

Momentous Event

The Sino-Indian quest for a peaceful neighbourhood has made a new ground. We as a country adjacent and friendly to both of them are happy. Chinese President Jiang Zemin's visit to India has yielded four agreements between the two countries. The rock-bed is made up of an understanding reached to scale down their forces to 'minimum levels', reduce armaments, stop large scale military manoeuvres in the border region and avoid the use of force against each other. A confidence-building olive branch is spreading along what has been a disputed border since 1962 when the two fought a nightmarish bitter war.

Rajiv Gandhi's ice-breaking visit to China in 1988 helped create a bilateral climate in which it was decided by both sides that their differences need not stand in the way of their cooperating in various fields. They have not looked back since then and we have the latest vindication of the same spirit with the visiting Chinese President saying in Delhi the other day: "Our common interest far outweighs our differences". This is an excellent example that India and China, once arch rivals, are setting to other countries which carry the baggage of history in terms of outstanding problems and prejudices in their bilateral relations. The added feature here is that the two countries despite their differing political ideologies are coming together.

The lessening of tension between China and India should be good augury for reduction of stresses strains in South Asia. The perceived triangularity in the relationship among China, India and Pakistan has fuelled an arms race in the region, essentially between India and Pakistan. There could be a de-escalation in the sub-continent armaments if India and China stop confronting each other. This will bring a world of good not only to Asia but also the globe as a whole too. The smaller countries of South Asia believe that so long as the adversarial relations between India and Pakistan continue the full potential of SAARC as a region will remain unrealised.

The move for closer ties between China and India has very largely been actuated by economic motives. They are seeking peaceful neighbourhood for undistracted economic advancement at a time when both are on a high-profile growth path. They share prospects for mutual investment and exchange of technical know-how. One hopes to see some benign spin-off effects of their economic co-operation across the South Asian region.

Good Call, but ...

Prime Minister Sheikh Hasina has made an utterance redolent of responsibility behoving a party chief. In a meeting of the mid-level leaders of the Awami League yesterday, she spelled out in no uncertain terms that those involved in tarnishing the party image or fomenting trouble would be severely dealt with. At a time when the seemingly unabated flow of undesirable incidents looks poised to soak up popular expectations, the PM's call comes as a breath of fresh air.

It is reassuring to know that she is aware of the internecine bickerings within her party and the their ill effects on the body politic.

The word of caution that the AL chief has aired for the mid-tier leaders should also be applicable to the top echelon of the party. Because the tendency to strengthen positions in the party hierarchy is probably greater near the nucleus than anywhere else. Coterie and factionalism have a way of forming around the party high-ups. The AL chief has not only to confront and neutralise the trouble-mongers in her party but she also has to get cooperation from them. Tough task no doubt given the various stakes that are there but she has to attain it because as she has observed, power is ephemeral; it is only the party that has to survive the vicissitudes of time.

The expectation of an exemplary instance in party leadership as a microcosm of her onus at the national level is however, accompanied by a not so encouraging trend. Although Sheikh Hasina's involvement in the process of streamlining her party speaks volume of her personal dynamism or magnetism, it cannot help show the tendency of the party being unduly reliant on her initiatives. It is contrary to the spirit of democracy and it makes an institution vulnerable to the adverse challenges of time. In-party democracy will not only give a wholesome message to the entire domain of politics but will also help the AL to maintain a safe distance from the dangerous culture of cult and grow from strength to strength as an institution.

Second TV Centre

It is heartening to know that stage is set for the inauguration of a TV centre in Chittagong. As a fitting tribute to the historical contributions the city had made to our Liberation War, the opening ceremony is going to take place on our Victory Day, the 16th of December. Aside from the historicity of Chittagong, its status as the premier port city doubtlessly qualify it to be the site for a second TV centre in the country.

The decentralisation move coming about for the first time in more than two decades since the BTV's inception, carries a set of obligations for the Ministry of Information and Broadcasting. Having a new radio station and opening a television centre are not the one and the same thing. The Chittagong television centre has to obviously fit the bill of running programmes with a regional content. But in texture, variety and appeal these ought represent a marked enrichment of and a blandishment to the sprinklings of productions telecast by BTV, Dhaka to cater to regional tastes.

Neither the Chittagonians nor the residents of the rest of the country would like to see more of the same thing on the screen of the Ctg TV centre. A second centre, as distinguished from mere relaying station, will be justified only when original programmes and productions of acceptable quality, efficacy and entertainment are generated by it. There is no point in having it as a cosmetic outfit. Decentralisation by itself will be of little avail in the face of stiff competition from the satellite television networks unless there is an overall improvement in the quality of presentations.

OVER the last two weeks, the small investors in both Dhaka and Chittagong stock exchanges have been having traumatic experiences because of sharp fall in share prices. It seems a mood of gloom and doom has gripped the market. Out of sheer frustration, anger and fear of capital losses, the investors in the kerb markets became somewhat violent and tried to seize the bourses, marched and rallied on the streets, and held meetings in front of the Press Club for public sympathy and government's attention. Right or wrong, complaints of 'manipulations of prices' and 'insiders' trading by members of the bourses have become commonplace now. The situation in the market is tense and volatile. One hopes that the buyers remember the economic fundamentals of the shares they are buying and are not carried away by misinformation, illegal actions are stopped, market adjusts itself gradually and normally is restored soon. It is now time to take a stock of what has gone wrong and how the market can be salvaged. It is in this background that a skeptic may ask whether stock markets are really serving the national interests.

Stock Markets and National Interests

It is a simple but the most fundamental question that must be answered so that everyone can see the usefulness of the stock market in the economy. There is no doubt that in spite of wild gyrations of prices and market capitalisations in recent weeks, stock markets are serving the basic objectives of mobilising capital for financing industries in the country. A number of positive aspects of the role of stock markets should be noted. First of all, if one looks at the hard data published by the Securities and Exchange Commission (SEC) in their annual and quarterly reports etc., one finds that over the last five years, 1991-92 to 1995-96, more than Tk. 1,000 crores of capital have been

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raised by publicly listed companies through stock markets by issuing Initial Public Offerings (IPOs). These amounts have been used to increase the productive capacities of the issuing companies. Secondly, over the last one year, one finds that every time a company issues its IPOs, these are oversubscribed by private investors sometimes by more than five times the amount sought. These are remarkable achievements.

Thirdly, what is more significant is that these over-subscriptions indicate that the ordinary investors with small capital who cannot start their own businesses are hungry for reliable investment opportunities in the economy. Fourthly, entrepreneurs are rapidly becoming aware that there is a source of raising investment capital from the general public without being at the mercy of the traditional banks which are now in shambles due to their past lending decisions resulting in huge loan defaults. (Incidentally, this awakening was not there in the decades of 1960s and 1970s. In the latter decade, Dhaka Stock Exchange was closed down by the new government of Bangladesh in 1972 and was revived in 1976. But it was given a boost in 1992-94 when the Securities and Exchange Act, 1993, was passed and attractive tax incentives and other facilities were given both to the domestic and foreign investors by the previous government.) Finally, once a company raises capital through the stock market, it has to be accountable to its shareholders by way of holding annual general meetings, publishing their properly audited accounts and declaring dividends which are absent in the traditional family-financed or bank-financed business culture. All these as-

pects of the stock market promote efficiency, accountability and participatory capital development in the productive side of the economy.

Role of the Secondary Market

What about the secondary market where the shares of those companies are bought and sold on its floors everyday? Does it serve the national interests as well? Yes, it does in a number of ways but there are some caveats that one must note as well. As for serving the national interests, first of all, note that it gives the small in-

vestors as well as the institutional investors like brokerage houses, mutual funds and investment banks etc. an opportunity to sell the shares that they have bought before if, for one reason or another, they cannot wait long enough to receive dividends from the share issuing companies for interests at the end of the quarter or half year if these are bonds. If they make capital gains by selling their shares, they may use these gains for investing in other new IPOs or in any other ways to increase their future income or to increase their current consumption. As long as these are investments of one kind or another, the institution of the secondary market (SM) serves the national interests by way of promoting growth of the economy. Even if the cash is used for

late capital.

In the second place, in the process of buying and selling of shares in the SM, prices (which are based on economic fundamentals) may show a rising trend, a declining trend or no trend at all. A rising trend of prices will indicate the competitive strengths of the companies for the economy as a whole if a large segment of the economy is represented by the companies issuing the shares while a declining trend the weaknesses of the companies for the economy and a no-trend situation indicates that the issuing companies are lack lustre companies and their shares are not going to attract buyers who are interested in making capital gains.

However, in such an environment, if the prices of some companies perform well, then

they provide incentives to the companies to expand their activities and make more investments and thereby increase output, employment and growth of the economy. If the prices do not perform well, then these industries will have difficult time to survive in the economy. This will indicate that these industries have to do something to improve their efficiency, otherwise shareholders will sell their shares and there will be no buyers in general. Therefore, share prices in the SM are a mirror image of the health of the companies and help the growth of the efficient companies and the slow death of the inefficient ones.

However, varieties of special factors like changes in monetary and fiscal policies, natural calamities within and outside the country, and outbreak of wars involving the country itself or between other countries in different parts of the world etc. affect the prices. How these events impact the specific companies and their production levels and prices have to be carefully understood by the investors before they decide to buy or sell their shares.

Secondary Markets in Bangladesh

Have the SMs played their constructive roles in Bangladesh as have been explained above? Yes, they did to some extent. The trouble came only over the last three months or so when the share prices rose to dizzy heights without any reference to their economic fundamentals. Why did the prices go up so crazily and what could happen in the near future had been analysed in these columns over the last three weeks. The SMs of both Dhaka and Chittagong are now in a state of deep uncertainty and tension

and need assistance in normalising their markets, what can be done to salvage them?

First of all, there is a need for government action in bringing the two Stock Exchanges and the regulating body, the Securities and Exchange Commission, together face to face to sort out their misunderstandings about their respective roles in managing the markets. A harmonious relationship has to be established between the two. There are legal issues which need to be clearly thrashed out, accepted and implemented. One such example is the kerb market that has been operating outside the bourses. This is illegal and it needs to be legally taken care of. There are other sensitive and delicate issues which need to be thrashed out. In case of need, there has to be a commission to investigate and recommend the legal scope of the Exchanges and the regulatory body, that is the Securities and Exchange Commissions.

In the second place, there are technical issues like the automation of the floor trading in the bourses and the introduction of Central Depositories which will make the entire system of trading transparent and eliminate the kerb market altogether. Automation can be installed in about six months but the Central Depository will take at least eighteen to twenty-four months. In the meantime, some additional booths can be opened in the bourses, and powerful and neutral surveillance bodies can be constituted on the trading floors to inspect and detect any illegal activities on the floor.

Finally, the rules of behaviour have to be enforced both inside and outside the bourses.

One concluding remark would be appropriate. The Stock Exchanges in Bangladesh have come a long way in mobilising capital for the industrial development of the country and can do much more provided all the rules of governance are strictly enforced at all levels. The government has a responsibility in guiding it properly.

INSIGHT

by Kabir U Ahmad

WORLD AIDS DAY

HIV, AIDS and We

by Shah Md Mahfuzur Rahman

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How HIV Works

When the virus gets into the blood stream, it attaches to the surface of special white blood cells (CD4 Lymphocytes — one type of T Lymphocytes) involved in fighting infections. At first, the person's immune system is able to kill many of the CD4 Lymphocytes which become infected with HIV.

However, the virus is never

totally destroyed. It continues to reproduce and eventually the immune system becomes unable to destroy the large and growing numbers of HIV-infected cells. As the number of uninfected CD4 Lymphocytes declines, the body's immune system becomes less able to fight the life-threatening opportunistic infections, neurological disorders or unusual malignancies. There are over fifty opportunistic infections associated with AIDS — making it one of the most complex and difficult illnesses to live with or treat.

Transmission of HIV

HIV is transmitted through three ways — sexual, parenteral

and母胎传播。性传播: HIV is transmitted through unprotected sexual intercourse with someone who is infected. It is not also transmitted through insect bites, coughing and sneezing.

Parenteral transmission: Blood or blood products, syringes, needles, surgical instruments, etc., contaminated with HIV are also responsible for its transmission.

Maternal foetal transmission: HIV can be transmitted from infected mother to her baby during pregnancy, child birth or breast feeding.

It may be mentioned, HIV is not transmitted through social contacts like shaking hands, social kissing, using the same toilet, sharing cups, cutleries, and

condoms properly.

— Avoid wet kissing.

— Avoid sharing of needles and syringe or other instruments. Use sterilised needles, syringes and instruments. When you have used a needle bend it and throw it away.

— Avoid becoming pregnant if you have been at risk.

— Ensure the hospital practices, blood and blood products and hypodermic needles used in preventive health campaigns, and other instruments used to be consistently HIV-free.

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Prevention of HIV

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Following measures are needed to follow for the prevention of HIV transmission—

— Limit the number of sex partners.

— Find out about the partner before having sex.

— Avoid sex with a person suspected to be at risk.

— Avoid sex with a person who injects drugs.

— Avoid sex with strangers.

— To reduce risk always use

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Art

Buchwald's COLUMN

Ask President Dole

ONE of the reasons that we have presidential campaigns is to see how the candidates act under pressure. A good example of this is the way in which Bob Dole was handling the tobacco issue. Despite overwhelming scientific evidence to the contrary, Dole was sticking to the political philosophy that nicotine is not addictive, although for some it might be habit-forming.

The Dole position is that many things in our daily lives are bad for some people but OK for others. He cited milk as an example: "A lot of things aren't good. Drinking's not good. Some would say that milk is not good."

At the same time Dole doesn't want the federal government passing laws preventing people from smearing milk all over their lips if they want to. Many voters were concerned that, if he is presented with.

President Dole, how do you feel about nuclear waste?

"Well, we know nuclear waste is not good for children. At the same time, I don't think that Washington should tell people whether they can have nuclear waste in their bath-tubs or not."

What should people do if they don't like it?"

"Just say 'no' to nuclear waste. Nobody is forcing people to bathe in it if they don't want to."

"President Dole, do you think that Bosnia is addictive?"

"Let's just say it's a habit. I personally don't believe that we should stop what we're doing in Bosnia, but there are other people who think we should."

"So what is the answer?"

"Leave Bosnia to the states. They know more about the Serbs and Croats than we do."

"President Dole, do you think that our airlines are safe?"

"Some are, some aren't. You don't want to throw out the baby with the bathwater. I am not as concerned about whether the planes are safe or not, but rather whether they should allow smoking on them again."

"Are you bringing back smoking on planes because you consider it healthy?"

"I say that if we are going to ban smoking on airlines, then we also ban coffee in Starbucks. My staff tell me that more people have problems from drinking cappuccino than from puffing on a Virginia Slim."

"How do you feel about guns, Mr President? Do you believe that they are addictive?"

"Most people would say that they aren't. Handguns kill some people but they don't kill others. Why should we penalise those who own handguns and don't want to kill anyone just because there are others who will shoot a person to settle an argument?"

"What would you say to possession of semi-automatic weapons by pregnant women?"

"I don't believe that pregnant women should carry loaded weapons. At the same time may pregnant women are good shots, and owning a gun is a great way to pass the time."

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AIDS Day

Sir, Six UN agencies UNICEF, UNDP, UNFPA, UNESCO, WHO and World Bank with the cooperation of different NGOs and Rotary International have jointly taken UNAIDS programme to observe World AIDS Day globally on December 1.

In this context let us rethink that according to medical experts and social scientists, AIDS multiplies, in most cases, through immoral sexual activities. So, to prevent AIDS, moral awareness, moral development and moral practice have become imperatives. If we want AIDS-free world, we must obey all the moral codes properly. Hence, the aspect of moral development must be incorporated with the strategies to combat AIDS.

In this regard, we want to draw the attention of all concerned with attempt to solve AIDS problem, to a benevolent universal moral development programme proposed in 1991 to the United Nations by a Bangladeshi educationist Prof Dr Abu Obaidul Huque, founder president of the Foundation for Moral Development Approach (F