

## Just a flicker of hope

Stake absolutely high, openminded approach needed

WE welcome the government's offer of a dialogue to form a cross-party committee with a view to discussing electoral and caretaker government reforms having been proposed and tabled by the opposition. Given the dark tunnel that politics has been caught up in, we would like to see it as a ray of hope because something seems to be happening at last.

We must, however, point out that the trackrecord of dialogue initiation has not been all that inspiring up until now. Playing to the gallery, or outside pressure has often got the better of any ruling party striving for a genuine engagement with the opposition. We are afraid that even in reaching this stage of a positive-looking initiative, the prime minister has taken a long detour and that she basically did not approach the issue with robust positivism to begin with. Let's recall that the opposition leader had given out her detailed electoral and caretaker government reforms proposal before the parliament, but the prime minister responded to these only on the last day of the JS session before it was proffered.

Moreover, the prime minister had originally suggested in her speech at the JS that there could be discussion on all aspects of the reform proposals. But then in a public forum subsequently she stated that the armed forces would be under the president as before in accord with the existing caretaker government provisions which is point of contention with the opposition. By asserting her view on the subject in public forum prematurely, she has shut the door she had earlier opened for discussion on all topics, at least partially. The question of tactfully handling the run-up to discussion in order to ensure that the overall atmosphere remains conducive to holding a dialogue can only be ignored at the peril of any prospect for talks.

It is good sign that the opposition has shown a positive approach to the idea of forming a committee to address its reform proposals. This is an opportunity that must not be wasted. The government has to approach it without being cluttered by any prejudice and the opposition for its part should not be influenced by any pre-determinism that is bound to turn counter-productive. The ruling party, in particular, should be able to see the hazards of failing to rise to the occasion.

## Eden College fracas

Turning a blind eye to bloodshed

ONCE again JCD cadres have been running riot on campus and once again the authorities and law enforcement have stood by and watched as these activists, many of whom have no right to even be on campus, have threatened, intimidated, and attacked the regular students.

The fact that the latest such incident has taken place at Eden College and that the bullies and thugs who have enforced their writ over the campus are women makes one wonder if there is any corner of academia left that has not been infected by politicisation and violence.

The general students had complained for long that rooms in the hostels had been taken over by JCD cadres who were not even enrolled at the college. These cadres have imposed a reign of terror over the halls, extorting money from freshmen students for space and running out of the hostel those who have tried to raise their voice against them. It was to protest such an eviction of some 20 students by the thugs that the demonstrations were initially started.

The administration which has done nothing to halt the cadres' abuses, compounded the problem by suspending classes and ordering residential students to vacate the hostels even though exams were still on-going and many of the students had nowhere else to go.

Then on Tuesday the JCD cadres, with full complicity of the administration and law enforcement authorities, began to attack the demonstrators, pelting them with brickbats and beating them up indiscriminately, leaving 10 badly injured.

The willful mishandling of the situation by the college authorities has been disgraceful. From the start it has sided with the JCD elements and turned a deaf ear to student complaints. The principal refused to even meet to hear the legitimate demands of the students, and the administration stood silent and watched in satisfaction as the JCD cadres taunted the demonstrators a stiff lesson.

This is unacceptable. The college authorities need to be called to account as does the administration which has sat idle while this crisis has spilled out onto the streets. Where has the education ministry been as the drama unfolded?

The end result of the authorities turning a blind eye to the serial abuses of the JCD cadres, due to considerations of political complicity, was the sickening attack on the protesters that in many ways was a new low in campus politicisation and has the public wondering where we have come to as a country.

# Do bilateral agreements really facilitate trade?

In the present day context of global trade regime the 30 plus bilateral trade agreements Bangladesh has, except those with non-WTO member countries, are of little or no practical value for promotion, facilitation and expansion of mutual trade. WTO rules regulate trade among its members. Large trade imbalance and illegal border trade are two vexing problems confronting the trade relations between India and Bangladesh. The bilateral trade agreement with India utterly failed and proved to be grossly inadequate to redress them.

GHULAM RAHMAN

THE Daily Star in its March 9 issue reported that Bangladesh is likely to sign a revised version of the trade agreement with India concluded in 1980 during Prime Minister Khaleda Zia's forthcoming visit to New Delhi. Bangladesh since its independence in 1971 has signed bilateral general trade agreements (GTA) with more than 30 countries to facilitate mutual trade. Among them are its immediate neighbors - India, Nepal, Bhutan, Myanmar, etc. and also distant countries like Iran, Morocco, and North Korea.

The sole purpose of bilateral agreements with India and other countries was to facilitate and expand bilateral trade relations. It would be, therefore, appropriate to look into at this point of time whether these bilateral GTAs concluded mostly in the 1970s and 80s serve any useful purpose at all in the new brave world of multilateralism.

Trade within a country was always viewed positively for improving the living conditions of its citizens. The utility of foreign trade, however, was in doubt, till Adam Smith, in the eighteenth century, first established that a nation would be better off if specializes in the production of those goods in which it has absolute cost advantage and then engages in trade with other nations. David Ricardo, another classical economist, demonstrated that even if a trading nation does not possess an absolute advantage in the production of any product, it still gains by producing and exporting those goods in which it has comparative cost advantage and importing those goods which it produces less efficiently.

However, nations can benefit from international trade only if their markets are open for each other's prod-

ucts. The liberal access to foreign markets and fair competition enable their business enterprises to produce and sell products for which they have comparative cost advantage. Similar conditions at home enable them to import from foreign countries and sell in the domestic market those goods in the production of which a country has comparative cost disadvantage. In this scenario national governments participate in multilateral, regional and bilateral trade agreements in order to benefit from trade by putting their resources to most productive uses.

The foundation of multilateral trading system was laid after the Second World War on October 30, 1947 when 23 contracting states signed the General Agreement on Tariffs and Trade (GATT). It entered into force on January 1, 1948. The World Trade Organization (WTO) was established on January 1, 1995 as the successor to the GATT. It is now the forum in which trade relations among nations evolve through collective debate, negotiation and adjudication, and is the prime mover for facilitation and expansion of global trade.

The multilateral trading system (MTS) which has been evolving since 1947 and blooming fully in this era of globalization after the founding of the WTO has a few fundamental principles. The first and foremost among them is non-discrimination. The famous "most-favoured-nation" clause of the Article I of GATT provides that members accord same treatment to the products imported from every other member - no less favourable treatment than that accorded to the products of any other country. Thus, every country benefits from any move towards lowering of trade barriers anywhere.

A second form of non-discrimination known as "national treatment," requires that once goods enter a market legally, they must be treated no less favorably than similar domestically produced goods. This is Article III of the GATT. Further, the MTS creates a secure and predictable market access environment. For instance, MTS generally prohibits quotas, but allows non-discriminatory tariffs or customs duties irrespective of source of imports, save in certain cases of permissible exceptions and are largely "bound." Binding means that once a member country commits a tariff levels for any product in negotiation with any country it can not raise it without compensation negotiations (Article XXVIII of GATT 1994) with its major trade partners.

Progressive international trade liberalization came through multilateral negotiations, known as "trade rounds" under the auspices of GATT. Its early trade rounds were mostly devoted to continuing the process of reducing tariffs. The eighth round, known as Uruguay Round, conducted between 1986 and 1993, which led to the founding of the WTO was the last and most extensive of GATT negotiations. Its results provided business enterprises much higher degree of security and predictability at domestic and international markets.

In addition to further reduction in tariffs it raised the percentage of bound tariff lines from 78 to 99 percent for developed countries, 21 to 73 percent for developing countries and from 73 to 98 percent for economies in transition. Trade in agriculture as well as textiles and clothing were brought under the fold of GATT discipline. Multi-Fiber Arrangement (MFA), which regulated world trade in textiles and clothing since 1974, was

phased out by January 1, 2005. The round also brought trade in services; trade related investment and intellectual property within the framework of the multilateral trading regime. An elaborate dispute settlement mechanism was also devised.

The WTO, contrary to the popular notion, is not a "free-trade" institution. It permits imposition of tariffs for raising revenues and to protect domestic industries and in certain circumstances also allows other form of protections. Its rules on non-discrimination are designed to secure an open, fair and competitive global trading environment and so too are those on dumping and subsidies.

In its early years most developing countries justifiably used to view GATT as a club of rich nations. This notion, however, has changed gradually with the increase in their membership. They now compose more than two-thirds of the WTO member countries. Since its establishment the quest for progressive trade liberalization as well as to make use of trade as an instrument for promoting development around the globe has gradually gained momentum.

The WTO has retained the GATT provisions intended to facilitate and expand developing countries trade, particularly Part IV of GATT 1994 contains three articles, introduced in 1965, encouraging industrialized countries to assist developing member states "as a matter of conscious and purposeful effort" in their trading conditions and not to expect reciprocity for concessions made to them. A second measure, adopted at the end of Tokyo Round and generally referred to as the "enabling clause," provides a legal basis for the market access concessions to the developing countries by the developed ones under the Generalized System of Preference (GSP).

The WTO Ministerial Meetings in

Seattle (2000) and Cancun (2004) witnessed violent anti-globalization demonstrations. They, however, did not deter it from its pursuit to liberalize and expand world trade further. A new round, first under the auspices of WTO, has been launched in Doha with focus on development issues in 2002. In the Hong Kong Ministerial Meeting held in December, 2006 among other things it was also agreed upon that 97 percent of products of LDC origin would be allowed duty free access in developed country markets.

Bangladesh joined GATT after independence in 1974 and is a founding member of the WTO. The WTO agreements created rights and obligations for the member states. They set the boundaries within which national governments frame and implement domestic trade laws and regulations and also their trade relations with other countries. Non-discrimination rule of MTS does not permit any member country granting more favourable trade terms to any of its trade partner in particular than enjoyed by a fellow WTO member except to countries which form a free trade area or customs union of which it is a member.

Therefore, in its bilateral trade agreements concluded with 30 plus countries Bangladesh has adopted the "most-favoured-nation" treatment clause of GATT as a cardinal principle. As many of these countries were not members of GATT, particularly those belonging to the Soviet Bloc and developing ones, these agreements provided an equitable basis for trade with them. Some of these agreements also created scope for conclusion of barter protocols and state trading.

However, with making Taka convertible for current account transactions these provisions became obsolete under the IMF rule. Relaxation of the foreign exchange regulations and abolition of import licensing procedures made them all the more irrelevant. Further, many of them in the meantime have joined the WTO.

In the agreement with India its Article VIII also provided that: "The two government agree to make mutually beneficial arrangements for the use of their waterways, railways and roadways for commerce between the two countries and for passage of goods between two places in one country

through the territory of the other." The two countries concluded an Inland Water Transport Protocol under its auspices for allowing transportation of Indian goods through designated Bangladesh waterways between West Bengal and Eastern India.

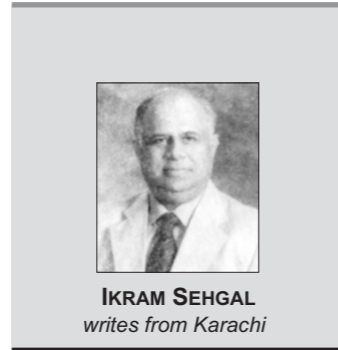
In the present day context of global trade regime the 30 plus bilateral trade agreements Bangladesh has, except those with non-WTO member countries, are of little or no practical value for promotion, facilitation and expansion of mutual trade. WTO rules regulate trade among its members. Large trade imbalance and illegal border trade are two vexing problems confronting the trade relations between India and Bangladesh.

The bilateral trade agreement with India utterly failed and proved to be grossly inadequate to redress them. These problems could perhaps be redressed only within the framework of a carefully crafted agreement of a customs union containing provisions for economic development, safeguards and compensations in the aftermath of its formation.

In this scenario it would be worthwhile for Bangladesh to re-examine the usefulness of all its bilateral trade agreements including the one with India and scrap those which do not facilitate expansion of mutual trade and fail to address burning bilateral trade issues. A river transportation agreement with India for allowing its use of age old river routes through Bangladesh may be concluded separately for transportation of goods from its one part to another.

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# Geo-political maturity



IKRAM SEHGAL  
writes from Karachi

TA KING on China along the McMahon Line in late 1962 ("PM Jawaharlal Nehru orders Jawans to throw the Chinese out," screamed newspaper headlines), India was itself evicted from North East Frontier Agency (NEFA) in the East and Aksai Chin as well as adjoining areas in the West. Chinese stopped in the foothills (in fact at a place called Foothills) of the Himalayas, unilaterally declaring a ceasefire. Two Indian Infantry Corps ceased to exist as entities. The US rushed in help to equip 3-4 mountain divisions, willingly complying with the wish list for arms and equipment, balking only at the Indian request for submarines. These could hardly be used in the Himalayas.

US Ambassador (to India) Chester Bowles' in his May 25, 1965 memo stated that Pakistan should remain a US ally but not at the cost of friendship with India. The famous Memo analyzed why it was important to support India as a potential strategic ally to contain China, and to de-link US-Pakistan and US-India relationships from "the eternal triangle" it had become. Barely three years earlier (1962) India was the largest recipient of US military aid since South Korea in the early 1950s,

the biggest military airlift than the one into Berlin in 1948. In an Houdini achievement India continued being actively aided by the US against the Chinese and somehow maintain its non-aligned status despite being an unabashed Soviet ally (military and economic) during the cold war era.

A general perception in Pakistan holds that Republican Presidents are more favorably inclined towards Pakistan than Democrat ones. Yet it was Republican President George Bush Sr. who abandoned Pakistan at the end of the Afghan War in the late 80s, even stopping the sale of F-16s already paid for. Democrat Clinton took all the blame for leaving Pakistan high and dry to cope with the after-effects of the Afghan War, the influx of drugs, Kalashnikov culture and 2.5 million Afghan refugees still living in Pakistan. Pakistanis would not have been ecstatic at Bush Jr. defeating Al Gore in 2000 if they had read his National Security Strategy (Condoleezza Rice was then National Security Adviser) on taking office in 2001 that called for building up India as a strategic ally to contain China. This was only temporarily derailed because of 9/11, India left standing at the altar when USA started wooing Pakistan again. With Condoleezza Rice now Secretary of State and Indian lobbyist Robert Blackwill (former US Ambassador to India and later Deputy

National Security Advisor) working in tandem, US-India consummation as strategic allies has become a matter of factive years later.

A general perception also exists in Pakistan that India has been rewarded for its years of anti-US policies, as usual Pakistan being shunted aside for being loyal to the US whenever US faces a crisis in the region. In the face of convenience why should we expect morality in inter-State relationships? A vast country with a population seven times more than Pakistan, India has far more economic potential for trade-driven US than Pakistan, force-multiplied by super-development in Information Technology (IT). As the only country in the region other than Japan considered capable of containing China's emerging super-power potential, promoting India economically was always on the cards by the US.

This new US-India compact puts India on a fast-track emergence as a Superpower, it creates new geopolitical dynamics in the region and beyond, it does pose a danger to China. Even though it may not be true, with staunch US ally Israel a "Jewish" State and India primarily a "Hindu" one despite its secular credentials, one should excuse Muslim apprehension (and imminent rhetoric) about the ganging up of a Christian-Jew-Hindu

axis against Islam. Arguing that Iran's civilian nuclear research could be converted to military use, can the US explain India's access to advanced technology will not be transferred from the civilian nuclear reactors to the ones making nuclear bombs?

Blessed with an extensive agriculture base giving us a tremendous cotton-based industry as well as food autarky (how many nations can feed and clothe itself?), we have vast raw material resources including untapped reserves of oil and gas. Other than our talented manpower potential our greatest plus point is our geo-politically important location in middle Asia, a virtual crossroads of economic opportunity. A long coastline can have three more deep-water seaports to add to that at Karachi and the one being developed at Gwadar. A clear-cut "national security strategy" should define our long-term political, economic and social objectives with the aim of securing our borders both from internal and external threats. Our Armed Forces must be organisationally structured for the techno-heavy 21st century into a lean, mean, fighting machine with adequate ground and air mobility. We need to put maximum investment into education, particularly in IT, science and related technologies. National Security Strategy cannot be based on perceptions but on the hard

facts of reality.

Multi-purpose dams will give an economic boost but fundamental politico-economic initiatives are necessary viz (1) establishing the rule of law by making the judiciary truly independent, this includes fiscal self-management; (2) implementing land reforms already on the statute books; (3) eliminating Afghan Transit Trade and designating FATA as a Special Economic Zone (SEZ) to serve Afghanistan and Central Asia; (4) investing heavily in education across the board, including technical skills and (5) carrying out sustained development all along the coastline between Karachi and Gwadar, setting up special industrial estates.

Like India, Pakistan must bank on Non-Resident Pakistanis for fuelling foreign direct investment (FDI). Our own place in the sun should not hold up India in comparison or vilify the US for choosing them over us. Even if our future is with China, Central Asia and the Middle East, in that priority, why should we turn away from the US, particularly when there is no reason to? A nation independent of automatic reciprocity will not be hostage to other's foreign policy imperatives. This includes disengaging totally from Afghanistan, a predator country (with a generally predator population) incapable of functioning without handouts, an international basket

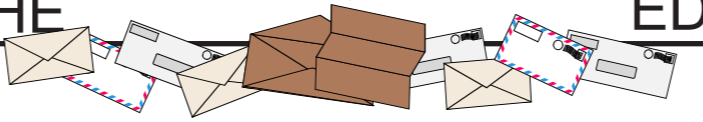
case with no future as a nation. Afghanistan needs us, we don't. Karzai is a spade; finally Musharraf lost his patience and called him one!

That the visit went courageously ahead in the background of the Karachi bomb blast is a great credit to George Bush. When the US President says that terrorists will not deter him, he means it. For those who say that not much was achieved, what would they have said if the visit had been cancelled? The Bush visit highlighted a very mature change in US-Pakistan relationship, viz (1) the US was not about to walk away from Pakistan once a crisis was over and (2) Pakistan's romantic notions about being a "cornerstone" of US foreign policy was reduced to the correct order of priority, a few rungs in the pecking ladder below India. The continuity of our relationship underscores that Pakistanis will not get less emotional about it in the future, the US will be consistent and pro-active in its policies in the region as well as being more sensitive to Pakistan's needs.

Pakistan has to de-link itself from the "Chanakhya" adage, "an enemy of an enemy is a friend." We have to get rid of our India-fixation; Musharraf has called our perceptions India-centric, it is actually an India-phobia disease. India's place in the sun is not at the cost of ours. We have to be pragmatic without unduly compromising our principles, maintaining a consistent nationalist policy that caters for regional and global compulsions. National aims and objectives should have only one priority, Pakistan first and Pakistan last.

Ikram Sehgal, a former Major of Pakistan Army, is a political analyst and columnist.

# TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

## Our youths

There is something wrong somewhere in the psyche of our youths that can well be noticed in the case of our young Tigers. Our youths have been failing us in their attempts every now and then. Tigers, unfortunately, are stumbling down at every step in either the limited over or the Test matches. They've won against all the world champions (except the West Indies) in one dayers! The vital point is, youths, being moderately trained, paid and taken care of, are utterly failing our high hopes that we've so fondly pinned on them!

One wonders as to the point behind this waning spirit of our youths these days that happened to be the driving force behind all the historical movements in the past. Let's hope that these roaring boys will once again be the same youth-force of the land to carry its glorious flag across the globe.

Rafiqul Islam Rime  
Agrabad, Chittagong

## Cartoon issue looms large

The western world has already launched a fresh and full-fledged war against Muslims in a naked way. In the name of so-called democracy, the US attacked and occupied Iraq and Afghanistan under the very nose of the UNO, brushing off humanity. France banned Hijab on the pretext of secularism. And at least a dozen of unhalloved cartoons of the Holy Prophet Hazrat Muhammad (pbuh) were published in a certain newspaper of Denmark. The dirty game is not over here. Some European countries like - France, Italy, Spain, Germany, Sweden Norway also followed the cartoons of the Danish daily. Besides, several Asian countries and New Zealand published the caricature of the second-rate cartoonist. Through this game the European and other countries have proved to be the birds of the same feather. So in response to this shabby style of journalism, orchestrated by the

western pseudo-journalists and the Jewish lobby, the Muslim world is turbulent with storm of wrath.

It is a racist and blasphemous act to draw these ugly cartoons of the holy prophet of Islam as it sharply wounds and bleeds the soft feelings and hard-core-beliefs of more than one billion Muslims and many non-Muslims alike across the globe. Such lunatic and monstrous discovery sows the seeds of hatred and malice among Muslims towards others. In this way the western media unmasked its hollowness and proved itself to be morally bankrupt and creatively sterile. It is no wonder that all European countries, excepting a few, live in each other's pocket. They all keep on harping on the same tune.

The controversial cartoons have triggered a storm of anger and are bound to raise Muslims hackles. The West itself is also plumbing the depths of a violent storm which is not to be easily tamed. The cartoons are a clear and strong manifestation of the ignorance and arrogance of the western

world. To speak the truth, the media in the West pokes its nose into the affairs of the Muslims and their religion. It has hardly been concerned with what happens to other peoples. A quintessentially racist institution, the western media does not care about the non-western part of humanity. It cares only about the less than one third of humanity that live in the West. The people in Africa, Asia and Latin America hardly matter.

Only the Muslims are being hounded by the western media. In spite of all deadly blows, Islam will prevail.

AI-Hassan Mahmud  
Savar, Dhaka

## North Bengal suffers

North Bengal is bounded by the mighty Ganges-Padma River in the south, the Brahmaputra-Jamuna in the east and India in the north and west. About 1/3rd of our total population live here. The area is more or less flood free except on the fringe of the Brahmaputra-Jamuna river. Land is

suitable for paddy, sugarcane, tobacco etc. It produces quality rice. Quality mango and litchi are also produced in this part of the country. It can feed more if irrigation facilities are provided to the farmers. In summer, prolonged draught is a very common phenomenon in the region. It has a serious effect on crop yield. But implementation of the Teesta Barrage project Phase-II, is delayed due to shortage of funds. Pabna project Phase-II and Kurigram Irrigation projects have been shelved. The Ganges Barrage project is yet to cross the feasibility test stage. Irrigation by pumps and tubewells are expensive and uncertain due to shortage of fuel and electricity. So the people live on the vagaries of nature.

The banks of these mighty rivers are vulnerable to erosion, especially the left bank of the Padma and right bank of the Brahmaputra Jamuna. About 800 square kilometer of valuable flood plains have already been lost due to erosion. Rajshahi town, Serajgonj town and Sariakandi etc.

are threatened by erosion. A large section of the inhabitants turns destitute. According to an estimate, about 65,000-70,000 people are affected annually along the Brahmaputra-Ganges banks. But no attempt has been made to protect or rehabilitate them. The people are left at the mercy of the rivers.

On the other hand, the two mighty rivers carry very large quantity of silt annually. Flood silt is deposited in the riverbed causing serious problem of navigation. The unprotected bank widens and aggravate the siltation problem. According to an estimate, in winter navigation route shrinks to 1/6th of the route available in 1971. In course of time the situation will worsen further if the present trend is allowed to continue. In critical periods fuel shortage is not uncommon here. This year there is serious fuel shortage in the northern part of the country. The fuels could not be carried to Baghabari depot due to siltation. This has seriously hampered irrigation of boro paddy.

Siltation is a serious problem.

Sporadic dredging is a temporary measure, especially in the Brahmaputra-Jamuna river which carries about 60 crore tons of silt annually. Without a well planned river training work for the entire length of the river the situation will worsen. In this connection recommendations of the World Bank and the Bangladesh China expert team may be referred to. Some rivers have already died and the Atrai-Hurasagar river, the main artery of the southern part is dying for want of maintenance. Main drains of the towns have been clogged creating hygiene problems for the inhabitants.

Diversion of flows of rivers upstream by India and over pumping by tube wells have led to arsenic contamination. It has caused serious shortage of drinking water. Prolonged use of contaminated water may cause fatal diseases. So far very little effort has been made to supply potable water to the affected people.

Production of fish has dwindled due to reduction of flows, over drainage for irrigation and use of pesti-

cides. The fishermen are finding it hard to survive.

In winter people of Rangpur, Nilphamari, and Kurigram suffer from "Monga" (acute shortage of employment about a month before the harvesting of Aman crop). So they are unable to sustain themselves.

Industries have not developed in this part of the country due to higher prices of fuel, shortage of electricity and higher cost of transportation. In the western part, railway is running with dilapidated bogies and very old engines.

The Barapukuria coal and Madhyapara hard rock projects are being carried out under the suppliers credit. As a result, cost of production is becoming high.

A review of development budget allocations will reveal that North Bengal has been deprived. Since independence, the actual expenditure has been less than allocation.

Serajul Islam  
Dhaka