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The Daily Star

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Inside Today
International



Islamic Salvation Front leader Mohammed Said was arrested while he was addressing a press conference in Algiers on Sunday
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Article

As world attention moves from East-West problems to North-South issues, the Commonwealth is examining the role it can play in the dramatic world-wide movement towards democracy and individual freedom. It is paying increased attention to problems of human rights within its membership
 Page 4

Business

The visiting 3-member Malaysian Palm Oil Promotion Council addresses a luncheon meeting
 Page 8

Metropolitan

Dhaka Day by Day



Jamdane, which carries the legacy of Muslim, is fading out, sold only to foreigners as curios
 Page 3

Parliament proceedings

Page 6

NEWS BRIEFS

Cabinet meet

The weekly meeting of the Council of Ministers was held Monday at Bangabhaban with Prime Minister Begum Khaleda Zia in the chair. Cabinet ministers and state ministers in charge of different ministries and divisions attended the meeting, said an official hand-out, reports UNB.

5 killed in Pak quake

ISLAMABAD, July 8: Five children died when a clay-built room collapsed during an earthquake in the southwestern Pakistani town of Quetta today. The mild tremor on Sunday night measured three on the Richter scale, reports Reuter.

Advani leader of opposition

NEW DELHI, July 8: The BJP leader, L K Advani, has been recognised leader of the opposition in the tenth Lok Sabha, a post he retains by virtue of being the leader of the largest opposition party, reports PTI.

Li meets Rafsanjani

NICOSIA, July 8: Chinese Prime Minister Li Peng met with Iranian President Hashemi Rafsanjani in Tehran amid reports Beijing was helping develop Iran's nuclear technology, reports AP.

Jamuna rises by 28cm more

SIRAJGANJ, July 8: The flood situation here took a serious turn today as the water level of Jamuna rose 28 cm. Water Development Board (WDB) sources said, reports UNB.

More competitive market economy stressed by WB

Star Economic Report
 Bangladesh, cannot be efficient without the competition that results from a high degree of integration with the international market. "Efficient markets attract foreign investment which boosts productivity".
 At the same time, trading links to the outside world allow these countries to pursue international comparative advantage that helps the domestic economy use its resources even more efficiently", he added. "Without this, other government's actions for development cannot be very effective", he noted.
 Briefing newsmen he said domestic market, especially in a small country like Bangladesh, cannot be efficient without the competition that results from a high degree of integration with the international market. "Efficient markets attract foreign investment which boosts productivity".
 The WB Mission Chief noted that the report, with its theme on the challenge of development, was based on experiences of all developing countries over the last thirty years. "It is the fruit of a year's work by staff members of the World Bank in Washington", he observed.
 Willoughby stated that the conclusion of the report was consistent with "the government's diagnosis of Bangladesh's needs". "From its party manifesto to the Finance Minister's Budget Speech the popularly elected government of Begum Khaleda Zia has repeatedly stressed its commitment to the competition that results from a high degree of integration with the international market. "Efficient markets attract foreign investment which boosts productivity".
 See Page 10 Col. 3



A Babubazar road in the city — not unique to the area but representative of the state of the streets in the capital these days. —Star photo

Bangladesh Bank denies liquidation initiative Uncertainty looms large over BCCI operations

By Shahiduzzaman Khan
 Uncertainty looms large over the resumption of operations by the Bank of Credit and Commerce International (BCCI) in Bangladesh.
 The central bank could not give any firm indication till yesterday about its future course of action on the Bank.
 In a press release, Bangladesh Bank refuted that it has started the liquidation process of BCCI in Bangladesh.
 It termed the reports in a section of the press on the liquidation as 'totally baseless and imaginary'.
 It reiterated that it would continue to take 'all necessary measures to protect the interest of the depositors and other creditors of the Bank'.
 But the anxiety of BCCI clients has continued to mount. Most of them do not know when they will be allowed to operate their accounts or withdraw funds from their deposits with the Bank.
 The operations of the Bank were suspended Saturday last following a request of the Bank. The request came from the UAE, where its 77 per cent shares are held by the royal family.
 BCCI operations worldwide were disrupted in the wake of closure of its business or liquidation in seven European countries including the UK and Luxembourg.
 The Bangladesh Bank decision to suspend the operations of BCCI in Bangladesh came in accordance with the provisions under Clause 45 of the recently enacted Banking Company Bill.
 The Clause does not, however, spell out the time frame for any temporary suspension of any transaction by any scheduled bank.
 The central bank has also powers under the same Act to start legal proceedings for seeking the verdict of the High Court Division in case it decides to do so.
 This provision is applicable to all scheduled banks, local or foreign, operating under permission or registration with the central bank.
 Meanwhile an observer and two chartered accountants appointed by the Bangladesh Bank will be examining the portfolio of the Bank. A six-member inspection team of the Bank started its enquiry yesterday.
 The BCCI, with its headquarters in the Cayman Islands, a British protectorate, is the largest foreign bank operating in Bangladesh. It started functioning in 1976 and its volume of business recorded a rise of 10 per cent in 1990.
 See Page 10 Col. 1

Constitution amendments Extra-parliamentary move to narrow BNP-AL differences

By Moinuddin Naser
 An extra-parliamentary initiative has been taken to narrow down the differences between the ruling BNP and the Opposition Awami League regarding the passage of the Constitution amendment bills.
 The initiative reported to have been mooted by Barrister Syed Ishtiaque Ahmed and Dr Kamal Hossain could make some breakthrough in bringing the two parties closer to a consensus.
 A BNP source told The Daily Star that Deputy Leader of the House Dr Badruddoza Chowdhury has arranged a meeting between the Prime Minister and the initiators of the move.
 The mediators have placed a three-point proposal to Prime Minister Khaleda Zia to narrow the gap so as to avoid any deadlock in the passage of the bills.
 The three points relate to (a) provision for induction of non-MPs in the cabinet; (b) election of the President and (c) provision, which would bar those, who cross the floor from participating in elections for the next five years.
 According to the compromise plan by Barrister Ishtiaque Ahmed and Dr Kamal Hossain the number of non-MP ministers should not exceed 10 per cent of the cabinet strength.
 The President should be elected by the Election Commission and not by the Speaker and the complete withdrawal of the provision relating to the disqualification of any expelled member of Parliament from contesting election for five years.
 BNP insiders told The Daily Star that Begum Zia did not disagree to their proposal but asked them to talk to the Awami League and other political parties to vote for the bills without any further reservations.
 Meanwhile the Five-party alliance and the Jamaat-e-Islami have also demanded the withdrawal of all these provisions.
 Many BNP MPs also expressed their qualified reservations on these three points.
 Besides, some of the BNP leaders who had been working on these amendment bills including Dr Badruddoza Chowdhury, Justice T H Khan, Barrister Salam Talukder, Barrister Nazmul Hossain, Chief Whip Delwar Hossain and others also expressed their reservations against some of those provisions.
 The mediators are likely to talk with the Leader of the Opposition Sheikh Hasina on the issue.
 A Parliament Secretariat source said that a select committee to scrutinise the bills will be formed soon. But a BNP source said that the Chief Whip of the BNP Delwar Hossain has been given authority to talk to the Opposition Whips to name the members of the select committee.
 The two bills, Constitution eleventh and twelfth amendment bills, may be passed at a time to avoid any confusion among the parties concerned.
 See Page 10 Col. 8

Jamaat calls for dialogue on amendment bills

Jamaat-e-Islami Monday called for discussions among all political parties in Parliament for smooth passage of the historical constitutional amendment bills, reports UNB.
 Some major points were neglected in the bills tabled by both BNP and Awami League, Jamaat observed at a meeting of its Working Committee presided over by party's Acting Ameer Abbas Ali Khan.
 BNP's bill will lower the status of the Election Commission while the proposed provision for floor crossing will be a clear violation of democratic norms and fundamental rights, it said.
 The meeting also attended by party's MPs resented that the bill did not incorporate any provision for holding national elections under the supervision of a caretaker government.
 Besides, the meeting also called for discussions among all political parties in Parliament for smooth passage of the historical constitutional amendment bills, reports UNB.
 See Page 10 Col. 3

BNP may move bill for dismissing UZ chairmen

Bangladesh Nationalist Party (BNP) is likely to introduce a bill in Parliament for dismissing the incumbent chairmen of the Upazila Parishads.
 A ruling party MP told UNB on condition of anonymity that the bill was expected to be placed before the House by July 15.
 Meanwhile, Bangladesh Upazila Parishad Chairman Samity in a statement Monday warned the government would have to bear the consequences of any such move.
 In a joint statement, Samity Convenor Feroz Kabir and Joint Convenors Hafez Mokhter Hossain and Ahsanullah Master said introduction of any bill to dismiss the upazila chairmen would amount to no confidence on people's verdict.
 The Samity will organise a procession and a meeting to protest the move and hold a press conference on July 10
 See Page 10 Col. 3

Raushan meets Ershad in jail

By Staff Correspondent
 Former first lady Begum Raushan Ershad was allowed a meeting with her husband, deposed president Ershad at the Central Jail Monday.
 The two met, after over three months, since Ershad was brought to the Central Jail from his detention at the Gulshan sub-jail.
 The meeting between Ershad and his wife lasted for an hour from 5.45 to 6.45 pm. Begum Raushan Ershad was brought the Gulshan sub-jail to the Dhaka Central Jail under tight security.
 Their only son master Shaad and their adopted daughter were left at the Gulshan sub-jail.
 Since the resumption of the second case on corruption charges after his conviction in Ershad's case.
 See Page 10 Col. 6

VAT pushing up prices, says AL

By Staff Correspondent
 Awami League has criticised the imposition of Value Added Tax (VAT) saying it will not generate more revenue but aggravate people's sufferings by pushing prices higher.
 A resolution adopted at the July 5-6 meeting of its Working Committee said prices of essentials had already shown upward trend but the budget did not suggest anything to increase people's income. This is affecting commonmen, it said.
 It will also increase corruption among the unscrupulous businessmen due to lack of efficient tax collecting machinery of the government, it said.
 Party President Sheikh Hasina presided over the meeting.
 The Working Committee also resolve that the people of the country, who struggled against the autocratic regime and expected a pro-people budget would be disappointed to see a budget which was nothing but a continuation of the policy of the past regime.
 The resolutions also stated that after 1975 the military and autocratic regimes in power followed almost similar economic policies, which increased the number of poor.
 The Awami League Working Committee further said that by reducing the interest on savings the proposed budget would adversely affect domestic resources mobilisation and investments.
 The resolutions also added that higher taxes on imports would push the domestic industrial sector to an unhealthy competition.
 It further said that the proposed budget has favoured the rich by reducing duties on items used by them. While increased taxation on milk powder, edible oil, industrial gas supply, power, paper and other educational instruments would push the poor people below poverty level, the resolution said.
 The Awami League pointed out that in 1974-75 the total debt servicing liabilities was 23 per cent of the total export earnings which shot up to 38.07 per cent in 1990-91. It said that 86 per cent of the current year's budget was aid dependent which would again increase the debt servicing liabilities further.
 The Awami League also pointed out that the Finance Minister in his proposed budget had neglected income generating employment programmes which would aggravate the unemployment situation.
 See Page 10 Col. 6

Three shot dead in Jhenidah

From Our Correspondent
 JHENIDAH, July 8: Three persons were gunned down by the army in Jhenidah on Sunday.
 See Page 10 Col. 6

Raushan's astrologer held in Ctg

From Our Correspondent
 CHITTAGONG, July 8: The controversial astrologer of former first lady Raushan Ershad was arrested and detained by police on Saturday night.
 Rakkhal Acharyya, in hiding since the fall of the Ershad regime, has been charged with cheating abuse of power and corruption in Chittagong during that period.
 He became intimate with Ershad's astrologer during her stay in the jail.
 See Page 10 Col. 7

Govt decides not to move VAT bill

By Staff Correspondent
 The Government on Monday decided not to move the Value Added Tax Bill, 1991 in the Jatiya Sangsad for consideration.
 Chief Whip of the Treasury Bench Khandakar Delwar Hossain informed the House that the Government had some new thoughts on the bill, and requested Deputy Speaker Sheikh Razzak Ali to adjourn the House for the day.
 The House was then adjourned till 4 p. m. today (Tuesday).
 Value Added Tax (VAT) is a new kind of tax proposed by Finance Minister Saifur Rahman to replace sales tax at import stage and excise duty on domestic manufactures and some service sectors for ensuring transparency in taxation.
 See Page 10 Col. 8

Five subcommittees formed in JS

By Staff Correspondent
 Parliament on Monday formed five parliamentary committees for ensuring smooth transaction of business of the House. Constitution of two more committees was deferred by the treasury bench to accommodate opposition views.
 The committees formed on the day were: the committee on public undertakings, the standing committee on public accounts, the standing committee on the ministry of law and justice, the standing committee on rules of procedure, and the standing committee on estimates.
 Constitution of the committee on government assurances was deferred. The opposition said that the deputy leader of the opposition should not be made a member of the committee to be headed by another ordinary MP.
 See Page 10 Col. 8

Mustafiz leaves for Moscow

Foreign Minister ASM Mustafizur Rahman left here yesterday afternoon for Moscow on a four-day official visit to the Soviet Union, reports UNB.
 Mustafiz is leading a four-member delegation.
 The visit is taking place at the invitation of Soviet Foreign Minister Alexander A Bessmertnykh.
 It included, among others, Additional Foreign Secretary Riaz Rahman and Director General (Eastern Europe) at the Ministry of Foreign Affairs Muhammad Zamir.
 Mustafiz during his stay in the Soviet capital, is likely to call on President Gorbachev.
 The Foreign Minister will discuss with his Soviet counterpart matters of bilateral interests and regional and international issues.
 See Page 10 Col. 7

CU Senate meet held after Shibir withdrawal

From Our Staff Correspondent
 CHITTAGONG, July 8: The Chittagong University authorities held the ninth Senate meeting Sunday night after the agitating Islami Chhatra Shibir activists withdrew from the campus.
 Authorities claimed 37 out of 101 Senate members attended the meeting chaired by Vice-Chancellor Alamgir Mohammad Sirajuddin at his residence.
 See Page 10 Col. 7

Slovenia to control border posts in key compromise

BRIONI, July 8: Yugoslav leaders said today they had pulled the turbulent Balkan federation back from the brink of civil war by accepting a European Community peace agreement after 16 hours of talks, reports Reuter.
 "Peace starts from today," Yugoslav President Stipe Mestic told reporters after federal leaders and the country's rival republics worked out the plan in the talks on Sunday with three EC foreign ministers on the Adriatic island of Brioni.
 They agreed on measures to settle quickly a lingering conflict between the rebel republic of Slovenia and the Yugoslav army and then start a "round table" conference on August 1 to negotiate on all aspects of Yugoslavia's future.
 Slovenian police will control the republic's international border crossings but Slovenia agreed to accept federal regulations on the frontiers under a key compromise to be monitored by an EC Mission of between 30 and 50 military officials and civilians.
 Slovenian President Milan Kucan said this did not mean his northwestern republic had given up its June 25 declaration of independence, which prompted a military operation by the federal army in which about 60 people were killed.
 "The most important thing is that we will hold talks in peace. The laws and acts of the independence of the republic are not threatened," Kucan said.
 Dutch Foreign Minister Hans Van Den Broek said after returning from Brioni to Amsterdam: "We feel that we turned back a volcano that everyone was hoping would not explode."
 "But it remains to be seen if we have succeeded."
 Van Den Broek added that the agreement had still to be ratified by Slovenia's parliament and federal bodies.
 Yugoslavia's Tanjug news agency said sporadic explosions were heard overnight in eastern Croatia but there were no reports of new fighting between Serbs and Croats, Yugoslavia's biggest nationalities and blood enemies.
 Yugoslavia's new peace plan gives the country's rival republics a brief breathing space to try to solve their disputes, but is considered unlikely to halt the slide into civil war for long.
 Western diplomats and Yugoslav observers welcomed the accord worked out by federal and republican leaders with envoys from the European Community (EC) on Sunday and said it could clear a way to a deal for the Republic of Slovenia to secede.
 But they said a longstanding feud between Serbs and Croats, the country's biggest nationalities, would not be kept in check and could explode into widespread violence in days or weeks.
 "I see nothing in this agreement that offers anything more than a breathing space. I see no lasting solutions that could stop the violence for long," a Western diplomat said.
 Yugoslavia, a multi-ethnic federation of six republics and two provinces created in 1918, plunged into crisis when the federal army stormed through Slovenia after it and neighbouring Croatia declared independence on June 25.
 The tiny Alpine republic and the army have agreed a shaky ceasefire but the fear of violence has switched to Croatia, where some of the 600,000-strong Serbian minority have taken up arms to oppose the republic's moves towards secession.
 Leaders of Serbia and Croatia say civil war could erupt at any moment after serious fighting in several communities in recent days.
 Yugoslav federal and republican leaders met on the Adriatic island of Brioni on Sunday in a last-ditch attempt to avert civil war and said their agreement paved a way to peace.
 The republics said they would hold more talks on the country's future, allow the federal presidency to act in its full capacity as head of the army and set out terms of a truce in Slovenia.
 See also Page 5

Balanced system in govt promotions stressed

By Staff Correspondent
 Bangladesh Civil Service Coordination Committee (BCSCC) on Monday urged the government to follow a balanced system in promoting cadre members.
 It said that an imbalanced flow has been created due to the following of an irregular system in the promotion of members of the BCS (Administration) in different government positions.
 The BCSCC held its Central Executive Council meeting at the Engineers Institution with Committee Chairman Md Abu Hena in the chair.
 Representatives from 23 government departments were present.
 See Page 10 Col. 6