### Budget: Reactions of more organisations

By Staff Correspondent

Various political parties, economic forums and trade groups Saturday continued to express their reactions on the proposed national budget for

Some of them hailed the budget for its proposed measures to reduce dependence on foreign aid while others criticised it for not suggesting spccific measures for poverty alleviation and promotion of investment

The Ganotantri Party, at a meeting of its central committee Friday, criticised the budget saying that it was dictated by the World Bank, the IMF and the donor countries to serve their own interests.

The meeting said the budget lacked specific measures for developing the standard of living of the people and the economy of the country.

The proposed measures for realising overdue bank loans from the defaulters were also absent in the budget, it observed.

The Bangladesh Economic Development Forum, in a statement on the new budget, appreciated the measures on reducing dependence on foreign aid while disagreeing with a number of other provisions.

The forum said adequate measures were absent in the budget for promoting the export-oriented industries. The government should have adopted a more liberal policy for encouraging investment in the export-oriented sector, it felt.

The forum also slated the provision of increasing the price of revenue stamp, saying this would affect the lower and middle classes.

The Bangladesh Garments Manufacturers and Exporters' Association (BGMEA), in a

Deposed President Hussain

Muhammad Ershad was pro-

duced before the divisional

Special Judge's court to ascer-

tain the charge against him in

yet another corruption case, re-

Divisional Special Judge

Mohammad Ali Khan after

hearing both the prosecution

and the defence fixed June 17

for framing the charge against

the former general who is the

Abdul Tawheed in proposing the

charge said that the former

President while in power abused

his position as public servant to

get an illegal refund of Taka

2,76,324 — one third of income

tax paid by him by a mere dec-

laration without any supportive

document. A total of Taka

7.43.416 as income tax was

paid by the former general for

six financial years 1983-84 to

that Ershad on 5.9 .1989, filed

six review petitions to the tax

officials of Dhaka West Zone to

get a refund of tax money as

permitted under law, but did

not submit any document to

support his claim. Ershad with-

drew the said amount through

six vouchers, the proposed

charge said that Ershad used

his position to derive pecuniary

benefit causing damage to the

state and thereby committing

offence under Section 5 (1) D of

Act II of the Prevention of

former President. On June 7,

Authorities take

possession of

Janata Tower

took possession of the Janata

Tower, the multistoried building

situated in the capital's Kawran

Bazar Commercial Area, which

was earlier ordered by court for

confiscation by the state, re-

ruddin Sikder while announ-

cing the verdict of the special

case No 11 of 1992 (better

known as Janata Tower Case)

on June 6, directed that all

plots allotted on order of former

president Ershad to be

situated on 49, Kawran Bazar

Commercial Area plots 49A,

49B, 49C, were also taken into

possession by the authorities, it

Ershad, his wife and 17 others

were sentenced to seven years'

simple imprisonment each in

this corruption case.

Former president II M

Besides, the tower which is

Sessions Judge Md Ansa-

ports BSS.

confiscated.

was learnt.

The authorities yesterday

This is the eighth case that

Corruption Act of 1947.

The prosecution in the

The proposed charge said

Special Public Prosecutor

lone accused in this case.

ports BSS.

1988-89.

charge said.

Ershad faces fresh

corruption case

statement yesterday, lauded the new budget for not introducing additional or new taxes.

The statement, issued by its President Mosharraf Hossain, said without introducing new taxes, the government had been able to mobilise more than 30 per cent of the resources from the domestic source to finance the development budget.

The BGMEA chief, however, said the budget speech on duty drawback was unclear about the procedure for refund of duty. The refund procedure should be automatic.

He also said the proposed budget did not quite explain the nature of incentives to exporters, rationalisation of interest rate on export credit and cash incentive for use of local fabric in garments.

The Bangladesh Textile Mills Association Saturday hailed the budget because it reduced the import duty on raw cotton to 3.75 per cent.

It also appreciated the budget for giving importance to poverty alleviation and building up an effective private sector through tapping internal resources and human develop-

The BADC Employees Union expressed concern at the absolute withdrawal of subsidy from the agricultural sector and said that it would increase the cost of production in the sector.

The Federation of Bangladesh Shop Owners' Association said the new budget lacked specific measures to boost investments in the country.

It hailed the withdrawal of Value Added Tax (VAT) from milk products and demanded withdrawal of the same from general restaurants, decorators and other service-oriented sec-

Ershad who was earlier sen-

tenced to 13 years in two cases

was jailed to seven years in the

of the charge Ershad's lawyer

Yusuf Hossain Humayun said

there is no evidence to support

the prosecution claim of misuse

of power by his client. As for

the delay in filing the review pe-

tition, Ershad's defence counsel

said it is up to the tax official to

entertain a prayer for refund

beyond the normal limit of 90

how three others who were

named in FIR to have colluded

with his client have been ex-

cluded from the charge-sheet.

He also rejected the prosecu-

tion's claim that Ershad did not

submit documents in support of

17 activists held

Police prevents

JP rally in city

By Staff Correspondent

went on a rampage Saturday,

damaging scores of vehicles and

clashing with police at the

downtown Motijheel area, wit-

Several groups of party

nesses and police said.

The Jatiya Party workers

his claim for the refund.

Humayun wanted to know

Objecting to the proposition

famous Janata Tower Case.

Prime Minister Begum Khaleda Zia presiding over the BNPPP meeting at the Jatiya Sangsad Bhaban yesterday. - PID photo

### Punjab Assembly dissolved

again

ISLAMABAD, June 12: The Punjab Assembly has been "dissolved" for the second time despite a superior court decision to restore it, Prime Minister Nawaz Sharif charged here today, reports AFP

Punjab Assembly Speaker Saced Ahmad Manais has refused to convene a session of the assembly despite a ruling Wednesday by the provincial High Court to restore it after a dissolution order was passed May 29, sources in provincial capital Lahore said.

"The Assembly has been technically dissolved for the second time," Sharif told foreign journalists at his official resi-

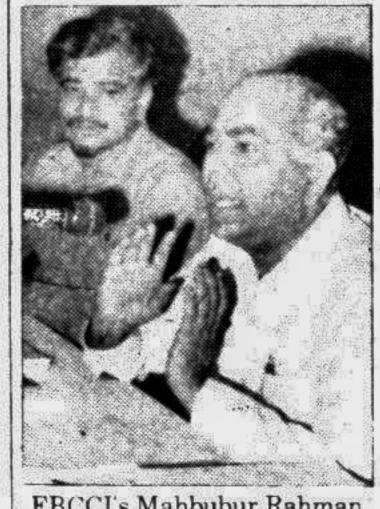
#### FBCCI hails

From Page 1 Col 5 make the Bangladesh currency convertible terming it as " a brave and a promising step. Rahman urged the minister to take necessary steps regarding its implementation.

The FBCCI chief said that subsidy on the agriculture sector should not be withdrawn totally because the sector provided 40 per cent of the revcnue. "Subsidy is being provided even in the most rich countries," he added. He also called for some financial incentives for the farmers.

Rahman said, "The proposal to further reduce bank rate would encourage investment and export.

He pointed out that the government should have in-



FBCCI's Mahbubur Rahman

"Imposition of 15 per cent

Expressing solidarity with

import tax on wheat would lead

to a price hike," he said. " So

this demands a reconsidera-

the Finance Minister's state-

ment, the FBCCI commented

"The bureaucracy can not give

up its old habit of exercising

power and control in so short a

time. But the time has come to

do, so otherwise the bureau-

cracy would become unimpor-

tant and segregated from the

that the tax rebate, reducing

different complexities in the

current laws and streamlining

the tax administration would

encourage the tax payers to

hancement of tax free income

limit from Tk 40,000 to Tk

50,000, fixation of the upper

slab of income tax from 15 per

cent to 25 per cent and de-

crease of corporate tax from 55.

per cent to 50 per cent. But he

suggested that corporate tax

should have been decreased to

40 per cent to create a positive

ticularly welcoming the with-

drawal of VAT charges from

poultry feed and reduction of

taxes on locally packed powder

milk, said, "This would save the

country Tk 300 to 400 crore.

annually which is presently be-

ing spent on imports of powder

would lay a permanent founda-

tion for a long-term sustained

economic growth in the country.

Rahman said the budget

The FBCCl president, par-

impact in the share market.

He also welcomed the en-

Mahbubur Rahman observed

workers who were marching towards the Shapla Square to atcreased facilities like bonded tend a scheduled rally, turned warehouse or tax exemption on violent when police obstructed them from attending the meetexports if it really wanted to reing, witnesses said. alise the export strategy by the

year 2000.

public."

Police arrested at least 17 JP workers and leaders including three women. At lest 10 people were injured in the clashes. came up for hearing against the

The meeting was organised to demand immediate release of party chief former president Ershad and stop alleged repression on JP leaders and workers across the country.

Witnesses said that the meeting venue was heavily guarded by police since morning. Police was also posted around the approaches to the

Clashes flared up at around 3-30 pm when JP workers, in groups, tried to march towards the meeting venue from the Dainik Bangla, Tikatully and Arambagh areas.

Police resorted to batoncharge to disperse the sloganchanting supporters of the Jatiya Party. Later, the repulsed party activists regrouped and attacked public and private transports.

A number of vehicles were damaged in the attack which halted traffic movement in the area for several hours.

The arrested leaders included former MP Munshi Abdul Latif who heads the Jatiya Shechhasebak Party, Meher Nigar Mita, Begum Tahmina and Reetu Noor of Jatiya Mahila

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### Fresh areas inundated in greater Sylhet

From Our Correspondent

hours

SYLHET, June 12: Flood situation in greater Sylhet worsened further as most of the rivers continued to rise and fresh areas went under water. Road communications be-

tween Dhaka and Sylhet remained snapped since Friday Flood waters submerged in

low-lying areas of Chhararpar Kamalganj, Masimpur, Chalibander, Shialipatti, Subanighat, Joynagar, Kushighat and Shaganghat in the town as water level in the river Surma registered a sharp rise. Surma is flowing 17 cm

above the danger mark in Sylhet, 92 cm at Kanaighat while Kushiara flowing 54 cm above danger mark at Sheola in Bianibazar. Road and railway communi-

cations between Dhaka and Sylhet remained suspended since Friday evening as Kourangi bridge in Bahubal thana in Habigani and parts of rail track between Rashidganj and Syes htaganj station were washed

Road communications between the district town and Bianibazar, Goainghat, Jakigani and Kanaighat have also been Our Moulvibazar Correspo

ndent adds: With the on rush of fresh water from the Tripura hills of India, the flood situation in Moulvibazar district has deteriorated during the last 24

The Monu river is flowing 1.05 metre above the danger level near Chadnighat bridge at Moulvibazar town while the Dhalai river is flowing 0.35 metre above the danger level near Kamalgoni railway bridge.

Candidates of the ensuing HSC examinations have demanded for postponement of the examinations which is scheduled to start from Thurs day. Over 75% examinees have been affected by the flood.

Our Habiganj Correspondent writes: One unidentified man drowned Saturday as the flood situation took a serious turn inundating more than 42 unions in six thanas of the dis-

They said that over two lake people have been affected by flash floods in Habiganj, Bahubal, Chunarughat, Lakhat and in Nabiganj thanas.

The rivers Khwai, Karangi, Sutang and Sonai are flowing above the danger level, according to district control room.

Road and railway communications between Habiganj and Dhaka and Sylhet have been snapped while 250 feet rail track near Shahajibazar has been washed away by the flood

District officials said that a total of 429165 families have been affected and 4787 house have been completely damaged.

#### Nurul Huda sacked Huda to clearly explain his

From Page 1 Col 6 President Abdur Rahman Biswas after a switch to the parliamentary system in September, 1991. According to sources, the

Prime Minister, while asking Huda to resign, gave no reason for her action. But, according to press re-

ports published earlier, Nurul Huda had committed various irregularities including financial impropriety, especially relating to promotions and transfers of government officials. Nurul Huda served the min-

istry for the last 21 months. He had replaced Osman Gani Khan, the first Establishmen Minister of the present govern

Huda, talking to this correspondent last night, however denied media allegations of corruption against him.

"The Prime Minister requested me to resign and l honoured her desire", Huda told The Daily Star, adding that he had full confidence in the Prime Minister's judgement.

Meanwhile, minutes before he was sacked, Huda had presided over the Parliamentary Standing Committee meeting on the Establishment Ministry. Incidentally, some members

of that committee belonging to the opposition raised the topic of the media allegations of irregularities against the Minister in the meeting.

The Minister, although denying the charges, failed to do so convincingly, meeting sources said.

In the face of Huda's ambigious replies to the opposition MPs, Barrister Rafiqul Islam Miah, Minister for Public Works and a member of the Parliamentary committee, became very critical of Huda, sources added.

A member representing the ruling party in the committee told The Daily Star, on condition of anonymity, that the Works Minister bluntly asked

#### 10 Palestinians to die in Kuwait

KUWAIT CITY, June 12: A Kuwaiti court today condemned to death 10 Palestinians for col laborating with the Iraqis during the occupation, the official news agency KUNA reported, says AFP.

A total of 20 collaborators have now been condemned to death since February 1992.

position on the allegations against him.

Others who attended the Standing Committee meeting vesterday Education Minister Barrister Jamiruddin Sircar, LGRD Minister Abdus Salam Talukder and Sajeda Chowdhury and Mohiuddin Ahmed of the Awami League.

The meeting ended at 3:30 pm. At 3:45 Huda was summoned by the Prime Minister He had to submit his resigna tion just 15 minutes later.

Meanwhile, a number of BNF leaders, including Barrister Aminul Haque who replaced him at the Establishment Ministry, visited Nurul Huda at his residence last night.

#### Akhteruzzaman

Later, in response to a peti-

From Page 1 Col 8 last April.

tion by the prosecution, the High Court rejected the interim bail and ordered him to appear before the court by June 12. Advocate M A Malek,

Akhtaruzzaman's lawyer told the CMM court yesterday that his client was ill and was under treatment at the Red Crescent Hospital, Chittagong. He sought an extension of the bail period for his "ailing" client.

Opposing the argument of the defence attorney, the public prosecutor pointed out that they had ample proof of Akhtaruzzaman Babu's in volvement in the killing of Humayun Zahir. The investigating Officer in-

formed the court that three other accused, arrested earlier had stated in their confessional statements under 164 (CRPC) that Akhtaruzzaman was involved in the murder. Zahir was shot dead at his

Dhanmondi residence by two gunmen at point blank range on April 8. The investigation officer

added that Akhtaruzzaman had hired the mercenaries to mur der his business rival. The officer, however, de clined to give details in the in-

terest of the investigations.

leader.

Saiduddin Ahmed, Chief City Magistrate, issued the warrants after the hearing. The court was PII said packed with people including General Secretary of the Awami League Zillur Rahman, legal adviser K S Nabi, and Sahara Khatun, another Awami League

#### **BNPPP**

From Page 1 Col 5 Delwar Hossain told newsmer that the meeting discussed the strategy of the ruling party MPs participation in the budget discussion in parliament.

He said another meeting of the BNPPP would be held next

Hossain said the ruling party expects constructive discussion and suggestions on the budget for the interests of the nation.

Deputy Leader of the House Prof A Q M Badruddoza Chowdhury, Finance Minister M Saifur Rahman, Whip Ashraf Hossain, State Minister for Cultural Affairs Prof Jahanara Begum and Ansar Ali Siddiqui were, among others, who spoke on the occasion.

#### PM: Co op From Page 1 Col 8

bond of Tk. 2,000.

Begum Zia urged all to take a fresh vow to transform coopcrative into a weapon for poverty alleviation. "Let honesty, sincerity, skill and productivity be the principles for success," she said.

She said cooperative is democratic institution and emphasised on building it up accordingly.

The Prime Minister mentioned the three-member subcommittee formed to reorganise cooperative into a flawless organisation. She said the cooperative laws will be reformed to meet the present-day need based on the report of the subcommittee.

Efforts will be taken to give momentum to the cooperative movement in private sector, she said adding that loan and recovery programmes will be systematised.

Begum Zia assured that poverty alleviation, social welfare and women development activities will be integrated with the cooperative programme.

The Prime Minister said the cooperative movement has to be activated for national interest and called upon the members of the cooperatives to play the dominant role in this regard. Terming cooperative as an

economic programme, Begum Zia said the main reasons for failing to achieve desired goals in the past were mismanagement and corruption.

The Prime Minister lamented that despite being identified as the second sector of economy in the constitution, cooperation did not flourish as expected. Referring to the success of

cooperative in Thailand during the last decade due to proper policy, she said, "We have to identify our mistakes."

#### Hasina

From Page 1 Col 8 changed views on various international sissues including

problem. Earlier, Sheikh Hasina held a meeting with the Speaker of the Austrian parliament and discussed various international matters. She also attended a reception hosted by the Austrian Parliament Speaker in hon-

our of the winners of Brunu

Crishki peace awards.

Rohingya refugees and Bosnia

The Speaker introduced Sheikh Hasina with the invitees as the daughter of Bangabandhu Sheikh Mujibur Rahman.

#### 20 more killed in Kashmir violence

NEW DELHI, June 12: Four-

teen Muslim rebels were among 20 people killed overnight across the northern Indian state of Kashmir in the continuing secessionist campaign, the Press Trust of India (PTI) reported today, says AFP.

Today, a bystander died and six others were injured when separatists hurled a grenade at a patrol vehicle in downtown Srinagar. The bomb missed the target and burst on the road,

Kashmir police chief Balwinder Singh Bedi told the news agency in the state summer capital of Srinagar that 14 Kashmiri militants had been arrested in the previous 24 hours.

## Tk 728 cr greater Dhaka

power project The government has under taken a Tk 728 crore project for improvement and extension of

greater Dhaka, reports UNB. The scheme was disclosed at a high-level presentation meeting on the activities of Dhaka Electric Supply Authority (DESA) in Dhaka yesterday. Energy Minister Dr Khandaker Mos-

harraf Hossain presided. According to officials, the project includes capacity extension of a 132/33 KV and 33/11 KV sub-stations in the metropolis and its adjacent areas, setting up, repair an extension of 132 and 33 KV overhead lines, setting up, repair and ex-

power distribution system in

#### BIDS staff to non-cooperate with new DG

By Staff Correspondent

Researchers and non-research staff of the Bangladesh Institute of Development Studies (BIDS) Saturday announced what they called, 'a moral war' against the appointment of Dr S A Latifur Reza as the Director General of the institute. In an emergency meeting on

Saturday morning the staff decided to continue the workstoppage that began on June 1 and non-cooperate with the new DG, who assumed office yes-

The meeting, presided over by Dr Debopriya Bhattacharya, also condemned the former acting DG Dr Mashiur Rahman Khan for issuing an 'untrue and distorted statement to the press and said this had tarnished the image of the insti-

tule The decisions of the meeting were later read out before the outgoing and new DGs. Reuters change

From Page 1 Col 7 Bureau Chief in Dhaka by Anis Ahmed, who is designated Chief Correspondent Bangladesh," the press release, signed by Michael J Neale, Reuters' South Asian manager, said.

Informed sources said that Neale, who has been in the city for the last three day, announced the surprise decision Saturday.

"We should be grateful if you could extend full cooperation to Ahmed and his staff in their coverage of general and economic news from Bangladesh", the New Delhi-based manager said in the press release. When contacted over tele-

phone Atiqui Alam, who served Reuters for 19 years, told The Daily Star "I have left. I played my innings. It is about time, I did something else." Alam had joined Reuters, one of the three biggest wire

services in the world, in 1974 and has been Bureau Chief for 11 years. "I intend to take rest for some time before I make myself active again," he said when

asked whether he was going to

join any other organisation. Bangladesh Television sources said that Atiqul Alam did not turn up at the VTR recording of the "Mukhomukhi" in which he was to have questioned Planning Minister A M Zahiruddin Khan.

The New Bureau Chief Anis Ahmed, who joined Reuters in 1983, said over telephone that he had no inkling of the changeover until the announcement. He declined to elaborate.

#### Clinton From Page 1 Col 8

The Clinton Administration has proposed 4.2 million dollar assistance to Pakistan for narcotics control for fiscal 1994, despite the Pressler Amendment which bars regular economic and military aid as before to Islamabad

In fiscal 1992, Pakistan received 229,000 dollar under Title 11 PL 480, three million dollar for anti-narcotics operations, 355;000 dollars for Peace Corps (later withdrawn) - total 3.584 million.

This is part of the large amounts already in the pipeline before regular aid was cut off because Pakistan had violated the Pressler Amendment. Clinton also proposed in-

creased aid for the Maidives and

Shri Lanka while Bhutan and

Myanmar have not been rec-

ommended for any American

aid in fiscal 1994.

plunge. Editorial on Page 4

## Rafsanjani wins 63pc vote

TEHRAN, June 12: President Ali Akbar Hashemi Rafsanjani took a comfortable lead in Iran's presidential election, winning more than 63 per cent of the vote, according to partial results

announced today Tehran Radio said Rafsanjani won 4.5 million of the first 7.2 million votes counted - 63.4 per cent of the total. About 29 million Iranians from the age of 15 were eligible to vote in Friday's election, reports Reuter.

#### Mortar attack on a Muslim funeral in Sarajevo: 8 die

SARAJEVO, June 12: Eight people were killed in Sarajevo today in a mortar attack on a Muslim funeral. Reuter journalists saw the bodies being removed from the cemetery on a hillside in the Bosnian capitals old town district, and a city morgue, reports Reuter.

#### tension of 132 and 33 KV underground cable, and repair and setting up of distribution

transformers. It is expected to be com-

pleted by 1995. Energy Secretary M Faizur Razzague, DESA Chairman S T S Mahmud and Power Development Board Chairman Kazi Golam Rahman were also

present. The meeting was informed that in the metropolitan area, 866 distribution transformers out of 4.635, 14 high-voltage 33 KV lines out 69 and 37 highvoltage 11 KV lines out of 473 were now overloaded.

Overloaded are the areas under Baridhara, Gulshan and Uttara sub-stations, Satmasjid sub-station, Lalbagh sub-station, and Mirpur and Kafrul sub stations. Loadshedding has become a common feature in these areas.

#### Biman to get 2 wide-bodied aircraft on lease

By Staff Correspondent McDonnell Douglas, manufacturers of DC-10 aircraft, will provide Bangladesh Biman two

wide-bodied aircraft on lease to maintain Biman's partially disrupted schedule, informed Civil Aviation sources said yesterday. Out of 11 offers that came in answer to a Biman advertise-

ment for hiring aircraft on lease two were found to be " technically valid" and were approved at a board meeting Saturday. Biman's advertisement followed last month's accident of

which overshot and skidded off the ZIA runway on May 18. The Biman board meeting decision would now be sent to the Council Committee headed by Finance Minister M Saifur

one of its four DC-10- aircraft

### Commentary

Rahman for final approval, the

From Page 1 Col 4

only about five per cent of their income. It should be remembered that according to the latest agricultural census, larger farms, with ten acres or more land, cover more than 42 per cent of total farm area in the country. These farmers, thus, generate considerable saving but invest very little of it. Could the budget have thought of ways to channel these savings into investment?

The budget speech dwells at some length on the statutory rate of customs duty but is silent on the highest applicable effective rate of duty. It would have added to the transparency of the proposals if that too had been mentioned Likewise, budget proposals

are silent on the much debated issue of tariff value application for customs duty assessment. Devised in the nineteenth century, tariff value is nearly an anachronism now. Unless monitored constantly, tariff value distorts prices and paradoxically, induces over-invoicing of imports - particularly on lowduty items — causing drainage of foreign exchange. Pre-shipment inspection of imported goods could provide a viable alternative. However, this is one component of the ongoing reform programme where the government has backed offl

On the question of tariff anomaly rationalisation, it is said that a committee is being set up to sort it out. It is important that trade bodies are associated with it and the process should be speeded up.

Full convertibility of the

Taka on trade account is another area where speed is desirable. Sequencing of the reform in the exchange control regime looks alright. Experience of Latin America suggests that removal of restrictions in trade transaction should come first and in capital movements later. Capital movements tend to be much more volatile. However, leaving the situation openended for any length of time is fraught with risks of increased speculation and growth of a strong kerb market for foreign exchange Authorities could face a tough situation if they wait for too long to take the

# The Midnight Eile