

## Abrupt Changes in Banking Policy

Without the benefit of forward planning, an otherwise well-intentioned move may cause confusion and create credibility gap. The abrupt changes in banking hours and foreign exchange regime, announced this week, could well end up with similar consequences.

Three days on to the new transaction timing, banks are still struggling with the logistics of manning the counters and providing other services to the clients during the extended business hours. Trade union activists in the nationalised commercial banks have launched agitation against the revised timing, disrupting work even during the erstwhile normal business hours. All these turmoil could have probably been avoided if some forethought had been given to the actual mechanism of the change-over before applying yet another dose of shock therapy to the banking system.

The shift in the banking hours is otherwise a good move. It will expand the scope of banks' services to the business community and the public in general. Conscientious state and business functionaries can now visit banks during lunch-break or after their own working hours without dislocating their office schedule. Extension of business hours will also help achieve a higher degree of integration of our banking system with the global financial markets. For instance, client of a bank in this country will now be able to strike a foreign trade deal, be it export or import, after learning the closing rates for currencies, say on the Singapore, Hongkong or the Tokyo market. How we wish that the transition to the new timings had been rendered smoother!

The decision of the central bank to stop extending forward cover altogether for foreign currency transactions marks another abrupt change in policy. Hardly ten days before the latest decision was announced, the central bank had affirmed that it would continue to extend forward cover but, for US dollar transactions only. Now it says it will no longer extend any forward cover facility to the banks, in any currency whatsoever.

The latest decision regarding availability of forward cover from the central bank cannot possibly be faulted on technical grounds. After all, once Taka is made convertible, the central bank would not be expected to continue extending forward cover for foreign currency transactions made at rates determined by the market. Here again, it's a question of timing and the abruptness of the policy shift.

The central bank, in its latest dispensation, says that henceforth banks will be free to take counter-cover among themselves or they may obtain cover in the overseas foreign exchange markets. Unfortunately, as of now, the proposed arrangements do not look quite meaningful. The inter-bank market itself is thin now and is hardly used to deal in foreign currency. The initiative taken in forming a foreign exchange dealers association to develop the inter-bank market, undoubtedly is a step in the right direction. However, the newly formed association will not turn fully functional overnight. Experience of other countries suggest that such a body needs time to get a grip over the situation.

As for obtaining forward cover overseas, most of our banks cannot possibly secure such facilities at this stage. For one thing, Taka is not convertible yet. Foreign correspondents of our banks are not expected to provide forward cover for Taka against any internationally quoted currency. Increasing the holding limits of foreign exchange of the banks against their outstanding letters of credit liabilities by a paltry five per cent, might help, but only marginally. The upshot could be a cornering of the foreign exchange market by some banks, particularly those that are part of the global banking chain.

The recent upheavals in world currency markets in the wake of the European Exchange Rate Mechanism (ERM) crisis, has created a new global awareness of the need for forward cover as a hedge against exchange rate volatility. As things stand today, our banks will be obliged to charge high premium, if they extend forward cover at all. Thus it is the users of foreign currency, exporters and importers mainly, who will pay the price for now.

## Celebrating Lord Krishna's Birth

The eighth day of the waning moon in the month of Bhadra is celebrated throughout the subcontinent and in parts of South Asia as the birthday of Lord Krishna who is by far the most colourful of the thousands of godly characters that crowd the vast body of Indian mythology. With the influence of the two other mainstems of the Sanatan Dharma, namely, the Shakti and the Shaivite cults, largely on the way out, Krishna has emerged as the leading deity for the masses of people now numbering hundreds of millions. The state of Bangladesh as a mark of deference to the religious beliefs that hold Krishna as verily the human embodiment of godhead, has declared the day as a public holiday. This is a good gesture and truly wonderful.

Lord Krishna's legend that has been living for over two thousand years champions two aspects of societal development and the elements that sustain humanity — both as individuals and as a collective entity. Love and regeneration. Love has been celebrated by the Krishna traditions as the highest value that man and society should aspire for. Krishna proclaims whenever and wherever the ways of the world warrants redemption — *Sambharami yugey yugey* — god's reincarnation would come. This concept of regeneration epoch after epoch of society gives birth to ideas of living other than purely spiritual. From very ancient times it did not need a *Vaishnava bhakta* to fall in love or hold in inestimable reverence the *Geeta* — the words of solace and action that Lord Krishna addressed a dejected Arjuna in the opening moments of the war of Kurekshetra. *Geeta* celebrates the much-misunderstood *maya* and endeavours to take off the veils and palls hiding reality from human comprehension. And it is *Geeta* which teaches one to go for performing his/her duties without an eye on the outcome — an injunction followed by both Tagore and Gandhi in their fight against British colonialism — a fight without hate.

The world as we know it may be all *maya*, if one believes in New Physics, but *Geeta* is replete with wisdoms of this very world.

Those having living bodies have rights to all that it takes to sustain the bodies. And whoever craves for more is a punishable thief.

Our good wishes to all followers and admirers of Lord Krishna.

THE nation is ill at ease. It is bound to feel that way. The no-confidence motion against the Narasimha Rao's team has left the administration staggering and the Congress party reeling. The damage is far more serious than what is visible today either in the political or the economic field. Polarisation between government and anti-government forces is complete, although two years ago, while seeking a vote of confidence for his minority government, Narasimha Rao had assured that he would rule through consensus.

Till the end the motion was a toss up. Parliament's Central Hall and the lobby witnessed several groups of members, transcending their party affiliation, debating how the government could be defeated. Rumours were galore and even the purchase of certain members at the price of Rs 1 crore each was mentioned without contradiction.

On the last day, most eyes were fixed on Ajit Singh who, with 20 members, could tilt the balance. Many deals have been attributed to his group's voting pattern. He has been personally linked with beaming Human Resources Minister Arjun Singh, Rao's rival. His supporters made an effort to bring the two together on the understanding that Arjun Singh would be the prime minister and Ajit Singh the deputy prime minister. There was also a last-minute attempt by a few Congress members to change Rao so as to fend off first the motion and then voting on it.

Congress dissidents were not for a no-confidence motion. Their proposal, as conveyed to Janata Dal leader V P Singh, was the appointment of an inquiry commission to go into the charges levelled against Rao and his family in the bank se-

# A Bewildering Kind of Governance

**A lie-detector test of Harshad Mehta and his brother, Ashwin, by a British firm has proved that both "are completely truthful in their responses. And they did make a one-crore cash donation to the prime minister of India in November 1991."**

curity scam. Had the opposition jointly demanded it, the dissidents say, the constitution of a commission would have become a "must" and the prime minister's resignation inevitable.

Some Congress leaders, who have rallied behind Rao to save the government, are far from happy. They believe every no-confidence motion brings them down in the public eye. They put the blame on his style of governance. They feel that Rao has failed to convince the public that he has the grasp and application for the highest office. "The Nehru dynasty at least knew how to rule," says one senior cabinet minister.

The nation was prepared for denigration of the Rao government but not for the rash of news which has swamped it. It presumed that Supreme Court Justice Ramaswamy would quit at the end of the summer vacation as the secretary announced after the failure of the impeachment motion against him in the Lok Sabha. But he did not do so and a suit had to be filed under public litigation to seek his removal. True, no work was allotted to him by the Chief Justice but he was not on leave either.

In a letter a few months ago, he had called all judges corrupt and a contempt suit was heard against him. But brother judges reserved the judgement which they have not delivered yet. Some of them, strangely, have argued that he should be allowed to pronounce judgement in four to five cases, which he

has already heard, as if cases have never been reheard before.

People knew that the Bofors gun was still smoking but they did not expect the Italian connection with the Rs 300 crore pay-off scandal to come through the Congress government covers so visibly. Ottavio Quattrochi, who was a frequent guest at the late prime minister Rajiv Gandhi's house as he is at Sonia's, is reportedly one of the beneficiaries. The Swiss federal court, despite the web of tech-

ners, Q and R, more than once. The suspicion is that if Q has turned out to be Quattrochi, then R must mean Rajiv Gandhi.

The government of India through the CBI, diplomatic channels and the beneficiaries is trying its best to prompt from the wings not to allow a grand finale. For example, the CBI has warned the Swiss authorities against any "premature leak of documents to media." The fax message from Geneva giving the

truth had not been allowed to come out has been proved correct.

Central minister Shankaranand, who headed that committee, should have offered his resignation after the Swiss Court's verdict. But he has different notions of ministerial responsibility. In fact, if he were sensitive enough he would have resigned when the joint parliamentary committee (JPC) going into the bank security scam had pointed its accusing finger at him.

I believe that Rao was at the point of dropping him when Kerala chief minister Karunakaran told him not to do so. He warned him that some South Indian Congress MPs might feel annoyed and that it would be more prudent to reshuffle the cabinet after the no-confidence motion.

The enormity of the scam is another thing for which the nation was not prepared. When it was referred to the JPC the amount mentioned was Rs 2,000 crore. The figure is around Rs 6,000 crore even before the committee's report is out. It is suspected that the scam may cross the Rs 1,000 crore mark. The most reprehensible part is the CBI's attempt to sabotage the inquiry. It has neither carried out the JPC's instructions to pursue certain transactions, nor has it given permission to Madhavan, former joint director, to make public what he had gathered when he was inquiring.

Why the JPC has not considered it proper to call Rao is also not understandable when he had himself volunteered to appear. However unbelievable the charge of Harshad Mehta, the Bombay broker, may be, he has repeated it in an affidavit, which exposes him to criminal proceedings. A lie-detector test of Harshad Mehta and his brother, Ashwin, by a British firm has proved that both "are completely truthful in their responses. And they did make a one-crore cash donation to the prime minister of India in November 1991."

That apart, it is in the interest of Rao and the Congress party to nail the lie. Now that the prime minister has said that he had never set eyes on Harshad Mehta, the latter should be prosecuted. The mere reiteration that the charge is false does not go far, a formal request to the JPC to verify it would have been more convincing.

Such a nonchalant attitude of the government has only damaged its credibility. If the nation feels uncomfortable it is not to blame. For some time there has been popular impatience with corruption. The taint has got stuck to the administration, making it less credible and less acceptable. The question is that of governance. The prime minister and his team cannot be effective if the public has come to believe that they are not clean or up to the job.

Sharp political divisions, as seen in the wake of no-confidence, have left the nation still more bewildered. It wonders what kind of India is in its store when the governing has been reduced to mere numbers and who can get away with how much. Some incorrigible still talk about values and norms.

## BETWEEN THE LINES

Kuldip Nayar writes from New Delhi

localities and legal hitches which the CBI, now known as 'covering before investigating', has woven, has rejected the plea to keep the names of suspects out of public domain. Under the Swiss law, only a beneficiary can appeal to the court. The rejection of the appeal automatically suggests that those who have been named are the beneficiaries.

Although most in the public had heard about the involvement of the Hinduja brothers, Win Chadda and Quattrochi, there is a shock that the suspects had turned out to be the same persons as rumoured. There is now more credibility given to the diary notings by the late Martin Arbo of the Bofors establishment. He used two let-

names of beneficiaries was received much earlier than recent newspaper disclosures. The plea of 'premature leakage' is now being used by the beneficiaries before the court to stall further information.

Indeed, the disclosure has come at a time when the Rao government is most vulnerable. It has come in handy to the opposition during the no-confidence motion to allege that the Congress governments revel in corruption. The Swiss court has not only crushed certain reputations but has also proved that the joint parliamentary committee's report on Bofors was a total lie. The opposition had rightly boycotted it. And the dissenting note of a DMK member from Tamil Nadu that the

## ROAD ACCIDENT

# Traffic and Vehicle Laws Need to be Reviewed

by Mohammad Amjad Hossain

THE Motor Vehicles Ordinance of 1983, which is valid till to date, stipulates, among other clauses, that defective vehicles, the emission of black smoke, non-existence of signalling appliances and reckless driving are punishable crimes. The punishment for offences varies from Taka 200 as fine to imprisonment for a period of two years. But, as we see, violation of traffic law tantamounts to practically no harsh punishment and therefore, drivers do not take the traffic law as seriously as it should have been adhered to.

While travelling from Dhaka to Chandpur by road, recently, I had the opportunity to witness indiscriminate violation of traffic rules and regulations by owners drivers of minibuses, in particular. Many such buses, without any signal indicator at the back among other irregularities, are plying on Dhaka-Chittagong highway causing serious traffic hazards. Apart from this, buses which are no more road-worthy, are also plying on the highways. For the sake of safety, such vehicles, in the perception of knowledgeable motorists, should have been scrapped and owners of the vehicles awarded punishment under the existing law of the land.

In the first place such vehicles should not have been permitted to be taken out on the road. Violation of traffic rules and regulations, on such counts, deserve stringent punishment in many foreign countries of such buses and those in the other running vehicles are at stake. The driver owes a duty to the safety of the passengers.

### Traffic police patrol

Reckless driving and risky overtaking of car, bus and truck has become a regular feature on the highways now-a-days. It is also noticeable that no patrolling traffic police was seen on highways during day or night. No civilized country could afford to ignore hazards on the highways. Patrolling by traffic police on the highways can boost morale of the passengers and also help reduce crimes.

It is a pity that signs indicating blind bending points are seldom found on highways and there is none on Comilla-Chandpur road in particular. During night time the possibility of head-on collision between two running vehicles at a blind bending point could not be ruled out, if the driver is not warned in advance by wayside indicator. The international practice is to put up cat's eye indicators along the bend, because in absence of that the driver might lose the balance while taking a turn at a high speed not checked earlier due to poor visibility. Many lives have been lost as a result of accidents taking place at the blind bending points. A case in point is an old woman killed and six

others injured when a microbus collided head on with a truck on Comilla by pass road on 9 July. Automobile accidents are on the increase, says even a government managed vernacular daily. In a recent report published therein, So, road accident now assumes the rank of top killer in our country, specially when truck and bus drivers operate nocturnally.

### Overcrowding

Overcrowding the bus and travelling on the roof of overcrowded bus have become a new phenomenon. Traffic police at bus stand does not pay any heed to such violation on the part of the bus conductor allowing overcrowding. Any accident arising out of travelling on the roof of overcrowded bus is due to willful negligence on the part of the driver and conductor of the bus.

Passengers also do not exercise patience to catch hold of subsequent buses/buses in order to avoid overcrowding. Everybody is after the first available bus. On a request by a fellow passenger to wait for the next bus, there is immediate reaction "why should I not be accommodated while others could travel?" No amount of persuasion yields any result.

I would like to point out another glaring example of negligence and rash driving causing

serious injury to an employee of BCS (Administration) Academy, which was reported in the media. The accident took place on 10 May, 1992, when a truck running at a high speed on crowded road hit a stationary autorickshaw (scooter) with passengers at the traffic signal post near Hotel Sheraton. The offender truck was passing by the wrong side disregarding red light of the traffic signal. One of the victimised autorickshaw passengers, who belongs to BCS (Administration) Academy, received serious injury to his left leg and had to be confined to hospital bed for about six months. In this case the driver rather should have been extra careful having regard to the fact that the entire area housed a hospital and a hotel where there must not be any rash driving. Moreover, he defied the red light signal. This is one of many such accidents which are taking place almost everyday.

Collisions frequently occur between vehicles coming from opposite directions. To probe the negligence in such case, there is a simple question to ask: If the highway is wide enough for two vehicles to pass each other safely? If so and if each driver keeps his vehicle to his prescribed side of the road, no collision should occur. It infers that, in most cases, the driver who is on the wrong side of the highway in outright viola-

tion of the traffic rule, is generally the cause of the collision and, therefore, responsible for the damage sustained by the other driver on the right side, provided the latter was exercising reasonable care.

### Environment pollution

The environmental problems have assumed a new dimension in the present day polluted world. In a country like Bangladesh where population density is 750 per square kilometer, the emission of automobile black smoke which contains 10% poisonous carbon monoxide is adding to the environmental problems. Therefore, proper inspection of each and every car, bus and truck has become imperative to allow only such vehicle as is free from such pollutant. Any car, bus and truck found emitting black smoke will be subjected to penalty, if necessary, with the official concerned who might have issued fitness certificate in favour of the defective vehicle. In such case, if any, the officer concerned in Bangladesh Road Transport Authority will also be held responsible for allowing such defective vehicles to be taken out on the road.

One interesting feature here lies with Article 304b of Penal Code (Act. XLV of 1860) which include provision for a fine and imprisonment to the extent of three years or both in the case of a death resulting from rash

and careless driving. Before amendment to this clause of the Penal Code, 14 years imprisonment was awarded for causing death by negligent driving. Another law which is called TORT's law provides provision for compensation for the damage caused to the passenger of the vehicle. Many people are not aware of the existence of this law. Apart from this, Fatal Accident Act of 1855, which is still effective, makes room for the injured person to demand compensation.

Penalty and compensation clauses laid down in the laws, however, do not commensurate with the nature and extent of injuries suffered not to speak of the valuable loss of lives.

### Conclusion

In view of growing number of road accidents, all over the country, the existing laws and rules need to be reviewed *de novo* and revised to award such punishment to owners and drivers of offending vehicles that may act as deterrent. Enactment of laws would not yield any positive result if it is not implemented in letter and spirit.

Awareness of the public about traffic rules and vigilance and sincerity of the law enforcing agencies and proper training and discipline of the drivers, conductors and others related to vehicular traffic need to be considered as part of the steps that must be taken.

## To the Editor...

### Executive power

Sir, In a parliamentary democracy, naturally, all executive powers of the government are expected to have been vested with the Prime Minister and the Cabinet. But, in reality, could the democratic government prevail upon the bureaucratic system of administration at all? Perhaps, not yet. Not to speak of Secretaries, Directors, DCs, SPs or other high officials, even a Thana Nirbahi Officer (TNO) often bound to overrule the decision of Prime Minister! Yes, under the present system, it is a fact. May I cite an example, of which I am thru' herein below, for information of the readers?

In response to the clarion call given by the Prime Minister advising the people to invest in new industries under the government's liberal industrialisation policy, an entrepreneur came up with an ambitious programme of setting up an industry under chemical sector to produce mainly import substitute items like soda ash, caustic soda, calcium chloride, sodium bi-carbonate, etc. at a cost of around 50 crore taka. This was certainly a viable project for the country to save at least a thousand crore taka annually in foreign exchange. The enthusiastic entrepreneur called his son from USA back home and gave him the responsibility of implementing the project. After a long search, a suitable site was selected on the south bank of the river Meghna (near Meghna Bridge) at Jamalidi Mouza of Gafaria thana under Munshiganj district. After thorough enquiry the Board of Investment, Prime Minister's

Office gave its due approval for speedy implementation of the project. Surprisingly, the TNO concerned did not approve it and rather started opposing it.

Whatever may be his reasons it is evident that the TNO, along with a few of his colleagues, is creating obstructions, one after another, in the way to implement the project. And having been encountered with such obstructions and oppositions of the government machinery, the frustrated entrepreneur is, it is learnt, going to change his decision and abandon the idea of setting up the industry in this country.

Thus a very worthy initiative is going to be nipped in the bud... A funny administrative system, isn't it?

Nazibur Rahman  
Dhaka.

### Traffic jam

Sir, The Home Minister, in a recent meeting with the Mayor, DMC and the law enforcing agencies, has identified the rickshaw, way-side hawkers as the causes of traffic jam in the city. Now-a-days the police force is seen to be active to evict the poor hawkers from the foot-paths, specially around Motijheel and Dilkusha commercial areas, whereas hawkers in some portion of the main roads and foot-paths in and around Bangabandhu Avenue are having their brisk business unhindered.

The city dwellers, of the old part of Dhaka, have 'better' experience of traffic jam. Being stuck up on the road for indefinite period due to traffic jam in

Gulistan, Nawabpur, Islampur, Sadarghat, Chowkbazar etc. is a regular affair. It is also a regular feature at important junctions around Mouchak, Maghbazar, Tikatooly, Motijheel etc. let alone the railway crossings.

The poor hawkers should not be held solely responsible for traffic jam. The 'scattered' car parking in the commercial areas as well as on the busy thoroughfares is one of the major factors of traffic jam. Very often it is found that a police, posted at a very important point on a busy thoroughfare, is reluctant to perform his duty but busy otherwise.

In most cases, transports, such as rickshaw, bus, mini-bus, tempo etc. do not use the appropriate stoppage for taking passenger, rather they are always seen taking passengers wherever and whenever they find them, ignoring all the traffic rules and regulations. In most cases, it happens before the nose of the law enforcing agencies.

I urge upon the appropriate authority to take both long term and short term measures in solving this problem effectively. Ansars and VDP personnel may also be engaged for this purpose to help the police.

Choudhury Abdus Shakoor  
Pallabi, Mirpur, Dhaka

### Reductio ad infinitum

Sir, After a chawdhury with relish Mr Juned A Chawdhury's exposure on the continuous and non-stop efforts being made by the successive governments to

reduce the human size of the government (Star, Opinion, July 13), it is surprising to find that the latest Committee is composed almost entirely of bureaucrats, who are sitting over judgement on the government machinery (or, their own fate!).

The private and the academic sectors may also be involved in this exercise (open governing), as members of the new Committee, in the ratio of two in five, thereby creating a channel for fresh input and outlook.

Before that, the summaries of the past recommendations may be released for eliciting public opinion. At least SKOP must have its say, to avoid blockades! The easiest solution perhaps is to ask the Unions to frame the recommendations on how (no to create more) unnecessary jobs in the public sectors.

We cannot get rid of the surplus personnel we are burdened with, and we are hopelessly contemplating the mini skirt in place of the saree (With apology to the ladies).

We are suffering from 'overpopulation' also in the kingdom of bureaucracy. Hence some family planning exercises have to be imposed (it cannot be self-imposed), against the crying demand for more posts. The government is expected to create job opportunities, and not actual jobs inside the administrative system. The ultimate philosophical poser is whether Committees, like democracy, can and do work in the developing countries. There are too many ad hoc priorities to justify

expediency. I am searching for a book with a title similar to "Governing by the Mood of the Moment".

A Mawaz  
Dhaka

### Khulna Newsprint Mills

Sir, The hon'ble industries minister has disclosed in the parliament that Khulna Newsprint Mills would be renovated and made compatible to use raw materials other than the traditional ones collects from the Sunderbans. Further that the unit would be allowed to use the traditional raw material for two more years. On the face of it, the decision seems the correct one.

But there may be a few pertinent question. Firstly, if the unit is in the list of future disinvestment, any addition/alteration involving new capital infusion maybe counter-productive. The other question is extension of the sue of 'geud' wood for a further period of two years.

This possibly kills the innovative urge of the technical people. Many great inventions are achieved under desperate conditions. KNM and KPM have research laboratories of their own where they are known to have carried out experiments to use various raw materials e. g., waste paper, jute/jute cuttings etc.

If KNM is put in a 'life and death' situation it is sure to come out successful by the hard work of its own experienced and sincere work-force.

Engineers, chemists and technical cadres of these aged units, though encumbered by the administrative whiz-kids on top to them, are quite capable of finding solutions to the problems if they are given adequate free hand.

### Rewarding the Aggressor

Sir, On reading your leader 'Rewarding the Aggressor' on 2nd August, I am filled with genuine pride and deep satisfaction at the courage and forthrightness you have displayed in upholding the cause of truth and humanity. I wonder whether those who so loudly proclaim themselves as champions of justice, fair-play and human rights will hang their heads in shame, being conscience-stricken, exposed and defenceless. They themselves know and the world knows that they are racked by an unreasonable hatred and imaginary fear of a peace-loving people professing a faith other than their own.

M A Haq  
Green Road, Dhaka

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Abdur Rashid  
New Eskaton Road, Dhaka