

# Bush unveils \$674b plan to stimulate economy

REUTERS, Chicago

President George W Bush Tuesday unveiled a \$674 billion plan to boost the US economy by scrapping taxes investors pay on dividends and speeding income tax reductions.

The president's plan was denounced as a windfall for the wealthy by Democrats who said it would provide no immediate help to the economy and swell the budget deficit.

"He (Bush) says it will give the economy a shot in the arm. I think it will give the economy a shot in the foot," said Senate Democratic Leader Tom Daschle of South Dakota.

Saying urgent action was needed, Bush called for the acceleration of across-the-board rate cuts, a \$400-per-child increase in the tax credit for families with children, and more generous incentives for small businesses to invest in new equipment. The rate cuts would be retroactive to Jan 1.

"The role of government is not to manage or to control the economy from Washington, DC, but to

remove obstacles standing in the way for faster economic growth ... and those obstacles are clear," said Bush, whose re-election in 2004 could hinge on how well the US economy rebounds.

Bush's proposal, unveiled in a speech at the economic Club of Chicago, set off a major debate in Washington over how best to deal with a US economy struggling with a 6 per cent unemployment rate and Americans wary of investing in a three-year bear market.

The White House Council of Economic Advisers predicted the plan would create 2.1 million jobs over three years and that US Gross Domestic Product, a measure of economic growth, would rise by an extra 0.4 percentage points this year and 1.1 points in 2004. Democrats were not so sure.

"To use the need for an immediate economic stimulus as an excuse to enact costly new permanent tax breaks for the wealthy is a cynical and disheartening ploy," said Democratic Sen. Edward Kennedy of Massachusetts.

The White House projected the

plan would boost the deficit by \$359 billion from 2003-2007, but said if the impact of faster economic growth is counted in, the deficit impact would fall to \$166 billion. Many economists already expect this fiscal year's deficit to hit \$300 billion or more, eclipsing the current record of \$290 billion in 1992.

Bush said American consumers were driving the nation's economic recovery but said "there are warning signs I won't ignore" like mounting personal debt, a growing tax load and rising unemployment, which "clouds our economic future."

The White House said the plan will give 92 million taxpayers an average tax cut of \$1,083 this year. Up to 35 million people who get income from dividends could benefit, thereby increasing consumer spending and investment.

Bush's package, which must be approved by a narrowly divided Congress, will cost \$674 billion over 10 years, with about \$98 billion in tax cuts this year.

"We cannot be satisfied until every part of our economy is healthy and vigorous," Bush said, noting the

unemployment rate is projected to rise "even further in the short run."

Commerce Secretary Donald Evans criticised a competing \$136 billion Democratic proposal as short-term aid, saying the White House was offering a long-term plan families could count on.

About \$3.6 billion would be provided to states to help create so-called personal re-employment accounts for people having a hard time finding work. But Bush decided against offering \$10 billion in grants to cash-strapped states.

The big ticket item on Bush's list - and most controversial -- was eliminating the tax on dividends. Bush said seniors with retirement income in stocks would benefit.

The dividend tax elimination will cost \$364 billion over 10 years and the Bush administration believes it could lift stock prices by 10 per cent.

Democrats estimated that 25 per cent of the dividend tax break would go to people making more than \$1 million a year, and that the vast majority of American stockholders will get less than \$50.



PHOTO : CDF

Credit and Development Forum (CDF) organised microcredit summit campaign umbrella meeting and a workshop at Bangladesh Agriculture University, Mymensingh on Tuesday.

## US defends its stance in WTO drug talks

REUTERS, Washington

The issue in February. However, the US trade official, who spoke on condition of anonymity, indicated the United States might not have much more to offer than its already announced moratorium on dispute settlement actions.

"We've announced what we think is a good unilateral solution," the aide said, adding that the strong drug patent protections were important to the United States because of its large pharmaceutical industry.

"We're not going to gut the TRIPS agreement," he said, referring to WTO intellectual property protection rules.

WTO members will make another attempt at striking a deal on

## CURRENCY

The following is yesterday's forex trading statement by Standard Chartered Bank.

Selling	Buying	Currency	TT/OD	BC	TT/Clean	OD/Sight	Doc	OD/Transfer
59.2500	59.3000	USD	58.3500		58.1786		58.1090	
62.6806	62.7335	EUR	59.9488		59.7727		59.7012	
95.8961	95.9771	GBP	92.9924		92.7193		92.6083	
34.6020	34.6312	AUD	32.8802		32.7836		32.7444	
0.4996	0.5000	JPY	0.4829		0.4815		0.4809	
42.6597	42.6957	CHF	41.4300		41.3083		41.2589	
6.8253	6.8310	SEK	6.7038		6.6841		6.6791	
38.1716	38.2038	CAD	37.1372		37.0281		36.9838	
7.6042	7.6107	HKD	7.4737		7.4517		7.4428	
34.1794	34.2082	SGD	33.3619		33.2639		33.2241	
16.2636	16.2773	AED	15.7579		15.7116		15.6928	
15.9257	15.9391	SAR	15.4365		15.3912		15.3727	

### Exchange rates of some currencies against US dollar

Indian rupee/Pak rupee/Lankan rupee/Thai baht/Nor kroner/NZ dollar/Malaysian ringgit



## SHIPPING

### Chittagong port

Berth Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1 Eltanin	Sugar(P)	Mumb	Mutual	23/12	10/1	1270
J/2 Amanat Shah	Sugar(P)	Mumb	CLA	4/01	17/01	x
J/3 Jon Jin	Sugar(P)	Kaki	Sstl	25/12	12/1	828
J/4 Chit Sam	Wheat(P)	Kaki	Sstl	02/01	12/1	800
J/5 GIEM	C.Clink	Lumut	OLM	20/12	8/1	849
(S.C/Star/Most)						
J/6 Altair-SS	TSP(P)	BAG	QINZ	Unique	31/12	10/1
J/7						1926
J/8 Banga Lanka	Cont	Mong	Baridhi	03/01	9/1	53/X-300
J/9 Under Dredging & Peeder	Pitting 2.	W.E.F.	23/12/02			
J/10 Dolly	GI (Y.P.E)	Pira	Mutual	19/12	9/1	1221
J/11 Floriana(72)	HRC (P)	Para	Litmond	5/1	9/1	5526
J/12 Kota Singa	Cont	Sing	PIL(BD)	5/1	9/1	370-177-400
J/13 Banga Borti	Cont	P.KEL	BDShip	02/01	10/1	181/208+500
CCT/1	Haneburg	Cont	Sing	PIL(BD)	4/1	9/1
290/x						
CCT/2	Asimont	Cont	P.KelSeaborne	3/1	10/1	
333/159+818						
CCT/3	Qc Honour	Cont	P.Kel	QCSL	3/1	8/1
411/505/195						
RM/14	Taraman Bibi	Repair	Mumb	Mutual	23/11	10/1
RM/15						
CCJ Hanei Sun	C Clink	Tarj	BSL	22/12	8/1	
GSJ						
S/GSJ						
TSP Pearl of Ajman	R Phos(G)	Hamr	Seacom	14/12	9/1	
RM/3						
RM/4						
RM/5						
DQJ Prajeda Dwitya	HSD	Sing	SOSL	5/01	10/1	
DD:						
DDJ/1 Danglar Shikha(EBB)	Repair	Sing	BSC	1/12	--	

### Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading por
tGladiator-1 (Liner)	8/01/03	Sing	Prog	GI	-
Kota Berjaya (Cont)	28/12	8/01	Sing	Pil (BD)	Cont
Dimitris-Y	8/1	Sing	Rainbow	R.Seed	-
Inwa	9/1	Yang	MTA	GI(Y.Maize)	Cont
Cc Lark (Cont)	29/12	9/1	P.Kel	QCSL	For Demolition
AFT Section Maxita	7/1	Indo	OTBL		L/P.Kel
Britoil-8	7/1	Indo	OTBL	D/VL A S Maxita	
Tug Titan-4	7/1	Indo	OTBL	D/VL 3 H Barge	For Demolition
3 Hopper Barge	7/1	Indo	OTBL		
An Guang Jiang (Liner)	10/1	Yang	Bdship	GI	-
Banga Barta (Cont)	28/12	10/1	-	Bridhi	Cont
Baga Bijoy(Cont)	31/12	9/1	-	Baridhi	L/Col
Eastern Star (72)	6/1	9/01	Indo	Royal	Gi(St.C)
An Guang Jiang (Liner)	10/1	Yang	Bdship	GI	-
Banga Barta (Cng)	28/12	11/1	Hal	Baridhi	Cont
Xpress Resolve (Cont)	2/01	10/1	CBO	Everest	L/Col
Banga Bodor(Cont)	1/1	1/1	-	Bdship	Cont
Kota Naga(Cont)	31/12	10/1	Sing	Pil(BD)	L/Sing
Mardios(Cont)	4/1	11/1	P.Kel	RSL	Cont
Monetary	10/1	-	-	PSL	GTP(P)
Diana-Z	10/1	-	-	PSAL	C.Link
Qc Pintail (Cont)	7/1	11/1	Hald	QCSL	Cont
Dawsi(Liner)	12/1	Yang-	-	Everett	Gi(St.C)

### Vessels awaiting employment/instruction

Banglar Doot				Royal	R/A(26/12)





</tbl\_r