

Question is: How Soon?

Jakarta, the nerve-centre of Indonesian polity and economy, is a boiling cauldron now. The embers spread out of the capital city engulfing almost daily other urban centres of Indonesia, a country populated by two hundred million people.

An economic crisis deepened by high food, fuel, electricity and transport costs has combined with political turmoil pushing the country into a welter of bloodshed. It is the awesome majesty of the people that is to be seen everywhere undeterred by the use of military force and deaths in the streets.

Suharto's boat has all but sunk. And yet there are attempted subterfuges by vested interests and cronies his 32-year-long rule has created to keep it afloat. Failing which they might try for a diluted change-over so as to protect their interests.

Most Indonesians seem to believe that the austerity or hardship measures associated with the four thousand and three hundred crore dollar IMF assistance package were avoidable. These could be nipped in the bud if cronyism, monopoly cartel and governmental incompetence had been duly averted by Suharto. Now he is talking about political and economic reforms including revival of subsidies while the ground has completely slipped out of his feet.

On the rather intimidating side there is this sounding out of the prospects of emergency and martial law clamp-downs. Nothing of these will really work now in the face an all-out revolt against him and his establishment.

The uprising swells by the day as students, teachers and unemployed youths take to the street in ever greater numbers, the distracting looting as a sign of law and order breakdown notwithstanding. Apart from the opposition offered by Meghatabi Sukarnoputri, Amien Rais, a powerful Muslim leader has joined forces with opposition members of parliament and key university figures. Inexorably the last straw in the camel's back comes from Kosgoro, one of the major factions within Suharto's ruling Golkar party which has withdrawn support from him.

Suharto better read the writing on the wall and stand down without any ambiguity, if he wants his own good and the good of the struggling Indonesian people. The mistake he committed only two months ago in getting re-elected by the parliament for the 7th time for another five-year terms, totally ignoring the steep unpopularity that faced him then needs to be atoned for now. We want an early end to Indonesia's nightmare.

Safety in Safe Custody

We are angry at what happened with Pakhi. Life looked a shocking throwback in time — a distance of many light years from notions like respect for law, commonsense and human rights when The Daily Star published the handcuffed photograph of the young woman in 'safe custody'. Traumatized as she was by the hellish memory of gang rape and unwanted motherhood, Pakhi to her surprise found herself in that condition on a hospital bed on May 10. Only the other day after condemnation poured in from all quarters that the high-ups woke up, intervened and restored Pakhi's status as normal patient — sans chains. One wonders how many more days the poor girl would have had to rot in chains were it not for the fortuitous discovery by the press. And what did she do to deserve this? Pakhi was no criminal. Four men violated her against her will and she sought justice for the gross crime committed to her person, her mind. What happened with Pakhi in safe custody was not only violation of human rights but also a serious breach of criminal code which does not permit handcuffing of women. We feel this is professional ineptitude and ignorance at its height and calls for significant punitive measure and they should not concern people at the lower tier merely. Few heads at the top should roll. It must be found out why violation of human rights is becoming such a common phenomenon in safe custody.

To the best of our information, dozens of girls remain in so-called safe custody. We demand the authorities make an immediate probe into all such cases and spare the victims of further sufferings and make the so-called professionals pay for their professional failure. Safe custody must really be safe.

Farewell Sinatra

Francis Albert Sinatra, one of the most adored names in the history of American entertainment is gone. Better known and admired by fans all over the world simply as Frank Sinatra, this American crooner of Italian origin died of a heart attack Friday last. But Sinatra who died at 82 was more than a singer.

He was a powerful presence on the Hollywood silver screen, too. From *Higher and Higher* to *First Deadly Sin*, it is a pretty impressive array of films Sinatra starred in. But they were mostly light musicals in nature. It was not until his nonsinging role of Angelo Maggio in *From Here to Eternity* that Sinatra's ability as a solid and serious actor was confirmed.

Nevertheless, it is as a singer that Sinatra will live in the hearts of his millions of fans. Spotted by band leader Harry James in 1939 while working in a roadside cafe, Sinatra broke into the world of music with the group Hoboken Four. But success did not come overnight. After making his debut with *From the Bottom of My Heart* with James' band, Sinatra had to wait a while to become a heart-throb in the real sense of the word. His big break came while performing as a soloist in *Your Hit Parade* on the radio for about two years. Since then it had been a course of peaking new heights of popularity for the boy from New Jersey.

At a time when sound of instrument started drowning the words, Sinatra stood out with his distinctive phrasing, his pauses and the subtle emotional overtones in his songs. President of the jury at this year's Cannes Film Festival probably paid the most appropriate tribute to this charismatic character: "there will never be another him". We hope Sinatra's legacy keeps the world of entertainment fertile by inspiring the arrival of versatile talented people from time to time, but there sure will never be another Sinatra. Really he had a way of doing things as he would sing *My Way*.

HOW the "default culture" came into existence in Bangladesh, who were its beneficiaries, what was the amount "defaulted" and what were the effects of such "defaults" on the economy and the society were analysed in the last week's column. Two more issues need to be discussed in this connection: 1) what is the state of recovery of bank loans in recent years? and 2) what needs to be done to rid the banking system of its "sickness"?

The State of Bank Loan Recovery

Some data on the recovery of bank loans over the last two years have been released by Bangladesh Bank which have been published in a summary form in a Bangladi daily (*Bhorer Kagoj*, April 30, 1998) and in an English daily (*The Financial Express*, April 30, 1998). Some important sets of these data have been collected and rearranged from these sources and presented in the table below.

The data are revealing. However, some explanations of, and observations on, these data are necessary to understand what has been happening in the banking sector of Bangladesh.

First, in spite of the loan recovery drive from 1994 onwards which has been substantially strengthened by the present regime, the total loan has increased from Tk. 355.50 billion in 1996 to Tk. 395.71 billion in 1997. In terms of percentage increase, it comes to 11.31%. Second, the classified loan has increased from Tk. 110.54 billion in 1996 to Tk. 129.60 billion in 1997, the latter comes to about US \$ 2.8 billion (at the exchange rate of \$ 1 = Tk. 46). Even in terms of its proportion of total loans, it has increased from 31.09% in 1996 to 32.75% in 1997.

Further, it is surprising to see that roughly about one-third of total loans of the nationalised and private banks are classified loans. What is

"Classified Loan"? What it means is that these loans are irregular and troublesome in the sense that the borrowers are falling (willingly or unwillingly) to repay their loans on the dates their repayments fall due. This raises the most simple but important question: why can't they repay?

In short, partly may be due to the genuine difficulties of the entrepreneurs, which can be tackled by appropriate policy measures, and partly due to the unwillingness of the "big borrowers" who, as Justice Shahabuddin Ahmed has pointed out without mincing words, "...pose threat to the national economy". This is what I have been describing all along as the "rotten culture" or the "sickness" introduced in the entire commercial banking sector by the triumvirate: "political leaders and their supporters including MPs", in the language of Justice Shahabuddin Ahmed, some top business leaders and some corrupt bank officials. More on this below.

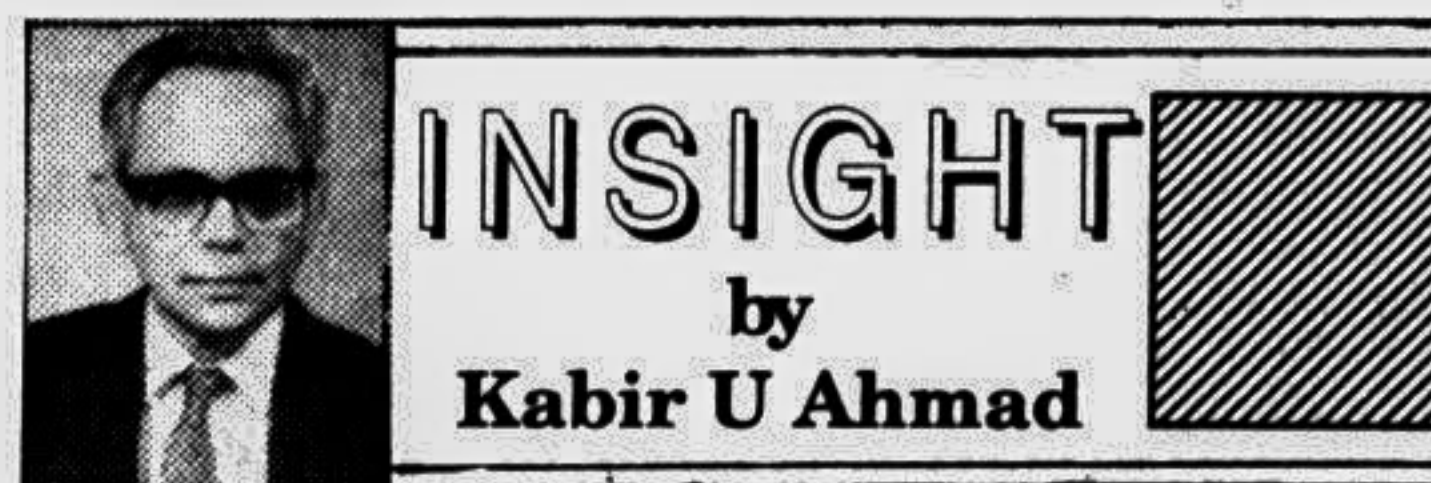
Again, "classified loans" are of three types: Sub-standard (i.e. repayments are overdue for more than six months), Doubtful (i.e. repayments are overdue for more than one year), and Bad debts, which can be considered almost as a loss (i.e. repayments are overdue for more than two years).

As the table shows, Sub-Standard loans have decreased from Tk. 14.83 billion in 1996 to Tk. 11.30 billion in 1997, which is certainly an improvement. It looks like the present government's efforts at realising at least one category of bank loans has been succeeding. However, the amount of Doubtful loans has increased from Tk. 13.55 billion (US 0.29 billion) in 1996 to Tk. 17.67 billion (US 0.38 billion) in 1997.

The State of the Banking Sector

Can Private and Public Morality be Different?

There cannot be two words about strict application and observance of ethics in business dealings. If it is violated by a powerful group, a financially powerful and corrupt oligarchy will develop in the society destroying the very basis of social justice and even social cohesion.



INSIGHT by Kabir U Ahmad

registering a 32.35% increase, while the Bad Debts have increased from Tk. 82.15 billion (US 1.78 billion) in 1996 to Tk. 100.62 billion (US 2.19 billion), registering a 22.48% increase.

One can see here the enormity of the sizes of these loans. By looking at the overdue dates, one can see that these loans were given partly during the present government's tenure and partly during the previous governments' tenures. One should ask oneself why is this last category of debts, which is of an enormous size, increasing? The answer is that loans which were given in the previous decades having been rescheduled a number of times are getting accumulated in this category as the years are passing.

Third, another critical aspect of these loans is the "Provisioning" which means how much money have these banks been able to stack away from their current profits to cover their losses due to "loan defaults". Item 3 of the table

shows that the shortfall in loan Provisioning has been deteriorating over the years. This shortfall was Tk. 26.26 billion in 1996 which has increased to Tk. 31.26 billion in 1997 for the entire commercial banking sector. In terms of percentage increase, it comes to 19.04%.

As I have pointed out in my last week's column and also in my earlier columns, it is this amount of Provisioning that represents the burden on the present generation of borrowers to pay for the "sins" of the previous generation of borrowers, who are mainly "big defaulters". This is an interesting paradox of excellence on the present generation of borrowers. However, to have a close look at the Provisioning shortfall, the NCBs (Nationalised Commercial Banks) share has gone up from Tk. 18.36 billion in 1996 to Tk. 22.22 billion in 1997, while the private commercial banks has increased from Tk. 7.90 billion to Tk. 9.04 billion in the same period.

On the other hand, the for-

ign banks' Provisioning surplus has gone up from Tk. 0.18 billion in 1996 to Tk. 0.27 billion in 1997. Here, two points should be noted. The first is that the foreign banks' total long-term loan portfolio is very much smaller than that of the domestic banks and since their management is very efficient and disciplined, the virus of the "sickness" that have eaten up the Bangladeshi banks haven't been able to affect them. The second point is that one is not very sure whether the accounting standard of the Bangladeshi commercial banks is comparable with those of the international banks and whether the former's profits reflect real profits. Be that as it may.

What Should be Done?

The "default culture" with its crippling effects on the banking sector and on the entire economy could grow in Bangladesh because banking laws were weak, their enforcement was still weaker and political leaders provided protection to it. Both the laws and their enforcement will have to be strengthened. One hopes that for the sake of the economy and social justice, the "willful defaulters" should be brought to book and the "defaulted" amounts would be recovered.

There are now a few thousand cases against the "defaulters" which cannot be handled by the already overburdened civil courts. There is no doubt that there is a need for some special courts or tribunals for their quick dispensations. Further on the institutional side, all Bangladeshi banks will have to be reorganized to inject discipline and management efficiency in this sector. Business

efficiency cannot be achieved if political leaders and trade unions or any other powerful groups in the society interfere in their operations and decision-making. What is more, ethics which has universal domain of application, has to be restored in banking and business transactions. Every Business School worth its name in the United States teaches a compulsory course under the title "Business Ethics".

There cannot be two words about strict application and observance of ethics in business dealings. If it is violated by a powerful group, a financially powerful and corrupt oligarchy will develop in the society destroying the very basis of social justice and even social cohesion. Politicians and other powerful people will ignore this observation at their peril. The recent history of political upheavals in many Third World countries provide ample evidence of this. Even now we may be witnessing the early phases of such an upheaval in a friendly country like Indonesia which universalised corrupt practices.

However, on the question of ethics, Justice Shahabuddin Ahmed has made one most crucial observation: "Personal morality and business morality shall not collide with the principle of public welfare, justice and welfare". The point is made so aptly. Can private and public morality be different? It simply cannot be, anyone who thinks it can be, he is becoming a hypocrite. What is worse, such hypocrisy, once exposed to the ordinary citizens, may create revulsion in various forms. It can lead to most terrible consequences. Moral philosophers and political historians have pointed out time and again that public and private morality has to be one and inseparable whether in politics or in business or in any other area of activity. Neglect of this will simply mean planting of seeds of future disasters.

India's Nuclear Tests

A Shot in the Arms for Fragile Government

The Indian tests will help the BJP-led government domestically but will also spark off bigger arms race in the region despite calls for restraints by the West.

FIVE nuclear tests carried out by India have stunned the world. After conducting three tests on Monday, defiant India went for two more close on the heels much to the criticism of the outside world. After the second round of the tests, Prime Minister Atal Behari Vajpayee said the tests have come to a close. Reacting to the sharp criticisms and at times condemnations of the tests by different countries, he said India also believed that ideally, there should be a nuclear-free world but it is not like that and hence there was no reason for India to restrict itself from carrying out the tests.

The prime minister says that two of its neighbours — Pakistan and China — are a source of threat to his country and while the former possesses nuclear capability, the latter is an acknowledged nuclear power. Mr Vajpayee justifies the conduct of the explosions on this ground and says that if some countries choose to impose sanctions or other measures on India for this exercise, his country would have to live with the difficulties.

There is no denying that the Indian action outraged the entire world to varying degrees. Evidently, barring its own people, it is difficult to find support on the issue from any country since none really wants the spread of nuclear power, as this danger can only infinitely increase tensions and instability in the world. Only five countries — the United States, United Kingdom, France, Russia and China — are the recognised nuclear powers and some international laws say that any other country barring these five cannot conduct nuclear tests or

own nuclear arms. He said the two important international agreements on this count — CTBT and NPT — and its arch-rival Pakistan has also not signed them for the obvious reasons that the two want to keep their options open on the matter.

India first conducted nuclear test in 1974 while the second round of tests came after 24 years — and altogether it has so far carried out six tests. Pakistan has not carried out a test but it is widely believed that the country has the potentials to do so. The recent test-firing of surface-to-surface missile "Ghauri" capable to carry nuclear weapons has only strengthened the belief that Pakistan can do it. The Indian nuclear explosions have put pressure on the Pakistan government from its people to detonate the nuclear device.

Pakistan's architect of the nuclear technology, Dr Abdul Qader Khan has said that the scientists are awaiting policy decision from the government in this regard. It is expected that Pakistan will go all-out for the detonation of the nuclear device no matter what the international world thinks of this.

India did not stop after three nuclear tests despite the international outrage and carried out two more in quick succession. Going by the same token, Pakistan will also undertake this effort of test explosions. And in the process, South Asian region has entered another phase of dangerous arms race — the assertions notwithstanding

that all want peace and stability. The Indian nuclear tests took the world unawares — so much so that the top bosses of the American intelligence agencies are seeking to find out causes of their failure to have an inkling of the development while the Congress and Senate sub-committees dealing with the intelligence performance on so critical a subject to American interest and policy.

The reactions have been intense in the West with the Wash-

ington imposing sanctions, Japan stopping aid worth more than 30 million US dollars, Germany calling off a meeting on aid to India, and Australia and New Zealand are all-out to decry the tests, and the eight-nation economic summit in England has taken the issue as one of its main agenda of discussions.

In the South Asian region, Pakistan has called five tests conducted by India as like the Indian leaders "going berserk". Other smaller countries in South Asia which even remotely do not have both desire and capability at present stage to go for nuclear, are watching the situation with great anxiety and concern, and somewhat helplessly.

But in India itself, the scenario is totally different with people distributing sweets on the streets and particularly the supporters of the government are in a delirious mood. The Bharatiya Janata Party (BJP), the dominant party in the coalition government, has all the reasons to feel that it is in the driving seat despite the fragile character of the government. Only two days before the tests, a senior minister of the government — Mr RK Hegde of the "Lokshakti" of southern Kar-

nataka state — admitted that the coalition is not functioning smoothly.

The BJP-led government is walking a tight rope as far as its support in the Lok Sabha is concerned — as defiance by any of the 16 coalition partners can lead to the ouster of the government since the present government has only a razor-thin majority in the House.

But the tests have come as a great shot in the arms of the government — mainly for the BJP, as the leadership is basically of the BJP. Party president Kashubai Thacker was mobbed by jubilant supporters and people flocked the houses of the two main party leaders in the government — Prime Minister

Vajpayee and Home Minister LK Advani. The workers of Samta Party, a constituent of the government, thronged the house of Defence Minister George Fernandes in Bihar as the nuclear tests are seen as a boon for the defence sector.

Now, in retrospective analysis, one can find reasons on the outskirts in recent days by the defence minister against China which many had thought irrelevant at the present state and had drawn criticisms from the opposition parties including the Congress and the communists. But the remarks of Mr Fernandes now may be seen in the context of the nuclear tests and can be explained that he was seeking to build up a case to justify to some extent the future development which, however, was kept a closely guarded secret.

Even the opposition parties have to fall in line with the government on such an issue considered as national pride and the policy makers of the BJP and the government might have done for a very calculated move for detonation of the device which was also badly needed to embolden the image of the shaky authority. Congress government did it in 1974 and now BJP, arch-foe of the Congress, will say its government has now done it.

Former Indian Foreign Secretary JN Dixit, currently a foreign policy matters expert, observed immediately after the explosions that he expected less reactions from China compared to the West. But after initial silence, Beijing has come out with

strong reactions. It is likely that the Indian development would drive China and Pakistan — two rivals of India — to work in closer concert in the light of Indian progress in the nuclear field.

The Sino-Indian ties which were normalised largely in the recent years are finding setbacks now as reflected earlier in the remarks of the defence minister and this has of late been acknowledged to an extent by Prime Minister Vajpayee himself when he said the bilateral relations are being marked by distrust.

Indian defence expert analysts like Mr Jagjit Singh and Afsar Karim told television interviewers that India needed these explosions. However, some international defence experts feel that nuclear capability is more a kind of psychological boost rather than a real military weapon since the scope for its use is very limited in the present set-up of power politics in the global scale. Otherwise, why should the Americans suffer so many men and materials in the Vietnam in addition to the humiliation despite its being the number one and old nuclear power? Besides, public opinion against its use is well-known.

The Indian tests will help the BJP-led government domestically and will also spark off bigger arms race in the region despite calls for restraints by the West. The possibility of use of nuclear weapons in the region or in the world is seen as a self-destructive method to a great extent. Nevertheless, there is no let-up in this race by many countries at the cost of colossal expenditures that could have been used for social sectors.



MATTERS AROUND US Zaglul Ahmed Chowdhury

tem these buses use. The law forbids the use of hydraulic horns. And these buses violate the law by using these horns.

Secondly, this service has a limited number of buses while demand is much more. As a result of inadequate number of buses, users of the service have to wait in long queues under the scorching sun and downpour while they and their clothes get a taste of "sweat-wash" or "rain-wash".

Lastly, the buses are becoming murir tins as these do not get proper care.

Fazle Arefin Shantnagar, Dhaka-1217

Melee in the Parliament

Sir, If a doctor and a gentleman like Dr B Chowdhury reacts as he did in the Parliament, there has to be ample reasons for him to do so. It would therefore be unfair to put all the blame on him, only.

A doctor is usually one of the most patient persons in the society and a doctor of his popularity and reputation has got to be so, beyond doubt. Otherwise his patients would have abandoned him long time before!

You see, even if a doctor feels tired, irritated or upset for any reason, he can never show temper to his patients. He has to mask it with an iron will, if need be, but never display his inner conflicts or emotions. Never. If he does so, even to the slightest (after all he is also a human being), he will not only lose his patients but also earn a bad name for himself and his profession. So you can take it for granted that a doctor like him, has the maximum patience that is possible for any human being to display.

Even after that if he gets impatient or loses his temper, then only the ones who made him do so can be held responsible for it. After all, he is not an angel but a human being like the rest of us. However, decent or a gentleman he is, there is limits to his endurance too. He must have been so badly and unfairly treated repeatedly, over the past year or so, that he couldn't take it anymore. It is quite understandable, if one considers human psychology. Not that he didn't protest in proper way before this incident took place, but nobody ever bothered to pay any heed to it.

It is also a gentleman's quality to protest against and even fight injustice, if need be. For to just sit and watch injustice being committed (as The Daily Star editor pointed out that they were wrongly treated in the first place) is a cowardly and ungentlemanly act too. Of course proper way has to be followed which he did before, but

To the Editor...

"Let wisdom and not vanity..."

Sir, Mr. Mahfuz Anam's commentary on the BUET crisis skims the surface of the problem while he skims the fringes of his conscience. Honour and dignity seems high on his priorities as human values but responsibility is not. The Vice Chancellor has every right to feel outraged at the Education Minister but the Prime Minister is the Chancellor of the University and has every right to question why things went wrong.

The commentary lacks depth of understanding of the problem. How was the problem created? who created it? and why was there so much protest? He recognizes the fact that the needs and goals of the Architecture Department is different whereas the VC being associated with the University did not, in all these years. Had the VC addressed the problem at its very core and at the beginning, the whole crisis could have been avoided.

He goes on to write that all teachers must OBEY the Academic Council and the Syndicate. Mr Anam should know that OBEY is a term that contradicts freedom. If we were to OBEY authority, this country would not have existed. The Academic Council before dictating terms should also listen to the department about which it

is taking a decision, it should have the open mindedness to gracefully accept the fact that departmental needs can be different and that majority is not the sole determining factor in academic affairs. Mr. Anam says that it was the arrogant refusal of members of the Architecture faculty to submit review petitions in the appropriate language that led to the present crisis.

If he has talked to all parties, then this is a very one-sided stance. It seems he cannot give any reason for this arrogance or has not enquired about it. If there was any miscommunication — as he says, where did it originate? He places tremendous confidence on the VC's far-sightedness and sense of justice. If far-sightedness is the ability to foresee events and sense of justice is listening to all, I ask Mr. Anam to review his list of adjectives.

Mohammad Mahbubuzzaman Dhaka.

Frustrating BRTC City Service

Sir, With the introduction of BRTC city service buses in the Tongli Bridge-Motijheel/Gullistan route, the government has done a praiseworthy job. But there are some drawbacks in this service which must be attended to.

Firstly, the type of horn sys-

tem these buses use. The law forbids the use of hydraulic horns. And these buses violate the law by using these horns.

Secondly, this service has a limited number of buses while demand is much more. As a result of inadequate number of buses, users of the service have to wait in long queues under the scorching sun and downpour while they and their clothes get a taste of "sweat-wash" or "rain-wash".

Lastly, the buses are becoming murir tins as these do not get proper care.

Fazle Arefin Shantnagar, Dhaka-1217

ster of terrorism, lawlessness and domain of uncultured brutes.

None of the Asian countries even our neighbouring country patronise students in national politics. Students are free to form their unions and association to push their demand for better facilities of education, eradication of session jams, better hostel facilities and similar other problems that handicap their academic career. Sri Lanka with all its national turmoil enjoys more than 90 per cent educated people whereas we are less than 30 per cent.

A Citizen Chittagong

Please, stop campus politics

Sir, The statement of Dr Badruddoza Chowdhury published in the newspapers made me laugh. He said that it's not politics, it is the terrorism that we should stop. May be he is right because he probably wanted to stop terrorism on the campus by other means like by improving the parties' mental-ity or by imposing more restriction on students' political activities. But these are lengthy process.

But we want immediate eradication of terrorism from university campuses and so immediately ban politics.

A Student Dhaka Medical College