The Baily Star

Founder-Editor: Late S. M. Ali Dhaka, Tuesday, May 30, 2000

Bank Credits Scenario

IVEN the escalatory trend of government borrowing from the banking sector for some years now, it is hardly surprising that net credits to government sector have overshot those to the private sector. Even so, when something like this has happened for the first time in the country's history it is the economic management of the present government that is put on the spot.

We are almost into the election year with a possibility looming in the horizon that government borrowing from the banking sector might increase further down the line. The Agriculture Minister Motia Chowdhury has made it clear that there won't be any cut-back on subsidies. The government will also try not to tax people too much in the new budget lest its popularity rating declined in an election year. As it is, revenue collection generally does not present any cheery picture with the import duty receipts not quite picking up from the previously declining levels. In other words, the pressure would build on the government to resort more and more to bank lending which is the mirror-image of deficit-financing.

What this would mean is a stringent credit squeeze on the private sector. Whatever the liquidity position of a bank, as Prof Wahiduddin Mahmud has explained at the Bangladesh Institute of Bank Management (BIBM) seminar on Sunday, in giving loan to the private sector it is circumscribed by a ceiling put on how much it can lend on an overall basis.

While the private sector is having to make do with a reduced credit flow, its growth is further hindered by lending on political considerations. as a BIBM study on 150 big loan cases has revealed lately. Only 20 per cent of applicants received loans on genuine grounds while 80 per cent were beneficiaries of 'words put in' by ministers, MPs, political leaders and union leaders.

This pressure might grow in an election year alongside that for taking recourse to deficit -financing as explained above. The government must beware of the telling effect these would have on the economy.

Tacit Consent to Encroachment

NCROACHMENT of public spaces on political I pretext has become a familiar feature these days and, unfortunately, in most cases, illegal occupants cashed in on their self-proclaimed links with the ruling party with complete impunity. The result has been mushrooming of quite a few selfstyled front organisations of Awami League that people - and probably even the party leadership have never heard of before. Dhaka Mahanagar Bangabandhur Sainik League. to name one. Occupation of one of the restaurants on the Dhanmondi Lake by a few people under the banner of the Russel Smriti Sangsad came as the latest in the despicable trend. The fact that the new 'owners' are of the neighbourhood, as the new 'manager' explains, automatically empowers them to take over. Quite an argument for the authorities to refute, so it seems; for, no administrative action has so far been initiated to free the restaurant on the isle from their clutches.

Obviously troubling is the ruling party's silence over the issue. Not once has it issued a definitive statement against it. It has neither denounced such an attempt at encroachment under political veil nor clarified its own position on the whole issue. Are we to conclude then that the Awami League leadership actually supports such illegal occupation by people using the name of Bangabandhu and the slain members of his family? Apparently, neither the Prime Minister nor her party stalwarts are aware of the wrong signal their silence sends across to the society. On the other hand, their indifference could also encourage more people to make such moves in the future.

Therefore, the ruling party must articulate its position on such a heinous practice rightaway. A clear-cut statement should come straight from the prime minister herself. At the same time, we demand a directive from her government ordering demolition of illegal structures on public spaces, and arrest of and punishment to illegal occupants.

Our First Woman Judge

TIVE new additional judges have been appointed I by the government to the High Court Division of the Supreme Court of Bangladesh. One of the judges makes history by becoming the first woman judge in the country. The nation has had the honour and privilege of having some women in very important positions. Apart from the PM and the leader of the opposition we have had a Secretary to the government and an Accountant General. Our hearty congratulations now to justice Nazmun Ara Sultana. Women in Bangladesh have been constantly striving to improve their status befitting the struggle for women's lib around the world. There have been enrollments of women lawyers on the High Court and lower court bars. The number has been on the increase since the liberation of the country in 1971. It is heartening to note that a large number of intelligent and meritorious girl students seek admission in the faculty of law at the Dhaka University and other universities of the country every year.

Given the steady stream of women taking up legal careers it was only a matter of time that one of them got elevated to the position of a justice in the highest judiciary of the country. From woman as a munsif, this is a big leap for our sisters to top-end to be a beacon to other women aspiring after a niche like that.

Between Parivar and NDA

BJP in an Uneasy Truce

Praful Bidwai writes from New Delhi

There are serious tensions within the BJP, between the BJP and the rest of the parivar, and between the BJP and the NDA. There is no easy way of resolving them. The RSS, is itself on the horns of a dilemma about confronting the NDA on issues of identity

its rhetoric, the RSS has never opposed globalisation or India's growing dependence on foreign capital.

THE power-tussle between

Party and the sangh parivar's

hard core remain unsettled. On

April 23, Sudarshan called for a

second "independence move-

ment" to free India from foreign

economic and cultural domina-

tion accusing successive

regimes of kowtowing to global

capital and agents of

Sudarshan clarified that

swadeshi is opposed to both so-

cialism and capitalism. He de-

must be made the axis of the

swadeshi revolution", which

holds the key to India's emer-

darshan's statement from a

number of angles. An RSS sup-

porter assassinated the greatest

leader of our first independence

movement, which the RSS

never participated in. The RSS

would like to obliterate that by

talking about a second freedom

struggle. Another angle is that

the RSS wants to remind the

Vajpayee government that the

BJP and the sangh agenda are

shan's way of countering the

Vajpayee group's pressure on

shan was trying to keep to-

gether the flock of hardliners,

dissatisfied with the NDA's

compromised agenda. Despite

N order to reconstruct we

must revert to the "ideology

Lof Pakistan" and to the

premier dictum of its Founder

and Maker Mohammad Ali

Jinnah: "The first duty of a

government is to maintain law

and order so that the life,

property and religious beliefs of

its subjects are fully protected

ing institutions which handle

state money and the people's

money were nationalized on

New Year's Day 1974 by Zul-

fikar Ali Bhutto for a highly ne-

farious purpose — to allow him

and his government to lend to

those who could not repay and

were thus unable to borrow

with banking norms.

from elsewhere in accordance

prime ministers, Benazir

Bhutto and Nawaz Sharif, plus

their cohorts and admirers,

robbed as much as they could

from these very same institu-

tions with the express purpose

of not repaying anything, hav-

ing successfully 'fixed' the rele-

vant law-makers, law-

how money is lent and recov-

ered in recognized practising

dant) and Mian Mohammad

Abbas Sharif (fourth defendant)

diction borrowed money from

Investment Funds Ltd, operated

by Al Towfeek Company (the

plaintiff). Abiding by the Pak-

istani norm, they did not repay

the loan. Al Towfeek went to

court and the Order of Master

Rose (the masters of the various

divisions of the high court deal

with routine matters) of

under English law and juris-

What I narrate illustrates

dipensers and law-enforcers.

der prevails.

Our last two 'democratic'

Pakistani banks and lend-

by the state."

A third angle is that Sudar-

different and this is Sudar-

It is possible to look at Su-

gence as a "superpower".

manded that "Vande mataram

This is no leftist statement,

"exploitation.

the parliamentary wing of

A the Bharatiya Janata

All three angles contain some truth. That is why the twin issues of the BJP-RSS relationship and the BJP-NDA relationship keep coming up. There are two recent instances: Sankhya Vahini, the Rs. 2,000crore computer network and database, in collaboration with the Carnegie Mellon University and Sushma Swaraj's statement that the Babri mosque-Ram temple was a political not a religious issue for the BJP. Important RSS leaders have demanded that the Vahini project be scrapped, claiming this could compromise "security." VHP leader Acharya Dharmendra has demanded an apology on the temple issue.

The BJP is under pressure from the Right within its own parivar and is being pushed by the rest of the NDA. Chan-

drababu Naidu, for instance, is firm on the Sankhya Vahini, as part of his Information Technology agenda. In this tussle, the simple issue of the absence of open bidding and the award of the Vahini contract to an American university-promoted corporation without competi-

tion is forgotten. The BJP is also under NDA pressure to rein in parivar "hotheads" from overtly communal and inflammatory activities. It is not only the secular opposition, but NDA parties joined hands to successfully ensure the withdrawal of the Gujarat order allowing its employees to join the RSS. However. occasionally, NDA allies and parivar hardliners push the same agenda: e.g. a rollback of budget increases in foodgrains prices and cuts in the fertiliser subsidy. Yet often, the NDA and the RSS clash.

BJP does not call the shots. Its in IT scrips. This has nothing to parliamentary leadership is usually reactive, playing a balancing act. Such a situation Nasdaq plunge, or a bear run on may not last for long. If the. drought and the agricultural situation reach a crisis point, the BJP's room for manoeuvre would shrink. If attacks on Christians mount considerably, the BJP would come under criticism from its NDA allies and the Opposition, which it has badly antagonised. If the likes of Vaiko endorse the LTTE, then the BJP would have to distance the government

If all goes smoothly, this balancing act could carry on. But this is unlikely. In the near future, at least three issues could trigger off a major crisis leading to a breakdown of the balances that hold the present government together. The first In this complex situation, is economic. The overheated tic myths, or will they oppose

from its closest Southern ally.

will prevail, it is clear that the reckless speculation, especially do with the real economy, itself unhealthy. A small event like a one scrip, can have disproportionate consequences.

A second issue could be the Ram temple. The BJP is getting desperate in Uttar Pradesh. where its chances in next year's assembly elections are rated poorly. If the SP and Kalyan Singh join hands, they could do extremely well. The BJP is toying with an extraordinarily devious tactic; transport a replica of the planned temple from Rajasthan to Ayodhya and generate hysterical celebrations and mobilisation enroute. This being a decoy, it gambles, no one will oppose it. Simultaneously, it will deliver votes. This will pose a wrenching dilemma for the NDA and anti-BJP opposition: will they buy into legalisalthough it is hard to tell who stockmarkets are victims of the exercise because of its calcu-

lated objective of widening the communal divide?

A third issue is "internal" to the parivar: When will the RSS take cognisance of the activities of Ranjan Bhattacharjee, Vajpayee's adopted son-in-law, who reportedly has a role in approving all major deals and contracts? The RSS will not find the open association of the BJP with the Bhattacharjees of the world palatable. Can it afford to dump the BJP, or pull down the NDA?

Matters could get complicated if Vajpayee's health takes a downturn or his attentionspan further shrinks. Even the talk of succession could precipitate a fight inside the NDA. Many, including Fernandes, Naidu, Paswan and, of course, Advani. will throw their hats into the ring. That's where the internal differentiation in the NDA would come into play.

One thing is undeniable. There are serious tensions within the BJP, between the BJP and the rest of the parivar, and between the BJP and the NDA. There is no easy way of resolving them. The RSS, is itself on the horns of a dilemma about confronting the NDA on issues of identity without risking a total loss of power and marginalisation for Hinduten. The dilemmas will be with us for some time, and they, not political principle, will determine the fate of the NDA.

Law and Order

Ardeshir Cowasjee writes from Karachi

Of the greatest concern now is the physical law and order situation in Karachi. The least that a military government can do is to use, if and when necessary, the force and power it has at its command to stop rioters and arsonists from killing people and destroying public and private property.

September 4, 1998, was duly served upon Hudabiya and the three Mians of Lahore. Employing the usual delaying tactics, as applied in the land over which they misruled, the Mians filed an application in the court asking that the order and the service of the proceedings be set aside. The application was heard in chambers by Mr Justice Buckley of the Queen's Bench Division. He wrote a onepage order on February 5, 1999, (as opposed to a 100-page judgment) which reads as follows: "Upon the defendants' application for an order that the Order of Master Rose of 4 September 1998 and the service of proceedings be set aside pursuant to RSC Order 12 Rule 8 and that the plaintiffs do pay the defendants costs to be taxed forthwith and upon hearing leading counsel for the plaintiff and the defendants and upon reading the following affidavits

democracies where law and or-[13 affidavits listed] "It is hereby ordered that: 1) the defendants' application un-Hudabiya Paper Mills Ltd der RSC Order 12 Rule 8 be re-(first defendant), Mian Mofused. 2) Costs of this applicahammad Shahbaz Sharif tion be paid by the defendants (second defendant), Mian Moto the plaintiff to be taxed if not hammad Sharif (third defen-

delivered its judgment ordering Hudabiya and the Mians to repay the loan. The amount due was not paid and on November 5, 1999, Master Trench by a one-page order ordered that the properties of the Mians be at-

"Upon reading the witness statements of Shezi Nackvi filed herein on the 26th Octo-

ber, 1999l, and 5th November 1999 whereby it appears that by a judgment made on the 16th March 1999 in the High Court of Justice, Queen's Bench Division, the second defendant was ordered to pay to the plaintiff the sum of US\$417,719,315.26 or its sterling equivalent of which US\$418,673,203.86 remains due and unpaid as at 19th October, 1999, and the third defendant and fourth defendant were ordered to pay to the plaintiff the sum of US\$414,712,912.18 or its sterling equivalent of which them in the British Virgin Is-US\$415,504,732.37 remains due and unpaid as at 19th October, 1999, and that the second defendant, third defendant and/or fourth defendant has a beneficial interest in the assets specified in the schedule hereto.

"It is ordered by Master Trench that unless sufficient cause to the contrary be shown before a judge in chambers in Room No., E101, Royal Courts of Justice, Strand, London on the... day of 1999, at ... o'clock, the second and third and the fourth defendant's interests in the said assets, to the extent of their respective interests, shall and it is ordered in the mean-On March 16, 1999, the court time it do, stand charged with payment US\$418,673,203.86 or its sterling equivalent due on the said judgment as against the second

defendant USS415,504.732.37 or its sterling equivalent due on the said judgment as against the third and fourth' defendants and interest thereon at the statutory rate together with the costs of this application.

"And it is further ordered that the plaintiff have permission to serve upon the second defendant, third defendant and fourth defendant in Pakistan a copy of this order together with a copy of the witness statements of Shezi Nackvi.

"And it is further ordered that this application and all documents supporting it be served on the companies named in para 16 of the first witness statement of Shezi Nackvi, as to which leave is granted to serve lands, and also the creditors named in paragraph 4 of the said Mr Nackvi's second witness statement, as to which leave is granted to serve the same in Pakistan or in the state or states where any of them are registered.

The schedule lists the four properties owned in London by the Mians of Lahore: 16, 16A, 17 and 17A Avenfield House, at 117-128 Park Lane, London.

End of story. The Mians paid up and settled with the lenders. Master Trench recorded the 'consent order' signed by the solicitors of both sides on January 25, 2000 which reads as

"Upon the plaintiff and the first, second, third and fourth defendants having agreed to the terms of the deed referred to in the schedule hereto.

"And upon the plaintiff by its solicitors undertaking not to enforce or execute judgment, or take any further steps whatsoever, in the action against the first defendant, save insofar as

permitted by and in accordance with such terms "By consent it is ordered

1) All further proceedings in this action be stayed, on the terms more particularly set out in the deed described in the schedule to this order, as between the plaintiff and the first second, third and fourth defendants except for the purpose of carrying this order and the said terms into effect for which purpose the parties are to be at liberty to apply, including in particular, to apply in accordance with this order to enforce judgment against the defendants in this action in the event of non compliance with Clause 3 of the

"The charging order nisi granted by Master Trench on November 5, 1999, be discharged forthwith upon payment in accordance with Clause 3 of the said deed with no order as to costs."

To another matter, the power companies. HUBCO, KAPCO, and others have made shady deals involving, but not limited to, the companies themselves, the World Bank, other international lending agencies and our worthy 'democratic' prime ministers Benazir Bhutto and Nawaz Sharif aided by their teammates. However, what is signed by the government must be honoured unless it can be commercially resolved out of court. The contracts with the power companies provide for international arbitration and WAPDA

and the Government of Pakistan (whether civil or military) are bound by this provision. No foreign investor will invest in Pakistan if he is denied international arbitration and is compelled to take disputes to the Pakistani courts which he does not trust and is convinced are government-controlled and manipulated. The power companies are well aware of what they have done and are inclined to settle out of court. A commercial settlement is beyond the competence of military men. Our Finance Minister Shaukat Aziz should be empowered to lead a delegation of competent men of integrity trusted by the people to settle the outstanding

The Asia Society annual corporate conference held this month in Shanghai was attended by a thousand delegates from all over the world, western and eastern, and was addressed by the prime minister of China and 43 leading world personalities in the political and business fields. The presence of our ambassador in Beijing, Riaz Khokar, marked our existence. No mention of Pakistan was made by any speaker, the country might not have been a part of Asia — or even of the world.

Of the greatest concern now is the physical law and order situation in Karachi. The least that a military government can do is to use, if and when necessary, the force and power it has at its command to stop rioters and arsonists from killing people and destroying public and private property. Case in point : the ransacking and burning of the offices of the Business Recorder on May 18. This government cannot be forgiven for what happened. If it had the will (the wherewithal it has), the least it could have done was to have ensured that no such incident took place.

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Defence Budget of Bangladesh: An Analysis"

Sir, Group Captain Ishfaq Ilahi Choudhury's article under the above heading published in the Daily Star on 26th May is quite illuminating and informative. In the write-up the author has drawn a comparative position of defence expenditure in both developed and developing countries including Bangladesh. Moreover, he has depicted a realistic picture of our defence need and has put forward some valuable suggestions to strengthen our defence capability and at the same time to rationalise expenditure on

In the article the writer has also mentioned the size of the defence budget as a ratio of GDP and has emphasised the necessity of training of the defence personnel. And his analysis of defence budget would have been complete had he examined the percentage of defence budget spent on training vis-à-vis the amount spent on civil works and beautification projects. As far as we, the civilians know, the most important and critical item of expenditure on defence forces is training. But is our defence budget taking proper care of this item? It is noticable that the Cantonment is gradually being converted into a jungle of high-rise buildings and the traditional barrack concept seems to have been discarded. We would like to believe that while this construction spree is going on the resources for imparting training have been adequately secured.

M. Hafizuddin Khan Ex-Comptroller and Auditor General Dhaka

Concrete jungle and Rajuk

Sir, The concerns expressed in the DS report "Rajuk in a Quandary", by Morshed Ali Khan should be taken with due earnest by the government. For far too long, we have put on too high a responsibility on the shoulders of a few, and looked the other way, while living and environmental conditions in our cities kept on deteriorating to unacceptable and unbearable levels. The institutions to control development works do not exist and the means are inadequate. The little control over building construction as per the Building Construction Rules that should have been achieved by Rajuk and other development authorities (in other cities) are overlooked.

And no one seems to bother.

It's true that corrupt practices are in most cases responsible for this deviation but the sheer size and scale of development in Dhaka makes a mockery of a single authorisation department with a handful of personnel to control development works. As I had mentioned in my article. "Building Rules. Planning Rules and the Environment" (DS March 03, '99), we need to decentralise the development approval procedure and possibly include representatives of professional and civic bodies as members.

Mr. Saif Ul Haque in his letter of May 23 (DS), under the same caption pointed out that Rajuk is more interested in allotment and auctioning of plots and granting building construction permission rather than concentrating on urban planning and management. This bias is due to the fact that the former activity is income

generating (both for the government and for the individual/s in charge!), while the latter exercise is not. The bias is thus evident.

The need to prepare a well and detailed plan for Dhaka City has also been raised by Mr. Saif Ul Haque. We have had plans made by overseas and local consultants and by Rajuk on many occasions. These have been financed by ADB, World Bank, UNDP, government etc. Some had been given legal status others passed into oblivion. They may not have been the most detailed plans as to our liking, but these have either not been implemented or professional judgement applied when executed. The concept of a single plan to control all development work is unachievable and obsolete. We need the right kind of institutions and the right kind of mechanism to plan, guide and manage urban development. And this is what must be established immediately.

Zarina Hossain Architect/Planner Agrabad, Chittagong

Inspection wing: Administrative

apathy Sir, The Matrichaya Precadet school where a 12-year old student was beaten to death by fellow students in the dormitory, was not registered with the authority (press report). There are thousands of private educational centres (including coaching centres) in different cities of our country which are not registered, and these are run more as profit making business outlets than as centres of academic excellence. Moral: official administrative lapses cost the innocent life of a minor student.

Unfair means at the exams is so rampant that there is no point in getting any certificate. The foundation of the education system has been severely eroded, with no display of con-

cern at the government level. The pattern of lack of enforcement of laws and regulations can be seen in many sec-

tors-- unauthorised new buildings, encroachments on public lands (Dhanmondi lake area, the railway properties), complete breakdown of the Inspection wings of government offices; rampant violations of regulations at market places, roads and highways (unfit vehicles, violation of traffic rules), and entrenched corruption at

How to severe the legs of 10,000 octopuses in one stroke? The next general election is very near: hence shall we see some deterrent action? Not likely, because it is too late, and the problem is too big and com-

Dhaka

"Agro-Processing industry" Sir. First I would like to

thank Mr A Husnain for his informative letter under the above heading (DS May 27). However. Mr Husnain's ad-

vice regarding agro-industry development a) modernisation. b)foreign JV & investments and c) infrastructure development to ensure raw materials supply is valid but premature at this nascent stage. The agro-processing industry in Bangladesh is hardly a decade old and Bangladesh Agro-Processors' Association (BAPA) was launched only two years ago. Therefore, Mr Husnain is asking this sector to run while it is still learning to crawl. First it needs to put its own house in order and presently that is exactly what this industry is endeavouring to do. However. while doing so it has been facing several constraints. And these are:

1. Fiscal and tariff anomalies where duties on inputs for local industries exceeded those on finished products, some of

which are even subsidised. 2. No incentives given whatsoever especially on exports. when exporters in neighbouring countries enjoy substantial direct and indirect benefits.

3. High cost of capital required for investments.

4. Non availability of local sugar which is a vital compo-

5. No facilities for quality control, testing, R+D, product and packaging development etc. Individual industries cannot be expected to bear this burden which is being done at government level in our regional coun-

6. Food grade packaging industries - aseptic paper and bags, bottles, jars, caps, cans, PET foils etc don't exist or are not suitable.

7. Unchecked flood of imported food products many of dubious quality and even more dubious prices.

Fortunately, of late there has been a radical change for the better in official circles. Agro-business has been denoted the "Thrust Sector" and duties on inputs are gradually being whittled down to manageable limits. Much however remains to be done before agro-processing and agro-industry reach their full potential so that our agriculture becomes modern and our agro-industry turns into a profitable one.

S Sikander Ahmed Hony Member Secretary BAPA

Pangs of a telephone

subscriber Sir. My residential telephone no.8017124 located at 663, Kazipara has been lying dead since 4th May 2000. lodged a complaint on the very next day with Mirpur T&T complaint Centre. But they turned a deaf ear to my repeated calls. Almost after a week, I personally met the Sub Divisional Engineer and he was generous enough to ask the concerned officials to restore the line. But still there was no action taken and the telephone remains dead till date. In the meantime, have repeatedly contacted the complaint centre both in person and over telephone but in reply they have only informed me that the concerned lineman would be sent to do the job. However, nobody has ever came and I have not been told by anybody the reason for such long

disruption. It is worth mentioning that the telephone bills have always been paid in time.

Now I am in a fix as to whom to approach and in which manner? Is there anyone to look into my problem? M.A.Zahir 663, Kazipara

Mirpur, Dhaka

Toothless tigers

Sir. What is going in our country? Here the rapists, the muggers, the murderers all go scot free while the conscientious society do nothing but watch helplessly like toothless tigers. Is it just because the criminals are backed by the higher-ups? Where lies the sense of duty of the guardians of

the society? We, the general people, hope and pray that from now on they will use their sharp teeth and try those who are polluting this country with all sorts of evil intentions. If necessary actions are not taken immediately, this country of ours would not remain liveable for long. A worried citizen

Dhaka Asma's death

Sir, I wonder, how could our society remain nonchalant when the death news of Asma was published in the newspa-

It is really unfortunate that despite all the media hype, poor Asma had to face such a sad end. Her sufferings began when her only functioning kidney was 'mistakenly' removed by Prof. Mahmuda Khatun on 11 th August, 1998. But still she had found a ray of hope to live with the kidney donated by her mother. However, her hope

wasn't fulfilled. Now I would like to ask the conscience of the society that who would take the responsibility of the early demise of Asma? Who is to be made accountable for all the wrongs done to her? And who will assure us that in future such negligence would

never occur again? Is there anyone to answer my query?

Nasrat Hossain Airport Road