped up enforcement of laws prohib-
iting insider trading and stock-price ma-
nipulation, and established new rules to
improve the quality and scope of financial
reporting by public corporations. ttThe
securities authority created a legal and
institutional infrastructure that didn't ex-
ist before in the capital market." says
Yehuda Drori. chairman of Poalim Capital
Markets 8: Investments Ltd. in Tel Aviv.
ttThey didntt just change the way the
market operates, they created new behav-
ioral norms."

Policy Liberalized

Such a revolution would have been
unthinkable before the collapse of Israel's
security market in 1983. which precipitated
far-reaching reforms of the securities mar-
ket. The Israeli government had domi-
nated the capital market. In the early
1980s. the government raised 87% of all
capital, all public issues required authori-
zation by the finance ministry, and the
treasury set the terms for new bond issues.
When the market collapsed. trading on the
stock exchange was suspended for two
weeks until the government stepped in
with a massive bailout. Over the next
several years, monetary policy was liber-
alized and steps were taken to loosen
foreign currency limitations as the govern-
ment embarked on a program to reduce
direct intervention in the capital market.
A public commission was set up to
examine what had gone wrong. In its 1986
report, the commission pinned much of the

blame on the securities authority. ttThe authority, which was established to protect the public, surrendered. without opposi-
W
tion, to the demands of both internal and external pressure groups." the commis-
sion wrote. ttAs a result. the public was left defenseless."

When Mr. Mientkavich took over, fewer than 20 people worked at the agency, including only two lawyers. In its 20 years of existence. the authority had filed only two indictments for alleged violations. Corporate lawyers recall going to the authority's offices in the afternoon to file documents and finding that everyone had left for the day. A former general counsel at the Finance Ministry, Mr. Mientkavich began overhauling the office by building up the legal and accounting departments. He sent managers to the U.S. to observe operations at the Securities and Exchange Commission. Staff grew to more than 70. a quarter of them devoted to enforcement. Indictments also increased. reaching 13 last year alone.

Because of opposition from the Tel Aviv stock exchange, Mr. Mientkavich worked behind the scenes drafting legislation in the Israeli Knesset, or parliament, that (Until the new rules, Israel had no way of developing a modern capital marketf says one financial expert in J erusalem.

gave the agency, and himself, increased powers over the exchange. When members of the financial community lined up against the legislation, Mr. Mientkavich personally lobbied every Knesset committee considering the bill.

Armed with increased powers, Mr. Mientkavich issued a spate of new regulations. He began requiring quarterly. rather than semiannual, financial reports. A rating company was set up to examine corporate bond issues and assign risk ratings; the agency also recommended establishing an independent accounting board modeled on the Financial Standards Accounting Board in the U.S.

But the two most important innovations were the securities authority's ability to finance class action lawsuits initiated by minority shareholders. and equalizing the voting rights of shares issued by public corporations.

Discipline of the Market

ttUntil the new rules, Israel had no way of developing a modern capital market. Managers could put up 10% of the equity and gain complete control over the firm," says Marshall Sarnat. a capital markets expert at the Floersheimer Institute for Policy Studies in Jerusalem. HCorporations never had to face the discipline of the market or shareholder dissatisfaction because takeovers were impossible and lawsuits too costly to be worth filing."

The reforms have made Mr. Mientkae

vich something of a lightning rod. Part of it stems from resentment over his efforts to speed up change. When the institute of public accountants didn't appear to tackle aggressively enough the loopholes in financial reporting regulations, Mr. Mientkavich issued new rules himself.

Currently, the agency is trying to develop a cheaper, faster system for approving prospectuses. Negotiations are also under way to find a way to allow Israeli companies who trade in the U.S. to automatically trade in Tel Aviv as well. "We could double our turnover and make the market less concentrated and more competitive. The current regulations mean that some of Israel's biggest companies don't trade in Tel Aviv," says Saul Bronfeld, managing director of the Tel Aviv Stock Exchange. Foreign investors held \$728 million of Israeli securities in 1992, while Israelis held \$120 billion, the Bank of Israel says.

This week, the Israeli stock market fell sharply after Jacob Frenkel, head of the central bank, warned that the Israeli stock market had become a "financial bubble" and cautioned investors against liquidating long-term investment plans to play the stock market. The Israeli exchange's performance far outstripped markets in North America, Europe and the Far East last year, with the general index climbing more than 74%, mainly because of strong economic growth, lower inflation and a rise in corporate profits.

Still, Mr. Frenkel's comments highlight the fact that Israel's capital market revolution remains unfinished. The treasury's power to approve public security issues has been suspended, not revoked, and the law giving the government control over the investment policies of institutional investors remains on the books.

The securities authority's most lasting contribution may be its pursuit of reform that can't so easily be rolled back, such as structural changes that make the marketplace more competitive. "If we don't want to remain a small local economy we need to integrate Israel into the world's global markets," says Mr. Mientkavich. "We can't afford any longer to have an inefficient capital market."

j-
z
a
'3
e
m
a:
Q:
E-1
m
p:
j.
3
H.
m
5'
l

THURSDAY, FEBRUARY 11, 1993

.IIf-vitanth

ll Ellie &

.lHFIL mull

IIIL JII JIFNI

WORLD WIRE

TX3MIII'IIII

w."-"-c-'

INDIA'S CURRENCY STUMBLES

The Indian rupee fell to its lowest level ever against foreign currencies, amid growing demand for the U.S. dollar and speculation the government will announce full convertibility of the rupee when it unveils its new budget in two weeks.

The rupee was made partly convertible about a year ago under a liberalization plan intended to bring India's trade practices in line with global markets. Trading in the currency is set 60% by the market and 40% at a government-controlled rate of 25.89 rupees to the dollar.

This week, corporations bought dollars on the spot market, anticipating either full convertibility of the rupee or a phased liberalization of the ratio to 80%20%.

Yesterday, after declining for almost a week, the floating rupee fell to 33.16 to the dollar, off 6% from Jan. 31. It previously was stable at about 30 to the dollar.

BANGKOK RAIL 103 TO START

Thailand authorized preliminary work on a \$3.2 billion elevated rail line in Bangkok, though engineering details of the 37.2-mile system haven't been completed. The builder Hopewell Holdings Ltd. of Hong Kong expects to complete the first 12 miles by 1996 and the entire job four years later. The system and two other mass-transit projects, intended to ease chronic traffic snarls, were stalled last September by contract questions. A second project, Tanayong C035 \$800 million rail line, could have electric trains running on a total of 9.3 miles of track, also in 1996.

STABILIZATION IDEA FOR RUSSIA

The financier George Soros proposed a stabilization plan for Russia, in which a globally funded hard currency would ultimately replace the ruble. With inflation out of control, the ruble can't be rescued. he told a New York gathering on private-sector involvement in the former Soviet Union. He proposed initially introducing a

currency alongside the ruble. with a multinational agency administering a 310 billion fund to provide unemployment benefits and hard-currency wages. Then enterprises could lay off unneeded workers and stop unprofitable output, in turn allowing government spending cuts.

HUNGARY REORIENTS ITS TRADE

Hungary reorganized its foreign markets last year, conducting more than half its trade with Western nations and reversing a decline caused by the breakup of the Soviet-dominated East bloc. Exports rose 7.4% to \$10.7 billion from 1991. Imports were steady at \$11.01 billion. Shipments to the 12 European Community nations grew 15%, to the seven European Free Trade Association states 3% and to the U.S. 6%. Trade with former East bloc states accounted for 23% of the total. Exports to former Soviet republics grew 14%.

CAPITAL SPENDING IN TAIWAN

Responding to incentives, Taiwan companies' capital investment last year jumped 14%. after only 1.7% growth a year earlier and an 8.1% slump in 1990. the biggest contraction in 46 years. Capital spending is expected to climb 12% this year. To spur private investment and help overcome obstacles to expansion. the government offers inexpensive industrial land, tax credits, help with training programs and with developing or importing technology. Outlays in previous years sagged because of rising wages amid labor shortages. surging land prices and expensive environmental protection costs.

CHINA TO BUILD TOURIST AREAS

China plans to use more than \$5 billion in foreign investment over the next decade to build tourist zones in five cities in the southern province of Guangdong: Zhuhai, Dongguan. Zhaoqing. Canton and Zhongshan. The provincial tourism bureau said it may build resorts. golf courses. theme parks and commercial areas. Hong Kong residents account for a large part of Guangdong's tourism revenue.

GATT CLEARS BANANA INQUIRY

The group that regulates global trade approved an inquiry into proposed European Community barriers to imports of inexpensive Latin American bananas.

A General Agreement on Tariffs and Trade panel will rule within 80 days on whether the EC plan violates GATT rules. The move, in response to a complaint by Colombia, Costa Rica, Guatemala, Nicaragua and Venezuela. was expected after GATT mediation efforts failed. The EC banana import system would allow two million tons a year at a 20% tariff; more would be slapped with a 180% duty. Meanwhile EC farm ministers tried to resolve deadlocked talks on the issue that pits Germany against Britain. France and Spain. Germany, Europe's biggest customer for bananas. insists the duties and quotas will push prices up, damage EC relations with less-developed countries and hurt German importers. Germany has

backing from Belgium and the Netherlands to enlarge the minimum quota to 2.4 million tons, the current level.

Proponents want the restrictive quota to protect banana growers in their own countries and their former colonies.

Posrscmm . . .

France, the third-biggest foreign investor in Vietnam after Taiwan and Hong Kong, signed six accords with Hanoi during French President Francois Mitterrand's visit. The pacts cover telecommunications, aviation, taxes, help for public health and the judicial system, and creation of a school of Far Eastern studies.

-Compiled by Richard L. Holman

%

Pakistan Refuses Request

To Extradite BCCI Founder

Special to THE WALL STREET JOURNAL

ISLAMABAD, Pakistan—The govern-

ment of Pakistan has refused a request to extradite the ailing founder of the Bank of Credit & Commerce International to the US. for trial.

Pakistan's interior minister, Shujaat Hussein, said the US. sent a "simple note" late last year demanding the extradition of Agha Hasan Abedi as well as Ghaith Pharaon, a Saudi businessman described by US. authorities as BCCI's front man.

Mr. Pharaon spends about six months a year in Pakistan administering his vast holdings, including Attock Oil, the country's largest and richest oil producer.

"We're not going to extradite anyone on the basis of a simple note," Mr.

Hussein said in an interview. "We've asked for evidence. But we have our own laws, and unless he has broken one of our laws we won't extradite him."

New York prosecutors indicted Mr. Abedi in August 1991 on charges of fraud, falsifying documents and stealing more than \$30 million. The indictment came a month after the Bank of England shut down the unit of BCCI Holdings (Luxembourg) SA, charging fraud.

Mr. Abedi, who relinquished control of BCCI in early 1988 because of illness, has strongly denied any wrongdoing.

Numerous other countries have indicted Mr. Abedi. Pakistan is not among them. Pakistan also has resisted attempts by BCCI liquidators to seize Mr. Pharaon's assets in Pakistan. J

THE CHRISTIAN SCIENCE MONITOR

11WMLN11WMMMMNNNNNNWNWNW

By John Battersby

Staff writer of The Christian Science Monitor

CAPE TOWN

JUDGE Richard Goldstone

has the quiet confidence of a man who knows he is making a difference.

As head of the government-appointed commission probing political violence in this country, Justice Goldstone has emerged as arguably the most indispensable arbitrator in South Africa's turbulent transition to democracy.

African National Congress

(ANC) head Nelson Mandela has

sometimes questioned Goldstone's judgment, but never his integrity.

President Frederik de Klerk has moved swiftly when

chided by Goldstone over slow implementation of proposals.

uAnyone in public life has a

duty to speak out on public issues," he said in a Monitor interview.

"If there is doubt as to where a moral issue ends and a political issue begins, then judges should err on the side of speaking out."

Since the commission was

formed in October 1991, Goldstone has become a household

name here and was recently voted

by a South African radio station

as the top newsmaker of 1992 -

well ahead of both Mr. Mandela

and President De Klerk.

Political violence has not subsided significantly during his

term: Between 200 and 300 people

are killed every month, mainly

in the simmering conflict in Natal

province and the townships

around Johannesburg. But diplomats

and political scientists say

that violence levels would be

much higher without him.

therhaps even more significant

than the specific achievements of

the commission," says a Western

diplomat who has closely monitored it.

His the fact that an institution

with such credibility and

authority could emerge from a

society as polarized as South

Africa."

Rolling back apartheid

Goldstone left his stamp on the

law books during a decade on the

bench of the Tiansvaal Supreme

Court (1980-90) with several

judgments that played pivotal

roles in rolling back the frontiers

of legislative apartheid. The most

notable of these was the 1981 ruling

in the case of Gladys Goven-

der v. the State that effectively

halted the enforcement of the

Group Areas Act, which segre-

gated residential areas by race. Goldstone says the credibility that his commission now enjoys has a lot to do with the credibility of the judiciary as an institution that survived the ravages of apartheid.

At all times through the centuries Goldstone says, South Africa has had a truly independent judiciary. Throughout the years of apartheid, black people used the courts to establish civil rights.

Nongovernmental organizations like the Legal Resources Centre were able to push back the frontiers of apartheid by using the courts."

Unlike some of his colleagues, Goldstone says he faced no moral dilemma over whether or not to accept an appointment as a judge during the apartheid era. He says judges have a duty to speak out.

' By taking on the job of investigating political violence, Goldstone has had to negotiate his way through a quagmire of mistrust. He insists that it has not been as daunting as people make out.

Wednesday, February 10, 1993

Safety 'lve ' 1

Richard Goldstone heads commission looking into political violence - black and white;

1 But it has not always been smooth sailing.

1 He has been accused by the ANC of allowing his reports to be distorted by the government; he has been accused by government spokesmen of making wild statements; he has been cold-shouldered by the radical Pan-Africanist Congress - as well as by the reactionary Inkatha Freedom Party. The left-of-center newspaper Weekly Mail accused him of "matching criticism with praise and doling out each, in equal quantities, to everyone."

Some Western diplomats are concerned that the judge did not insist on a more hands-on approach to the investigation triggered by his dramatic raid last November on a company that served as a front for South African military intelligence.

There, the judge found evidence of involvement of the former head of military intelligence in recent "dirty tricks" to discredit the ANC.

; Goldstone's public disclosure of the raid and his findings rocked

1 the security establishment and
i forced De Klerk to act.
: The presidents decision to or-
tder Defense Force Chief-of-Staff -
3 Gen. Pierre Steyn to probe all in- a
1 telligence activities - in coopera-
tion with Goldstone - has pre-
sented a public Challenge to the '
judgels authority.
After a much-publicized meet- -
5 ing with De Klerk, five days after
Goldstone's disclosures of the
,raid, the judge opted to remain '
4. -1 _...____....._..... 4;;mm-ma-m
ughu- MA...
1

#

till don't think anyone else could have done it," says a human rights lawyer who has worked with the judge.

'The shorter the life of this commission, the better for South Africa. Once we have a legitimate versing the government's stand on an international role in the transition. government, the need for the commission will recede very quickly.'

—, Judge Richard Goldstone
— forces"

The judge says that the silent. He assured Western diplomats that he had both the resources and the authority to ensure that a thorough investigation would ensue.

In the past, he has acted swiftly to defuse threatening situations and he has consistently censured political leaders who make inflammatory political speeches.

People's conduct changes Goldstone has proposed practical measures to end Violence on commuter trains, in taxis, in the mines, in men-only township hostels, and in the war-ravaged hills of Natal Province.

The commission has been a vitally important safety valve Goldstone told the Monitor in an interview in his Cape Town office overlooking Table Mountain. The most important aspect of the commission, he says, is that it provides a "credible public instrument" to deal with disasters such as last summer's massacres at Boipatong and Bisho, Ciskei, and thus prevent a total breakdown in the negotiations between the ANC and the government over majority rule.

In addition to 18 reports on specific instances of violence, diplomats credit Goldstone's most important achievements as:

I His catalytic role in re-assisting De Klerk in acknowledging - and then taking on - subversive elements in the military.

I Providing a vehicle for restructuring the security involvement of the international community, which followed the breakdown in negotiations after the massacre of 42 people at Boipatong, has been of paramount importance in reducing the levels of Violence and changing patterns of behavior.

kiPeoplets conduct has changed as a result of the presence of international observers," he says. In April last year - and in the face of strenuous government resistance - Goldstone insisted on the presence of five key international experts on a panel to advise on rules for public protest.

Goldstone regards the guidelines laid down in the report, issued last month, as the commissions greatest success. The principles have been adhered to by both the police and the ANC.

The panel was led by Prof. Philip Heymann, director of the Center for Criminal Justice at Harvard Law School, and it included New York Police Commissioner Lee Brown and British criminologist Peter Waddington, who was later to head the investigation into the police response to the Boipatong massacre.

Some lawyers say Goldstone's character is the key to his success.

uHe has the rare ability to straddle both the legal and political worlds," he observes. "He is a great strategist and combines a deep humanity with a political sensitivity."

Democratic Party leader Zach de Beer sees Goldstone as an _ ideal candidate for taking charge of the security forces during the transition in South Africa.

His appointment on the political violence commission is for three years and he hopes it will not be longer.

uThe shorter the life of this commission, the better for South Africa," he says. ttOnce we have a legitimate government, the need for the commission will recede very quickly?

THE CHRISTIAN SCIENCE MONITOR
Wednesday, February 10, 1993
US Policy Can Curb Arab Extremes

Omm

lFour years ago,
Washington
broke Olf talks
with the PLO.
There is every
reason now to
resume them, to
set an example
for the Israeli
government, and
t0 hearten the
moderate Arabs
with a sign of
American
engagement.

F&kMEhmMEEMWWXLE?MHFEeT iWTJEQ'RiEYmWWEZWiiLHEE-\$1 .1, t

By Richard C. Hottelet

HE fog of war shrouds the Middle
I East, as before. The parties play the
same old blind man's bluff as though
they had the leisure to fumble around, activity
in place of action, until something turns up.
One exception is an emerging player, a new
and violent Islamic extremist movement,
Hamas, which profits from stagnation. The
Clinton administration, new to the game, fol-
lows its predecessors in trying to escape a
dilemma: supporting Israel while preserving
its status as an impartial mediator. Mindful
that its interests extend far beyond Israel,
Washington tries not to antagonize the huge
community of Islamic states. They already ac-
cuse the United States of applying a double
standard tilted against Muslims.
Israel seeks to regain the special American
relationship which the hardline Shamir gov-
ernment effectively lost. Jerusalem wants
American help in shaping the peace negotia-
tions so as to retain maximum influence over
the occupied territories. Israel plays for time.
It has done little or nothing to improve the
quality of life for the people of the territories.
Confidence-building measures, also prom-
ised, are invisible or nonexistent. Secretary-
General Boutros Boutros-Ghali of the United
Nations has been heard to bemoan the fact
that his suggestions, in 10 points given to for-
mer Israeli Defense Minister Moshe Dayan at
Camp David in 1978, have been ignored.
Arab states pursue their separate agendas
under a veneer of Arab solidarity and loyalty
to the Palestinian cause. The Palestinian peo-
ple, disorganized and divided as ever, struggle
nearly as hard to assert their identity against

the Arab states as against Israel. Their frustration is the breeding ground for Hamas, an acronym for Islamic Resistance Movement. Started five years ago, it was tolerated by the Israeli authorities as a backfire against the Palestine Liberation Organization (PLO). Well-financed and disciplined, Hamas rejects moderation as fruitless and a waste of time. It opposes peace talks, advocates eliminating Israel, and has killed Jews and Palestinians whom it accuses of collaborating with the occupation. It fights secular democracy. Against this backdrop, Israel last December expelled 400 Palestinians and brushed aside condemnation by the UN.

The Clinton administration wants to shield Israel from punitive sanctions and to preserve the peace process; but it is not the cavalry rescue of the Reagan years. Washington pressed Prime Minister Yitzhak Rabin to back-track and, when he made a partial gesture of return, called it a breakthrough but expected more.

The Israel-America connection began in 1948 with warm support for the newly independent state. Washington was glad to see British imperial power go. Founded on the Old Testament, the US had strong sympathies with Biblical Israel and the victims of the Holocaust.

cern for Israel prevailed through the Eisenhower and Kennedy years. The 1967 war brought qualitative change. Largely instigated by Moscow, it caused Lyndon Johnson to draw a strategic conclusion. For the next 25 years, Israel was treated as an ally and given enormous quantities of weapons, money, and political help.

The cement of this intimate partnership began to erode as the Soviet Union crumbled B ENEVOLENT but more detached con- and its influence faded. Coincidentally, Saddam's Iraq forced the US to protect the producers of Arab oil - and them to accept it. The US-Israel alliance appeared in a sharply altered light. Unnerved by Scud missile attacks, Israelis wanted to join the war and strike at Iraq. US objections to unwelcome intervention caused Israel to desist.

Israel has been reduced from strategic ally to sometimes awkward little friend. It is a changed role in a changed world and takes getting used to. Israelis future does not lie in keeping hostile neighbors at bay. It cannot be a strategic base for a US that has lost interest. It can come into its own as a small Levantine country with open borders, using its many assets to gain prestige and prosperity.

Five years of the Arab uprising, the infifada, have shown that military power is no solution. Instead, force has helped to build the Frankensteinis monster of Islamic extremism. It menaces not only Israel but also Arab states whose economic distress, population pressure, incompetence and corruption have made them vulnerable to demagoguery in the cloak of religious revival. In fact, Israel, moderate Arabs, and the PLO have a common deadly enemy in Islamist radicalism.

The US cannot be merely a spectator. It must point the way. Four years ago, Washington broke off talks with the PLO. There is every reason now to resume them, to set an example for the Israeli government and to hearten the moderate Arabs with a sign of American engagement. Yasser Arafat's fraternizing with Saddam could even help to bring out a more responsible Palestinian leadership. There is something to build upon.

Richard C. Hottelet is moderator of 'America and the World' on National Public Radio.

Wednesday, February 10, 1999

THE CHRISTIAN SCIENCE MONITOR

Wednesday, February 10, 1993

GazaCasualties Prompt

Charges Against Israelis

But military officials say demonstrators have grown more violent

NRKWMWW'FWaUMLKLWmaWHWAWmWWKN iimmmnmamnawmmimmmwmuamm

BY Peter Ford

Staff writer of The Christian Science Monitor

GAZA CITY, ISRAELI-OCCUPIED GAZA STRIP

years in the occupied territories have left nine Palestinians dead and raised allegations that Israeli soldiers are ignoring the rules that govern their use of live ammunition.

Six Palestinian demonstrators were shot in separate incidents after three Palestinian gunmen were killed by an Israeli soldier Feb. 5 as they sat in their car in the Gaza Strip.

The killings point up a striking increase in the number of Palestinian fatalities since Prime Minister Yitzhak Rabin took office last July.

The first six months of Mr. Rabin's government have seen a more than 20 percent increase in such fatalities compared with the last six months of his right-wing predecessor, Yitzhak Shamir, up from 63 dead to 76, according to the Israeli human rights organization Btselem.

Some of the dead were wanted men or suspects trying to avoid arrest. The majority were shot while demonstrating or throwing stones at soldiers, prompting Btselem to complain Feb. 7 to the government that the security forces "have been less mindful" of open-fire regulations that are, in any event, not strictly enforced.

Four ministers from the left-wing Meretz coalition, meanwhile, have called for greater government supervision of soldiers' conduct in the occupied territories. Meretz's leader in the Knesset (parliament), Ran Cohen, charged Feb. 8 that the expulsion of 415 Palestinians in December had loosened soldiers' trigger fingers.

Mr. Rabin told the Cabinet Feb. 7 that there had been no recent change in the open-fire regulations. Those rules allow soldiers to open fire at demonstrators with live ammunition only when their lives are threatened, and even then only after a shouted warning and a shot in the air.

It was the bloodiest four days in more than two years. The Army chief of staff, Gen. Ehud Barak, told the Cabinet that protesters, especially in Gaza, have grown more violent, and soldiers have become more fearful of being attacked by gunmen. "It's not what the Israeli Army does, it's what the residents do," says Lt. Col. Moshe Fogel, an Army spokesman. In the Gaza Strip there has been more of a tendency to challenge soldiers.

The circumstances of many of the recent killings, however, as recorded by human rights groups, suggest that it is simply not credible for the military to insist that live ammunition is used only in life-threatening situations," says Doug Ierley, an American lawyer working with the Gaza Center for Rights and Law.

Rather, human rights groups and Palestinian youths say the Army has begun to use live ammunition more quickly when putting down disturbances in recent months, shooting fewer tear gas grenades or rubber or plastic bullets beforehand.

Now the Army is escalating shooting," says Samir Adwan, lying in a hospital bed in Gaza City and nursing a gunshot wound in his abdomen that he says he suffered when soldiers broke up a wake

in the Jabalya refugee camp Feb. 6. Now the Army has no mercy, even on women and old people and children?

uThe escalation of incidents is more violent because of the Israeli response, not because the youths have changed their tactics," says a Western relief worker in Gaza. uWe have seen so many instances of steps being skipped" before soldiers begin using live ammunition on stone throwers.

nMy sense is that the Army seems very willing to engage, even in very minor situations? Mr. Ierley agrees. uSoldiers are often not going through any kind of procedure, or using lesser means. They are jumping straight to lethal force."

Such an observation is supported, Ierley says, by the fact that last month Gaza hospitals reported three times as many injuries from live ammunition as from plastic or rubber bullets. Normally, the two types of tire cause about equal numbers of casualties, he says. Human rights activists allege that the rising death toll reflects a change in government policy that is not necessarily spelled out in the open-tire regulations. They point to General Barak's warning on Israeli television Dec. 9, the day six protesters were killed in the Khan Yunis refugee camp in Gaza, that iiwhat happened in Khan Yunis will be repeated, and should be taken as an example of what can happen if residents continue their protests."

There is no doubt that soldiers patrolling Gaza have grown more afraid for their safety in recent months. Armed attacks on soldiers have increased, and six of them have been killed in ambushes since the beginning of December.

But if this explains the soldiers' growing anxiety that gunmen may be lurking among stone-throwing children, and the soldiers greater readiness to use live tire, the tactic does not appear to have quelled the disturbances in Gaza.

Wednesday, February 10, 1993 THE CHRISTIAN SCIENCE MONITOR

Lost Momentum in the

Middle East Peace Process

THE Clinton administration has

made clear its desire to see the

Middle East peace process re-

sume. Secretary of State Warren Christo-

pher will leave for the Middle East Feb.

17 with this as one of his objectives. In

the past few weeks, however, valuable

momentum has been lost, making the

task infinitely more difficult.

Nothing is more fatal to diplomacy

than lost momentum. In the best of cir-

cumstances, any efforts undertaken to re-

solve a complex, bitter conflict face

heavy odds, including factions on both

sides that oppose the idea of negotia-

tions. Such factions fear that face-to-face

meetings may lead to compromises and

to the denial, at least temporarily, of their

maximum goal. Attempts to undermine

peace talks usually can be held off if ne-

gotiators can show signs of progress.

When little movement can be dem-

onstrated — and especially if talks are sus-

pended for any reason and a major medi-

ator appears to lose interest — the peace

process is seriously threatened.

This premise has been demonstrated

most dramatically in attempts to resolve

the conflict between Israel, the Palestin-

ians, and the neighboring Arab states.

Where successes have been achieved,

such as the Camp David agreements in

1978, the United States has been the ma-

ajor mediator. Results were possible

through sustained effort by the highest

officials of the US government. Hoped-

for agreements on autonomy under ne-

gotiation after Camp David were not

achieved, in part because the talks were

suspended at the end of President Cart-

er's term and were not re-

sumed by the Reagan admin-

istration.

Significant momentum

was lost, and the second

phase of the Camp David ac-

cords was never achieved.

In 1992, the progress

made by the remarkable feat

of bringing the parties to-

gether for direct talks slowed

when Secretary of State

James Baker III became —

White House chief of staff in the midst of

the presidential campaign. Whatever

President Bush's motives in making this

change, in terms of Middle East history

his decision was tragic.

Those who make such decisions maine

tain that no person is indispensable; if

the will toward peace exists, momentum

will continue. This is seldom the case. If

Wednesday, February 10, 1993

THE CHRISTIAN SCIENCE MONITOR

the US secretary of state has been handling the negotiations with the heads of state in the participating countries, no surrogate is likely to have the same influence. In Mr. Baker's case, those agitating against the peace process seized upon his departure as a demonstration of a loss of interest and priority on the part of the US. Further, when the process has been as secretive and personal as it was under Baker, his successor will require time to probe the nuances and the commitments.

Since Baker withdrew from the process, events have further conspired to make resumption difficult. Little apparent progress appears to have taken place at the last talks in Washington.

In Israel, the active Palestinian uprising resumed, followed by harsh countermeasures by Israel. Hamas, the Muslim fundamentalist movement in Israel, turned to violence, which resulted in the mass deportation of suspected Hamas supporters. Syria reportedly has backed away from a position of possible compromise. Agitation by Islamic groups in Egypt make President Hosni

J

Mubarak's efforts on behalf of peace increasingly difficult.

No one can say that these developments would not have occurred if Baker had remained at the State Department. It is clear, however, that the task of resuming the talks is infinitely more difficult than it would have been with a smooth transition from on-going discussions at the secretary-of-state level.

Baker has said that the peace process would take perhaps 10 years. He probably was correct. It probably is also correct that at this point in history no other power can play a third-party mediating role as effectively as can the US. If these premises are true, they place a burden on every US administration that determines to play a role in the Israeli-Arab peace process. In resuming the peace effort, the new US leaders must undertake a long-term commitment that includes: making a sincere effort to maintain momentum so long as they are in office; and passing along an active, constructive negotiation to whatever team follows.

David D. Newsom, former under-secretary of state, is Cumming Memorial Professor of International Affairs at the University of Virginia

By Justin Burke

Special to The Christian Science Monitor

MOSCOW

Sciences towers the statue of cosmonaut Yuri Gagarin.

Russran Saence Hlt

By T316111: Flight The silvery sleek monument symbolizes probably the greatest scientific achievement of the former Soviet Union - the :gym/1_Wza winning Of the space race against the United States in the early 1960s. When then Major Gagarin became the first man in orbit in 1961, it seemed as though there was no limit for Soviet science. But three decades later, with Russia wracked by economic crisis, the nation's research facilities - the Academy of Sciences, in particular - are feeling a budget crunch that is devastating scientific potential and causing scientists to leave.

Today, we are struggling just to preserve the scientific complex that is already in place. There is no talk about growth," said Andrei Fonotov, Russia's first deputy minister of science, higher education, and technological policy.

Given the collapse of industry and defense, the scientific establishment depends more than ever . AP/HLE

on government funding. Whereas 0 . '

its share of financing research

and development (R&D) amount-

ed to some 56 percent in 1990, it

now comprises about 86 percent,

Mr. Fonotov says.

The state's ability to provide for R&D has been greatly eroded due to inflation, estimated last

month at 50 percent. Although

government R&D appropriations

this year are estimated at 250 bil-

lion rubles (about \$500 million),

inflation is likely to make the rel-

ative value of those funds less

than the 103 billion rubles in

1992 state allocations. YURI GAGARIN: Russian major

Because Of the crisis, the Min- u's first man in space in 1961.

istry of Science wants to slash the m

number of research projects this year, Fonotov said. Most state

funding would go to paying researchers' salaries; the remainder

would be channeled into lieore" projects with high money-earning

potential, such as those in aerospace, according to ministry pro-

jections. The ministry also seeks to cut workers at R&D facilities

by up to 50 percent over the 1990 level of 3 million, but it must

fight interference from parliament and President Boris Yeltsin.

The money problem is having a disastrous effect on morale,

Fonotov added. A junior Academy of Sciences researcher, for

example, earns about 6,300 rubles (\$12) monthly, barely enough

to survive on. Not surprisingly, many researchers have turned to

the emerging business sector, Fonotov said. Others have gone

abroad, causing some to raise the alarm about a "brain drain."

But Academy of Sciences spokesman Murad Urmanchiev says

the drain has not been as severe as expected. Most scientists who

have gone abroad are under contract for a few years with foreign

firms, Mr. Urmanchiev said. But there is no guarantee they will

return to Russia. The hardest hit are institutes specializing in hard

sciences, like physics and mathematics, which have lost up to 15

percent of their specialists.

There are some potential benefits for the future, Fonotov said.

"Many young people will return and bring with them the experi-

ence and methods of some of the best laboratories in the West?

The Russian parliament, he added, could provide incentives for

FHE CHRISTIAN SCIENCE MONITOR specialists to remain at home by strengthening intellectual prop-

erty rights and patent laws.

Prime Minister Viktor Chernomyrdin, in a meeting with Acad-

emy of Science officials Jan. 18, tried to reassure scientists about

the governments commitment to R&D, but many are uneasy,

Urmanchiev said. tHe IMr. Chernomyrdinl said he couldnt

promise much, other than to pay close attention to the situation."

N OT far from the main building of the Russian Academy of
Wednesday. February 10, 1993

Wednesday, February 10, 1993

THE CHRISTIAN SCIENCE MONITOR

Russia's Big Enterprises Privatize,
With Communists at the Ready

WWW

By Justin Burke

Special to The Christian Science Monitor

VOLGOGRAD, RUSSIA

IKTOR PERSHIN, a robust

World War II veteran,

filled out a form, plunked

down a stack of vouchers, and

amid the flashes of cameras be-

came the first participant in a pi-

lot privatization program here.

But shortly after signing up to

buy shares in a tractor-making

plant, Mr. Pershin - the poster-

person for Volgograd's experi-

ment in capitalist transformation

- revealed that he considers him-

self a card-carrying Communist.

He was a member of the party

and I never left it," said Pershin,

who is not only a shareholder, but

also an employee at the Volgograd

tractor factory named after Soviet

Secret Police founder Felix Dz-

rzhinsky.

"We don't want to let the fac-

tory fall into the hands of some

outsiders," he continued, ex-

plaining the contradiction be-

tween his beliefs and his actions.

Such conservatism is just one

of the problems that government

officials are trying to overcome as

they pick up the pace of Russia's

privatization campaign, the linch-

pin of the country's market re-

forms.

Lingering confusion among a

significant part of the population

- as well as political conflicts -

also threatens the privatization

effort.

The program in Volgograd, an

industrial hub on the Volga River

about 600 miles southeast of

Moscow, marks a new stage in the

sell-off of state-owned enter-

prises. Previously, privatization

had been limited mainly to small

enterprises.

Under the Volgograd program,

launched Feb. 8, 20 medium- and

large-scale enterprises are being

privatized through a six-week

public offering of shares, pur-

chased primarily with privati-

zation vouchers that have been

distributed to 96 percent of Rus-

sia's 150 million citizens. Each

voucher has a face value of

10,000 rubles (about \$17), but

they have sold for about half that

on commodities exchanges.

The Volgograd effort - con-

ducted with the help of the Inter-

national Finance Corporation

(IFC), a World Bank affiliate -

was barely 24 hours old when Deputy Prime Minister Anatoly Chubais announced that the program would be expanded as quickly as possible to include all of Russia.

"We're confident everything is ready," said Mr. Chubais, Russia's privatization supremo. "On the basis of practical experience such as in Volgograd we have verified that our approach is proper."

CONTRASTING with the decision termination of privatization officials to push ahead, however, is the confusion expressed by many average Russians about the process.

"I have no idea why they've distributed these vouchers," said Nikolai Ivanov, a pensioner in Volgograd. "I don't know what to do with mine."

In Volgograd, a city of 1.2 million, officials have established a privatization information center. About 700 people, including Mr. Ivanov, showed up on the first day of operations, officials said. A pitfall that officials seek to avoid is privatization in which the workers end up with complete or near-total control of an enterprise. Such an arrangement would shut out up to 70 percent of the population, including pensioners and civil service employees, from benefiting from privatization, says Dmitry Vasiliev, deputy chief of the State Property Committee overseeing the sell-off.

This process would go against the interests of the majority of the Russian Federation's citizens," Mr. Vasiliev says.

But in the case of the 27,000-employee Dzerzhinsky tractor plant - the largest enterprise being sold off in Volgograd - workers already hold a sizable number of shares, about 70 percent, officials said. And there appears little officials can do to prevent workers from obtaining most of the remaining shares if the employees so desire.

That's because many enterprises thus far have held little attraction from outside investors, particularly foreigners, officials admit. Most worrisome for the outsiders is the financial health of enterprises undergoing privatization. Many industries were loss-makers during the Soviet era, but kept afloat by huge subsidies. IFC and Volgograd officials said they selected the 20 most financially promising enterprises in

the city for the pilot privatization program, but some admitted privately there was no way to tell if they could make it under normal market conditions.

The issue of bankruptcy is another potential roadblock not only for privatization, but reform in general, says Vasiliev.

A bankruptcy law, approved by parliament in November, is scheduled to take effect March 1. But Vasiliev says the law is so weak that it will be almost impossible for a business to be declared bankrupt. Legislators have been cautious on the bankruptcy issue, expressing fears of mass unemployment and possible unrest.

The law needs to be reworked by the parliament," Vasiliev says. But prospects for a parliamentary review look dim, given the bitter feud between the legislative and executive branches of Russia's government. Both are jockeying for position in advance of the planned April constitutional referendum that will shape the country's future political system.

INTERNATIONAL

THE ECONOMIST FEBRUARY 6TH 1993

Kenya

Out with them

FROM OUR EAST AFRICA CORRESPONDENT NAIROBI

LIKE many leaders, Kenya's president, Daniel arap Moi is finding that democracy can be a trying experience. Unlike many leaders, he finds himself in a position to do something about it. On January 27th he suspended Kenya's new multi-party Parliament after it had sat for just one day. Mr Moi thus served notice that his government, while observing the letter of democratic practice, would not be embracing its spirit. The president did not explain why he prorogued the legislature. His attorney-general noted that it was within Mr Moi's right to do so, and intimated that Parliament would be recalled in several months. This may speak of disarray in the ruling party, the Kenya African National Union, which saw 14 ministers lose their seats in the voting on December 29th. Or it may speak of distaste verging on contempt for the opposition, which secured 88 seats in the 200-seat chamber. Opening day was certainly difficult for the president. Street crowds chanted "Down with Moi!" and stoned his ministers' cars. In the chamber itself, the government's initiatives were met with argument. These are new experiences for Mr Moi, who ruled without challenge for 14 years before submitting to a competitive election. He embraced pluralism only reluctantly, spurred by the suspension of aid by donors concerned with the government's disdain for human rights and with chronic mismanagement by unaccountable bodies. His government may have concluded that multi-party elections in themselves would reopen donors' purses. Indeed, in the weeks after the election, several spokesmen argued that, since Kenya had become pluralistic, it was time for aid to resume. Things are not turning out to be so simple.

There are questions about the conduct of the elections and, indeed, about behaviour since. International observers, after some hemming and hawing, decided that the polls were tilted towards Mr Moi and KANU, but that the results nonetheless roughly represented the people's will. That might be interpreted as the kind of progress needed—but only if it had been followed by evidence of a changed style of government. Of this there is little. Mr Moi in choosing his cabinet took in only staunch KANU figures. As with the proroguing of Parliament, this is well within his right. But it betrayed an instinct for business as usual, with high positions reserved for a coterie of loyalists. The blunt strategy of reward for loyalty is not without difficulty. Two large and influential groups, the Luo in the west and the cosmopolitan Kikuyu in the country's centre, voted solidly against Mr Moi and KANU. Yet a cabinet without representation from either tribe is unthinkable. Mr Moi chose one minister from each. Meanwhile, he found top jobs for loyalists who had lost

their parliamentary seats in December: he used his right to pick 12 extra MP5 to bring them into Parliament, thus also making them eligible to lead a ministry. While Mr Moi exercises his rights, the country makes little progress towards solving its problems. One such is economic hardship, exemplified by double-digit inflation and crippling shortages of hard currency. Another is increasing insecurity. Sporadic violence continues in parts of the Rift Valley, where nearly 800 people died in tribal fighting last year. Recently attacks by bandits have erupted across the arid north-east, near Somalia. Scores of people have died, and new incidents are reported almost daily. The government seems unable to offer a coherent strategy to stop the violence, beyond asking the United Nations to send home the hundreds of thousands of Somali refugees who themselves are victims of the brigands. In the cities, complaints grow about uncollected rubbish and erratic electricity supplies. Little progress has been made towards reducing a bloated civil service, or reining in the rapacious barons who plunder it. The opposition wants to keep Parliament in session to debate these and other matters. Mr Moi says they will have to wait.

The

Economist

THE ECONOMIST FEBRUARY 6TH 1993

; Liberation theology reborn

1

1

FROM A SPECIAL CORRESPONDENT IN SOUTHERN SUDAN

POPE JOHN PAUL understands the

plight of the Sudanese people, Monsi-

gnor Caesar Mazzolari assures the men,

women and children gathered under a

large shady tree in the southern town of

Aguraan. For nearly ten years, Sudan has

been torn by the war between its largely

Arab and Muslim north and its African

and Christian (or animist) south. But it is

the north that the pope will be visiting on

February 10th when he makes a one-day

pastoral stop in the capital, Khartoum, on

his way home from Benin and Uganda.

The Catholic cathedral in Khartoum

has been cleaned for the papal visit and a

large square made ready for the celebra-

tion of a mass that hundreds of thousands

of people (many of them displaced south-

erners living in camps near Khartoum)

are expected to attend. Some restrictions

on the church's activities have been judi-

ciously relaxed. The pope's historic

meeting with President Omar Bashir will

be splashed on every television screen.

llCosmetic manoeuvres", grumble the

president's opponents, angry that the visit

will be exploited by an Islamic funda-

mentalists regime in a bid to counter its in-

ternational isolation and to promote the

image of religious tolerance. Religious

persecution, they fear, will resume in ear-

nest once the pope has left.

Roman Catholic, Anglican and Pres-

byterian missionaries have been active in

Sudan since the 19th century, when they

first set out to convert the heathen. In the

' early 1960s, they were expelled from

southern Sudan, then allowed to return

ten years later. Now they are once again

being thrown out; Monsignor Mazzolari

and two other priests had travelled from

Uganda, where they are now based. These

days the missionaries see their job as serv-

ing the indigenous church, helping with

education and humanitarian relief and

occasionally acting as unofficial advisers

to the rebel leaders. In the rebel-held

south, they work closely with the Sudan

Peoples Liberation Army, running

schools and trying to get food through to

people displaced by the fighting.

Some of them make no bones about

their political views. The day after the

mass under the tree in Aguraan, Monsi-

gnor Mazzolari, who belongs to the order

started by Daniel Comboni, a 19th-cen-

tury missionary known as the Father of

the Catholic Church in Sudan, was sitting

in a straw hut opposite the deputy com-

mander of rebel forces in the province of

Bahr al-Ghazal. It was essential, he said,

that the divided factions of the SPLA form

a united front to confront the govern-

ments forces. If they failed to do so, the enemy would sweep through the south.

Many churchmen believe that the survival of Christianity in the region is dependent on the defeat of General Bashir's regime. There are countless tales of the persecution of Christians in Sudan, including reports of forced conversions, particularly in the desert camps around Khartoum where an Islamic missionary organisation is accused of operating a "food for conversion" policy.

But the regime is also accused of exporting the Islamic revolution to neighbouring countries. Militant Islam is on the march in Africa and the modern-day Christian crusaders are mobilising to confront the threat. Critics argue that the Sudanese church relies too much on missionaries burdened with neo-colonial ideologies. Militant Christians respond that the church is the one indigenous organisation caring for people on both sides of Sudan's divide; it is, they say, saving lives as well as souls.

THE ECONOMIST FEBRUARY 6TH 1993

EUROPE

OR a brief moment last week, Austria was carried back to its imperial past as Karl Habsburg-Lothringen, the grandson and heir of the last emperor, married Baroness Francesca Thyssen-Bornemisza, a billionaire's daughter.

It was fairy-tale stuff. The winter sun reflected off the snow-covered mountains around the baroque church in the village of Mariazell. A dad's army of monarchist enthusiasts provided music, flags and a 21-gun salute. Several hundred members of Europe's unemployed nobility lent a suitably blue-blooded tinge.

For monarchists, the occasion was as much historical as nuptial. This was the first Habsburg wedding in Austria since the family was stripped of its position and palaces in 1918. Since then life for members of what was one of Europe's oldest and most powerful dynasties has been rather (date one say?) bourgeois. Otto Habsburg, the head of the family, lives in Germany and is a Euro-MP for the Bavarian-based Christian Social Union. He heads the Pan-European Movement, whose proposals for greater integration make the Maastricht treaty look limp. His son, Karl, heads the movement in Austria, but earns his living as the host of a television game-show. Now, after decades of living in comparative irrelevance, the Habsburgs believe they have a chance of making a comeback. The upheavals in Eastern Europe (much of which is former Habsburg terrain) have, the family believe, opened the way for them to return—maybe not as absolute rulers, but possibly as constitutional monarchs, or even as republican presidents.

Two years ago Otto was offered the post of president in Hungary. He turned it down "for the moment", because the Hungarian president was, and is, elected by parliament. Otto, a born-again populist, wanted the people to decide. Polls in Austria suggest that barely 20% of voters want a restoration of the monarchy. But what about a Habsburg becoming head of state through the normal channels? Although Karl protests otherwise, many believe he wants to run for president on a unifying, apolitical, ticket. A Habsburg president, supporters say, would be a reassuring counterweight to some future extremist chancellor, such as Jörg Haider, the leader of the far-right Freedom Party.

A grander, more imperial, idea would be the rebirth of the Habsburg-dominated Holy Roman Empire, in the form of an extended European Community based on the ideals of Otto's Pan-European Movement. There are no certainties in modern Europe. But a return of the Habsburgs seems an unlikely fairy-

tale to come true. For now Karl will have
to content himself with avid viewers,
rather than loyal subjects.

ELI

E ON JAPAN

BY STEVEN BUTLER

Eyeball to eyeball in the Pacific election, Japanese Foreign Minister Michio Watanabe arrives in Washington this week for Japan's first high-level encounter with the young turks of the Clinton administration. The visit comes amid fears on both sides of the Pacific that Japan and the United States are heading willy-nilly for a series of nasty confrontations over trade that, if left unchecked, could sour Americans most important relationship in Asia.

But the chances are that Foreign Minister Watanabe won't learn much: If the Clinton administration has put together anything like a policy toward Japan, it remains top-secret. Indeed, there is dismay in Tokyo that Bill Clinton's Asia advisers are mostly China hands who have little Japan experience and that Japan may be even lower on Clinton's agenda than it was on George Bush's. The stakes are enormous.

Japan is America's biggest trading partner, and last year Tokyo ran up the largest global trade surplus in history—\$107 billion. Together, Japan and the United States account for 40 percent of world economic output, and their security ties have been a pillar of stability in East Asia for more than 45 years.

Yet the agenda is suddenly worrisome: Japan's bilateral trade surplus with the United States rose 14.3 percent, to \$43.7 billion, last year, fueled by a hefty rise in sales of cars, car parts and semiconductors—industries in which U.S. companies are screaming for protection or better access to the Japanese market. Clinton's new government is moving to slap duties on imported steel from Japan and other countries accused of unfair trading. The Treasury Department is considering whether to increase import duties on minivans 10-fold, to 25 percent. And General Motors, Ford and Chrysler, speaking in unison for the first time in years, are preparing an enormous antidumping suit against all foreign cars. The main target: Japan.

Cozy relations. Clinton may also be forced to take action against Japan next month when final statistics show that Japan has once again fallen short of targets set in a bilateral semiconductor trade agreement. Foreign companies were supposed to take 20 percent of the Japanese market by December of last year, but the final tally will be closer to 16 percent. Outside Japan, where the market is not distorted by cozy relations between Japanese users and suppliers, U.S. companies invariably outsell the Japanese.

Trade friction between Japan and the United States is after three months of anxious waiting since the US.

U.S. NEWS & WORLD REPORT, FEBRUARY 15, 1988

o 'Blunden'ng or complacency could

cause a break neither country wants

nothing new, of course. Yet the fight could be bruising this time. The cold war is over, and the generation that fought it is out of power. In years past, the United States sacrificed its own economic interests in order to preserve strategic ties with Tokyo against Moscow. Now, many on Clinton's team see economic strength as the key compo-

nent of national security.

Clinton's economic advisers also lack a strong ideological commitment to free trade. The president has yet to show his full hand on trade policy, but some Japan experts are advising Clinton's deputies that free trade with Japan isn't possible because Japanese business practices effectively close Japan's markets to outsiders.

a The Japanese are already threatening to fight back if Clinton takes a tough line.

Sozaburo Okamatsu, a senior trade official, warned last month that a move by the United States to impose tariffs on imported minivans would invite retaliation."

This is the closest thing to an open threat that Japan has made. Although many believe the Japanese are bluffing, retaliation could enrage the US Congress.

The prospect of feuding with Washington comes as Japan tries to step out from under America's wing and assume a political role commensurate with its economic clout. Japanese troops went overseas last year for the first time since World War II, to participate in United Nations

peacekeeping operations in Cambodia-but only to build roads and bridges and perform other noncombat roles.

In the past month, the ruling Liberal Democratic Party broke a long-standing taboo by kicking off a public debate over whether to revise Article 9 of Japan's postwar Constitution so that Tokyo can send combat troops overseas. Japan is lobbying for a permanent seat on the UN Security Council but is handicapped because its troops cannot fight outside Japan, even under U.N. command.

Despite its economic power and its growing international aspirations, Japan remains a political dwarf. Its Asian neighbors have not forgotten Japanese atrocities during World War II, and they remain suspicious of Tokyo's ambitions. Japan and Russia are still quarreling over the southern Kuril Islands, and China's rapid acquisition of a blue-water Navy is a growing worry.

An open break with the United States is still unthinkable for most Japanese. Nevertheless, blundering or complacency by both the United States and Japan could still produce what no one in either country wants. I

RANDY JONES F06? USNJWR

I
.v v_q.
nu

