

Future of Rubber Production

The April cyclone devastated our economy in many ways. Some of the consequences were known immediately, others took a little time in becoming obvious. The damage to our rubber sector is a case in point. About 8 lakh rubber trees were damaged during the cyclone as a result of which our production is expected to fall by 33 per cent. The Forest Industries Development Corporation (FIDC) planted about 26 lakh trees throughout its several projects in the country. The damages caused to its plantations were mainly confined to those in the coastal areas. Currently there are about 150 industrial units that require rubber as a raw material, making for a total demand of 6,000 tons annually. Generally about 60 per cent of this total demand is met through export, while the rest 40 per cent is met from domestic production. It is now feared that 800 tons of extra rubber will have to be imported to meet the shortfall created by the cyclonic devastation.

Rubber plantation has been one of the growth sectors in Bangladesh. With a view to diversifying the cash crop production here the authorities started growing rubber on an experimental basis. Following its initial success, the plantations were spread into various parts of the country — Modhupur, the northern districts and the coastal areas. The rubber plantations in the coastal areas were the first ones to start. As a rubber tree needs about eight years to mature and become productive, the plantation needs long term planning and serious looking after for the trees to remain healthy.

Rubber is one of the cash crops in the world whose demand — with the exception of occasional fluctuations — has grown steadily and whose diverse use has only added to the prospect of further increase in its demand. Keeping in mind the fact that the use of rubber in a country like Bangladesh can only increase and that making it an export item may some day become a possibility for us, it is perhaps time to pay some serious attention to this sector which has significant potential for growth.

But we will first have to decide how much of our limited and scarce land can we spare for the spread of rubber plantation. For us land is extremely valuable and much of it has to be reserved for the cultivation of rice and other food crops. Given the fact that rubber plantation is a long term effort, the land question must be seriously examined. Having done so, and found that rubber would give more return in value added terms, we may give it a more serious attention than it had received in the recent years. To start with, we must look into what various uses we can put our rubber based industries to, and promote those relating to our requirement.

In a flood prone and rain drenched country like ours, the widespread use of rubber based products such as shoes and boots, raincoats etc. is only natural. There are many products of everyday use that can be rubber based—things of everyday need to our rural population. Therefore, the challenge before us is to identify these needs, create products to meet them, for which we must establish the relevant industrial units that can produce them. An area for our emerging entrepreneurs to look into.

Cruelty to Children Must Stop

From when selling flowers is a punishable offence? And how? Who authorised police to pick up 18 children from in front of the Sheraton Hotel on September 4 in a nightmarish swoop possible only in Stalin's Russia or Hitler's Germany or Shamir's West Bank? They cannot have acted on their own — if they had done so, they must be disciplined without fail. If they have done so under order, men capable of giving such unlawful and irresponsible must be investigated forthwith and, the responsibility established, removed from position of giving orders.

The police are not a particularly admired agency. The society does not love a policeman to distraction. This has resulted from a long history of personnel belonging to this cadre abusing their office and charge and going beyond their province more as a matter of rule than exception. What was the nature of their action on September 4? Whoever caused it to happen — was it unknown to them that they had no power to mount such an operation of inhumanity and rapping of basic rights?

Women and children are the first victims of this nation's criminals — and there's no saving them if they are also poor in the bargain. One so easily forgets that, unfortunately, they are also the worst targets of police. And in so doing one also forgets that police is that arm through which the state ensures that the strong will be restrained from the abuse of their strength and the weak will be protected from the slightest molestation of their rights — wherein lies the justification of police enjoys, albeit in a very controlled fashion, a part of the state's power of coercion. If police fail to bolster this justification and, on the contrary, go about undermining it in cavalier fashion — the bases of the state will perforce be compromised. The September 4 incident should be a timely pointer to concerns of graver consequences than one would ordinarily suspect.

Very plainly it was a case of cruelty and irresponsibility towards children which doubly faults the state. In the first those children shouldn't have been there at all — they should have gone to school and from there to home and food and care and play and study. It is unfortunate that this state is failing to make that a reality. And now a state agency comes and kidnaps them without leaving a trace? This must stop.

We, indeed the whole society, shall be eagerly waiting to see how police would atone for this.

ECONOMISTS are particularly vocal in denouncing the spread of agricultural mechanisation in view of the rural underemployment. Working as a farm labour is the mainstay of the landless households who constitute bulk of the rural population in Bangladesh today. This is, however, too simplistic view of the problem. Mechanization and the appropriate rural context of the country must be clearly understood since mechanisation can cause further absorption instead of displacement of rural labour. It may be essential for increasing the average yield as well as intensification of agricultural production including intensive by-product utilization. It should bring in positive benefits to owner-operated leasehold farming envisaged under the agrarian reform measures. Lastly, access to modernizing influences unleashed by the mechanisation programme would usher in the machine era vital for rural industrialization and reorientation of the entire population toward technology and acquisition of modern skills.

It is technically possible to extend triple cropping to nearly the entire cultivated area of Bangladesh. In reality, cropping intensity for the last two decades has been stagnating at around 150 per cent only. To achieve near around 300 per cent cropping intensity, crop-lands, to quote a Chinese proverb, should be yellow in the morning and green in the evening. This

Agricultural Mechanisation: No Displacement of Rural Labour

means that the ripe yellow crops are harvested, field prepared, irrigated and seedlings of the following crop planted all in a single day's operation. Turn around time from months is thereby reduced to one single day. Such timeliness of operation can only be achieved with mechanisation plus increased use of labour on a year-around basis.

In addition, the shortage of draft animals in Bangladesh precludes the possibility of land preparation three times in a year. It takes 70 to 120 man and animal hours to prepare one acre of land including ploughing and comb harrowing for rice; while the same job can be performed within nine hours by a 8.5-horse power tiller using a rotary plough.

Achievement of the average yield of five tons of paddy per crop per hectare will not be feasible without mechanisation. This is because uniform quality of excellent land preparation, high density of plant population sown in line, proper fertilizer application and pesticide spraying, thorough weeding and minimum harvest loss are essential for high yield. But these cannot be achieved unless power tillers, transplanters, seeders, weeders, sprayers, reapers,

thrashers etc. or services thereof are available to the small farmers.

Mechanisation of Irrigation

Mechanisation of irrigation has already come about since the severe limitations of the traditional methods of manual irrigation are well recognized. The recent innovation of Manually Operated Shallow

aspects of crop agriculture where progressively greater mechanisation is called for.

After crop harvest, the proposed agro-processing complexes are the downstream end of the process of agricultural mechanization that ensure efficient transformation of the farmers' produce into consumable products or inputs for further transformation. It is an intensive product processing and by-product utilization

Further, such labour absorption potential of fishery and agro-forestry subsectors should be added to the total employment creation in agriculture. If the urban growth through rapid spread of labour intensive manufacturing primarily for export is taken into account then the process of absolute decline in rural population would initiate the increase in farm size and a second round of agricultural mechanisation at a greater scale.

Parallel Development

The pursuit of mechanisation and irrigated agriculture constitutes the major physical strategy of development. The agrarian reform and economic growth is the cooperating institutional strategy, one fully dependent on the other and must therefore proceed through a parallel course of simultaneous development. The high value crop agriculture with emphasis on fruits, vegetables, flowers, fodder and feed crops not only calls for mechanisation of cultivation and harvest but a great deal of post-harvest operation and agro-processing which greatly add to the value of the final ready to eat product. All told, employment is bound to

increase while investment in agro-processing should be possible from the compensatory investment entitlement received as land compensation. Changes in agriculture however raises the question of what happens to the overwhelming concentration on rice cultivation. In the past, growth in rice production has due to increase in the cultivation of boro rice — during the Rabi season, ideal for the growth of a wide variety of crops important for the export market as well as agro-processing. Further, year-round horticulture and livestock farming as will be suggested later, would also, it may be argued cut into the prospects for increasing both rice and wheat cultivation.

The actual situation would be otherwise. With mechanisation and irrigation, enough rice can be produced during the Kharif season in spite of the projected increase in population. A major part of the cropped area can be left aside for non-rice crops.

Mechanised agriculture will reorient the rural culture towards an industrial culture which is a necessary condition to achieve the NIC status.

The millions of consolidated leaseholding farmers are the key institutional arrangement to bring about the modernization of agriculture in the long-run. But the other cooperating factors involved are enough irrigation, adequate drainage and appropriate mechanisation.

THE key objective of this article is to suggest that BCCI in Bangladesh should be taken over by our government and then its doors opened taking advantage of the provisions of Articles 58 and 59 of our Banking Act. To my mind, these articles admirably suit for taking over banking institutions in Bangladesh in the kind of situation faced by BCCI here. Before I give my reasons for it, I will briefly touch upon the history of closure of BCCI in our country.

Since last July 6, business of Bank of Credit and Commerce International (Overseas) Ltd. has remained suspended in Bangladesh by virtue of order of Bangladesh Bank. The consequences of closure of BCCI have been hard for its depositors and those who have been doing business with it in numerous ways. These consequences have been widely discussed in newspapers and a writer, Iftikhar Karim, mentioned one important adverse consequence calling it 'cross over effects' of closure of BCCI. It refers to the indirect effects which will have to be faced by us. They have backed up numerous bid bonds and guarantees for those who are involved in diverse projects in Bangladesh. Closure of BCCI means these bonds and guarantees will now be inoperative. According to Karim, indirect effects of closure of BCCI in Bangladesh will be substantial on the economy of Bangladesh. One could measure it if one had information about the size of the contingent liabilities (i.e. the promises made by the bank for its customers). If BCCI holds substantial deposits of such customers, then the consequences will be severe indeed.

BCCI in Bangladesh

Reopening is Imperative

by Syed Ali Kabir

Many common depositors, which include large number of wage earners, have been affected by the closure of the bank. BCCI has its faults and quite serious ones at that. Reportedly many of its transactions are not wholesome. But so is the case of many other banking institutions in Bangladesh. But generally it is recognized that BCCI has rendered good service to the wage earners. Many of them on return home retained their loyalty to BCCI by continuing relationship. They have been hit

the bank, so that there is no run in its deposits, which constitute the life blood of a banking institution. The new Banking Act of Bangladesh gives the government an excellent opportunity to deal with BCCI in Bangladesh, using its provisions under Articles 58 and 59. Art. 58 indicates the situation under which a bank can be taken over by the government. A foreign bank is not precluded from it. Art. 59 indicates the arrangement

provision of credit generally or of credit to any particular section of the company or in any particular area;

It is necessary to acquire the undertaking of such banking company, the government may, after such consultation with the Bangladesh Bank as it thinks fit, by notification in the official gazette, acquire the undertaking of such company ... unquote.

In case the authorities in Bangladesh want to avoid the responsibility of taking over BCCI themselves, they have one option before them: request the Abu Dhabi authorities to reopen the operations of BCCI in Bangladesh under some new arrangements.

hard by the closure. The bank also gave good services to those who are engaged in external trading. They have also been hard hit. A good part of our garment industry banked with BCCI and they are in trouble now.

In the interest of the depositors, business and others for whom BCCI has accepted commitments, the doors of the bank should be reopened as early as possible. However, as confidence of the people in the bank has been shaken, it should be opened through special arrangements, which may be fully backed by the Bangladesh Government. The idea is to restore the confidence of the people in

which can be made for a bank taken over by the government.

Quote: 58. Acquiring undertaking of banking companies:

(1) If, upon receipt of a report from the Bangladesh Bank, the Government is satisfied that a banking company,

* * * b) is being managed in a manner detrimental to the interest of its depositors; and that in the interest of depositors of such banking company; or of the interest of banking policy; or for the better

provision of credit generally or of credit to any particular section of the company or in any particular area;

If the government is unwilling to run the taken over bank, it can under Art 58 (4) of the Act vest it with some other institution of its choice. Agra Bank has been asked to undertake some of the responsibilities relating to the customers of BCCI. It can currently be vested with the entire responsibility of BCCI under clearly well defined arrangements. Later on permanent arrangements can be made for the bank. A new banking company, with substantial share of the government in it, may be formed. Participation of the government is necessary to in-

quire the confidence of the depositors in the bank: Any way the permanent arrangement about the bank can come later on; right now it should be taken over.

As far as BCCI's operation in Bangladesh is concerned, all that is necessary is to separate it from the mother institution and keep it alive. A foreign bank working here is subject to our laws and regulations. It virtually works like any other domestic bank, except that it can repatriate profits. In foreign exchange operations it

has no more freedom than any other bank.

However, an uncomfortable fact may have to be faced when the bank is reopened. The banks in Bangladesh have freedom to take deposits from foreigners in foreign exchange. These deposits may pose problem. Reportedly while reopening the bank in Sri Lanka, it has been decided by the authorities that claim of such depositors will be met when foreign assets against them are realized. We may take some such action.

In case the authorities in Bangladesh want to avoid the responsibility of taking over BCCI themselves, they have one option before them: re-

quest the Abu Dhabi authorities to reopen the operations of BCCI in Bangladesh under some new arrangements. Reportedly BCC Emirates will take over the business of the bank in Pakistan. It seems that Bangladesh authorities have opened a dialogue with the Abu Dhabi authorities requesting them to reopen BCCI in Bangladesh under similar arrangements. Let us hope it will bear fruitful results.

The kind of banking crisis developed through suspension of operation in Bangladesh is new to our people. It has given them a rude shock. Situation should be normalized as quickly as possible. We cannot afford to postpone our decision. Suspension of the mother institution of BCCI will have its effect on us, even if its child in Bangladesh is rescued. Many of our banks had correspondent relationship with BCCI in London. They also have deposits. It will take time to recover them. But that is a different issue.

We should detach the local BCCI from what is going around the world over its mother institution. It is the responsibility of the local authorities to carry out this task. They have legal powers to do so and they should now act without delay. Pakistan never closed the operation of the bank in the country. Sri Lanka closed the operation, but subsequently reopened it.

The authorities have recently announced marginal relief for the depositors of the bank. BCCI has enough cash balance with the Bangladesh Bank to meet the liabilities arising out of it. It is high time for us to take constructive steps on the subject.

India Resists Shift in Global Nuclear Politics

by Daya Kishan Thussu

THE announcement by Prime Minister Le Ping that China will sign the Nuclear Non-Proliferation Treaty (NPT), marked a significant shift in the global power structure, coming as it does close on the heels of a French decision to do the same.

Hailed by Japanese Prime Minister Toshiki Kaifu as an "epochal step" towards world peace, the Chinese announcement signalled a bowing to US pressure after years of resistance and was timed to gain Western and Japanese investment to strengthen China's sprawling economy.

China, with other developing countries, notably India, perceived the NPT as discriminating against them and as interfering with their sovereign rights.

France, for its part, refused throughout the Cold War to place its nuclear forces under US command and insisted on pursuing an "independent"

Two of the world's major powers, China and France, have recently agreed to sign the Nuclear Non-Proliferation Treaty after years of resistance to it. Their action increases pressure on India to follow suit, but the government in New Delhi is refusing to bow to US pressure, claiming that the Treaty is unjust and discriminatory.

nuclear policy. Now, with China's admission to the NPT, all five permanent members of the United Nations Security Council (US, USSR, Britain, France and China) are NPT signatories.

Signed in 1968, the Treaty aims to limit the spread of nuclear weapons from nuclear to non-nuclear countries. It also requires inspection of nuclear facilities by the International Atomic Energy Agency (IAEA).

Critics of the NPT say that it has not halted the nuclear arms race. They charge that the powerful nations led by the US, with their great nuclear arsenals, apply double stan-

dards when dealing with nuclear issues in the developing world.

They argue that the US has no moral right to preach to the developing countries about "responsible" nuclear behaviour since it is the only country to have actually used the bomb — against Japan 46 years ago.

China's decision puts countries like India and Israel in a tight corner as both are outside the NPT, and are believed to possess nuclear weapons. Given Israel's strategic importance, the US administration is not particularly perturbed by that country's nuclear capability, estimated to

exceed 100 nuclear warheads. But with India the situation is different. Among the developing countries India has the oldest nuclear research programme which began with the creation of Indian Atomic Energy Commission in 1948.

India exploded a "peaceful" nuclear device in 1974 and unleashed a nuclear arms race in South Asia with Pakistan.

The US is alarmed by this. It has unsuccessfully tried to use its position as the main supplier of nuclear fuel to India to persuade the government in New Delhi to accept full-scale safeguards on India's nuclear facilities.

programme has led to US termination of \$600 million in military and economic aid to Pakistan. Many US strategic experts see Pakistan's development of a nuclear capacity as an "Islamic Bomb" that could be used against American interests.

However, Pakistan advocates a nuclear weapons-free zone in South Asia and is ready to sign the NPT if India does the same.

Justifying its persistent refusal to sign, India argues that the NPT deprives developing countries of nuclear technology even for economic development and insists that its nuclear programme is to meet

the country's vast energy needs.

Critics argue that such a poor country should not squander its hard-earned revenue on developing nuclear installations but should seek alternative sources of renewable energy.

The pressure on India to sign the NPT is increasing. Last month, the Indian government denied in parliament that the US is pressuring India through the International Monetary Fund (IMF), from which it has recently borrowed \$2 billion and intends to borrow more to improve its balance of payments.

With the other Asian giant, China, signing the NPT, the question now is how long will India hold out and resist US attempt to shape the new world order.

Daya Kishan Thussu, an Indian researcher and journalist is currently Development Editor at Gemini News Service.

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

CU crisis

Sir, It is really unfortunate to see that the CU crisis continues unabated for eight months much at the cost of the students and their guardians. Since the Acting President is in charge of the universities as the Chancellor, may we request him to come

up with his characteristic firmness and put an end to the crisis. It is clear that he called for a fifteen-day 'ceasefire' on CU campus to give an opportunity to the Vice-Chancellor to resign but the deadline expired on 31st July without any result. How can now one say that the observation made about

him in the Judicial Inquiry Commission report is not correct? It seems neither is he nor are the agitators ready to make any concession for the well being of the university and general students. The University Acts of 1973 entail no provision for the removal of a Vice-Chancellor, possibly, because the framers of this law did not visualise that a man of Vice-Chancellor's status would ever have to be removed as, presumably, in any undignified or untoward situation or on the slightest hint or request from the government he would himself be ready with the resignation letter. And that has been the case with the self-respecting Vice-Chancellor, who

have resigned in the past.

The terrorists have to be dealt with in their own language no matter how severe the action may be but how to deal with a stubborn educationist? I think the terrorists should be expelled and imprisoned and the VC should also be removed and that will be a good lesson for all. We believe the Chancellor has the means to do it.

A teacher of Chittagong University.

Dental surgeons and AIDS

Sir, It is learnt that a dental surgeon in a certain country alone contributed in contain-

ing AIDS disease among 200 people who visited him as patients. So, dental clinic is one of the potential sources for spreading AIDS! Hence, dental surgeons have to take extraordinary measures so that AIDS virus is not transferred from one patient to another through their instruments.

M. Zahidul Haque Assistant Professor, Bangladesh Agricultural Institute, Dhaka-1207.

J vs Z

Sir, The contribution by Mr Bashir Al Helal (Sept 3) was interesting and entertaining. In Malaysia, the Malaysians have

adopted foreign words into their national language Bahasa Malaysia (not *bhasa/bhasa*) with the local pronunciation, and standardized spelling (in Roman alphabet). For example: *Pos* (for post) the letter; my son has gone to *sekola* (school); *Oren* is orange.

If we are having some problems, we might send someone to Malaysia to study their system. The Malaysians are extremely nice people, and their country is worth a visit.

Traveller Dhaka 1207.