

Jute has to Stay

The Bangladesh Chemical Industries Corporation has produced pulp for making industrial grade paper from green jute. That's the kind of news that makes our hearts leap up. Perhaps here is a breakthrough that will rescue our jute from the limbo that it is currently in and, in the process, salvage our economy as a whole. Experience, however, counsels us to take it calmly and not to pin any hope at all on this and the such like until some big economic good is indeed home to us. The story of putting jute to uses more fetching than making packing sacks and bags is as long as it is spectacular. Has anything come of that, ever?

The nation seems to be in two minds about jute. The attitude that matters seems very close to say, let jute pay its way and make everyone happy. If that warrants putting in a lot of investment and hard businessmanship — well, jute is not well worth it for it is, modern industrywise, quite on the way out. This attitude is based on sheer ignorance and suits only those who do not have any stake in the matter excepting making money without ever earning it — which should never be the case with this poor and hardpressed nation.

There are compelling physical reasons for, rather than giving jute up, going vigorously about cultivating it. We shall name only two. First, the jute-sticks help us make a saving on our forest wealth as well as on our oil and coal bill worth tens of billions of Taka. One shudders at the thought of what will happen to the plant population of the nation the day there will be no jute-sticks to fuel 20 million-plus domestic ovens, crores of tons of trees would be felled every year setting off an environmental disaster that is certain to make Bangladesh unlivable for man in a matter of decades.

The compulsion for not only retaining jute but taking special care about its cultivation relates to that very much neglected and yet tremendously important question of land regeneration. In this country where land is only abused and no care is taken at any level about replenishing its dwindling powers, there can be no replacing the service jute renders to the fecundity of land. First, by sending its tap-root deep through the six-inches-from-top non-porous layer unpenetrated by the roots of any other crop or even by earthworms. Secondly, by shedding enough big leaves that fix enough nitrogen for the land to live.

It is for the government and for the scientists to know the true value of jute in our physical scheme of things. And not for the businessman and the industrial entrepreneur. Jute must be able to produce eminently saleable commodities fetching premium prices. Jute mixed textiles are as old an innovation as the batching oil that is made of jute seeds. Why couldn't the jute-cotton heavy-duty cloth find a lively market — even among us who are not among the users of world's finest textiles? Jute textile could easily take the place of imported curtain cloth — even in quality. Why didn't the government itself go for buying its need of this material from domestically produced curtains?

Blankets are being made from jute fibre that compare favourably with foreign cotton ones and come in far cheaper than the latter. The government buys lakhs of pieces of blankets — of the quality of the jute blankets — for the use of the armed services, the paramilitary and the police. The reason why jute-mixed textiles failed to find a buyer in the government is repeating in a sinister manner in the case of the blankets. What then is the guarantee that the government undertakings manufacturing paper will at all buy pulp made of green jute?

It will be pure suicide for the nation to give up jute, why is it not taking it up with any degree of sincerity? Can't we buy up the domestic jute market by buying a lot of jute goods, in which case the items would both proliferate and improve in quality?

There are no technical snags holding up an economic take-off by jute. The problem is solely with the political will, whenever we shall have that and a lot of it, the rest of the things — trading and entrepreneurial — will sort out themselves.

Jute has long been a far too spooky thing. In the interest of the survival of this nation jute should be exorcised of the evil spirits sapping its existence and jeopardising the nation's future.

Exploring Handloom's Potential

Handloom, a small and cottage industry, has long lost its highly elevated position in the country's economy. Once the biggest foreign currency earner, handloom started losing its ground to the textile mills in Manchester, England, immediately after the technology was invented as part of the industrial revolution in Europe. Surprisingly, though, the age-old manually operated looms have not totally become a thing of the past. The fact is that this method of weaving the weavers can neither give up nor continue reasonably gainfully. A report from Sirajganj once again confirms the pitiable condition in which the weavers there find themselves.

Apparently, the problems facing handlooms owe to its primitive technology and the loss of competitive edge. But this is not the whole truth. This small-scale economic venture is still quite suitable for a country where resources get concentrated to the urban centres from all around. The dispersal of economic activity is best served when the productive units at such a level increase in number matching the population growth. And the myth of machine's supremacy over manual labour, at least for once, looks suspect if we consider some of the handloom products that enjoy an enviable market. With lavish patronage, the textile mills have turned into losing concerns one after another and the handlooms pitted against apparently administrative hostile policy are not doing that bad.

No question about the ingenuity and skill of our artisans. If the political decisions on the revival of the lost glory of this sector are there, the simple weavers can show what they can do with their so-called obsolete tools and machines. It is indeed heart-warming to know that the Grameen Bank has not failed to detect the enormous potential in our weavers. A particular type of cloth called Madras Check imported by our garments factories has been creditably copied—sometimes with superior quality. What is amazing is that the weavers have used indigenous raw materials to do the trick. Only their products are much cheaper.

The message, therefore, is loud and clear. With right policy guidelines, our handloom industry can cause the economic miracle, we are waiting for, to happen.

THE highly positive rates of interest, paid by the government on the savings instruments issued by it, has drawn the notice of the multilateral donor agencies. According to a report appearing in this newspaper earlier this month, the visiting World Bank Vice President had suggested that the interest rates on various savings certificates should be lowered. The International Monetary Fund also is understood to have gone into the issue.

In September this year, the government did carry out a downward adjustment in the rates of interest on most of the savings instruments. The yield on 5-year term savings certificate was reduced by one per cent to 15 per cent on maturity. The 8-year term certificate, however, was left untouched with the interest rate remaining unchanged at 18 per cent on maturity. On the other hand, the 3-year term savings certificate was withdrawn. The return on postal savings bank deposits also was scaled down by roughly 1.25 to 2 per cent.

The pattern of the adjustments carried out seems to suggest that the government mainly intended to lower the yield on savings instruments that were competing with bank deposits, at least in respect of the period of maturity. However, even after the revision, the yield on the savings instruments still remain far too high as compared to the banks' rate of interest on deposits. At present, private commercial banks are offering interest on term deposits at considerably higher rates than the nationalised and foreign banks. The rate offered by private commercial banks on savings deposits ranges from 6 to 8 per cent. For fixed deposits of three years and above, private commercial banks' rates vary from 9 to 10.75 per cent. In other words, yields on savings instruments still remain

SAVINGS INSTRUMENTS
Does High Yield Promote Social Security?

Justifications for allowing high returns on savings instruments have to be found, if at all, on socio-economic, rather than exclusively economic grounds.

far too attractive than bank deposits by comparison.

In consideration of a vastly changed inflation scenario and more so perhaps on repeated exhortations of the concerned authorities, banks had been bringing down their interest rates on deposits during the last couple of years. It appears that coinciding with this downward in banks' rates on deposits, there has been a strikingly large expansion in investment in savings instruments issued by the government. According to available data, net investments in government savings instruments expanded by nearly 72 per cent in FY 92 to Taka 814 crore. In FY 93, it shot up by as much as 152 per cent to reach Taka 2,050 crore. At this level, investment in savings instruments equals nearly 10 per cent of the total time deposits in banks as compared to a rather modest 2.5 per cent before the influx started.

How to explain this sudden phenomenal rise in investments in savings instruments? Analysts tend to ascribe the trend to diversion of deposits from banks and ICB Units. Yields on ICB Units' new issues fallen sharply and so have the sales. Banks' growth rate of time deposits have slowed down. In FY 92, time deposits with the banks expanded by about 14 per cent. In FY 93, these grew by only about 11 per cent. Therefore, it can reasonably be inferred that diversion of funds from these other competing traditional depository institutions had fed the spurt in in-

vestment in savings instruments. On top of higher returns, savings instrument offers the additional advantage of tax concessions which further erodes the attractiveness of bank deposits in terms of real return on investment.

Such high rate of return on savings instruments does not quality on purely economic considerations. Nor can inflation expectations justify these arbitrarily determined high yields. Rather, these tend to distort interest rate structure in

receipts from the saving instruments represent government borrowings from the public. Government does not invest the sale proceeds in income generating activities. By and large, it services these debts from its budgetary resources in short. Interest on savings instruments are paid with taxpayers' money. These payments could be seen as reallocation of resources, more or less similar to government expenditure on health and education.

Where does social security considerations come in? Well,

gain from the high yield. However, this need not necessarily be considered as sufficient ground to deny the benefit to the disadvantaged class in the society.

Another difficulty in abrupt withdrawal of the edge provided by the high interest rates on savings instruments to the small savers, arises from the lack of alternate avenues for investment. Capital market has not developed yet and investment in stocks and shares is still viewed by the savers in general as a risky proposition. The more intrepid among the savers do put their money in shares even now. This is borne out by the way new issues are usually oversubscribed. Had there been a well-organised capital market in the country, savers would have been more willing to risk their funds in shares and securities.

Savings instruments, carrying such high yields as they do now, is a costly way for the government to raise funds. The cost is at least partly offset by the social benefit. However, the distortion in yields in the money market continues unabated. Perhaps the government could phase out the differential between yields on bank deposits and savings instruments over a period of time, synchronising its moves with the growth of capital market.

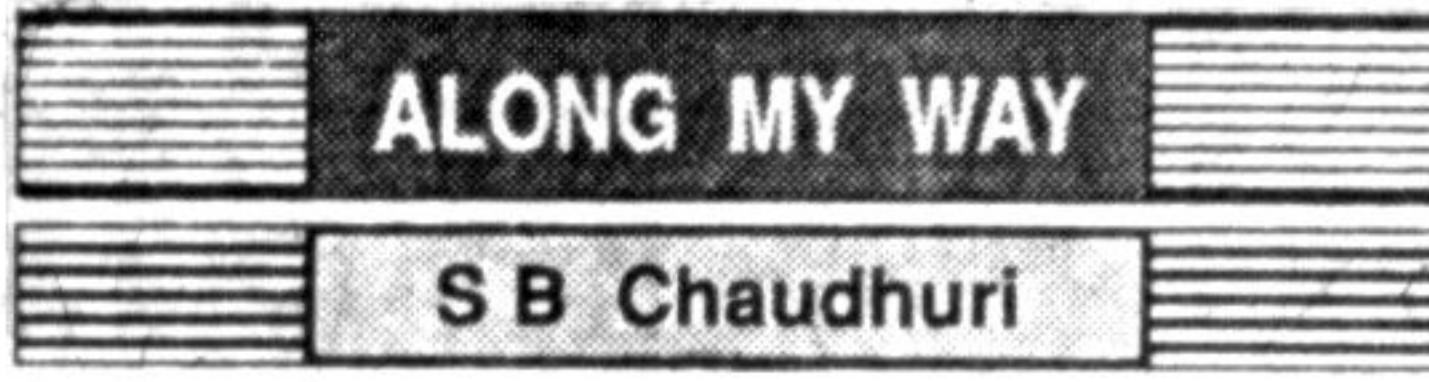
Just a while back, I made a mention of old-age pension for the private citizen. We do have something of the sort in our deposit pension scheme. Patterned on a similar scheme in

Shri Lanka, it offers a private citizen the facility of placing a small amount (say, a hundred to five hundred Taka) every month in a designated bank for a 10/20-year term. The deposit carries an interest of 15 per cent annually. On maturity, the depositor has the option to draw the accumulated amount in instalments — by way of a pension. Total deposits in the banks under the scheme had reached nearly 1,400 crore Taka by the end of FY 92.

The declining trend in banks' lending rates spells trouble for the continued operation of the deposit pension scheme. An annual interest rate of 15 per cent, when compounded on maturity, say at 10 years, would yield a rate of 22 per cent or so. Banks just cannot pay a return at this rate from their earnings on investment of funds collected by way of deposits under the scheme. After all, the cap on banks' lending rates has been fixed — through exhortations by the authorities — at 15 per cent. There is now way that a bank can pay an interest of even 15 per cent on the deposits under the pension scheme. The yield on the deposit scheme needs an urgent second look.

BY way of a postscript, it's worth mentioning that our gross domestic saving reached 6.9 per cent of GDP in FY 93 from 4.5 per cent in the preceding year and 3.2 per cent in the year before that.

The number for FY 93 compares quite well with our 1981-90 average of 2.1 per cent. Of course, there is not much in this to brag of. Gross domestic saving comes to nearly 45 per cent of GDP in Singapore. Nearer to home, the number is 24.7 per cent in India. Yet, after all is said and done, it does seem that things are moving in the right direction.



the financial market. Then again, these savings instruments are no less liquid than term deposits in banks are. Premature withdrawals put holders of term deposit accounts to loss by way of interest foregone. Banks accept term deposits as collateral. They are no less happy if savings certificates are pledged instead. Postal savings accounts also offer withdrawal of interests every six month.

Justifications for allowing high returns on savings instruments have to be found, if at all, on socio-economic, rather than exclusively economic grounds. It can be argued that these media for saving offer some sort of social security to the private citizen. In essence,

Readers' Response to Star Commentary

'Head I Win, Tail You Lose'

by Jamal Uddin Ahmad

TO say that the present impasse at the National Assembly has got the country terribly worried, would be a gross understatement. The nation is in deep trauma. The situation has now taken such a nasty turn that it does not seem to have any chance of getting better. Whatever may be the outcome it can only get worse. The political leaders and the political parties, principally the main ones, have gone on creating situation after situation since the fall of Ershad regime that their combined aftermath have now posed a serious threat to the existence of the country's democratic order and the democratically elected parliament. It was the people's power which had swept away the autocratic regime of Ershad and brought into being a democratic government through a free and fair mandate of the people. People of all shades of belief and opinion had looked forward to a period of tranquil environment for the democratically elected government to address its whole effort and energy to alleviate poverty, remove malnutrition, illiteracy and corruption. The nation's economic engine was expected to be thoroughly overhauled and lubricated to take on massive development programmes to create congenial environment for investment, create jobs and promote opportunities for people to engage in gainful occupa-

tions. The nation thought that the days of economic deprivation would be over and a vista of opportunities would be ushered in for people to play their rightful role for making a happy Bangladesh. On the political front, with the emergence of the sovereign Parliament and a parliamentary system of government it was everybody's expectation that street politics would give way to serious debates in the Parliament on national issues. Elected representatives would burn mid-night lamps to solve serious economic and social problems of the country. Muscle power would yield place to democratic norms and tolerance. Educational institutions would be turned into sacred places of learning and research.

It is the misfortune of this country that all the hopes and aspirations generated for a "better Bangladesh" for which so much of blood, sufferings and sacrifices have been ungrudgingly made by our valiant people have vanished in only a short span of two and half years. Today, we are a nation without a future. Our moorings are shattered. Our democratic institutions are in tatters. Parliament, our greatest citadel of democracy, has now been turned into a place for hurling

cheap and insulting abuses. The whole political atmosphere is nauseating. Law and order situation is beyond redemption. Young boys are being killed everyday for reasons they know not why. Security and safety of life and property are pretty well non-existent.

People are now truly bewildered. Opposition political parties particularly, Awami League, whose duty it was to unleash a ceaseless fight in the Parliament to take the Government to task, has failed to rise to the occasion. It has not been able to overcome the shock of losing the election to BNP. The fact that it is not in power has caused deep consternation to its top leadership. It is becoming increasingly apparent that it no longer wants to sit in the opposition and play its role effectively. I know of no Parliament which has spent such a colossal amount of time on totally useless and frivolous issues and on matters of personal aggrandisement displaying utter lack of responsibility and commitment.

Parliament is considered to be a haven for the opposition. People look forward with great exhilaration to listen to the

epoch-making debates particularly from the top opposition leaders. They are the people who are considered to be the champions of people's rights, who stand up for economic emancipation of the have nots and who act as the "watch dogs" for and on behalf of the people against the tyranny and wrong policies of the Government. Lamentably, it is true that the performance of our opposition benches in the Parliament fell far short of the people's expectations. Their valuable time was certainly not used to stand up for the people who had voted them to act as their representatives in the Parliament. They were more interested to play the tune of their party politics at the cost of people's mandate. They were more busy in counting the trees and in the process lost sight of the woods.

Parliament is not a place to exhibit personal emotion or sentiment nor is it a place to fight duels. It is a sacred place where the destiny of the nation is made for today and tomorrow. It is a place where wise men and women with knowledge and experience gather together to debate on national and international issues. It is not a place for frivolities. The

oath which each member is obliged to take on the assumption of office clearly spells out the rights, privileges and obligations of members. No one is above or immune to this oath of office. How far our members of Parliament have been faithful to the sacred oath of office is a matter which needs to be investigated.

It is not a parliamentary norm for any member to resign or threat to resign from membership on useless and insignificant issues, let alone the Leader of the Opposition who has a great responsibility, in fact, much more than that of the Prime Minister. It is the Opposition Leader who is supposed to be closest to the people and who makes sure that their voice is heard in the Parliament. A leader who has taken on such great call of duty can not shirk responsibility on frivolous issues, leaving the country in a serious political uncertainty. It must be said without any fear of contradiction that country is not prepared to go through another general election right now. We don't have financial resources to fritter away. The nation's socio-economic situation is still in a nascent stage. Unemployment is literally engulfing the country. Law and order situation is too frightful to

describe. Investment is becoming more and more scarce. Educational institutions have been turned into battle grounds. These are problems of gigantic proportions and will need full involvement of every person, be he in the government or in the opposition. Let us not have any more problem which we can not chew.

Politicians particularly the leaders should display patience and forbearance. They can not act whimsically. People will not forgive them if they behave in a manner unworthy of the respect, trust and confidence reposed in them. If they have points to settle on personal score, let them do it on a neutral ground and not on the sacred precincts of the Parliament. Parliament is not a place to be made a hostage on reasons of personal acrimony.

There is one more point which political leaders should always remember. In politics, one should be accommodating. Egotism and selfishness should have no place in political leadership. In a democratic society, today's party in opposition is tomorrow's party in power and vice versa. Therefore there must exist a strong bond of understanding and cooperation between them. One can not have everything his or her way. "Head I win, tail you lose" kind of concept has no place in parliamentary politics.

THE way the Awami League general secretary huffed and puffed over your Saturday's commentary reminded me of the television broadcast by their leader Sheikh Hasina on the eve of the 1992 election. That broadcast had cost the Awami League its victory in the polls, the party's after-thought of so-called "subtle rigging" notwithstanding. Nothing of such dimension is at stake in the present case. Thank God.

The Awami League is doubtless still one of the country's biggest parties. It should have done better had it chose people of better intellectual makeup to respond to your commentary. Funny without being amusing is the claim that the reaction was one of "neutral and thoughtful person." If this is the specimen of their truth, I wonder what the untruth is. I have read your commentary twice. I do not agree with you on many counts. One of them is that you have taken on the prime minister for being critical of opposition for every bits and pieces. But you said nothing about Hasina making personal attacks on Begum Zia. Are comments like "ignorant lady,"

"Begum General" part of parliamentary etiquette? Could you cite one example where Khaleda has returned the same kind of compliment to Hasina?

Misunderstand me not, please. I am not a supporter of BNP. Neither do I know their leaders personally well. I am making this apology because some of the Awami League leaders have a tendency to pint their genuine critic as an activist from the other camp. Same holds true of BNP in many cases, of course. This is the easiest way to brush aside comments which need respectful attention.

There is no denying that the Prime Minister should have been careful about her comments on parliament. She is not being forgiven for that by anybody. She is slightly newer in parliament than Sheikh Hasina. But the Knowledge of parliamentary behaviour of these two leaders, to my mind, is of the same level. The difference is one is shy of speaking in parliament as much as she should. And the other shoots from her hip as soon as she take the floor. Result: the crisis starts the very next moment.

However, back to the man of

wisdom. He is making a moon-shine of how the Speaker should conduct himself in parliament. He said the Speaker's "wrong ruling" cannot be accepted. In other words, he is saying that any ruling by the Speaker must be vetted by them first. A speaker is a human being and apt to make mistakes. I am not saying that he did make mistakes in this case. As a custodian of parliament, the Speaker's authority overrides anything else, including the rules of procedure which simply gives a broad guidance of how the parliament should be run. It is no gospel. It has never been anywhere in the world. But there were many instances in the world where the Speaker made mistakes, and yet he was obeyed with all the respect in the world. Read "My Years in the Commons" by Selwyn Lloyd, former speaker of British parliament. He has listed more than 50 rulings which he subsequently thought was wrong. But the MPs accepted his ruling without any reservation, except for two occasions when two of them simply disagreed. Is there any instances in the world where the opposition members tried to

force the Speaker to reverse his ruling by a negative tactics? Sir, comments are free but facts are sacred. Let them first learn what is a parliament, before talking about the parliament.

Aminur Reza Choudhury
76 Green Road, Dhaka.

IN your issue today the article 'AL leaders react sharply to Star Commentary' has my full support and 100% backing of the 'logic' contained therein. After all who are you, a "biased" ignorant "out and out partisan" "uninformed" and "lack (ing) objectivity" to dare to ask the great leaders of this country to 'STEP BACK FROM THE PRECIPICE'?

Actually, Mr Editor, I think firstly, that the meanings between the lines of your commentary escaped the understanding of the rejoinderer and also the 'OPINION' column of your daily of 28 Nov '93 may be advisable for him to read.

Your commentary was not one-sided or biased but a classical example of truth, pertaining specially to the consequences of what could happen, if both the OPPOSITION and the

POSITION don't back off and let the Jatiya Sangsad survive.

Saturday night's television programme on 'Shahid Dr Milton' and the disillusionment expressed by the respected mother of the martyr that her son along with many others gave their lives for Democracy and it was the hope of the people that matters relating to the welfare of the country will be the main working modalities of the Sangsad. The sigh of desperation of this lady could not have escaped the notice of the viewers and speaks volumes that totally discard the 'biased' and 'unpatriotic' deadlock created by both the main players on the Sangsad stage.

The rejoinderer may be well-advised to accept that all of them are 'wrong' and if the Jatiya Sangsad does not exist, it will be them whom the country will identify as 'killers of our hard-earned Democracy.'

If the Editor of an esteemed daily is un-informed on the Sangsad's procedures (rules) he has already been absolved by the rejoinderer himself by stating "Your ignorance of the rules of procedure is perhaps understandable", but the Editor is not an elected representative of the electorate, the honourable Leader of the House and the Leader of the Opposition are. Who are going to absolve them and those of their parties if they continue like this; and, what you have predicated in your commentary, comes true?

How encouraging and hopeful it would be for the whole nation, if we were to see this insignificant issue immediately solved if both the mainstream parties accept their own faults (clapping with one hand? impossible) and were to read in the dailies that BNP AL leaders agree to sit and discuss and solve national critical issues.

The sigh of relief of the entire nation would reverberate over-

shadowing the shouts and screams of jubilation that we witness from time to time.

Finally, I personally applaud you blunt and down-to-earth factual commentary and hope that such immature rejoinders will not deter you from your path. The pen is more powerful than the sword.

Syed Tasleem Hussain

ONCE again 'The Daily Star' has made a timely and pertinent observation on an impending constitutional crisis which should, in our national interest, be dealt with utmost caution and restraint by all the parties concerned.

Many of us are too prone to be involved with other's mistakes being oblivious of the possible repercussions of mutual recriminations.

I, as Additional Deputy Commissioner of Dhaka, was present on a fateful day in 1958 when late Mr. Shahed Ali, the Deputy Speaker of the then East Pakistan Assembly was assaulted in the House which provided the excuse for the imposition of Martial Law. Shouldn't we all learnt from past events?

Our national leaders have to have a vision of steering the nation towards a better future in a highly complex and competitive world.

We, who have suffered repeatedly from regressive interventions, do urge our honourable Parliamentarians with all humility not only to find a way out of the present impasse but to establish traditions of genuine respect for others' views while discussing proposed solutions to urgent national issues in the supreme legislative body.

Sabur Reza Karim
Dhanmandi R/A. Dhaka.

To the Editor...

A rejoinder
Sir, A letter to the editor entitled 'Judiciary' by one Mr Bazul Karim of Wye Street, Dhaka published in The Daily Star on 18-11-93 has drawn the attention of the Law, Justice and Parliamentary Affairs Minister.

The Law Minister contradicts the report published as referred to the above regarding alleged ignoring of the Supreme Court's recommendations in promotion and transfer of judicial officers. He also denies the allega-

tions of the writer that the Law Minister allows irregularities in promotions and transfers of judicial officers showing disrespect to the Supreme Court.

The allegations are baseless, motivated and apparently designed to tarnish the Law Minister's image before the public eye.

The full postal address of the writer of the letter Mr Bazul Karim has not been published.

Md Abdur Rauf
Information Officer
Ministry of Law, Justice and Parliamentary Affairs

Containing corruption

Sir, After 23 years of independence at least democracy is slowly taking shape in the country. Our heartiest congratulations on the memorable speech given by Begum Zia at UN Headquarters specially mentioning the long debated Farakka Barrage issue. This is also the first time that some of the cabinet ministers such as Mr Saifur Rahman, Mr Torikul Islam and Mr Zahuruddin Khan openly acknowledged corruption in different government departments.

If our political leaders both from treasury and opposition benches try to fight this corruption unitedly, then maybe by the year 2000 all our national priority targets like health for all, compulsory primary education, EPI will be successful or at least our united effort can considerably reduce our debt of Taka 4000 per new born child. Let us start with, say Customs & Excise department or police department and encourage the employees to be honest.

Md Aftab Alam
DOHS, Dhaka