

Explosives haul bomb-shell

Keep investigations above politics

THE explosives haul from Bogra proves that arms traders and subversive elements are working in tandem across the country. It is indeed a matter of grave concern.

Investigators might get some clues from it that could help unearth mysteries shrouding the series of bomb blasts we experienced during the last few years. However, the reactions to blasts or recovery of explosives followed a set pattern. The opposition is almost always blamed even before investigation begins, and then the two major parties are found engaged in trading accusations. Thus the whole picture is blurred and the real culprits get the opportunity to escape. Investigations seldom proceed beyond some optimistic remarks made by ministers and police bosses on how they are planning to catch the criminals.

But when valuable time and energy are lost in determining who should be responsible for a crime, rather than who is actually responsible, investigation apparently becomes a matter of secondary importance. Forensic clues are lost and the cases are never pursued with due sense of urgency.

The explosives in the latest case are reported to have been recovered from the house of an Awami League leader. So it has already been tainted with politics. However, we believe it is a matter better left to well-trained professionals who will work on different hypotheses until the picture becomes clear to home in on a particular possibility.

The leaders of the two major parties, who are by now quite accustomed to seeing the hands of their adversaries in all such acts, must be knowing that investigations need to be focused to uncover the truth. People abhor diversions in such matters; they want the subversive elements, whatever their political hue, if any, to be brought to justice.

Investigation should always be kept above politics. If the leaders try to derive political advantage out of any serious incident, we are very likely to end up doing nothing against the elements who do not hesitate to kill innocent people to push forward their own agenda.

The only response that people expect from the major political parties in such cases is that they will cooperate with each other in the greater interest of the nation and try to make sure that the culprits never go unpunished.

Focus on money laundering

BB's probes better go deeper

TRANSPARENCY, auditing and accountability of money holdings and financial transactions are key to efficient macro-economic management. Viewed from that perspective, the news that a Bangladesh Bank taskforce has placed under watch some 49 bank accounts on suspicion that they could be involved in money laundering, merits special attention.

Understandably, on the basis of some preliminary taskforce findings, an inspection team of the central bank is looking into any abnormal transactions being sniffed about the suspected accounts. These are held mostly with the private banks, some 33 of the total number of 49 accounts on the surveillance list. It may not be without significance that the owners of the accounts are travel agents, commission agents and traders. The auditing process has advanced quite a bit too, in that the Bangladesh Bank having already confirmed the involvement of some of the account holders in money laundering, has referred the cases to the anti-corruption bureau.

It must not get lost on us that without some insider abetting money laundering could not happen. Hopefully, Bangladesh Bank keeps this in view as do the other banks.

It is interesting to note that the Bangladesh Bank has sent four case studies of money laundering to all banks to alert them to the ways of clandestine operations and help them detect any abnormal transactions on bank accounts. Although this is good thinking, one would have thought the banks have their own mechanisms to do the job.

Flight of capital is usually understood in terms of over-invoicing of imports, but in our view, under-invoicing of export also means deprivation of earnings that could have been reflected on the national account. Besides, such ill-gotten money obviously falls in the category of unearned incomes or black money which might be susceptible to laundering.

In one major area of money laundering i.e. *hundi*, Bangladesh Bank has succeeded in curbing it to a certain extent. It is evidenced by the fact that the inflow of remittances from Bangladeshi wage earners overseas has shown a steady rise in spite of the difficult times.

It is expected that encouraged by such a success, Bangladesh Bank would be able to plumb new depths of money laundering and clandestine financial transactions that have acquired a global character, especially through the cyberspace. They are well-networked and deeply entrenched operations these days. In keeping with the challenge, Bangladesh Bank's surveillance, inspection and detection capacities will have to be increased and modernised. If we need a state-of-the-art technology, let's have it considering the fact that economic sabotage can be as pernicious as political sabotage.

A time to look inward



M ABDUL HAFIZ

HISTORICALLY the unsettling effects of an unjust war persisted for long and the scars caused by it refused to heal up. An illegal and unprovoked Anglo-American invasion of Iraq without the approval of the United Nations and in violation of international law continues to throw up bad news as the country slides into deeper chaos and the US wants to turn its military victory in Iraq into an opportunity for achieving some of its longterm strategic goals. And anguished humanity baffled by the arrogance of powers continues to be haunted by the trauma inherent in various ramifications of the war's fallout. Yet the international community drew consolation from the fact that the invaders were condemned worldwide and were made conscious as to the illegitimacy of their venture.

This consolation ceased to exist when on May 22, 2003 the Security Council of the United Nations finally approved a resolution on the reconstruction of Iraq authorising the US and Britain along with their cronies to assume complete control of Iraq - one of the world's oldest and most civilised states. In the pious name of reconstruction what this authorisation will mean is breaking, dismantling and contorting of the administration and economic system, apart from re-orienting and baptising Iraq's great culture and traditions.

In reckoning, the day of this UN resolution will be seen as one of the

saddest days in recent history when a licence for the carpetbaggers was enacted in the world body by the same people who had earlier refused to endorse an armed aggression against Iraq. The capitulation of the 'up-right nations' who became champion of the weak by taking just and bold stand in the UN makes the occasion all the more gloomy. Since all these nations were Christian (barring China) the Muslims of the world could feel that

against neo-imperialism. Iraq is a pointer. While the protests around Muslim world targeted only the US and Britain for waging war against Iraq a number of Muslim countries actively supported and facilitated the intervention. A Muslim kingdom was, in fact, the gateway for the coalition troops and it was where the troops assembled, trained and subsequently invaded. With Turkey's refusal to allow a northern front, an entry into Iraq without

a matter of fact, all Muslim neighbours of Iraq vied with each other to please the Uncle Sam in its efforts to invade Iraq. Bahrain had been the Persian Gulf HQ of the US Navy operations. Egypt allowed use of airspace, permitted territory to be used for incursion into Iraq by US special forces and hosted Patriot missile. The UAE and Oman allowed the use of airbases as Saudi Arabia allowed the use of Prince Sultan airbase, Amar airport

including venerable custodian of the Holy Kaaba supporting it? Iraq war was unjust one. So were there protests by the Muslims against it -- as were also by the non-Muslims who did it more credibly. The Pope in a public proclamation condemned the aggression in Iraq. The vast majority of the governments around the world dissociated themselves from an act of invasion of Iraq. The majority of the members of the UNSC, including three permanent members not only refused to endorse an attack on Iraq, but also indicated their inclination to veto any resolution asking for aggression. The general disapproval of armed aggression against Iraq by world media irrespective of their affiliation with few exception had been remarkable. The world wide mammoth demonstrations and protests comprising people from all walks of life and from all faiths and ideologies were the most positive moves in favour of peace. The widespread protest meetings and marches and scathing anti-war press comments

in the United States itself were another indicator of a strong urge for peace rather than war against a weak nation.

A vast number of people who fall under the misty rubric of Muslim Ummah could have had a share in the anti-war wave but they did precious little in exposing their co-religionists who were guilty of the same crimes. Why is this discrimination? Why they continue to see the whole issue in a communal prism and put up the facade of a mythical unity of the Ummah which never exists? The Organisation of Islamic Conference -- the platform of the Ummah -- did not meet prior to the Iraq war lest the fissures within the mythical united Ummah came out in the open. There was not a single protest meeting against the dubious role of many of Iraq's Muslim neighbours.

The hide and seek policies not pursued in Muslim countries will not lead them anywhere. Instead let there be open debate in their own countries and among them. Why do Muslims fear dynamic, democratic and pluralistic societies? What is wrong in conducting open healthy debate and accepting pluralism at the political, economic, diplomatic, cultural, ethnic, linguistic and sectarian levels and yet be united by the core beliefs and message of Islam?

The US and the European nations are primarily Christian. But this did not prevent most of the governments and people of Europe from vigorously opposing the US-led invasion of Iraq. Their actions did not make them any less Christian or make them guilty of repudiating the Western tradition. Why cannot Muslims show the same pluralism when the Muslims or a Muslim country pursue similar crime -- still remaining hundred percent Muslim and faithful to their tradition?

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PERSPECTIVES

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in the American designs against the weak global Muslim bloc, they were not without friends. Those hopes are now dashed. The weakening of the anti-imperialist voice led by France, Germany, Russia and China is now bound to send a chill through the weaker nations of the world. In the Muslim countries the ominous question would reappear: Has the Christendom of old Europe ultimately gotten together to politically re-map Middle East, expand and strengthen Israel and divide oil wealth of the region among themselves? The message to the world sent on 22 May, was a licence for the powerful to mutilate and disintegrate the existing arrangements of the nations or regions with complete impunity and rich and powerful nations could get away with any of their crimes. The UNSC voting on 22 May also indicates that henceforth it will be world public opinion which alone could alter a critical situation.

In the meantime, the religious and ethnic solidarities have proved too weak to provide a bulwark

Kuwait participation could not have occurred. At least not on the scale and with the same speed and perhaps success.

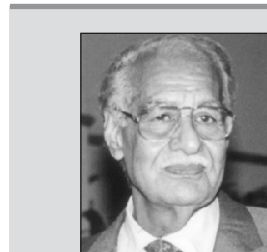
If Kuwait was the door to the invasion, another Muslim kingdom, Qatar which hosted the central command, was its nerve centre. As

and use of its territory for incursion into Iraq of US special forces. Turkey allowed the use of air space and subsequently allowed the transit of food and medical supplies but denied the use of its territory for offensive purposes. It is interesting to note that Saudi Arabia, an abso-

lute monarchy having a puritan Islamic government was officially opposed to the war. Yet at the peak of the operations during the Iraq war as many as 2700 mission a day were handled by headquarters in Saudi Arabia. Despite denials by Saudi foreign minister, its participation in war has been widely reported and acknowledged. If the Iraq war was against Islam as claimed by the clerics across the Muslim world, why were so many Muslim countries



India-China relations: Turning over a new leaf



KULDIP NAYYAR

writes from New Delhi

IT is good that Indo-Chinese relations have turned over a new leaf. The agreement just signed by Prime Minister Atal Behari Vajpayee and Wen Jiabao Prime Minister of China, is certainly a new beginning-- the much-wanted thaw after 30 years of glacial silence. The details of the agreement, which were released after Mr. Vajpayee met President Hu Jintao of China, mentions, apart from the steps for trade and other things, that the two countries will "explore, from the political perspective of the overall bilateral relationship, the framework of a boundary settlement." From the Chinese side Dai Bingguo and from the Indian side Brajesh Mishra

will undertake this exercise. But this new beginning also brings in its wake the old questions and doubts that will not down. After some sittings with China on the border last time, I asked a senior foreign office hand about the progress. His comment was: "If it were left to the Government of India, our territory would shrink to Palam airport!" The official has retired since. But his words often come back to me. They are uppermost in my mind these days in connection with Vajpayee's China

visit. Nobody is opposed to a settlement of borders with China, our strong neighbour. Yet I have often wondered whether it would be at the expense of the land which is ours from the hoary past. Someone high up once told me that the territory lost in war is seldom recovered in peace. I am sure that some day parliament will be brought into the picture. Will the new agreement measure up to

Indian and Pakistani troops where the UN effected a ceasefire on January 1, 1949. My case is not that the McMahon Line is sacrosanct and that it has to be preserved as the northeastern boundary. China probably did not accept it when Sir Henry McMahon announced it in 1914 on behalf of the British.

Still the LAC is not the traditional customary line. Some of our territory lies on the other side of the line. The

Maybe, our concession on Aksai Chin can be exchanged with China's concession in the eastern sector. This is nothing new. New Delhi has hinted at it in the past. Nearly five years before hostilities between the two countries, the support to this idea came from the least expected quarter. Then I was Information Officer with Home Minister Govind Ballabh Pant. The Polish ambassador at that time conveyed to Pant his

informed the government in 1954 about the building of the Aksai Chin road, the Ministry of External Affairs under Nehru refused to entertain "information" about China's inroads into Indian territory. Nehru would get enraged even at the mention of the border dispute. Still China attacked India in October 1962. Was it territory or something else? Beijing drowned the age-old slogan of Hindi-Chini Bhai Bhai in the war

has gone deep into their psyche. They will remain suspicious of China because they once depended on it blindly. Beijing's attack -- presuming New Delhi provoked China -- will need to be analysed and explained to the people in the country. Why a friendly country should be attacked whatever the provocation?

Nehru once wrote to the State chief ministers to explain the reasons: It is a little naive to think that the trouble with China was essentially due to a dispute over some territory. It had deeper reasons. Two of the largest countries in Asia confronted each other over a vast border. They differed in many ways. And the test was as to whether one of them would have a more dominating position than the other on the border and in Asia itself.

Still there is no reason why the two countries cannot live in peace and harmony. Whatever the irritations, both should resolve them peacefully. So should be the attitude of give and take on the boundary problem. The 21st century can be the Asian century as Vajpayee and Hu have said, provided China realises that violence cannot possibly lead today to a solution of any major problem, because violence has become much too terrible and destructive. If the society we aim at cannot be brought about by big-scale violence, will small-scale violence help? I don't think it will -- partly because that itself may lead to big-scale violence and partly because it produces an atmosphere of conflict and of disruption. China should realise this.

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BETWEEN THE LINES

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the unanimous resolution of the two houses that India must get back every inch of territory it lost to the Chinese in the 1962 war? After defeat, there is defiance. Some note of chauvinism would have come in our response. We probably overstated our case when China stopped firing unilaterally, having chased our troops down the hills, almost to the outskirts of Tezpur, Assam. But we then sheepishly accepted the ceasefire because there was no will to fight. Even then, there was never any doubt that some of the territory where the Chinese frontier guards stood was India's. The Line of Actual Control (LAC) with China is not like the Line of Control with Pakistan in Kashmir. The first one is dictated by Beijing. The second is the positioning of

status quo only accepts the fruits of aggression. If Beijing accepts Sikkim and Arunachal Pradesh as parts of India after having claimed them all these years, it is not making up for the Indian territory it has occupied. Claims do not supplant realities. Sikkim and Arunachal Pradesh were never part of China. The LAC can never be a new border. It is imposed by Beijing. The middle and eastern sectors of the LAC will have to undergo changes.

And what about Aksai Chin in the north of Ladakh, where China forcibly built a road to connect Sinkiang with Tibet? True, without that road China had no way of reaching Sinkiang. But India was at one time willing to accept Beijing's suzerainty over the area where it had built the road.

suggestion through me. At the very beginning of the conversation, he said that the opinion he would express was the view of his and other communist countries and he specifically mentioned Russia. His proposal was that India should accept a package political deal, getting "recognition for the McMahon Line" in exchange for giving over control of some areas in Ladakh. He said whatever the odds, China would never part with control of the road it had built because that was the lifeline between Sinkiang and other parts of China.

I think that the matter could have been sorted out peacefully at that time. Jawaharlal Nehru, in fact, tried his best to accommodate China to the farthest limit. Even after Trade Representative Lakshman Singh

cries. If Prime Minister Chou-en Lai could go to the extent of letting down his age-old friend Nehru, who introduced him to the non-aligned powers at Bandung, the new leadership in China can do anything because it does not carry any emotional baggage of the past. Prime Minister Vajpayee had earlier met the new Chinese President, Hu Jintao, at St Petersburg. Both had looked forward to the Beijing meeting and both had expressed warm sentiments. Officials on both sides are already studying the border maps of each other's country.

But even if there is a settlement on borders, China will have to do something to repair the bruised feelings of Indians. The 1962 war

OPINION

For a pro-poor budget measure to save the garment sector

ALAM RAHMAN

AS the single most important industry in the country, the government is right to give special consideration to the garment sector. With just 18 months to go before the end of the Multi-Fibre Agreement, the garment industry must do everything possible to increase its competitiveness as it prepares to face the world of unrestricted trade. This year's budget proposes to help the industry by slashing its corporate tax rate from 30 per cent to 10 per cent for the next three years. But is this the best way to help the industry or the country?

Garment manufacturers may have rejoiced at the news, with the promise of less taxes and more profits. But how long will it be before ruthless undercutting sees these profits simply passed along to the international buyers? A year from now will the owners be looking at their balance sheets and wondering how much they've really gained? Some may say that these price cuts

will help make the sector more competitive, but when cost is just one of several critical factors affecting Bangladesh's competitiveness, it is a narrow and insufficient strategy. Others may claim that it will result in greater investment and backward linkages, but there is no guarantee that extra profits will be reinvested in the garment sector. When leaders of the industry are predicting gloom and doom after the end of the MFA, will they want to reinvest in the development of the sector or just maximise their profits while the going is good?

The government should instead use this budget to lay out a winning strategy for the industry, for the workers, and for the country.

A vital component of the industry's competitiveness is the skill and productivity of its workers. Regrettably, over the last two decades of the garment sector's growth, the welfare and development of the workers has been last on the list of priorities. What is particularly striking about this budget is that while four of its five official strategies are to generate employ-

ment for the poor, provide access to education and vocational training, ensure women's advancement, and ensure economic and social security for the poor, it offers nothing but new taxes for the 18 lakh garment workers. In fact, the proposed corporate tax cut will only increase the incentive for owners to

budgeted for should go directly into the welfare and development of the country's garment workers. This would be a vital sign of support for the brave women and men whose tireless efforts have been the backbone of the industry and the foundation of the country's growing wealth.

further reduce their workers' salaries.

Before passing the new budget, the parliament should give serious consideration to a pro-poor alternative that would at the same time serve the long-term interests of the industry. Let the corporate tax rate be reduced for the RMG sector, but let the new rate be 20 per cent, in line with that proposed for the textile sector. The 10 per cent difference from what the government has now

undertake measures for the direct benefit of the workers. The fund could support, for example, providing basic literacy classes for workers who missed their chance for schooling, expanding the coverage of the workers' health care centres, or offering technical training courses for the workers' professional development. These are in fact measures which even most garment owners recognise as

ever, transfers between firms is not a loss, which highlights the need for such an initiative to be undertaken and financed at the industry-level. If sufficient investment is made for their development, the skills of the country's garment workers could become a key comparative advantage for the industry in the coming years.

It is worth noting that this fund could also do wonders for Bangladesh's business image. Already the

Bangladesh is a place to do good business.

All this said, whatever the rational arguments for this proposal, is the government ready to risk irritating a powerful constituency after raising their hopes with the promise of a 10 per cent tax rate? Certainly most owners would see the proposal as doubling their taxes, instead of meaning they keep 80 per cent of their profits instead of 90 per cent. As a solution, the government could

both appease the garment owners and further promote the sector's growth with a pledge to invest the remaining tax it collects back into the garment sector. Presently the government is doing only a fraction of what it could and should do for the industry. Much more can be done to aggressively promote Bangladeshi exports in new markets, to streamline the procedures for businesses, to help factories meet international quality assurance standards, and to create a leading brand image for garments from Bangladesh.

The government, though, may still prefer to charge ahead with its tax cut now and leave plans for the workers and the industry until later. But if it does, it will all too likely become yet another tale of too little, too late. The end of the MFA quotas should have been the impetus for a concerted industry development plan over the last few years. Now, with 18 months left, the deadline is just around the corner. If this budget fixes the RMG corporate tax rate at 10 per cent, the owners will insist on it staying there, and it is not realistic

for the rate to bounce up and down each year. But if the government agrees on the need for investing in the women and men who have been the engine of the industry, where will it find the funds to do so? We shouldn't hold our breath waiting for the arrival of aid from developed countries to help us out-compete their own industries. If the government decides to fund such efforts from its regular budget, it will likely only be a token gesture to show that they are doing something even if it is nowhere close to enough. The garment industry is a large and crucially important sector and any serious measure to develop its workforce will need a substantial investment. With a reasonable revision in the proposed tax structure, the government can finance this urgently needed investment and help secure the future of the garment industry and its workers.

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