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## Merchant banks: SEC issues letter of intent to 5 companies

By Shehab Ahmed  
 The Securities and Exchange Commission (SEC) has issued letter of intent to five companies which sought permission to operate as merchant banks.  
 They include four banks, including two foreign banks, and a leasing company, according to SEC sources.  
 The foreign banks are American Express and ANZ Grindlays. The other companies are: Dhaka Bank and Prime Minister and the International Development and Leasing Company.  
 Market analysts say the involvement of the foreign banks in merchant banking is seen as a renewed interest in the country's capital market.  
 The market is gaining momentum following reshuffle in the major bourse, the Dhaka Stock Exchange (DSE).  
 Meanwhile, the DSE All Share price index registered rise for the third consecutive trading day yesterday. At the days closing, the DSE index stood at 1189.46 points, rising by 44.88 points from the week-  
 See Page 12 Col 2

## Bank rate raised by 0.50 per cent

The Bangladesh Bank raised the bank rate by 0.50 per cent as a contractionary measure against a credit expansion, which has already crossed the target for the current fiscal, reports UNB.  
 A central bank announcement said yesterday that the bank rate had been fixed at 7.50 per cent from the present 7 per cent and the new rate would come into effect from tomorrow.  
 "The main objective of the measure is credit contraction," said a senior central bank official. "It will discourage the commercial banks to borrow from the Bangladesh Bank's discount window."  
 According to him, the over-  
 See Page 12 Col 5

## Shibir calls indefinite strike at CU

From Staff Correspondent  
 CHITTAGONG, May 17: Tension mounted at the Chittagong University as Islami Chhatra Shibir called an indefinite strike today while Bangladesh Chhatra League continued its siege at the entrance of the university, campus sources said.  
 The BCL began the siege in protest against an attack on its activists by Shibir activists on May 5 during a reception to newcomers on the campus.  
 As a countermove, Shibir had called a strike on the campus on May 15. Today, it gave a call for  
 See Page 12 Col 8

## Cabinet meet held

A cabinet meeting was held last night at the Prime Minister's office with Prime Minister Sheikh Hasina in the chair, reports BSS.  
 Ministers, state ministers in-charge of different ministries, cabinet secretary, principal secretary to the prime minister and secretaries concerned were present at the meeting.

## HOLIDAY

The offices of The Daily Star will remain closed today (Sunday) on the occasion of holy Ashura.  
 Therefore, there will be no issue of the newspaper tomorrow (Monday).

## Inside Today Article

**The British Elections: Do We Have Something to Learn?**  
 by Dr Khandakar Qudrat-I-Elahi  
 Page 4

## Focus

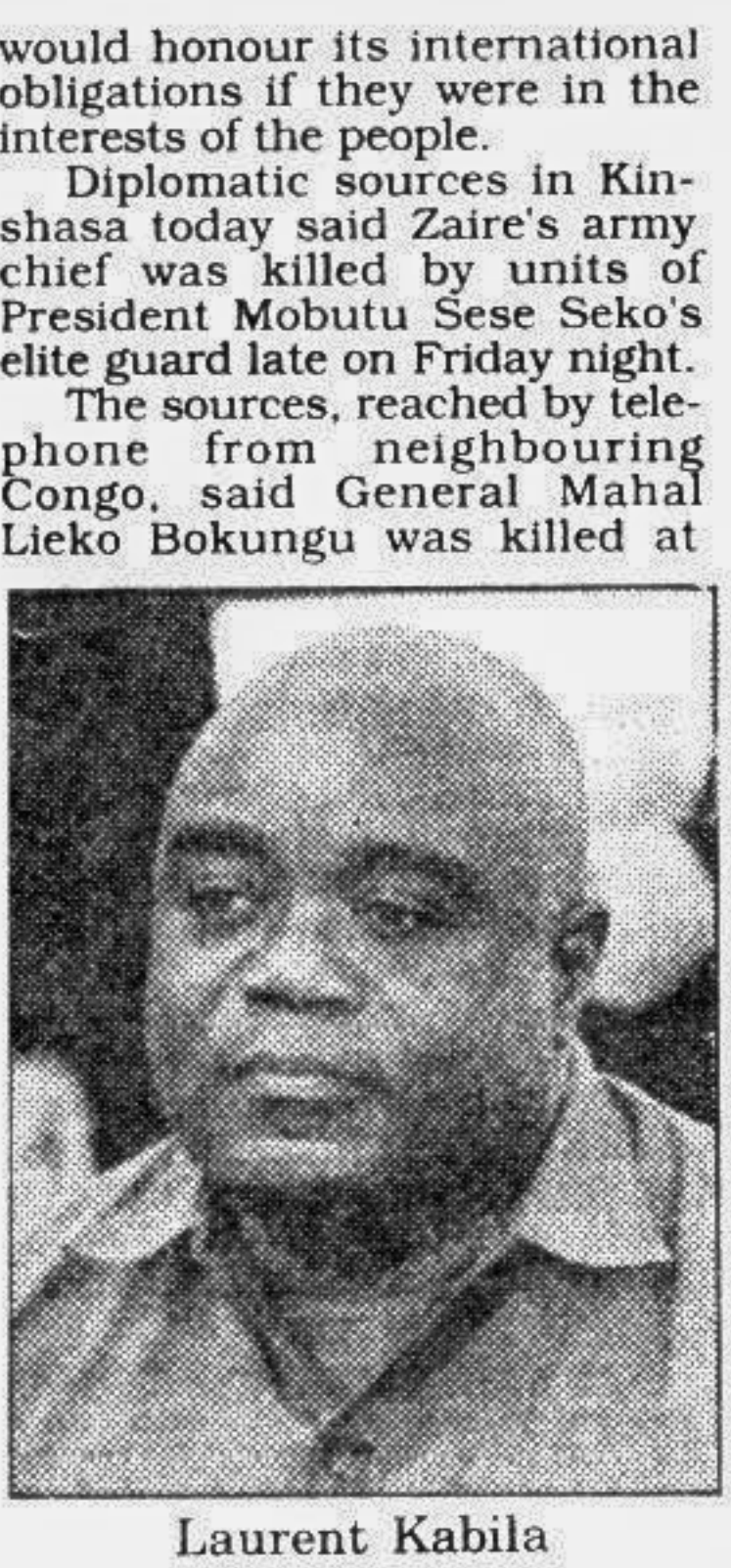
**Law and Our Rights**  
 Tales of Terror; expatriate women: Escapee of ghetto Psyche  
 Page 5

## Business

Major financial scam in India leaves investors dry  
 DSE index rises on higher volume  
 Pages 6, 7

## Zairean Constitution suspended: National govt in 72 hrs Kabila takes over

LUBUMBASHI (Zaire). May 17: Zairean rebel leader Laurent Kabila said today he had taken over as head of state of Zaire with the agreement of army generals in Kinshasa, report agencies.  
 Kabila, in a statement read at a news conference in the southeastern city of Lubumbashi, said: "Mr Laurent Kabila assumes from today the functions of the head of state of the Democratic Republic of the Congo."  
 Kabila said he was assuming power and would form a government of national salvation within 72 hours and call a constituent assembly within 60 days.  
 He announced a suspension of the current constitution.  
 Kabila asked civil servants in Kinshasa to remain at their posts. He called for calm and said any act of revenge would be severely punished.  
 He said he had been talking by telephone from this southern stronghold to army generals in Kinshasa, who had declared their allegiance.  
 He said the new government



Laurent Kabila

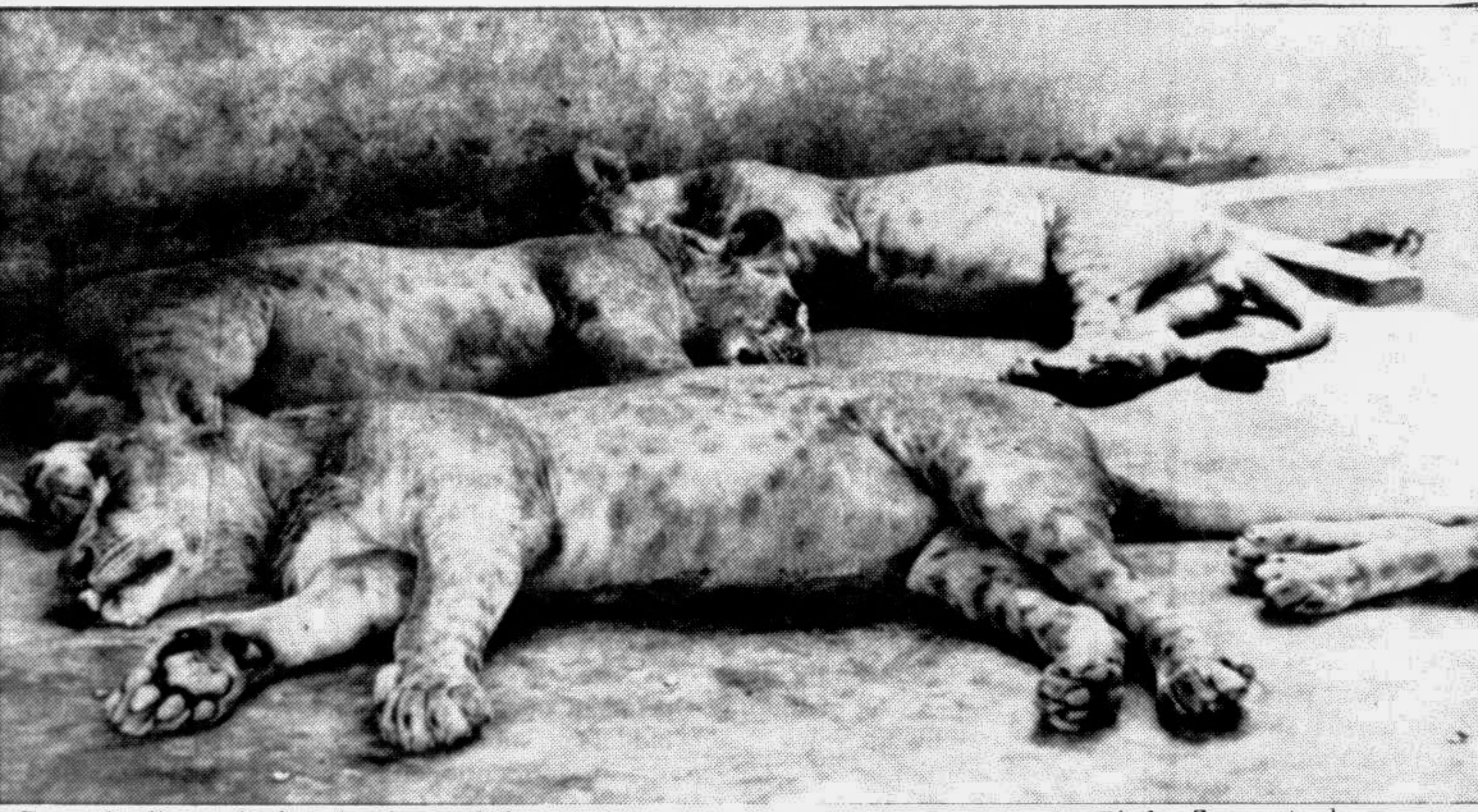
would honour its international obligations if they were in the interests of the people.  
 Diplomatic sources in Kinshasa today said Zaire's army chief was killed by units of President Mobutu Sese Seko's elite guard late on Friday night.  
 The sources, reached by telephone from neighbouring Congo, said General Mahal Lieko Bokungu was killed at Camp Tshatshi. The camp is a military barracks and was also a residence of the ailing president who left the Zairean capital on Friday for his northern jungle palace at Gbadolite.  
 Rebels had taken over the Voice of Zaire radio station, near the city center, by midday. Five rebel troops, armed with mounted machine guns, stood guard outside the radio station as locals celebrated.  
 Mobutu's handpicked prime minister, Gen Likulia Bolongo, vowed to remain in power "until the end," urging government troops to remain in their camps — and then slipped out of the country himself.  
 "The situation is grave," Likulia said in a radio broadcast. "I will continue my mission to the end," he said.  
 He appealed to people to stay off the streets, and troops to stay in their camps, indicating he was acceding to Kabila's demands not to resist.  
 But an hour after the noon (1200 GMT) broadcast, a Western diplomat, speaking on condition of anonymity, said Likulia  
 See Page 12 Col 1

## AL blueprint to cling to power as puppet govt: Khaleda

From Our Correspondent  
 RAJSHAHI, May 17: BNP Chairperson Begum Khaleda Zia today alleged that the Awami League government had formulated a blue print to remain in power forever as a puppet of another country.  
 "To implement that evil design, they are out to destroy everything in the country and sell our interests to another country. They do not suffer from indecision because decisions come from another country and they only implement those blindly."  
 Begum Zia was addressing as chief guest the second biennial divisional conference of Jatiyatabadi Samik Dal at the district council auditorium.  
 The BNP Chairperson alleged that the government was intentionally destroying the country's business, commerce and industries to make the country dependable on others. Awami League government had destroyed jute, leather and tea

industries in 1972 and are doing the same now in the same way, she alleged.  
 Begum Zia claimed that her government gave loans of Tk 300+400 crore for development of leather industries while the present government allocated only Tk 29 crore. Bangladesh has already lost its leather

market abroad due to the government policy, he said. Export of garments to the US has also decreased by 7 per cent in the last 11 months, she claimed.  
 Begum Zia said that no foreign investor would come to invest if our own industries were closed.  
 She criticised the government for what she called telling him and said that BNP government had produced 581 megawatt electricity which was acknowledged by the minister concerned in parliament.  
 The Leader of the Opposition in parliament also claimed that the government was trying to give corridor to India in the name of transit facility and turn Bangladesh into a province of that country through sub-regional cooperation.  
 "We can not allow the government to implement its evil design and urged the people to



Even the lions, tired and exhausted due to the sweltering heat, fell asleep at the Dhaka Zoo yesterday noon.  
 — Photo by Sk Enamul Haq

## News Analysis SAARC exudes optimism

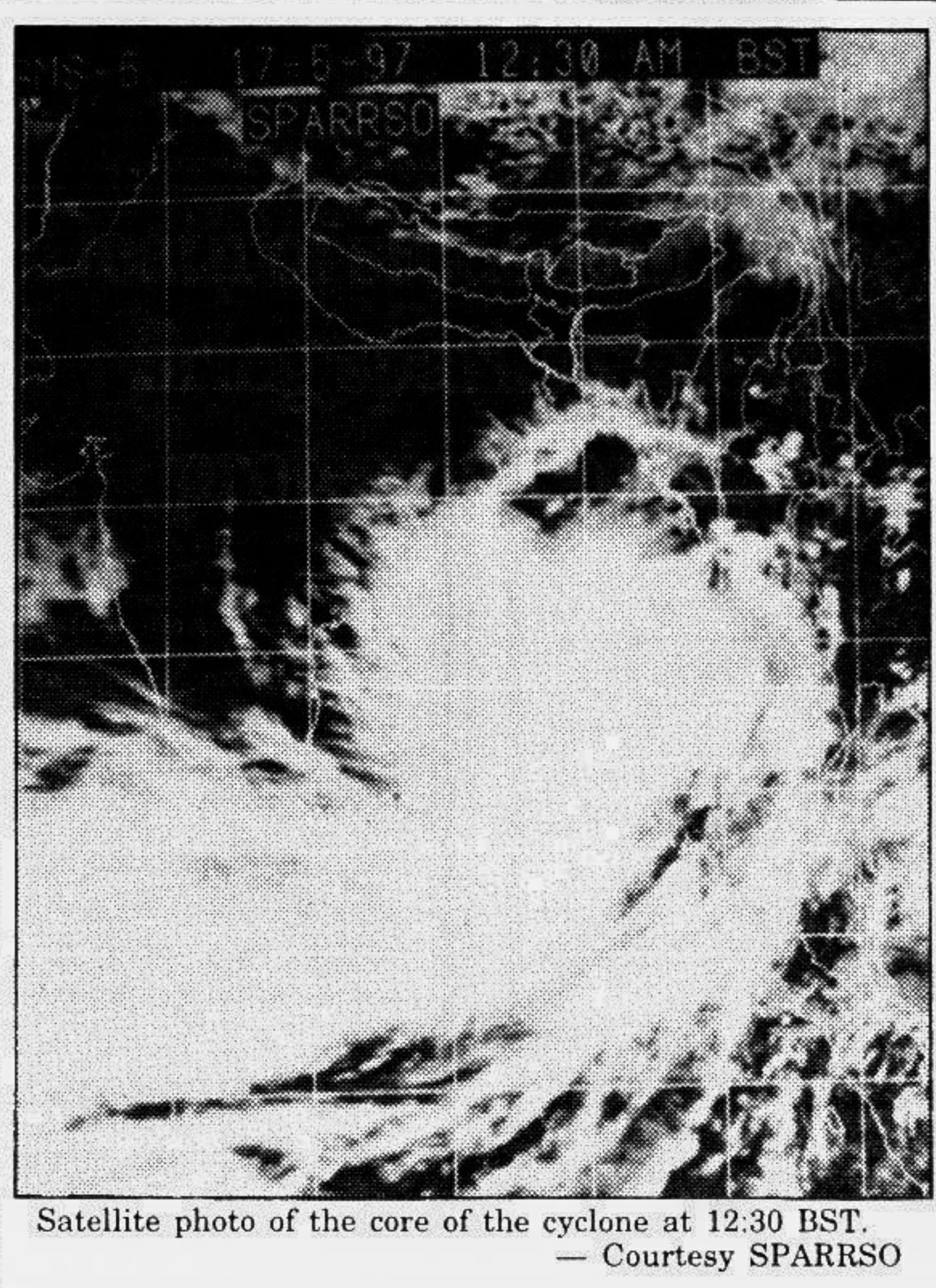
Kuldip Nayar writes from New Delhi  
 Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka and India, which constitute the South Asian Association for Regional Cooperation (SAARC), have little to take pride in going past another summit since the birth of the forum two decades ago. It was organised to dialogue regionally for cooperation. But it has turned out to be a discordant club. It is a lesson how the best of economic can be spoilt by cheap politics.  
 Two powerful members, India and Pakistan, particularly the latter, have introduced their political differences to even minor discussions of SAARC so as not to allow it to take off. They have neither hit it off well themselves nor have they let other members to settle down to any meaningful relationship. Pakistan's obsession to raise Kashmir at every place and every time and India's determination to stall any discussion have reduced SAARC to a shell, with little substance. It has all the paraphernalia, a secretariat, a secretary general and hosts of activities. But the sum total is nothing. It is a series of futile exercises.  
 For the first time in many years, the meeting between Prime Minister Inder Gujral and Prime Minister Nawaz Sharif at Male has brightened the prospects of SAARC, whatever the fears. It looks as if the organisation may acquire some meaning. The stumbling block, Kashmir, may matter less. The two have discussed the problem but as a bilateral issue. Why should a problem between the two countries affect the 7-member SAARC functioning? Their message seems to have got across and the other members feel heartened. Suddenly, the organisation has acquired a purpose.  
 Leaders feel that the differences accumulated over the past 50 years, of which Kashmir is a big one, are not going to be swept aside by one meeting. And the Gujral-Sharif meeting was probably the first meaningful effort. But both sides believe that it will take many such meetings to settle Kashmir, even if it is the core problem. Other business cannot be stopped.  
 Islamabad has had a pleasant experience recently. India not only agreed to sell the 50,000 tonnes of sugar to Pakistan but also allowed its haulage by rail, most of it from Paghawara to Lahore. The SAARC's dictum to help one another came to the fore and the core problem of Kashmir was pushed into the background. Were Pakistan to deadlock the SAARC meetings in the name of Kashmir it would suffer the most.  
 Already a regional cooperation within SAARC — Bangladesh, Bhutan, Nepal, Sri Lanka and the eastern parts of India — is taking shape. Pakistan raised hell at the summit and got certain assurances. Still, it has not been able to stop regional grouping. This is bound to happen if the overall grouping does not function. Islamabad should realise this. Dhaka has gone out of the way to explain that the purpose was

## Ashura today

Holy Ashura, the 10th of Muharram, will be observed today all over the country with religious fervour, reports UNB.  
 The day commemorates the supreme sacrifice made by Hazrat Imam Hussain, grandson of Prophet Hazrat Mohammad (SM), along with his family members at Karbala, presently in Iraq, in the Hizri year of 61 to uphold truth and justice.  
 The battle between Imam Hussain and Yazid inspires the entire Muslim community to boldly fight against untruth and injustice.  
 Different religious organisations, including Panjatan Mokams and Imambaras have drawn up elaborate programmes. The programmes include majlis, discussion meeting, milad mahfil and procession.  
 President Justice Shahabuddin Ahmed, Prime Minister Sheikh Hasina and Leader of the Opposition in Parliament Begum Khaleda Zia issued separate messages on the occasion.  
 The day is a public holiday.  
 Bangladesh Betar and Bangladesh Television will broadcast various programmes, including Hamd, Naat and discussion on the great sacrifice of Karbala. Newspapers will publish  
 See Page 12 Col 1

## Question leakage JU mathematics admission body dissolved, test cancelled

JU Correspondent  
 The admission committee for honours course in mathematics in Jahangirnagar University has been dissolved and the written test held on May 3 cancelled, following allegations of question paper leakage.  
 Vice Chancellor Prof Amirul Islam Chowdhury took the decision yesterday and formed a four-member body to investigate the matter, university sources said.  
 The probe body headed by Prof Mohammad Masum of Economics Department is to its report by May 24.  
 A fresh admission committee was also formed, comprising Prof Humayun Kabir, Prof Abdullahi Kafi and Prof Sabir Ahmed.  
 The VC, talking to this correspondent, said that on the basis of the probe committee report, punitive actions would be taken against those involved in the alleged question paper leakage.



Satellite photo of the core of the cyclone at 12.30 BST.  
 — Courtesy SPARRSO

## State-owned banks hostage to CBAs

By Rafiq Hasan and Govinda Shil  
 Unwanted intervention and pressure from workers' unions, called Collective Bargaining Agents (CBAs), are hampering smooth functioning of state-owned banks.  
 This has been stated by senior bankers in several interviews with The Daily Star.  
 They expressed 'grave concern' over the activities of the CBAs and demanded immediate steps to limit their involvement to workers' welfare related issues.  
 The Daily Star reporters talked to officials of four banks: Sonali, Agrani, Janata and Bangladesh Krishi Bank, recently but none of them wanted to be identified.  
 "I am afraid of CBA leaders who may 'gherao' me if I am seen speaking against them," one banker said.  
 The officials said that almost all CBAs were affiliated with major political parties. They said the CBA has 'very good connections' with political

## Cyclonic storm intensifies further, moves northward

The severe cyclonic storm over southeast Bay and adjoining east central Bay moved northwards over the same area and lay centred at 9 pm last night about 860 kms south-southwest of Chittagong port, reports UNB.  
 A Met Office special bulletin said the storm could intensify further and move in a northerly direction.  
 Maximum sustained wind within 64 kilometres of the cyclone centre is about 100 kph rising to 120 kph in gust or squalls.  
 Maritime ports of Chittagong, Cox's Bazar and Mongla have been advised to lower distant warning signal number two but instead hoist local warning signal number four.  
 All fishing boats and trawlers over north Bay have been advised to take shelter immediately and remain in shelter till further notice.

## Death of student in police firing sparks violent protest in Comilla

COMILLA, May 17: A student was killed in police firing during the HSC examination at a centre of Barura thana in the district today, triggering a violent public protest, reports UNB.  
 Witnesses said angry protesters went on rampage, clashed with police and smashed vehicles, leaving at least 30 people injured after the death of Ohidur Rahman, 21.  
 Ohidur, son of Moulana Ali Azam of Shinguria village in Barura thana, was hit by a bullet in his head and died on the spot at the Payelgacha Post-graduate College centre at about 12.30 pm.  
 Another source, however, said the victim, who appeared at last year's BA examination, died at the Comilla Medical College Hospital.  
 They said Ohidur went to the HSC examination centre, about 25 kilometre southwest of Comilla town, as guardian of his younger sister. He reportedly exchanged hot words with a police constable on a trifling incident.  
 At one stage, the sources said, the police constable became angry, suddenly opened fire and the bullet hit Ohidur.  
 Officials, however, said police opened fire when a group of people who started proceeding towards the examination hall violating the examination rule half an hour before the exam was over.  
 UNB Comilla correspondent said bullet-struck Ohidur was taken to the Comilla Sadar Hospital after about one hour. He was shifted to the Comilla Medical College Hospital where he succumbed to his injuries.  
 After the shooting, students and local people who were present  
 See Page 12 Col 2

## 4 get life-term for throwing acid on girl

By Court Correspondent  
 Four persons were sentenced to life imprisonment and fined Taka 10,000 each by a court yesterday for throwing acid on two sisters in Demra in the city in March, 1994.  
 The judgement delivered by Ms Krishna Debnath, fifth additional sessions judge, Dhaka, also said the convicts Salahuddin alias Salu, his brother Mohammad Tajuddin, Mohammad Ahmed and Moqbul Ahmed will have to suffer for two years more if they fail to pay the fines. Moqbul Ahmed is absconding and he was tried in absentia.  
 See Page 12 Col 7

## Corruption cases filed against Mirza Abbas, Rafiqul Islam

By Staff Correspondent  
 The Bureau of Anti Corruption has filed corruption cases against two former ministers in BNP government, Rafiqul Islam Miah and Mirza Abbas, and eight others on charges of 'misappropriating money and causing financial loss to the state,' police said last night.  
 Rafiqul Islam Miah and Mirza Abbas, were ministers for housing and public works in the government of Begum Khaleda Zia.  
 The eight others accused in the two cases filed with Ramna thana yesterday afternoon are:  
 See Page 12 Col 6

## BNP activist shot dead in Jessore

From Our Correspondent  
 JESSORE, May 17: A BNP activist was shot dead by armed miscreants at Goira in Sharsha thana here this morning.  
 The dead was identified as Mozammel, 35, of Kannadaha.  
 Witnesses said, about three armed people riding on a motorcy fired on Mozammel while he was going to Benapole bazar. He died on the spot.  
 Police arrested one person in this connection.  
 The body was sent to the Jessore General Hospital for autopsy. The reason behind the killing could not be known immediately.

## Donors' meet begins in city tomorrow Dhaka to seek assistance for 40 energy sector projects

Bangladesh will seek financial and technical assistance for as many as 40 energy sector projects from the major donors in a meeting that begins in Dhaka tomorrow.  
 Talking to UNB at his Secretariat office yesterday, Energy Minister Mohammad Noor Uddin Khan said the government would place 40 projects in the energy sector for the consideration of the donors.  
 Over half a dozen projects are new while the rest are on-going, he said, adding that Dhaka would not seek any specific amount, rather leave it to the donor agencies and countries.  
 The four-day meeting, to be sponsored by the Asian Development Bank (ADB), is likely to adopt guidelines and strategies for future lending to Bangladesh's fund-starved energy sector.  
 Apart from ADB, representatives of the World Bank, Germany, United Kingdom, Japan and Norway who have given loans to the country's energy sector will attend the high-profile meet.  
 "The meeting will help the donors reach a fresh understanding with the country's energy sector after a four-year suspension on lending by the development partners," Khan said.  
 The energy minister will attend the opening session of the meet and is expected to present an overview of the energy sector, its prospects and future requirement of financial and technical supports.  
 The donors will meet the officials of the energy ministry and the Petrobangla and hold discussions among themselves, review the performances of the on-going projects and draw a strategy for future lending.  
 After a four-year gap, the donors are going to resume their lendings to Bangladesh's energy sector and the minister said funds from the donors became an imperative need due to resource constraints.  
 "We hope that they will not only resume their lendings, but