

Bhutto, Opposition Near Agreement To End Two Months Of Crisis

PAKISTAN

Pakistani Prime Minister Zulfikar Ali Bhutto and his civilian opposition, the Pakistan National Alliance (PNA), have made significant progress in three rounds of negotiations to resolve the country's two and a half months of economic and political paralysis. Sources close to both sides indicated this week that the talks will probably result in new elections and that the major issue on the table is when and with what stipulations will new elections be held.

To reach this near resolution of the domestic crisis, Bhutto has had to fight a massive western media campaign aimed at discrediting him on so-called "human rights" violations — aided by a consistent series of "leaks" from the Carter Administration characterizing him as a "loser." These have included efforts by the Carter Administration to pressure France to back out of an agreed nuclear technology sale to Pakistan, a lead indicating that a U.S. sale of 110 A-7 jet fighters will be reneged on, and indications that the World Bank sponsored Aid-Consortium scheduled to meet later this month has been postponed — the last being followed by a *Far Eastern Economic Review* report that when such a consortium did meet, allocations by western donors will fall far short of Pakistan's needs.

In all these maneuvers, India has been held up as a model democracy with the Washington unveiling of a Carter Administration pro-"India tilt." Such a U.S. foreign policy inevitably deepens existing hostilities between India and Pakistan, thereby putting in cold storage the ongoing efforts by both countries to improve relations through trade and development pacts.

Both Bhutto and the PNA have used the good offices offered by Saudi Arabia to begin negotiations. Saudi Arabia, in the interest of peace on the subcontinent, has informed the Pakistan government that it is prepared to offer substantial amounts of economic assistance to help the country return to a development path if both sides agree to negotiate a truce preventing further strengthening of the military enforcement of "law and order." According to finance ministry official statements, Pakistan has lost \$765 million, in the months during which the PNA has disrupted all economic activities through protest of purported vote rigging by Bhutto's Pakistan Peoples Party (PPP) in the March 7 elections. As a result, exports this year will fall below last year by 35 percent.

The conditions of the current truce were revealed in a joint communique released early this week by both sides. The PNA has placed a moratorium on street demonstrations and civil disobedience for the duration of the talks, and has withdrawn its previous demand that Mr. Bhutto resign as a precondition to negotiations.

In turn, Bhutto has released the detained PNA leader-

ship and freed most of the PNA supporters arrested during the demonstrations. Following progress in the negotiations, Bhutto lifted martial law in the three major cities. The latter decision occurred after the Punjab High Court had declared martial law unconstitutional; a neighboring Sind High Court ruled the opposite way. The Supreme Court ruled in favor of the Punjab High Court, thereby placing Bhutto's government on thin constitutional ground if he enforced martial law.

The feeling in many Pakistani circles that the Carter Administration's policy is aimed at weakening Bhutto's negotiating position was reaffirmed by the content of three "leaks" from Washington in the past ten days. First, the Carter Administration authorized shipment of a long delayed supply of enriched uranium for India's Tarapur nuclear plant, despite its repeated failure to get India's agreement to curtail its nuclear energy program. So far Carter has only received assurances that India will continue talks on preventing proliferation of atomic weapons — already accepted Indian foreign policy. Similar assurances from Pakistan were deemed "unacceptable."

On May 31, the *New York Times* ran a front page report that after talks with Secretary of State Vance, France had backed down on its contract to supply Pakistan with a nuclear plant. Subsequent Agence France Presse wire reports denied that the French-U.S. meetings had even discussed Pakistan's nuclear technology let alone agreed to renege on it. One day later, another Times "leak" reported that the sale of 110 A-7 jet fighters would be stalled for three reasons: Pakistan has held firm on its nuclear energy development program (which goes against Carter's policy), India has objected to the U.S. supplying jets to Pakistan (a factor that never previously worried U.S. policymakers); and the U.S. is concerned about the "tenuous nature of Bhutto's government which has been beset by violent agitation."

This "concern" was also evident in a special memorandum compiled by White House staffer Charles O'Keefe who privately informed Carter's top drug control advisor, Peter Bourne, that *after* Bhutto is ousted, a PNA government would let the opium trade proliferate without controls. O'Keefe indicated that a faction of the PNA receives its funding from the opium trade, an observation that unwittingly substantiates Bhutto's charges that there is a foreign element in the funding of the PNA.

It is expected, that despite the Carter Administration's doubts about Bhutto's future, he will reach an agreement with the PNA within the week, allowing elections to determine who governs. One option that Bhutto is known to be considering is lifting the ban on political parties, thus legalizing the banned pro-Soviet National Awami Party. In such a situation it is possible that the NAP leaders would enter the negotiations. This actions would also serve to undercut the right-wing provocateur component of the PNA, the very forces that Bhutto has accused of receiving U.S. funding.