

A Case of Fraud?

The report that some agencies of the government had been diverting funds meant for financing development activity to service their debts, reveals total financial indiscipline and utter lack of accountability in the public sector.

For financing development projects, enterprises and other agencies in the public sector receive funds from the government mostly as loans. The money comes in the form of allocations made in the Annual Development Plan (ADP) every year.

It is also difficult to understand why it took all that long for the Finance Ministry to catch up with the outrageous practice. It could be that project accounts are not audited regularly.

Lag in the implementation of projects under the ADP had been worrying the government and the donors alike for years now. A recent World Bank appraisal report on aid utilisation has called upon the government to focus its attention on accelerating ADP implementation to improve aid disbursement.

Meanwhile, Finance Ministry is said to have told all public sector agencies that debts to the government must be serviced out of current receipts and not through adjustment of ADP allocations.

Rather, in a related move, Finance Ministry has acted to ease debt burden of the public sector. It has prescribed new softer terms for government lending to the public sector agencies, both in respect of local currency loans and relending of funds secured by way of foreign assistance.

To all appearances, public sector agencies will now be getting loans from the government under ADP allocations at interest rates which are lower than the prevailing market rates. This could distort costs and economic returns on public sector projects.

Some journalist-writers derive a morbid pleasure — and, in the process, make a fortune — in digging into the past of great men and women after they are dead and gone.

Digging into the Past

Now, it is the turn of Albert Einstein to be treated in the same fashion, the subject of what the publisher would call a "revealing" biography by two British journalists, Roger Highfield and Paul Carter.

There are other sordid details from the life of a man who, as a Jew, fled from the Nazi terror and found a home for himself in the United States — and established his reputation as one of the greatest scientists, a reputation that transcends time.

May be these facts are all there in the new "biography". But they must be overshadowed by what a section of the media calls, "Now it can be told" type of information.

We will never ask for curbs on the freedom of expression of writers. Here, no code of ethics can also work. However, there is need for writers to show some respect for the dead, however great or insignificant one may be, especially because he or she cannot answer the charges.

THE latest findings of the International Monetary Fund (IMF) on the performance of our economy have been given fairly wide publicity — well, all that is good in the report anyway.

Apart from macro-economic stability, including subdued inflation, the IMF report also acclaimed the growth in industrial production, progress in revenue collection and buoyancy of exports.

We have got almost used to seeing banks being treated as sort of whipping-boys for nearly all the problems that beset private sector investment in the country. During his meeting with the leading businessmen and industrialists at the Metropolitan Chamber of Commerce early this month, the Finance Minister was sharply critical of the banks for shying away from financing investments.

The banks are sitting tight on the money and they do not have any innovative ideas, he is reported to have said. Then, again, at the national convention of businessmen in Dhaka the other day to mark the completion of two decades of the Federation of Bangladesh Chambers of Commerce and Industry, many of the leaders of trade and industry present, were critical of the performance of the banks.

HE term 'gunship' has become part of news shorthand that is seldom explained. The Americans are using 'gunships' in Somalia, one of which is the AC-47 known as 'Spooky' and Puff the Magic Dragon after the children's song.

These gunships killed and maimed tens of thousands of helpless Iraq conscripts, many of them in retreat or trying to surrender. They killed and maimed civilians in the American invasion of Panama, and in the American-directed terror in El Salvador and in Indochina, for whose great 'laboratory war' Puff and the others were invented.

Like the gunboats of an earlier imperial age, Puff can stand off and 'bomb the niggers' (to quote Lloyd George) with minimal danger to the bombers, while a new class of imperial domestics, such as the Pakistanis, draw the ire of the mob on the ground.

The later is aided by the summing-up of a demon. We in the media love a demon. Noriega in Panama was a fine media demon. Old Pineapple Face fitted perfectly the front pages of the tabloids; he was an international drug dealer, whom the US Marines were 'bringing to justice'. We were not told that when President Bush ran the CIA, Noriega was their man;

To the Editor...

Fighting AIDS

Sir, AIDS is a sexually transmitted vicious and incurable disease which of late, is spreading like a wild fire all over the world.

Recently Dr. Michael H Merson, Executive Director of the global programme on AIDS of WHO had come to Dhaka. While presenting a key note address at a seminar on AIDS he said "The epidemic of AIDS is all around you." Almost two million people in Southeast Asia are already infected.

There is no shame in admitting the truth that some lascivious American and European tourists and the prostitutes of Saigon, Hong Kong, Bangkok, Manila, Calcutta etc carrying HIV infection are spawning AIDS.

LESSONS IN COLLECTING BAD DEBTS Bank's Lendings Rise, but Deposits Fall

private sector, it said that bank credit to the private sector rose by an encouraging Tk 260 crore in May '93 as compared to Tk 150 crore in the preceding month.

Statistics published by the central bank show that credit to private sector had been on a continuous decline since the beginning of the last financial year. There was a marginal rise of 0.9 per cent in December '92. However, this rise better be ignored as it includes adjustment of outstanding interest which would inflate the figure for incremental flow of bank credit to the private sector at the end of

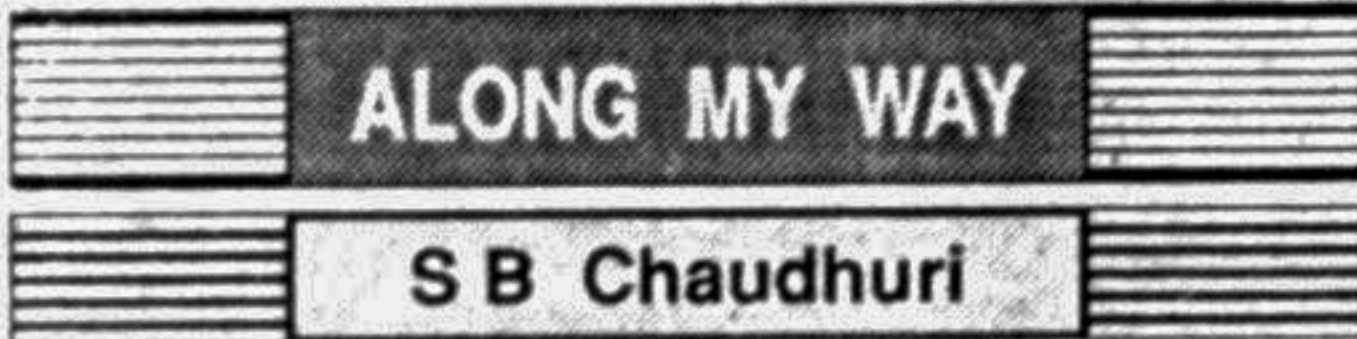
the month. In January '93, credit to private sector again recorded a marginal fall of 0.3 per cent. However, the declining trend has reversed since February '93. From a modest rise of 0.4 per cent in February '93, bank credit to private sector climbed at a rate of 2.5 per cent in March, 3.3 per cent in April and 5.7 per cent in May '93.

The Planning Minister's exhortation to the entrepreneurs at the national convention of businessmen to stop giving undue attention to bank officials, might have seemed like a breath of fresh air to the beleaguered banking community. And, as mentioned at the beginning, the IMF also found a noticeable improvement in the expansion of bank credit to the

as a proportion of deposits, bank's lending to the private sector had been on the upside. Perhaps the banks deserve a pat on the back, albeit a small one, for their performance in private sector lending in recent months.

The decline in deposits is also bad news for the banks. In absolute amount, over the period of December '92 and April '93, bank deposits fell by Tk 524 crore. Where has the money gone? Some analysts believe that the lowering of interest rates on deposits would engender disavowal by discouraging fresh deposits in financial

institutions. In that case, the decline could be attributed to both withdrawals and fall in the level of new deposits in banks. There should not be much to worry about withdrawals if these have gone into investment in productive purposes. As for the fall in the incremental rate of deposits in banks, there is a view that the significantly higher yields in postal savings accounts, as compared to bank's interest rates, is causing a shift in deposits from banks to postal accounts. Well, it could be true but it cannot wholly account for the phenomenon. For, total post office deposits as at the end of April '93, stood at Tk 352 crore only whereas bank deposits fell by Tk 524 crore. It is also quite possible that large amounts of deposits shifted to savings cer-



New modes of tackling debt overhang are coming up elsewhere in the world. In essence, variants of loan swaps, it seems that the idea behind these initiatives is to take non-performing assets off the books of a bank, by way of sale at a discount to an altogether new en-

ties. The later would then go after the defaulter like a real Kabuliwala, while the bank restructures its balance sheet quickly and proceeds to conduct its business with a relatively clean slate.

Such an entity, if formed in this country, would of course need government's patronage, at least by way of creation of necessary legal framework and active cooperation. May be, the Bangladesh Association of Banks (BAB) will give the matter some consideration.

events in Somalia alone ought to persuade wavering liberal interventionists that Lloyd George's utterance is as heartfelt among the rulers of the world today as it was when 'bombing niggers' was politically correct to say.

Somalia: The New Gunboat Diplomacy

by John Pilger

The fact that US gunships in Somalia are carrying out military operations under the UN banner cannot obscure the simple truth that these gunships are playing a role and function similar to gunboats of an earlier imperial age.

and that drugs had long been a CIA currency. Neither were we told that the real aim of 'Operation Just Cause' was to place Panama and its US base under direct American sovereignty, run by less uppity Noriega who, unlike the original, dared not make peace with US enemies, like Nicaragua. Also, George Bush's political virility was 'on the line'. For this, at least 2,000 Panamanians died.

The next demon of the mark was Saddam Hussein. He was 'Hitler revisited' according to Bush, who made no mention of the West's massive, secret and illegal support for Adolf No. 2. Neither were we told that a number of overtures by Saddam, including a peace plan drafted by Moscow and accepted by Iraq, were brushed aside by Gorbachev and the public relations system. Iraq was to be disciplined; Iran was to be favoured. For this, some 200,000 were slaughtered. Saddam Hussein is still there, of course; who better to control the democratic urges of his people that might threaten the 'stability of the region'?

The latest demon is General Mohammed Farah Aidede, a Somali 'warlord'. A man may smile and be a villain, offered the Observer, in a profile of Aidede. Soft-spoken, courteous, balding, with greying hair and a pot belly, Aidede looks and sounds more like a successful businessman than the man the United Nations accuses of crimes against humanity. [Who does that bring to mind? Alas, Kissinger still has his hair]. According to the Observer, this demon is responsible for the deaths of hundreds of thou-

sands of people, through murder or as a result of the famine he helped to create. The wonderful thing about accredited demons is that you can say virtually anything about them and it is unlikely you will hear from Peter Carter-Ruck. Inexplicably, Aidede's unique 'war crimes' were not mentioned last March when, in Addis Ababa, he signed a UN-sponsored plan for peace and the reconstruction of Somalia. He was then merely one of the leaders of Somalia's 15 factions. Why is he now being singled out for disarmament and trial before the world? And what is to become of the other 'warlords'? Will they also be pursued by 'gunships' firing missiles at hospitals?

Almost certainly not. Demonology is made for one. And spreading the blame can only make difficult the task of the public relations system. Facts may emerge that those 'hundreds of thousands of people' died for reasons other than the crimes of General Aidede. For example, the US and other Western governments suppressed satellite evidence about the severity of the drought in Somalia as long as two years ago. Until then the US government allowed its client regime in Somalia, the murderous dictatorship of Siad Barre, to steal American-donated food and divert it from the starving to the army and to profiteers. Moreover, the US ran a 'ratline' to North American for Siad Barre's leading killers, who were given Canadian tourist visas. Among them were Somali officers trained in the US, including one who allegedly ordered the execution of 120 villagers.

Recently, a British aid worker in Somalia, Susan Quick, described how the American-dominated UN has pushed aside the voluntary workers, in blatant violation of all the principles of the relief assistance. She wrote: 'The UN has distributed food in only a handful of sites in a manner likely to increase tension.' She also disclosed that more Somalis being disarmed by the UN were those guarding aid

agencies and food supplies. Rakiya Omar, a Somali who is co-director of African Rights, has described UN power in her country as a licence over people, rather than a means to influence politics. A degree of political thoughtlessness unimaginable in Bosnia is regarded as justifiable in Somalia... Somali civilians are paying the price for the importance of the West in Bosnia...

The immediate issue for opponents of imperialism is to identify its contemporary forms and not to be distracted by media demons and Orwellian euphemisms such as 'international community', 'world economy', 'liberal intervention' and so on. Unless self-deception is terminal, current

Australia-born John Pilger is a well known journalist, author and documentary film-maker.

OPINION Administrative Reform

A news item published on July 21, in almost all national dailies that the 'comprehensive report on public administration on restricting bureaucracy' would be presented to the Prime Minister Begum Khaleda Zia early this month has inspired me to write a few lines on the subject.

I do not and cannot claim myself to be an expert on the subjects but due to my concern, as a citizen, about my country and for the wellbeing of the public in general I want to make some suggestions in addition to what might have come up in the report of the learned members of the advisory body on the subject. I like to suggest the following:

- a) Change the name of the 'Secretariat' to 'Mantranalay' or 'Office of the Ministers'. (I do not understand why Ministers specially the elected person should sit in the 'Secretariat'.) b) Amend the laws relating to the responsibility of the 'Public Servants' for their malfeasance, misfeasance and non-feasance. Omit the existing law relating to the prosecution of 'Public Servants' after obtaining sanction from the Government. No Public Servant should be allowed to be defended by the Government Pleader/Public Prosecutor in any case or suit. c) Any 'Public Servant' who passes any order in respect of right, liberty or property of an individual should supply entire order sheet/note sheet, documents and paper relied upon for such decision along with the final order to the person concerned whose right, liberty and/or property are affected by such order. Once this system is introduced in this country, corruption will have to come to an end. The taboo of official Secrecy Act, seems to me the cause of all evils and root of corruption. There cannot be any secrecy at least to the person whose, right, liberty and property, the state wants to deprive him of. The decision maker in the administration should put himself in the shoes of a Judge in giving his decision in any of such matter or, in the alternative, he should keep it in mind

Fighting AIDS

We would therefore request WHO and our authorities concerned to give top priority to morality and character building of the people especially the youth side by side with teaching of all preventive measures to make the campaign against AIDS a real success.

O H Kabir Dhaka-1203.

Short weight

Sir, Giving short in weight seems to have become a normal routine with the meat sellers and green grocers in Dhaka while prices of daily groceries are going up unabated. On one occasion I bought 5 kgs of beef at Tk 60/- per kg from the Hatirpool market and when I checked the weight after I returned home, I was surprised to see that the meat weighed only 3.300 kg i.e. shortage of 1.700 kg! I had it re-checked with a different weighing machine at nearby shop. The result was the same. And this is happening every day. Everyday the unfortunate consumers are being cheated like this while the law enforcing authorities are oblivious of such criminal acts.

I am told that at Chittagong the municipal authorities have installed a weighing machines at Municipal markets for the

I share Mr Dewan's shame and concern for the suffering passengers at ZIA, but beg to disagree with his recipes. Only one thing is required for clearing the Augean Stable

customers to check the correctness of weight of their purchases. This has achieved good result and I am told that wherever the weighing machines have been installed incidence of short weight has disappeared. I don't know how far this is correct. But it makes sense and is a very simple, inexpensive way to combat the menace. If weighing facilities are readily available the fear that the customers may check the correctness of the weight will act as deterrent; at the same time consumer awareness will develop. The Municipal authorities in Dhaka should organise the facilities of rechecking at Municipal markets and at the same time the law enforcing authorities should enforce the law against unscrupulous shopkeepers.

Service Clubs like Rotary and Lions may also come forward to organise healthy practices in marketplace by publicity and motivation. In this respect the Rotary Four Way Test may play an important part and may be a worthy project for the year.

Through your esteemed daily I would like to draw the attention of the authorities to this important matter.

I am told that at Chittagong the municipal authorities have installed a weighing machines at Municipal markets for the

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