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Clinton to resume dialogue with PLO, host signing ceremony Monday Old enemies take a new step

JERUSALEM, Sept 10: Israel recognised the PLO today in a historic step towards Middle East peace. The United States said it was resuming dialogue with the organisation the Jewish state once branded as a terrorist group, reports Reuters.

But radical Palestinians said PLO leader Yasser Arafat had betrayed them and at least one group threatened to kill him.

"It's an historic moment that hopefully will bring about an end to 100 years of bloodshed, misery between the Palestinians and Jews," Prime Minister Yitzhak Rabin said as he signed a letter to Arafat at a ceremony in his office.

On Thursday night the Palestine Liberation Organisation chairman signed a letter recognising Israel and renouncing the campaign of violence Palestinians have pursued for decades against the Jewish state.

Mutual recognition between Israel and the group it has always dismissed as terrorists bent on its destruction changed the political landscape in the

Middle East.

It cleared the way for the PLO and Israel to sign accord in Washington on Monday providing for early Palestinian self-rule in the Gaza Strip and the West Bank town of Jericho.

US President Bill Clinton told a White House news conference that Washington was resuming US-PLO dialogue began in 1988 but broken off in 1990 after a renegade

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Palestinian group attempted an attack on an Israeli beach.

But he did not mention Arafat by name and issued no formal invitations to Monday's signing ceremony.

"As a result and in light of this week's events I have decided to resume the dialogue and the contacts between the United States and the PLO," he said.

"These PLO commitments justify a resumption of our dialogue," he said in referring to the PLO promises to renounce terrorism and recognise Israel's right to exist.

US officials said arrange-

ments were being made for Monday's ceremony which may be attended by 1,000 guests, including five former US Presidents.

"I would like to be there," Arafat told French state television from his headquarters in Tunis. This, he said, "will depend on the invitations we will receive from the White House."

Clinton said Washington would be happy with whoever the PLO and Israel decided to send. "Whoever they decide will be here is fine with us."

PLO ambassador to Turkey Fouad Yaseen said earlier Arafat was expected there on Monday for talks with President Suleyman Demirel, Prime Minister Tansu Ciller and Foreign Minister Hikmet Cetin and that as far as he knew the trip was still on.

Radical Palestinian guerrillas, swept off guard by the frenetic developments, threatened to assassinate Arafat and other hardliners vowed to fight to wreck his pact with Israel.

"Abu Ammar (Arafat) has committed treason and because

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Palestinian fighters in the Ain el-Helwe refugee camp in south Lebanon dancing yesterday after the recognition of the Palestine Liberation Organisation (PLO) by Israel. — AFP photo

World hails PLO, Israel Wage increase will frustrate cut in lending rate

UNDATED, Sept 10: From Moscow to Washington, nations on Friday saluted Israel and the Palestine Liberation Organisation for courage in recognising each other, reports AP.

Russia likened the pact to the fall of the Berlin Wall, the United States announced a resumption of contacts — cut in 1990 — with the PLO, and Spain planned its first royal visit to Israel.

Today marks a shining moment of hope for people in the Middle East and indeed the entire world," President Clinton told a news conference at the White House.

But whether world leaders will match the plaudits with aid to help peace stick was uncertain.

The United States and the European Community both said they would help the autonomous Palestinian regions,

which are to be established under the agreement.

There were no immediate specific pledges of money, and US congressional leaders, citing foreign aid cutbacks, said they saw little chance of the United States making any immediate major contribution.

The declarations of mutual recognition, officially ending three decades of hostilities between Israel and the PLO, swept domestic items from the top of news bulletins in most countries and provoked jubilant headlines.

"Middle East Enters New Era," The Guardian of London headlined its main story.

Like many commentaries, the newspaper's editorial acknowledged that the agreement was just the start of a difficult road ahead, adding that "in a fairly miserable world, the Middle East is entitled to a full

moment of optimism."

Russia, cosponsor with the United States of formal negotiations, said it would do "everything possible" to help implement the accord including taking part in international guarantees.

This historical step can well be compared to the fall of a Berlin Wall in the Middle East," the Russian Foreign Ministry said in a statement read to reporters.

In Brussels, the 12-nation European Community promised to discuss at a weekend meeting of foreign ministers the provision of more economic aid for the West Bank. The community's executive commission already has put forward a plan to spend \$500 million on helping Israeli-occupied territories.

The community also may broaden its 1975 preferential

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By a Special Correspondent

The government, on the same day Wednesday, urged the bankers to bring down lending rates, and assured the workers that the Wages Commission award will be implemented soon by gazetting it.

The Wages Commission awarded a raise in minimum salary of public sector workers to Tk 1493 per month from the previous level of Tk 1103. This will raise the operating costs of the public sector enterprises which suffer from serious over-manning. In Bangladesh, the public enterprises are 'wage leaders'. Thus, the Wages Commission award of 35 per cent raise in basic salary will push up wage cost across the

country's industry sector.

The effect of the wage increase is easy to foretell. It will make more industries unviable.

In the jute industry, for ex-

agger the reduction in jute sector capacity over a longer period, that is, keep on spoon-feeding the sector out of the budget. In both the options everybody except those few who will retain their jobs at the higher wage will be the losers.

The second option will only pass on the burden of adjustment to the wage increase to the tax-payers. Since the tax-payers are less 'united' than the public sector workers, this would be the path of least resistance for the government and hence, the preferred one.

The government's announcement that the Wages Commission award will be

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Convertibility of Taka may cause inflation

By Sohail Manzur

The country may face a serious inflation after the Taka is made fully convertible if the brokers, the authorised money-changers and the exporters are allowed to influence the money market, banking sources said.

According to the sources, a move is underway to include all of them in the money transaction process, along with the private and nationalised commercial banks, with a view to broadening the exchange market.

At present, the exporters are allowed to retain five to ten per cent of their foreign exchange earnings while an individual can keep forex to the tune of 2500 US dollars.

Besides, the foreigners, who are allowed to keep 5000 US dollars, are converting their forex with the authorised money-changers (the five-star and three-star hotels).

If all of them are allowed to trade in the deregulated exchange market, they may try to manipulate the exchange rate by creating artificial crisis, the

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Ban on rallies, processions near Sangsad areas

All kinds of processions, rallies and demonstrations in the Sangsad Bhaban complex and its adjoining areas have been banned from midnight today for smooth holding of the parliament's autumn session which begins Sunday, reports UNB.

Dhaka Metropolitan Police (DMP) also prohibited carrying of firearms, explosives and other harmful materials in those areas.

As per the Police Ordinance (Ordinance No. 111/76) Article 28 and 29, DMP Commissioner A N Hussain imposed the ban for maintaining law and order.

The areas are: From Old Air Port on Mymensingh Road to Sonargaon crossing, eastern part of Panthapath, from Panthapath-Green Road crossing to Farmgate, from Shyamoli

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Mahbub cries off

By Staff Correspondent

Mahbubur Rahman, a former Education Minister under Ershad, who was assigned the task of drafting a new constitution for the Huda-Matin faction of the JP, yesterday disowned his association with any faction of the trouble-ridden party.

"My inability to be associated with any move by anyone is deeply regretted," Rahman said in a written statement just before yesterday's press conference by Shamsul Huda Chowdhury yesterday.

He called for unity of all Jatiya Party members to accomplish the unfinished tasks.

Mahbubur Rahman, in his statement, upheld 'his role during the Ershad regime. He said: "Despite distortion by interested quarters, it is an undeniable truth that the country had a good government from 1982 to 1990. All classes of people, including government officers, made their contributions to make the country the land of our dreams."

Strike in Kashmir to snub Pilot

SRINAGAR, Sept 10: Towns in the Kashmir valley were paralysed today by a strike called by Muslim militants to snub a visiting Indian minister, reports Reuters.

Shops, markets, offices, banks and schools were shut in the state's summer capital Srinagar and throughout the rest of the scenic valley in a snub to India's Minister of State for Internal Security, Rajesh Pilot.

Most government offices were locked and those which did open had a skeleton staff. Public transport did not run and the streets of Srinagar were deserted after militant groups, led by the pro-Pakistan Hezb-ul-Mujahideen, ordered people to stay at home unless absolutely necessary.

Police said six people were killed in a blast in the southern town of Anantnag but gave no other information.



A tiny tot putting coloured crayons to her imagination at a drawing competition at the Fine Arts Institute, Dhaka University, yesterday. — Star photo

Fire at Dhaka Stadium market

By Staff Correspondent

Two video shops and an electronic goods shop were gutted in the Dhaka Stadium Market Friday afternoon.

A Fire Service spokesman said the fire originated from an electric short-circuit at Swapna Video on the second floor of the market and spread to adjacent shops.

The video shop was entirely damaged while two others — Rose Valley Video and Audio Centre and Kalam Enterprise — suffered partial damage.

Owners of the shops put the loss at about Tk 70 lakh.

2 die in launch accident at Sadarghat

By SSMCH Correspondent

Two children drowned when a launch dashed a boat, capsizing it, in the Buriganga near the Sadarghat terminal yesterday afternoon.

Witnesses said MV Sagar-4 was coming from Wiseghat to the Sadarghat BIWTA Terminal when it hit the boat carrying 15 passengers.

The victims were identified as Elachi, 8, and Sajal, 2. Two passengers of the boat were also reported missing.

JP (N) fails to name committee

By Staff Correspondent

A group of Jatiya Party dissidents said yesterday former President HM Ershad was no longer a political prisoner because he has been fighting court battles against several criminal charges.

"He is not a political prisoner now since he himself has appealed to the High Court against his convictions for criminal offences," Shamsul Huda Chowdhury, Speaker of Parliament during Ershad's rule, told a crowded press conference at Hotel Sonargaon where he announced a new party — the Jatiya Party (Nationalist).

However, contrary to earlier announcement, Huda Chowdhury failed to announce the convening committee of his new party.

Party insiders said the announcement was postponed because of internal discord with a number of leaders aspiring for top positions. Huda said a committee would nevertheless be announced within a couple of days.

The septuagenarian Huda was flanked by Ershad's Deputy Prime Minister Dr M A Matin — who deserted the former President just before his ouster in December 1990 — and

Nazimuddin Al-Azad another of Ershad's ministers.

The former Speaker, however, said he and his allies also demand the release of Ershad but insist it must be through proper legal process.

The new party comes after repeated accusations against the JP leadership. Acting JP chairman former Prime Minister Mizanur Rahman Chowdhury has been accused personally of being autocratic and deviating from the party's nationalist stand. The dissidents also charged Mizan and his close associates for exploiting the for-

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JP dissident Shamsul Huda Chowdhury addressing a press conference at Hotel Sonargaon in the city yesterday. Dr M A Matin is seen on his left. — Star photo

Deja vu ?

By Staff Correspondent

Shamsul Huda Chowdhury and Dr. M.A.Matin, two seasoned players in the intriguing game of Bangladesh politics, have done it again.

On April 2, 1983, through a 'special convention' at the Beauty cinema hall in Mirpur, they had 'expelled' the then chairman of the BNP former President Justice Abdus Sattar and Secretary General Dr. Badruddoza Chowdhury for their 'anti-party roles' and formed their own faction dubbed BNP (Huda).

At the time it was widely believed that the move by

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150 killed as UN choppers fire on Somalis, claim Aideedmen

MOGADISHU, Sept 10: At least 150 Somalis were killed, many of them women and children, when UN helicopters opened fire on civilians in southern Mogadishu on Thursday, rebel warlord Mohamed Farah Aideed's faction said today, reports AFP.

UN officials said the UN helicopter gunships used their cannons to relieve Pakistani UN troops being ambushed by Aideed's supporters.

But Aideed's Somali National Alliance (SNA), in a communique distributed to journalists, denied that its

militia had ambushed the Pakistani troops, talking instead of an attack by US and Pakistani forces against a residential district and the "massacre of innocent citizens."

According to the SNA most of the 150 dead and over 300 injured were women and children.

The Benadir hospital in southern Mogadishu stated it had admitted 62 injured, 18 of them small children and 35 women. Another 24 Somalis had died in hospital.

The Digfer hospital reported it had treated 55 wounded, in-

cluding women and children, and that five had died.

UN spokesman Major David Stockwell said on Thursday that he expected civilian casualties to have been high.

But he defended the use of the helicopters, saying the women and children were a real threat to the soldiers and that they had been throwing grenades at UN forces.

A Pakistani soldier was killed in the ambush and five others, three Americans and two Pakistanis, were injured and in stable condition in hospital, he said.

Two US troops were injured this morning in southern Mogadishu when their truck was destroyed, probably by a rocket, on the road which had been the scene of Thursday's fighting, Pakistani troops told an AFP photographer.

Somali children were critically injured in the attack, the photographer saw at the scene. US forces refused to confirm that two of their men had been injured.

Meanwhile, heavy fighting between two rival Somali clans broke out in southern

Mogadishu today claiming several lives and leaving a number of injured, according to Somali witnesses.

The battles with automatic weapons and rocket-launchers grew fiercer as the afternoon began and US helicopter gunships overflew the scene several times, but did not intervene.

Militiamen of Aideed's Hezb Gedir clan and members of the rival Awadle were fighting near the hotel in the Somali capital used by journalists.

The clashes began after the theft of a car rented by the American TV station CNN,

which had only Somali nationals aboard at the time.

Two members of Aideed's clan were shot dead during the theft and another was injured.

Reuters adds: Gunmen killed two Somalis working for the US Cable News Network (CNN) in an attempted car hijack in central Mogadishu today.

Two wounded survivors of the attack said gunmen opened fire on the vehicle, killing one driver instantly and seriously wounding another. He later died of his wounds in the car, a Somali who went to the scene said.

One held with revolver

Detective Police arrested a young man with a revolver in his possession from Goran area of the city yesterday. Tapan Sarder, 30, son of Late Idris Sarder, was arrested during a raid at 314, North Goran at about 2.30 am. Police said a sophisticated revolver along with seven bullets and a stolen motor cycle 100 cc CDI Honda (Dhaka Metro A-02-3221) were recovered during the raid, reports UNB.