

Land Encroachment

Barely a week has passed since we last commented on government decisions linked with construction that are playing havoc with its loud commitment to preservation of the environment.

There is no doubt that land crunch is one of the major obstacles to many a project aimed at improving the living standards of Dhaka's denizens.

This is a most unhealthy syndrome for a civil society. We all know that with the demographic index spiraling against the static background of space, the demand for land will only grow.

First Impression Matters

There has been a modest increase in tourist arrivals. Percentage-wise, it sounds somewhat impressive — 9.97 per cent over the level recorded in 1996.

Their arrival and earning figures are quite high. A relatively stable political climate and an increased exposure of the country through economic and trade links are ascribed to be the reasons for the increase in the number of foreign visitors.

This 'incidental tourism' can be turned into a more stable and besought kind of tourism provided we offer business-cum-pleasure packages to the visitors in tandem with tourist operators in South and Southeast Asia regions.

Investment opportunities do have a way of enhancing tourist attraction of a country. But the first impression that one gets on arrival is crucial to both expansion of tourism and investment in a country.

Most foreigners praise the beauty of Bangladesh's interior. With the CHT in a peaceful tourist frame we have a big embellishment round the corner.

Parental Duty

A leading Bangla daily on Saturday reported the poignant tale of a young woman who had to fake her identity in order to fend for herself in an insecure and hostile milieu.

The comely young housewife had to think up this rather desperate measure when she discovered that her husband with whom she had eked out a tolerable existence for five years had sold her off.

Toompa's tale of suffering is not unique. Most young girls in this part of the world whose mothers die early and fathers marry a second time leading to their premature marriage land in a situation like this.

The real parental obligation to children, particularly the girls, to help them see the necessity of education and other life skills in order that they can lead a useful and dignified life.

Foreign Investment Mystique: The Kafco Case

The need for a drastic reorganisation of the structure of the economy to give proper incentives to the domestic entrepreneurs, genuine workers and farmers, the financing and management of the entire government sector including state-owned enterprises, and the internal control system of the economy has become urgent and unavoidable.

A mystique has been created in Bangladesh which seems to be dominating the thought-processes, as it were, of many people especially the policy makers of the country, whether in or out of power, about the role of foreign investment.

However, based on these, the believers in the mystique seem to think that there is no need for any hard choices to be made on reform measures needed to inject vitality into the socio-economic structure of the country.

In this article that is nothing but a pipe dream. Foreign investment has to be screened and negotiated properly for the benefit of the country.

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Nature of Foreign Investments

It should be brought to the attention of everyone that there are two types of foreign investments: portfolio and direct investments. A summary statement can be made about portfolio investments. That is, portfolio investments in the shares and stocks as well as in bonds (of course a formal bond market hasn't come into existence in Bangladesh yet) in the secondary market are not of much help to the development of the economy.

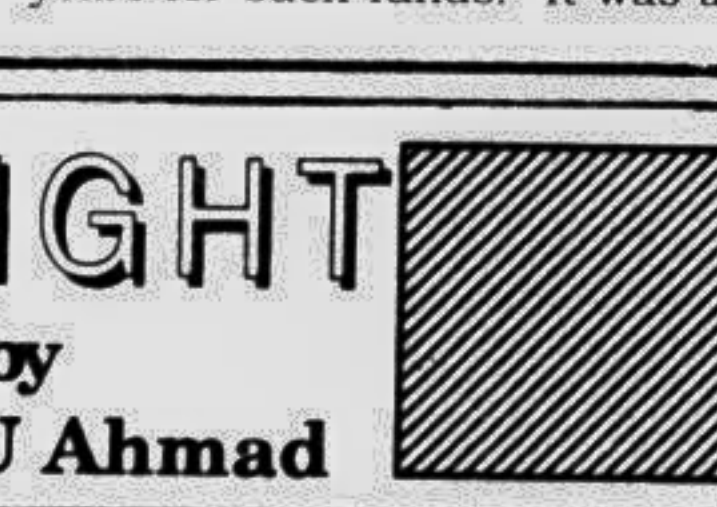
Industrial expansion. If such a strong demand is sustained for long, then it gives the companies incentives for developing new industries or for expanding the existing ones by selling their new IPOs in the market.



Bangladesh market over the last six/seven years.

On the other hand, if the foreign short-term investors invest so much money in the secondary market that the prices of shares are pushed way beyond the average dividends paid by the companies and sold when they have reached their peak level and then leave the country, there will occur a slump in the share market as had happened in Bangladesh in the months of September-November, 1996.

These countries' markets in the doldrums. How does the heavy inflow of short-term foreign capital into the secondary markets help the economic development of the Third World countries? The plain answer is that it doesn't.



INSIGHT by Kabir U Ahmad

Long-term FDI, Kafco and Mr. C.I Minister

There is no doubt that long-term Foreign Direct Investments (FDIs) are beneficial to the developing economies of the Third World countries because these bring with them new technology, know-how and management techniques to open up new fields of economic activities which the countries' own capital and manpower cannot exploit.

dictum in this case that the payers call the tune. This cannot be avoided. But the price of such contracts can be minimised provided the borrowing countries call for open international tenders and accept the lowest but quality contract.

The Commerce and Industries Minister Mr. Tofail Ahmed has revealed some interesting information about the Kafco deal in the parliament last week for which he deserves hearty congratulations.

Because he has stated that the former President of Bangladesh General Ershad signed the deal for setting up Kafco, a 1700 metric ton of fertilizer-producing factory, at a cost of Tk. 2,532 crore while the cost of Jamuna, another fertilizer producing factory of the same capacity, was only Tk. 1,263 crore.

been bleeding economically through this FDI. What the Commerce and Industries Minister didn't develop, however, was the increase in the country's foreign loan burden due to this project.

Some Concluding Observations

There is no guarantee that all FDI necessarily promote the welfare of the people and the country. The benefits depend on the terms and conditions that come with the FDI.

Instead of helping the economy of the country grow, such FDI may be means of transferring the country's resources abroad through the collusion of domestic individuals with foreign investors.

Post-election Indian Scenario

Horse Trading and its Ramifications

Mr Sukhrum from Himachal Pradesh was a Congress minister who was accused of corruption by the then opposition BJP and he was found to possess wealth highly disproportionate to his income. Even cash money worth lakhs of rupees were recovered by the CBI from one of his houses. But he is now the deputy chief minister of the Himachal Pradesh in a government led by the BJP!

inadequate to give the BJP the strength of reasonable confidence to face the vote of confidence. As such, the government led by Mr Atal Bihari Vajpayee chose to quite before facing the strength in the floor of the house.

This time it is qualitatively and quantitatively different as the government is not a BJP government but a BJP-led one having other parties and leaders in the composition. Besides, the support base of the BJP has also expanded this time in addition to its own increased tally of 177. It has found tactical support from unexpected quarters like the Telegu Desam Party (TDP) and may be also from National Conference of Kashmir chief minister Dr Farooq Abdullah and Assam Gono Parishad's chief minister Parullah Mahanta.

However, certain characteristics of the current Indian political scenario are not only interesting and figuring in intense discussion, but that also deserve attention in the context

of democratic values and morality in the public life. Undoubtedly, the largest democracy of the world has absorbed many strains in the past and in all probability it will do the same in the future. It is plausible that in a democracy of such big proportion, problems are at times also of difficult nature.

But then the government has to be formed and the country must run. And in the process, such exercises like the formation of coalition government, a government coming into power with critical support from allies from outside the government or early collapse of such administrations have now become somewhat normal features.

What is the scene that characterises the post-election developments in India? Allies are changing sides, some like-minded parties go all out to extract their due or undue piece of the cake in the exercise of bargaining, some resort to volte-face and some literally bring out cash or other kick-backs to win over the rivals or the neutrals.

hanmad Khan, said their party members were being offered as much as rupees five crore to extend support to the government side in the crucial vote of confidence. Why should Tamil Nadu former chief minister and the ADIMK leader, Ms. Jayalalitha drag her feet in extending support to the formation of a new government although she was a pre-election ally of the BJP?

Former prime minister PV Narasimha Rao reportedly gave huge money to four members of the Jharkhand Mukti Morcha (JMM) to win over their support at a critical time of existence of

the people and welfare of the people. What is the scene that characterises the post-election developments in India? Allies are changing sides, some like-minded parties go all out to extract their due or undue piece of the cake in the exercise of bargaining, some resort to volte-face and some literally bring out cash or other kick-backs to win over the rivals or the neutrals.

'Horse trading' is a phenomenon that tends to vitiate the healthy political climate in democracy and parties caring for ethics should discourage this tendency by all means for the sake of morality in public life and people's confidence in the democratic institutions.

Indian democracy has many beauties, but the 'horse trading' takes away much of it and this malaise needs to be curbed.



MATTERS AROUND US by Zaglul Ahmed Chowdhury

of the voting. It is not always possible that the polls will necessarily give a clear verdict, and at times fractured judgement by the electorate are also likely. Obviously, gone are the days or era when India used to witness stable government after the national elections with a single party commanding the required majority in the house.

from Farraka to Ganga Barrage is marginal physically and mentally; but there are huge gaps to OK the feasibility, and line up the multi-national funding.

The publicity campaign at the grassroots may not be overdone to belie hopes. There have been disappointments with several of over water-management projects in the past (the FAP agitation is a recent example). According to some futurologists on supernatural phenomenon, huge sun-spot activity is likely to create more deserts in the coming decades while the ozone layer scientists predict rise of the sea level. The mysteries rely more on yugs (viz the Aquarian Age).

Mercifully, the mortal life span is short. Sell mirrors to the blind, or thaw the frozen truth? Reality needs no adjectives. We do not live, we are kept alive. Truth does not depend on confrontation. Most of us would like to carry the root with us like the turtle.

After Ganga Barrage, what next? Our Democracy barrage has many breaches. Repair the leaks before the monsoon.

Shuhana Parbea Lalimata, Dhaka.

Floating on oil?

Sir, On 23.3.98 there was a news item which claimed that the Energy Minister himself was under the belief that there was enough reserved gas for export. And he also claimed that we are practically 'floating on oil' and it will make us very rich if we could export them.

Masroor Ahmed Deepak Dhaka

Last trace of modesty?

Sir, The fashion creations of the top designers are really quite puzzling. It often makes me wonder whether the western world is on the verge of shedding its last traces of modesty and respectability — at least

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To the Editor...

The lady at the bank

Sir, This was on March 15th at around 10 am when a smart-looking young lady came to a Janata Bank branch in Mirpur 10 (round about) to make a pay order of Tk 100 and had to return home not with pay-order but with insult, abuse and humiliation.

Having realised that the cashier on fact violated the ethics of client-server relationship and unscrupulously victimising the lady, I strongly began to protest the cashier's behaviour. Then he tore off the lady's form and forced his co-officer to delete her name from the registration book of the payees.

Barrage fixation

Sir, We Bangladeshis are not mermaids, but we cannot live with scanty water. It affects our psyche and exposes our bile. The morphological shift

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Art Buchwald's COLUMN

In the Rose Garden

THOR Patersen, a gardener in the White House Rose Garden, was served a subpoena when Ken Starr's lawyers discovered he could see into the Oval Office while tending his bushes.

When served with a subpoena by 10 FBI agents, Thor turned to his friend Vernon Jordan for help. Vernon said in no uncertain terms, 'Get a lawyer.' Thor found a criminal lawyer at the Rose Garden Club of America who agreed to handle his case for \$450 per hour.

But before the lawyer could prepare the case, he was subpoenaed by Starr lawyers who wanted to know what Thor had told him. So Thor's lawyer had to hire a lawyer to defend him for defending Thor.

The night before Thor was to testify in front of the grand jury as to what he saw in the Oval Office, a dozen of Paula Jones' lawyers came to his house to take a deposition.

Thor told them that he had never seen Paula Jones and Bill Clinton in the Oval Office together. One of Jones' lawyers said, 'May I remind you that you are under oath?'