

## Closure of BJC

By issuing the Bangladesh Jute Corporation (BJC) Repeal Ordinance, the government has taken the final step in winding up the state-owned entity. The act marks a stage in the process of getting the government out of running business houses and industrial ventures. By closing down BJC, the government will also fulfil a commitment made to the World Bank. However, ensuring a fair price to the jute grower still remains an issue of immediate concern.

True, the interplay of supply and demand would determine the price in a market economy and the government should not interfere with the process. However, markets are seldom, if ever, perfect. Trading in jute in this country perhaps provides a striking example of market imperfections. The long chain of middlemen pay scant regard to the rules of the game. The jute grower, utterly lacking in holding power to wait for a better price, is almost invariably at the receiving end. Till recently, the government used to fix a minimum price for raw jute and tried to enforce it through direct purchases by its own agencies in the public sector. For years now, BJC had been the main arm of the government's market intervention mechanism in raw jute. As could be expected, business considerations seldom guided BJC's operations. Coupled with rife internal mismanagement, the mode of its operations could only land BJC into huge losses. And this is exactly what happened. Had BJC been a private sector enterprise, it would have faced liquidation long ago.

Does this mean that the jute growers will now be left at the absolute mercy of the traders and the middlemen? Well, not just yet perhaps. The Bangladesh Jute Mills Corporation (BJMC) is still there. Available reports indicate that BJMC would now be buying directly from the growers and, perhaps, a larger quantity than its normal offtake. However, the operations of BJMC also will get drastically scaled down in pursuance of the commitments made by the government under the forthcoming World Bank financed jute sector reforms programme. What will happen then?

The jute traders and middlemen will not turn benign overnight. Nor can they possibly do so even if they wished to. In all fairness, it has to be admitted that factors such as the international price situation, overseas and domestic demand, level of production at home and abroad, are important considerations which guide the behaviour of the raw jute market. Looking at years ahead, it's time that the government gives thoughts to building up a safety net programme for the jute growers too. For instance, special storage facilities could be created for jute where the grower could place his produce in the form of a pledge and receive part payment for it. Accounts could be settled when the jute is finally sold off — maybe at a better price than what the grower would get at the onset of the season. Comparable arrangements for rice marketing came as a boon for the farmers in Thailand.

Possibility of jute being smuggled out poses a real threat at this time of the year, particularly if domestic buying is at a low level. The farmer is strapped for cash immediately after harvesting and he cannot be expected to differentiate between buyers. This aspect calls for special attention this season. According to the latest forecast of the International Jute Organisation (IJO), global jute production is likely to fall in 1992-93 season. IJO says that the jute area in India declined by 21.5 per cent in this season. Recent Indian press reports suggest that apprehending a shortfall in supplies, the local jute industry has called for a total ban on raw jute exports. There could thus be a case for the government here to intervene in the market this season — may be through BJMC — to buy jute, at least in the border areas.

In an exclusive interview with this newspaper, a visiting Harvard professor said in Dhaka the other day that many mainstream economists thought that neither governments nor markets always functioned effectively. This, he pointed out, provides a potential role for the government in mitigating the imbalances of markets. Such a situation seems to have arisen in the jute market now.

## Culverts Set a Record

When undertaking any construction work the pertinent government agencies work more as a paymaster in a hurry than anything else. The civil contractors and the consulting firms — responsible for the execution of the job — are only too eager to oblige. The money spent in the so-called development works usually come from abroad — and the two sides make the most of converting the jobs into money minting operations for the benefit of the poor families of the people involved on both these sides.

It is all too familiar a game. And many of Bangladesh's rich people got their early start from the surpluses made from government construction jobs. The surpluses were generated through a very simple mechanism. The construction specifications — specially of materials to be used and their quanta and proportions — were compromised in a manner yielding the greatest dole to the parties in the deal and reducing the work on hand to an eventual heap of rubbish. The quarter of a billion Taka Feni Bypass — the first one that is — did not survive months.

Naturally, knowledgeable travellers on Bangladesh highways, keep a tab on their stairs. For any stretch of road can buckle, any bridge or culvert crumble without giving any notice whatsoever. Almost in the manner of nuclear decay in the world of the quantum.

In this land crisscrossed by canals and rivers, culverts far outnumber bridges. Six culverts in Jamalpur are in the news for possibly setting up some sort of a record. A Daily Star report published on Thursday says, the six ADB-funded culverts, costing Tk 80 lakh, have collapsed even before being commissioned. We are thankful to the consultants who have been tentatively identified as the villain of the piece, the builders and the involved government agency for so designing the time of the collapse that it wouldn't take any life or hurt any one.

# Kamal's New Party Creates Waves, but Faces Challenges

by Chapal Bashar

According to Awami League high command, formation of Gano Forum would not affect the AL. However, AL's recent gearing up of organisational activities indicate that they have become much more alert to keep their house in order.

ENDING widespread speculations and all conjectures, Dr Kamal Hossain and his allies have finally floated the new party with a pledge to bring in a new trend in the politics. After formal launching of the party, Kamal, who was with Awami League for more than two decades, declared that greater unity among the people would be the pivot of his politics and his party would strive to bring about qualitative changes in the national life for making the independence meaningful.

The new party has been named Gano Forum, keeping similarity with that of Bangladesh Democratic Forum (BDF), which was formed by Kamal Hossain on 19 June last year. The BDF, a non-partisan platform of like-minded politicians and individuals, was the prime mover in the process for creating the new organisation.

Launching a new party or an organisation is not a new phenomenon in Bangladeshi politics. Scores of political parties, pursuing uniform or antagonistic ideologies, made their debuts in the political arena in the past, but only a few could survive in true sense. Existence of most of these parties remained confined to their signboards and statements issued to the press.

Soon after formation of the BDF, its leaders including

forming a new party makes little impact as such among the people nowadays.

However, the scenario of floating Kamal's party has been a different one and it immediately drew people's attention. The very process of forming the Gano Forum was a departure from the normal practice. So far, it was witnessed in most cases that the dissident group or faction of a party severs the relationship with the organisation, forms a new committee under the same banner or with a changed nomenclature and maintains separate entity.

The Awami League (AL), the National Awami Party (NAP), Jatiya Samajtantrik Dal (JSD) and many other parties including the ruling BNP have experienced such desertion of dissidents and formation of rival groups.

But the Gano Forum can be described as a party organised newly since it came into existence in a different way that took 14 months to complete the process.

Former Foreign Minister Kamal Hossain, who was still then a president member of the AL, made extensive tour around the country and constituted a preparatory committee in March this year for a National Grand Convention (NGC) which was held during 27-29 August in Dhaka. The Gano Forum emerged at the end of the

NGC and merged with the Gano Forum (GF). A dissident group of the AL including some of its senior leaders also joined hands with Kamal.

A seven-member Executive Council of the GF comprising Kamal Hossain, Pankaj Bhattacharya, Barrister Amrul Islam, Advocate Zahirul Islam,

Shajahan Straj officially joined the NGC and merged with the Gano Forum (GF). A dissident group of the AL including some of its senior leaders also joined hands with Kamal.

Dr Kamal was empowered to act as the chief executive of the GF, since the party's architects could not reach consensus to elect someone as General Secretary. It is understood that there was a number of aspirants for this lucrative position.

A programme containing a National Development Strategy was also approved by the convention which is, in fact, the manifesto of the new organisation. The programme, drafted by groups of experts, incorporates 26 chapters which deal with national issues as well as major national problems suggesting possible remedies.

The programme stressed much on development of education sector and opposed keeping student front of the political parties. The GF believes that this would help to curb terrorism on the campus. The GF president declared at the press conference that his party would not have any student or labour wings, but some organisations

will be associated with it. However, it is not yet clear how the existing student and labour fronts of now defunct CPB (reformist), NAP (Pankaj) and JSD (Straj) would function.

Hours before the formal announcement of launching the new party on 29 August, Kamal Hossain resigned from the primary membership of AL and conveyed it to Sheikh Hasina.

The AL central committee, which was in session since Wednesday, is most likely to accept the resignation. According to the AL high command, Kamal's desertion from the party is not significant or important for them while they believe that formation of the Gano Forum would not affect the Awami League at all. However, AL's recent gearing up of organisational activities indicate that following the new initiative of Kamal Hossain, the AL leadership has become much more alert to keep their house in order.

Launching of a new party by a veteran leader like Kamal Hossain backed by other political forces, is undoubtedly a challenge, small or big, for the Awami League. Yet, it is also an opportunity for the AL, the party that bears a glorious heritage, to be well-organised by facing the new challenge politically.

the community ought to emulate rather than resent," commented the *New Zealand Herald* (Auckland).

The *Dominion* (Wellington): "The sooner we realise newcomers from Asia are not a problem but a rich new resource for our future, the better."

The *Press* (Christchurch): "If the New Zealand economy is to achieve the growth rate it needs, to more fully employ its people, increased entrepreneurial talents are necessary."

The *Southland Times* (Invercargill): "New Zealand needs Asian capital and the Asian business expertise which goes with it."

The importance of Asian countries to the New Zealand economy is underlined by the latest trade statistics which show they provide nine of the top 20 export markets.

Japan is New Zealand's second biggest trade partner (after Australia). Next in line from Asia are South Korea, Taiwan, Hong Kong, Malaysia, China, Singapore, Indonesia and Thailand.

At present, up north in Auckland, the Race Relations Conciliator, a government-appointed arbitrator of complaints, is investigating grievances of members of the Chinese community who have been upset by the recent attack.

Editorial comment on the controversy has sided with the government's encouragement of Asian immigration. The *Sunday News* (which has national circulation), said Dr Walker's ban on immigrants was "rampant xenophobia" which should be "laughed out of court."

"Asiatic New Zealanders set standards of energy the rest of

settlements in the rest of the country," said the *Depthnews Asia*.

## BEHIND THE HEADLINES

Convention with Kamal as its president.

Before holding the NGC, district-level bodies of the preparatory committee were organised with members from different political parties and individuals while those district committees functioned as base of the party in the offing. The Communist Party of Bangladesh (CPB-reformist) headed by Saifuddin Ahmed Manik, the NAP led by Pankaj Bhattacharya and the JSD of

Saifuddin Ahmed Manik, A M A Muhit and Shajahan Straj MP was elected to act as the supreme decision-making body to run the party.

This Executive Council is now busy formulating plans and strategy to organise the party before it goes for the National Council within 15 months where a full-fledged central leadership will be elected. For the time being, the party activities will be guided under an interim constitution

# New Zealand : Racism Colours Outbursts of Asian Bashing

Ian McCrone writes from Dunedin, New Zealand

OWN south, a family of eight Cambodian refugees, two Chinese and two Malaysians, are sworn in as new New Zealanders at a ceremony in Dunedin.

In Christchurch, a 17-year-old New Zealand woman of Malaysian-Chinese parentage, tops University of Canterbury degree course with first class honours in mathematics.

Up north in Auckland, a series of newspaper articles about an "invasion" of migrants from Asia provokes cries of racism from pakeha (white) New Zealanders, as well as from Chinese settlers, old and new.

In the same city, the controversy is fuelled by a Maori academic — of part-British ancestry — calling for a ban on all migrants from Asian because, he says, they take jobs away from Maoris.

In the capital Wellington, Prime Minister Jim Bolger declares that New Zealand is part of Asia and government statisticians produce figures showing Asian markets now provide one-third of the nation's export revenue.

These apparently unrelated events are all part of a sudden awakening of New Zealand to Asia, and with it, a resurgence of emotion, from resentment to fear, which dates back more than a century.

The white pioneer settlers of New Zealand in the mid-1800s were largely of English, Scottish and Irish stock. They signed a treaty with the Maoris, a Polynesian people who came south in their sailing canoes nearly 1,000 years earlier.

When the provinces federated, the British newcomers guaranteed the Maori tribes parliamentary representation by creating four special seats in the House of Representatives which exist to this day.

Before World War II, there was antagonism toward Japan, which at the time was deep into its Greater East Asia Co-prosperity Sphere police and busy spying throughout the South Pacific. Distrust of the Japanese did not prevent large sales of scrap metal to them. But today, acceptance of the former enemy as a valued, and equal, trading partner is opposed by many of the war generation, particularly old soldiers who were prisoners of the Japanese.

New Zealand has traditionally taken its immigrants from Britain and the Pacific Islands like Samoa, Tonga and Fiji. In the 1991 census, 83 per cent of New Zealanders classed them

aselves as of European descent and 10 per cent said they were Maori.

It is only in the last 10 years that New Zealand governments have actively developed a policy of trying to attract migrants based on wealth and skills rather than on race. Asians with money, particularly Hong Kong Chinese, have arrived in growing numbers.

Seven years ago, the Chinese population of New Zealand numbered fewer than 20,000. By 1991 it had doubled and has grown even faster since.

Most of the immigrants have

settled in Auckland, to the point where the predominantly white upper class suburb of Howick has become "Chowick" in racist slang.

Minister of Internal Affairs, Graeme Lee said recently: "The social fabric of New Zealand is in transition. We are becoming increasingly multi-cultural, evidenced by the 155,000 people, or 4.6 per cent of our total population, who make up the ethnic sector."

Asians accepted as "business" immigrants by bringing in large quantities of cash and promises of industrial investment, do not hide their wealth. This arouses envy in many New Zealanders, more than 200,000 of whom have no job. There is resentment of newcomers who can afford so much more of the good life than most established New Zealanders.

But ironically, the English language issue has triggered the

admitted to junior classes. Others point to the law of the land which says all are entitled to a free state school education, from five to 19 years without discrimination on grounds of ability or race.

There is plenty of evidence that the Asian study ethic enables young students to catch up fairly quickly in class, and leap ahead in later years.

An ethnic analysis of results of the two major high school examinations held nationally last year, shows Asians were the top achievers. Nearly 18 per cent scored at least one A in the school certificate exam, against 2 per cent of Maori candidates. In the bursary exam, 33.8 per cent of Asian students got an A pass, against 25.4 per cent of pakeha New Zealanders and 7.2 per cent of Maoris and Pacific Islanders.

Among the country's exceptional mathematics scholars in

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.

## Purchase of Wage Earners Development Bond

Sir, Recently, the Bangladesh Bank has relaxed some foreign exchange restrictions in respect of foreign exchange earned by Bangladeshi nationals working abroad in order to encourage more and more foreign exchange remittances to this country to boost its economy. One of the facilities they enjoy is purchase of Wage Earners Development Bond with foreign exchange.

The Bangladesh Bank has overlooked the fact that a good number of Bangladeshi nationals earn foreign exchange in Bangladesh, working with foreign embassies, foreign donors and NGOs, etc through convertible accounts. But they are being deprived of the facility of purchasing such development bonds in Bangladesh. To consider the matter very liberally, it makes little difference between a person who is working abroad or inside Bangladesh as long as he is earning foreign exchange. This inequality is not conducive to the healthy growth of economy and internal mobilization of resources. This is also against the spirit of the ordinance governing the Wage Earners Development Bond.

Will the Ministry of Finance, especially our benign Finance Minister kindly look into this matter and issue instructions to

port is up; foreign exchange reserve stands at US \$1.8 billion, one of the highest; bangle harvest; tax revenue collection has exceeded target; inflation rate is one of the lowest in the region; and foreign aid utilization position is quite good in terms of the ADB/WB set standards. So the macro-economic handling has been excellent in terms of the crucial economic parameters. So Finance Minister Rahman seems to have done his part of the job. But the question remains why the economy is not picking up? This is simply a baffling situation and no body seems to know how to address it. One of the plausible explanations, in my opinion, is that we have failed to manage the home front well. Two key social factors, without the fear of contradiction, can be said to be inhibiting private investment and briske economic activities are the poor law and order situation and the volatile labour market. When somebody, for example, seeks to set up a small industry with or without bank loans the gang of extortions appear and ask for money even before the factory goes into production. Organized labour unions all over the country, with the blessing of some political parties, frequently clamour for wage hikes with least consideration to their disproportionately low level of productivity. Resultant strikes and hartals tend to cripple the economy and discourage the potential investors.

Unless we manage the law and order situation well and discipline the labour front, it is futile to expect foreign investment in our country, not to speak of propping up the domestic private investment. If we now succeed to improve the law and order and keep the labour

market activities under reasonable control, the economy, with its present state of healthy signs, is poised to unleash the forces of growth. Now it is the turn of the home minister to play his game with an iron fist. His efforts alone, however, won't suffice. His mission to crack down on the criminals including the extortions and to tame the volatile labour front must be supported by the opposition politicians as well as the labour leaders.

K. Nasir Ahmed  
Tejgaon, Dhaka

## Mymensingh-Fulbari Road

Sir, I am an inhabitant of the place called Akua in Mymensingh district. The Mymensingh-Fulbari Road is just in front of my house. The road which was constructed in the Pakistani period has, by now, turned completely dilapidated.

In 1988, the government took steps to rebuild this road and, as we know, a firm named Solitech was appointed as contractor. The authority gave two years time to finish the work. But, it is now five years going, and not more than 40 per cent of the work has been finished.

It is creating more inconvenience for the passersby as well as roadside dwellers because the old road has been broken and the old road is all sandy in the dry season and all muddy in the monsoon.

So I appeal to the appropriate authorities concerned to take urgent steps to free the people from their sufferings.

Lutful Islam Titu  
Akua Modhupara  
Mymensingh

## OPINION