# The Baily Star

Founder-Editor: Late S. M. Ali

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## Fairness is the Key

Prime Minister Sheikh Hasina is facing her first test of fire. Suddenly she has multiple flash points in her hands and is faced with five deaths (till vesterday) in Bogra and the closure of Dhaka University. According to press reports she visited the troubled areas and reviewed the law and order by herself. We commend the PM for personally looking into this situation. However, we would like to point out that we find a fundamental flaw in the way she has so far handled the law and order elsewhere. The partisan outlook, which she repeatedly said she would avoid, seem very much there and as such the effectiveness of her moves have been limited.

In our view there is a gap between what Sheikh Hasina is saying, and what is being done. The new Prime Minister is repeating in every occasion that permits her the chance to, that criminals have no party and that miscreants, even if they should belong to her own party, should be arrested. Yet till today we do not have any publicly announced figure as to how many BCL activists have been arrested. Are we then to understand that BCL has no armed cadres and that only the JCD is guilty of harbouring them? Who are we kidding? Not the public. We can assure the government that truth never stays hidden.

If we recall as to why the previous government failed to stem violence on the campus, the obvious answer is that its approach was partisan. We have no doubt in our mind that the same fate awaits any new effort which will be based on partisan considerations. We would like to warn the new government that it is already beginning to lose credibility in the public mind as to how sincere it is in bringing an end to campus violence. Before this government came to power, out of the 11 male student dormitories 8 were in the hands of BNP backed JCD students and 3 in the hands of AL backed BCL. Within the last few days the situation has just reversed, and reportedly with the active connivance of the police. Is this the example that the new Prime Minister would like to set? Can anyone expect to be taken seriously and impartially if this be the initial signals?

Partisan approach in solving student violence has not worked before, and it will not work now. In fact every government that tried such methods has itself fallen from public grace, first losing their esteem and later their support. Is it such a difficult lesson to learn? We do not think so. Then why do we not learn it? Is it because we do not want to?

## Metropolitan Government

The necessity of a controlling nucleus which will ensure coordination among all the utility services for the much-desired amelioration in urban governance and alleviation of the city dwellers' sufferings has seemingly dawned on the authorities. Better late than never.

But the revelation which threatens to take the gilt of the gingerbread is the news of studying a proposal to that effect. In matters of public welfare 'study' has come to be known as an obvious source of procrastination, at least in this country.

With a number of unsolved issues still shrouding the DCC proposal for the formation of a Dhaka metropolitan government (DMG) what the government should do immediately is to arrange a conference involving, among others, all the hitherto scattered components like DESA, WASA, T&T BRTA to moot the integrated city management plan. For effective input in making the DMG operational in the shortest possible time, the government would do well to involve in particular the Bangladesh University of Engineering and Technology (BUET) in the brain-storming session.

Now that a long harped aspect of urban management, e.g. introducing the plan in a formal way, has been done, the concerned government agencies cannot waste time in the name of a feasibility or exploratory study. To leave no room for a gingerly advancement with the project it would be quite relevant to mention here that there are enough studies already done by World Bank and various other UN organisations like UNDP in this respect and almost all of them are lying with the government unutilised for quite some time.

Last year, on being distraught with the deplorable condition of urban governance, The Daily Star held a conference to help the authorities with a cue for getting a move on.

Urban government is the microcosm of the government itself and the public faith in the ability and efficiency of a government greatly rests on its handling of the challenge of maintaining the urban health and look.

## Interesting Trip

Foreign Minister Abdus Samad Azad's maiden trip abroad — to Iran — has an interesting ring about it. For a country caught willy-nilly in the diplomatic web of western influence, the act has some interpretative scope. It also sheds light on the new government's accent on some aspects of the foreign policy which have not undergone any change in content from the one pursued by its pre-

decessor. Irrespective of the complex context of global politics where Bangladesh and Iran can in no way be described as the pursuers of the same path and policy in every detail, the two countries have too long a history of ties of multiple dimension to be passive about cooperation for mutual benefit. Mr Azad's visit and emphasis on the implementation of all the Memoranda of Understanding (MOU)s are

a positive hint to that direction. In fact, there is a vast room for widening our trade horizon with Iran. Apart from jute, tea and manpower, the traditional areas of our export to the country of rich cultural heritage, there are quite a few zones that can be explored for stepped up export to Iran.

Trade should get a fresh impetus from Azad's conveying of Bangladesh's interest to Tehran to use Bandar-e-Anzali, the biggest port of northern Iran on the Caspian sea, for trade with the Central Asian countries. However, breaking new ground in international relationship for national interest may be the encouraging part of Azad's trip but reaping benefit from it will be dependent on the sincerity in sustaining the momentum.

# US-Bangladesh Economic Forum: PM Redeeming Commitment

HE day I took over as chairman of the gover ning body of the World Food Programme, the American permanent representative to the FAO, a former American Congress Woman, made a brief statement setting out the goals of the top world food body and America's commitment to it She said inter-alia — when men of good will get together they can perform great things and achieve great objectives to improve quality of life on the mother Earth. She sounded almost like Rene Dubois or Barbara Ward but then this connection in the ability of human beings is very American

and pro-renaissance. Mr Forrest Cookson is an American based in Dhaka trying to help our government in various endeavours in economic development. He closely coordinates with the World Bank, IMF, Asian Development Bank, and of course the American Embassy in Dhaka Forrest Cookson is no ordinary American: not in his avancular joviality, but in his commitment to this country's economic development. He is perhaps the first private American who has demonstrated his sincerity of purpose to our welfare through economic development and investment. Of the many seminars he has organized in the past years two of them stand out as seminal one in September 20, 1994 and the other on August 22. 1996. Awami League president Sheikh Hasina 'was guest of honour on both the oc casions, first as leader of the opposition and second as prime

minister Her address at the American-Bangladesh forum on August 22 was extremely important. It set out her goals and objectives in giving the country respectable GDP growth - 7 per cent and - essential for combatting poverty and illiteracy. Secondly, she assured the investors at home and abroad that Bangladesh was ready to be launched onto the path of true and effective economic de-

"During the contest of opinion through which we have passed the animation of discussions and of exertions has sometimes worn an aspect which might impose on strangers unused to think freely and to speak and to write what they think...... All, too, will bear in mind this sacred principle, that though the will of the majority is in all cases to prevail, that will to be rightful must be reasonable ...

velopment Forrest Cookson made no mistake in assuring the prime minister, and rightly so, that her candid and unambiguous approach to the country's development priorities had already attracted an in vestment by Hyatt Corporation of America of 225 US dollars for a commercial complex and a five-star hotel project in Bangladesh. The direct and in direct employment facilities will be created for 7500 jobs in Bangladesh. The chairman of American Bangladesh eco nomic forum informed the gathering that this investment "is direct consequences of your actions." Earlier Mr Cookson informed the luncheon guests that the forum was given permission by the present government to become the American Chamber of Commerce in Bangladesh The previous government did not give elearance to the forum for reasons yet unknown. This chamber, an essential outpost for prospective American investment in Bangladesh is destined to play a significant role in attracting additional US FDI and other

In many respects, at least to my mind. Sheikh Hasina's address at the forum on September 20, 1994, was more significant. It set out in clear and un mistakable terms her party's economic programmes for the future - programmes based on market economy, en trepreneurship, deregulated structural adjustment and un hindered foreign investment She said then, "a free market economic system will be the most suitable orte for our coun try The private sector will be encouraged to assume a leader ship role." In one word that ad dress foreshadowed the party

IMPRIMIS in the economic

foreign investment in

Bangladesh

sector Her address of August 22nd 1996 was a further elaboration and reaffirmation of her policy objectives for economic development, as the Chief Ex-

ecutive of the country. The average inflow of investment over the five years was less than 30 million dollars a year. It was too small an amount to create the necessary economic vibrancy needed to pull the country by its boot straps, as it were. In this connection a number of studies prepared by ADB. World Bank and USAID and Prof Rehman Sobhan's CPD, to name only a . few. had come to almost identi-

its inept and partisan handling of the KAFCO project Keeping this in view, the

prime minister targeted all the problems, actual and potential. standing in the way of rapid investment. To this end she pledged good governance meaning corruption free and transparent administration). functionally free convertibility of currency, developing more export processing zones, guar antee against expropriation and making Board of Investment more responsive to the need and urgency of foreign investment Economic diplomacy is an important policy objective

### Waliur Rahman

cal conclusions about low in vestment in Bangladesh. Inefficient infrastructure, bureau cratic red tapism, poor man agement and low labour productivity (some labour force is poorly skilled) and above all endemic corruption are primarily responsible for lower and slower economic activities in the country. An interesting comparison was made by ADB between Bangladesh and Vietnam South Asian tigers or India were not brought in the picture Vietnam provided an appropriate foil to Bangladesh. Both, inherited a war-ravaged economy with millions of people dead and million others in search of employment. Vietnam did much better than Bangladesh in attracting for eign investment. The study also sharply criticised the govern ment of Begum Zia for infuriat ing the Japanese investors by

of the new government. For that the economic co-ordinat ing cell in the foreign ministry needs to be further strengthened. It must be kept in mind that all major export expansions in the OECD countries have been piloted by the foreign office diplomats - their serious logistic constraints notwith standing. If there is clarity of purpose unencumbered by any vested interests, high flyers in the service should be rewarded like in all the OECD countries. The government must also ensure that while giving priority to transparency, dishonest and corrupt officials be penalised and officers with innovativeness and initiative rewarded. Sadly though, the reverse was rather the trend in the past five years. Abuse of power in personal and partisan interest and politicisation of bureau cracy snuffed out the initiative

in the foreign ministry in par ticular and in other ministries in general. The presence of two senior-most ministers - Fi-

nance and Industry-Commerce - added new dimension to the Prime Minister's pronouncements. Mr Kibria and Tofael Ahmed will have to play a big role in implementing the policy-objectives of the govern-Foreign Office is veritably

the first line of defence. Our of ficers have worked hard and brought glory and numerous kudos to the nation. Still it has largely been ignored in the past years excepting when it has been used as a dumping ground of the 'undesirables' from time to time. This trend was unfortunately set by the late President Ziaur Rahman when he, in apparent disregard to diplomatic norms, had rather rewarded the self-confessed perpetrators of Bangabandhu in the process of giving them diplomatic assignments in our Missions abroad. In the recorded history of diplomacy and diplomatic practice spanning over two thousand years - there is not other instance of this kind.

The Foreign Ministry must be given its due recognition. When Foreign Secretary Farook Sobhan proposed the implementation of some recommendations of a Report on Economic Diplomacy he was reportedly snubbed by some senior ministers of the past government. Prime Minister Sheikh Hasina would graciously recognise the fact that full and timely implementation of her economic policy would need the wholehearted support of the Foreign office. Foreign Ministry is the repertoire of vast knowledge and expertise. Its professionalism can be gainfully utilised in as much for the

Ganges water negotiations as for bringing investment from abroad and exporting our goods to other countries.

Hasina's government one may

On this 60th day of Sheikh

very well make a critical review of many of her important decisions. Fortunately almost all her decisions will stand the litmus test of criticism. The essential drive of the prime minister in getting the consensus formula on the good governance of the country can easily be traced to her prime concern to give the country a corruption free and terrorism-free society. That is why it is incumbent on the leader of the opposition and her party apparitchick to agree on a roster of irreducible minimum in regard to all matters of national importance: sharing of the Ganges water, establishment of good neighbourly relations with our largest neighbour India, as a partner in progress, eradication of poverty, illiteracy and above all ridding the society of terrorism and mastaanism. On this year of the observance of the silver jubilee of independence one is instinctively reminded of the inaugural address of Thomas Jefferson in 1801. The co-incidence, strange as it may seem. Jefferson's address was also made exactly after 25 years, as the first president who represented a change of political party. I quote, "During the contest of opinion through which we have passed the animation of discussions and of exertions has sometimes worn an aspect which might impose on strangers unused to think freely and to speak and to write what they think,... All, too, will bear in mind this sacred principle, that though the will

Let us all submit to this cardinal principle of democracy to give good governance to the

of the majority is in all cases to

prevail, that will to be rightful

must be reasonable ... Let us,

then, fellow citizens, unite with

one heart and one mind.

people of the country.

(Continued from yesterday)

#### Pattern of Expenditure

The estimated revenue receipts for 1996-97 is shown to be Tk 17.120 crore and the expected revenue expenditure is set at Tk 12,103 crore which leaves an estimated revenue surplus of Tk 5.017 crore to be used in the development budget The total estimated develop ment expenditure is set at Tk 13,206 crore. The new government has

made a number of statements

about changes in budgetary expenditure according to their own priorities, which is supposed to achieve the objectives of "poverty alleviation", "employment generation", "agricul tural development". "invest ment promotion" and "environment protection" etc and is supposed to be quite different from the previous government's allocation pattern. In order to examine this change, two steps have been taken: (a) the total allocation in both revenue and development expenditure under each ministry has been looked at in 1996-97 and in 1995-96 and each ministry is ranked ac cording to the total absolute amount allocated to it from the respective year's total expenditure. That is, Rank I has been given to the ministry which has been given the highest amount in their respective budgets, and rank 2 to the ministry which has been given the next highest amount and so forth. From such ranking, one can see where the priorities have been changed between the previous and the new government, and (b) some individual ministries have been looked at closely to see whether there is any major departure in 1996-97 budget

from that of 1995-96. Priority in Expenditure Allocation: For this analysis. some methodological points should be noted first. In the first place, comparison should have been between Budget Estimates of 1996-97 and Budget Estimates of 1995-96. But since the Finance Minister has compared the allocations between Budget Estimates of 1996-97 and Revised Estimates of 1995-96. it has been followed here also. In the second place, for consistency, allocation under various ministries have been examined rather than under different sector heads for which figures are different. (The data presented below have been taken from Statement VIII-A. Budget Summary Statements. Minister of Finance, Finance

Division, 1996-97, page-16). It is surprising to see that both the governments have given the first priority to the Ministry of Education and Primary and Mass Education Division (Tk. 3951.94 crore in 1996-97 and Tk. 3521.93 erore in 1995-96), the second priority to the Ministry of Finance (Tk 2736.11 crore in 1996-97 and Tk 2568.03 crore in 1995-96), the third priority to the Ministry of Defence (Tk. 2271.33 in 1996, 97 and Tk. 2092.14 in 1995-96), and the fourth priority to Local Government Division (Tk 2,065.91 crore in 1996-97 and Tk 1701.36 crore in 1995-96). There is a shift in the

# Budget 1996-97: An Appraisal-II by Kabir U Ahmad

fifth priority. The new govern ment has assigned the fifth priority to the Ministry of Health and Population (Tk 1740.28 crore) while the previous government assigned it to the Ministry of Energy and Mineral Resources (Tk 1657.24 crore). The new government has assigned the sixth priority to the Ministry of Energy and Mineral resources while the previous government assigned it to the Min istry of Health and population Roads and Railway Division received the seventh position in both the governments. To cut the story short, following this order of ranking, one finds that agriculture occupies the twelveth position in both governments' ranking and the differences in the ranking of other

The conclusion that comes out of this analysis is that the new government has more or less followed the same priority in the budgetary allocations as the previous government.

ministries are very minor.

Allocations within the Ministries: It is enlightening to see the detailed allocations of some important ministries. Take the case of Education Ministry Primary and Mass Education which gets the top priority from both the governments. The bulk of the money goes for Primary and Mass Education (Tk 990

crore in 1996-97 and Tk 940

crore in 1995-96 (Revised Bud-

gets)). Secondary Education gets

the next largest allocation (Tk

932 crore in 1996-97 and Tk 914

crore in 1995-96). University

Education gets the third largest

allocation (Tk 175 crore in

1996-97 and Tk 171 crore in

1995-96) and the rest goes to

Technical and Other Subsidiary

Education Services. There is no

difference between the two gov-

ernments in the distribution of

expenditure among sub-heads

of this Ministry. What is more

interesting is the grants given

to Non-Government Madrashas

: Tk 227 crore in 1996-97 and

Tk 227 crore in 1995-96 (but in

1995-96 budget estimate it was

Tk 200 crore). One expected that

the new government would have

slashed it, but it didn't do any-

thing, Further, in 1996-97 bud-

get, Abtadae Madrasha has en-

tered the list which did not exist

before and started getting Tk 2

crore. The new government

should have a close look at the

Primary, the Secondary and the

Private Madrasha systems to

check whether such bulk of

money spent on these institu-

tions is properly utilized. As a

longterm solution, the govern

ment should also try to inte-

grate all the educational sys-

tems into one stream and en-

force a uniform quality in edu-

Minister's announced alloca-

tion of Tk 100 crore for Subsidy

to Agriculture does not appear

anywhere in the budget docu-

Incidentally, the Finance

ments. It looks like it was a proposal but one hopes that it comes into existence this year. To get a sense of the degree of

wastage of tax-payers' money one should have a look at the\_ losses in various government departments. The losses in the Railways was Tk 158 crore in 1995-96 revised budget but it is estimated to be Tk 134 crore in 1996-97; in the Post Office Department it was Tk 36 crore last year but it is estimated to be Tk 25 crore this year. According to the Finance Minister's Budget Speech, the losses in the power sector comes to Tk 800 crore and in the State Owned Enterprises to Tk 2300 crore every year. Subsidies given to Rural Electrification Board comes to Tk 8 crore, and Capital Induction to Banks for Compensation of Loss, Sustained due to Unrealised loans to Corporations comes Tk 80 crore this year as against Tk 10 crore last year. If one adds all these amounts it comes to over \$1

billion a year. If the Finance Minister can take some bold measures to cut these losses which one expects of a newly elected government he wouldn't perhaps have to worry about further mobilisa

tion of internal resources for a

few years. These issues are

raised here only to direct the at

tention of the Finance Minister

to areas where good "financial

management" and "cutting of

unproductive expenditure",

which he has talked about in

for Rationalisation of Man-

power come to Tk 150 crore this

year as against Tk 140 crore

(revised) last year. This amount

can be utilised for compensa-

tion to retiring workers and for

training others for alternative

jobs. Further, overmanning in

all government departments

and Autonomous Bodies is a

subject which has become sa

cred cows and cannot be

touched, but he should start

thinking about rationalising

manpower in the government

Taxes

nance Minister has put forward

some good proposals and yet

has not tackled the major issue

of collecting substantial

amount of direct taxes from the

richest group of people in the

society. Right now income and

corporate taxes together con-

tribute only 14 per cent of total

tax revenues which is the lowest

rate in this region. It is almost a

joke to hear that the richest

business people in the country

do not pay, or pay a negligible

amount of, income taxes. The

Budget Speech is silent on this

issue. If the government wants

Changes in Tariffs and

On tariffs and taxes, the Fi-

Further, a lump allocation

his Budget Speech, can begin.

to mobilise substantial amount of domestic resources, it will have to do some hard thinking on how to tap this richest section of the community. This is the biggest challenge to the new

government. However, the exemption rate for the lowest income group has been raised from Tk 55,000 to Tk 60.000 a year, so that the lowest group of income earners can have monthly tax free income of Tk 5,000. This is reasonable. This exemption limit could have been raised further in view of annual rate of inflation and welfare considerations of the lowest income families in the society. The government however has created a dichotomy in giving two exemption limits to different groups of income earners. People with agricultural income can have an exemption limit of Tk 40,000. He can also have Tk 60,000 exemption limit on top of Tk 40,000 if his only source of income is agriculture i.e. his total exemption limit is Tk 1 lakh. The second group that one can conceive of are those who have both agricultural and nonagricultural income. This group can have again Tk 1 lakh exemption limit. But the third

group of people who have only

non-agricultural income can

peal against the orders of Deputy Tax Commissioners will eliminate a source of irritation to the tax payers.

On tariff rates, the general lowering of the highest rate of customs duty from 50 per cent to 45 per cent which will benefit the traders and manufacturers He has continued with the reduction of tariff rates on inputs and machineries to be used in three sectors: agriculture. leather and textiles. As for agriculture, he has reduced duties on seed potatoes and gypsum anhydrite fertiliser from 7.5 per cent to 2.5 per cent, on tractor, tractor tyres, tractor parts, fibre glass strainers and tractor flaps from 7.5 per cent, 22.5 per cent, 15 per cent, 30 per cent and 45 per cent respectively to a uniform rate of 2.5 per cent; on agricultural equipments from 22.5 per cent to 2.5 per cent; live bovine animals from 7.5 per cent to 2.5 per cent; on hatching eggs from 45 per cent to 15 per cent; on tin-cans and ars/bottles from 45 per cent and 30 per cent to 30 per cent and 22.5 per cent respectively; and has completely withdrawn supplementary duties of 25 per cent on flavour and essence. All these will further stimulate in vestment in agriculture, poultry, livestock and agro-based industries like fruit and veg-

and to impose 30 per cent supplementary duty on aluminium loil for revenue purposes.

However, what one feels most concerned about is the Finance Minister's proposal for extending VAT to wholesale and retail trade at the present stage of VAT administration. VAT. introduced in 1991, has been very effective in raising revenues. Its present collection comes to about 32 per cent of the total tax revenues. But it is over-collecting taxes because of lack of proper records of VAT component in the sale documents without which individuals cannot take VAT deductions. As a result, it is having cascading effect which it was supposed to avoid. Further, although it was supposed to be only a consumption tax. it is adversely affecting the production costs also since producers cannot correctly deduct the VAT component from what they paid at the previous stages of buying inputs. Hence, it is all included in the cost of production and thereby raise product prices.

Except the exporters who can claim Duty Drawback, the domestic manufacturers, especially the smaller ones, are not able to take deductions for VAT In view of this problem, the proposal that one wants to put forward is the following: Let the present VAT administration be perfected over a few more years and wait until the use of Cash Register Machines come to common use, or some other means of recording system is introduced and practiced. Only then should VAT be extended to the wholesale and retail trade sectors. Otherwise, it will impose hardships on the poorer sections of the people which will negate the effects of poverty alleviation measures that the new government is proposing to

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claim an exemption limit of only Tk 60,000 The system therefore will discriminate against this group. People with small investment, or with a job, in the urban areas without any additional income from agricultural will have grounds to grumble about it. Nevertheless. this measure will stimulate investment in agriculture which is a welcome step.

The Budget has reduced the company tax rate for banks, in surance companies, financial institutions and non-resident companies from 47.5 per cent to 45 per cent. It is good to establish uniformity in the rate of taxes for these institutions.

The advanced income tax on the exporters has been reduced from 0.5 per cent to 0.25 per cent which should have been eliminated altogether since collection of this tax is an additional irritation in the way of export. An income tax payer should pay it once and not be forced to pay twice in parts.

Further, the exemption of capital gains tax from the sale of bonus share, taxes to be paid by banks only on the interests shown in their profit and loss account, and extension of tax holiday to the expansion units of manufacturing industries. tourism industries and infrastructural industries will benefit these industries and help capital formation. Changes in the regulations favouring the tax payers at the time of filing apetable processing.

For leather product sector he has reduced customs duties on raw hides and wet-blue leather from 7.5 per cent to 2.5 per cent. For textile sector, he has reduced duties on manmade yearn and synthetic yarn from 30 per cent and 22.5 per cent respectively to 15 per cent; on synthetic fibre from 7.5 per cent to 2.5 per cent; broiler from 15 per cent to 7.5 per cent. Such reductions in duties on inputs and equipments, no doubt, will further boost investments in domestic textile industry. The other sector where his duty reduction will be of additional help is the export of frozen fish and vegetables. Here the duty on refer (transport) vans has been reduced from 7.5 per cent to 2.5 per cent.

Three areas where he has taken imaginative steps are Solar Energy. Double Decker Bus and Cash Register Machines. On equipment for using solar energy like photovoltaic cells wind turbines and parts of wind turbines etc. duties have been reduced from 30 per cent, 7.5 per cent, 22.5 per cent etc to a uniform 2.5 per cent. Similarly, duty on completely-built Double Decker bus has been reduced from 30 per cent to 2.5 per cent Finally, duty on Cash Register Machines has been reduced from 15 per cent to 2.5 per cent The former two measures will stimulate investment in the development of solar energy and bus transport industry while the third measure will simplify the recording system for VAT collection and avoid the cascading effect which is now in existence in VAT collection. These are innovative measures in the indirect tax system of the coun-

The excise duties on biri and cigarettes and Supplementary Duty rates on non-alcoholic bear have been raised to generate more revenues for the government which can be justified on both social and economic grounds. Similarly, he has also proposed to raise duties on Hack-saw blades and Master batch colour from 30 per cent and 15 per cent to 45 per cent and 30 per cent respectively.

#### Some Concluding Observations

Although there are some analytical problems with various issues raised in his budget speech, the Finance Minister's 1996-97 budget seems to be focusing on the new government's political-economic philosophy and electoral pledges. On the expenditure side, the new budget seems to follow the general pattern of expenditure of the previous years' budgets; but on the tax side, although the general line of tax and tariff reductions follow what were initiated before, he has some innovative proposals in the areas of solar energy, double-decker bus and cash register machines etc. If people can take advantage of these tax incentives and new investments take place in these areas, and there will be considerable improvements in the economy in the medium-to longterm. However, there are concerns about extending VAT to wholesale and retail sectors immediately, the lack of any measures to strengthen income tax collection from the rich class of the society and the absence of any measure to eliminate wasteful expenditures in the government sector. Inspite of all these and other

concerns about the economy. critics should not be too harsh on the new Finance Minister at this stage because it is his first budget and his ideas on various issues are evolving. He has promised various reforms which will be gradually unfold ing hopefully in the near future. His emphasis on promoting fast growth with social justice. poverty alleviation, employment generation and environmental protection etc indicate that his heart is on the right spots but he has lots of home works to do. What one would like to see in his evolving budget exercises is that the "soft heart" be combined with "hard

head

### Death compensation of deceased

Shakhawat Hossain Sir, My son Shakhawat Hossain of village Shinghora west Hati, PS. Nawabganj. Dist. Dhaka, Bangladesh died on 17.01.90 in Riyadh, KSA on a road accident. That the life of deceased Shakhawat Hossain was insured with general organisation for Social Insurance Occupational Hazards Departpensation and accordingly they asked to send necessary papers to the Asstt. Labour Attache, Bangladesh Ambassador in KSA, PO Box No. 94395 -Riyadh, KSA. That in obedience to their order I sent

all the requisitepaper, documents through the Bureau of Manpower and Training Institute, the government of Bangladesh which has duly been acknowledged by the Bureau through their letter welfare-1942/90/089 (1) dt. 10.1.91 and the Saudi Ambassador's memo L.W-A- 10/90 dt. 4.12.90. I regret that a long period of time has been passed but there is no further

correspondence - not yet anything received by me. Nor have I received the said compensation money for the mournful death of my son. I therefore, earnestly re-

demand in my hard days. Mohiuddin

Vill. Shinghora, P.S. Nawabgonj Dist. Dhaka

ment; PO Box. 878, Riyadh-11421, KSA. That the Saudi labour court passed their decision to pay his life com-

quest the minister of the foreign affairs to fulfil the above

(Concluded)