

Call money rate

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According to them, banks have to realise an average of four-percent cash ratio reserve (CRR) by February 15. As they had lowered the CRR to three percent earlier, they are now forced to keep it at as high as six percent to achieve the four-percent CRR average and for that they need extra funds.

After maintaining their own CRR, the nationalised commercial banks (NCBs) were not able to lend money to other banks. Only Sonali Bank extended a very small amount of funds yesterday.

Besides, the early measures banks are taking to offset the anticipated damage to normal banking by the hartal on February 14-15 are also pushing call money rate unusually up, bankers said.

Some bankers alleged that a section of foreign and private commercial banks are involved in manipulating the money market, for which the call money rate shot up so high.

"It has become very difficult for some small banks to collect deposit at the present low rate of interests," said the managing director of a bank. "If the present situation continues for two to three months, it will be very difficult for these banks to survive."

Another high official of a bank said it is very difficult to say how long the present situation will continue. "The present situation in the money market should be investigated," he felt.

"In fact, borrowing for short-term, some banks went on long-term lending and now their need for funds to maintain the liquidity has pushed the call money rate high," Premier Bank Ltd Managing Director Kazi Abdul Mazid told The Daily Star yesterday.

Besides, investments in textiles, steel, telecoms and some other

REMARKS ON HASINA

JCD leaders sued for defamation

COURT CORRESPONDENT

The president of Jubo League yesterday filed a criminal case against the Jatiyatabadi Chhatra Dal (JCD) president, general secretary and six other leaders for making defamatory and provocative statements about Awami League (AL) chief Sheikh Hasina.

Jahangir Kabir Nanak, president of Jubo League, youth wing of the AL, filed the case with the Court of Chief Metropolitan Magistrate, Dhaka. He accused the JCD leaders of making the statements about Hasina at a rally on Dhaka University (DU) campus on February 5.

The accused are JCD President Azizul Barea Helal, General Secretary Shafiq Bari Babu, and leaders Selimuzzaman Selim, Hasan Mamun, Saifur Islam Firoz, Dulal Hossain, Abdul Halim Khokon and Sultan JCD DU Convenor Salaudinn Tuku.

After the hearing, Metropolitan Magistrate AJM Abdullahel Baqui recorded statement of Nanak, took it into cognisance and ordered a judicial enquiry into the case.

The plaintiff said he came to know from the national dailies on February 6 that the JCD leaders at a rally at Aparajeo Bangla made the statements.

He added that the JCD leaders said Hasina has no right to carry out her politics and the 13th Saarc summit was postponed for her negative politics.

Nanak said the JCD leaders accused Hasina of damaging the sovereignty of the country by blasting bombs as per direction of India. They also accused her of hiring foreign journalists for running a propaganda campaign against the country.

They said she should be exiled and also made indecent comments about Hasina, Nanak added. Hasina will be vanished by another incident like the August 15 in 1975 and the arms of that incident would be blazed again, Nanak quoted them as saying.

The statements have defamed the social status and popularity of Hasina, Nanak alleged.

Rab nabs Ctg JCD leader

STAFF CORRESPONDENT, Ctg

Rapid Action Battalion (Rab) has arrested and seized arms from the possession of Rashedun Nabi Khan Biplob, a listed criminal and former president of the Jatiyatabadi Chhatra Dal (JCD) Chittagong Medical College unit.

Tipped off, a Rab team nabbed him from the medical college area with five bottles of Phensidyl in his pocket on Tuesday night.

He was brought to Rab-7 headquarters at Patenga and quizzed.

Acting on his confession, Rab recovered one light gun, one locally made gun and three cartridges from a drain adjacent to his house in Joynagar in the Chawk Bazar area in the early hours yesterday.

Biplob, brother of former president of the Dhaka University unit of the JCD Habibun Nabi Soheli, was an absconder accused in eight criminal cases for murder, extortion, robbery, abduction, drug peddling and other crimes, Rab sources said.

Biplob had long kept businessmen, shop owners, physicians, clinic owners and others virtually hostage in and around the medical college area. Two more JCD cadres-- Shafi and Shahin-- were his accomplices.

An arms case was filed against him yesterday.

sectors have increased due to the lower interest rates that expanded the demand for bank loans, he observed.

Meanwhile, the central bank's regular monthly meeting with the chief executive officers of commercial banks scheduled for yesterday was deferred. The meeting will be held on February 13.

Talking on the money market situation, a top BB official said, "The central bank has been concentrated on the foreign exchange market in the last few days and could not look into the money market properly," adding, "It will look into the money market shortly."

The BB has been releasing foreign currency on a regular basis to cool down the upbeat exchange market. It released \$6 million yesterday through Sonali and Agrani banks at Tk 63 to a dollar. But in the inter-bank transactions, the greenback traded between Tk 63 and Tk 63.30.

The commercial banks also needed a huge amount of funds to buy the foreign currency released by the BB, which worsened the liquidity crisis.

UNB adds: After its indirect measures to tame the foreign exchange market had apparently failed, the BB yesterday sought co-operation of the commercial banks in identifying the reasons for the recent jump in the price of dollar.

BB Governor Fakhruddin Ahmed sent a letter to the commercial banks seeking their co-operation and also asking them to reduce the price of dollar by 50 paisa by today.

Belying the central bank's intervention releasing a huge quantity of dollars to the market through the state-run Sonali and Agrani banks, the greenback has been traded at a range between Tk 63 and Tk 64 during the last two weeks, as compared to the Tk 59-61 range just before the Eid-ul-Azha.

Sonali Bank yesterday made a requisition to the central bank for \$36 million to meet the demands by the commercial banks in the next few days, bank sources said.

Detectives

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Laskara union unit AI, was picked up for verifying information gathered from arrestees.

Law-enforcers, however, denied picking up Zahid. But the intelligence men confirmed it, saying Zahid was picked up from Boilder Bazar Monday afternoon.

He might help investigators verify statements made by six arrestees since 'he was conducting the AL meeting', they reasoned.

However, it could not be known where Zahid has been kept.

Local AI leaders said they do not know his whereabouts. "His family yesterday (Tuesday) first told me that police picked up him," District AI President Mushfique Hussain Chowdhury told The Daily Star over phone yesterday.

Sources, meantime, said intelligence men are checking bank account records of arrested district BNP Vice-president Abdul Qaiyum, who is being remanded in Dhaka, to find any clue to the carnage. They said if need be, they might freeze his accounts.

6-day

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area during the six days of tight security enforcement.

"Eight close circuit cameras will be installed in the area to monitor the movements of people and their activities," he said.

The state minister informed that 12 platoons of BDR personnel would also be deployed in the area from midnight of February 20 to 8:00am the next morning.

Dhaka University Vice-Chancellor Prof SMA Faiz, Dhaka Metropolitan Police Commissioner, director general of RAB, director general of BDR, director general of Ansar and other senior officials were present at the meeting.

Saifur leaves

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information superhighway by September. The IDB will charge 3.5 percent interest on the 11-year loan.

On February 14 and 15, Saifur will meet EC Trade Commissioner Peter Mandelson and Commissioner for External Relations and Neighbourhood Policies Benita Ferrero Waldner at the EC headquarters in Brussels. This will be the first interaction between the Bangladeshi minister and the new EC executives elected last November.

Saifur will also participate in a policy dialogue with the EC, European research organisations and development practitioners. The Bangladesh embassy in Brussels will arrange the dialogue.

Since coming to office in 2001, a number of ministers of the present government have held talks with EU trade commissioner on several occasions, but this will be the first time that a senior minister is going to meet the EC external relations and neighbourhood policies commissioner. The external relations commissioner deals with the EU's political relations with other countries.

A finance ministry source said the coalition government's relationship with the EU has not been going well for quite a while, with the EU expressing dissatisfaction over its role in several areas including human rights and NGO affairs.

"The finance minister is going to Brussels to erase the EC's negative perception of Bangladesh and the ruling coalition," the source said.

Against the backdrop of the recent EU expansion, Saifur also will explore the possibility of increasing Bangladesh's exports to EU countries.

The expansion also has made the EU to go for a major change in its development policy, about which "the EU has sought opinions and suggestions from a number of countries including Bangladesh," the source added.

Saifur will fly to Rome on February 16 and attend the 28th meeting of the Governing Council of International Food and Agricultural Development there.

Extortionist injured in accidental bomb blast

STAFF CORRESPONDENT

A member of a group of alleged extortionists was injured as a bomb exploded in his pocket while they were running away after wounding two businessmen by blasting bombs in Lalbagh of the Old City yesterday.

A patrol team of Lalbagh police chased the gang of four and a bomb went off in the pocket of Mithu Ahmed, 16, a student of class X at New Paltan Lines School.

He is undergoing treatment at Dhaka Medical College and Hospital.

Earlier, the gang hurled two homemade bombs at a shoe factory in Shahidnagar and injured its owner Mohammad Farid, 35, and his brother Mohammad Siraj, 22, for not giving them toll.

Foreign ministry

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political secretary to the AL chief, in a recent press briefing complained that Noor Chowdhury, a convict in the Bangabandhu murder case, was given a Bangladeshi passport by the Ottawa mission through forgery.

Saber said the passport had been issued to help Noor leave Canada when the Canadian government pressed the Bangladesh government to take him back to the country.

No official

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"We have seen the report, but we have not received any official communication either from the Saarc secretariat or from the office of the current Saarc Chair, Pakistan, about it," Zahirul Haque, Director General of the External Publicity Wing of the foreign ministry, told the news agency.

He said Bangladesh is always sincere about all activities of the Saarc for its development and progress.

The 13th Saarc summit scheduled for February 6-7 was postponed at the last moment as India decided not to participate in the summit citing two reasons--political development in Nepal and security concerns in Dhaka.

Rice urges

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only limited collective support for the US-led operation in Iraq, mostly by training Iraqi officers.

IRAN IMPATIENT

Iran has signaled its own impatience with the pace of the EU talks, the third round of which began in Geneva on Tuesday. Iran's top nuclear negotiator, Hassan Rohani, said yesterday that his week's talks would "probably reveal the degree of Europe's commitment to the negotiations."

He told the news agency on Sunday he did not believe any incentive from the West would persuade Tehran to give up nuclear enrichment. Iran denies it is trying to produce the bomb.

The policy splits could undermine Rice's appeal on Tuesday in Paris for an end to the U.S.-European rift over the Iraq war -- an appeal that was well received in France.

In her keynote speech of an eight-nation tour, delivered symbolically in France, one of the biggest critics of the war, Rice called for a new chapter in transatlantic ties and received a cordial welcome from French Foreign Minister Michel Barnier.

"Coudi Rice, a skilled pianist, gave a faultless recital at her European diplomatic gala in Paris," the newspaper Liberation said. But it added that the strength of the new relationship would be tested by problems such as Iran and China.

The daily Le Figaro also noted the differences over Iran.

But, referring to a comment widely attributed to Rice over other countries' lack of support for the war in Iraq, it said: "The time when Ms Rice thought it necessary to 'punish' France, ignore Germany and forgive Russia' has clearly passed."

Taskforce

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different ministries were present at the meeting.

The taskforce meeting was convened to find ways of keeping essential prices, particularly rice, at a reasonable level and within the purchasing capacity of the common people.

The meeting observed that last year's Aman production, at 11 million metric tons, was short of target by more than 1.7 million tons, pushing rice prices up.

A number of steps, including providing irrigation and fertiliser subsidies, have been taken to increase production in the next boro season, the meeting was told.

"The government has cut duties on different essential items and the highest 30 percent duty has been reduced," Altaf told reporters after the meeting.

Duties on potato, dry chilli, turmeric, ginger, sugar, salt and powdered milk have been cut in fiscal 2004-05.

But prices of some essential items have gone up in the global market, making their imports costlier, he added.

The price of sugar has increased in the last one year by 28 percent, palm oil 11 percent, coarse rice 15 percent, lentil 3 percent, ginger 125 percent, turmeric 16 percent, according to the working paper of the meeting.

The report said crops were heavily damaged due to last year's deluge and essential prices in the global market increased substantially. Besides, the fuel price hike has significantly pushed transportation costs up, it said.

Body to screen Bac

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relating to the duties and responsibilities of Commissioner Prof Maniruzzaman Miah.

"It was not in today's meeting agenda and we've not even raised the issue," the ACC chairman said. He reiterated that there was no crisis in the commission and no conflict among its members.

On February 3, the chairman issued an office order to strip Miah of his capacity to supervise administrative and establishment-related jobs. Justice Sultan himself took over the responsibilities for a temporary period.

"I should have some responsibilities and I think I, being the chairman, should look after the administration and establishment," he said yesterday.

About the possibility of redistributing the responsibilities of the commission members, the ACC chairman said, "At the moment, there is no scope for it."

When his attention was drawn about Prof Miah's comment to the press that he might consider resignation and asked about the commission's possible move if Miah resigns, Justice Sultan said he (Miah) will not quit.

The chairman however said: "One cannot be forced to work against his will."

Prof Miah, meantime, said yesterday again that he would have to consider an 'extreme decision' if his responsibilities are taken away permanently.

Yesterday's meeting also decided to appoint a legal and a media consultant for the commission and make advertisement for the posts in 15 days.

It decided to send a letter to Dhaka University authorities asking for a consultant from IBA or Management Department to finalise an organogram studying the two drafts prepared by Prof Miah and other Commissioner Maniruddin Ahmed.

Southwest Khulna

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About 2.91 lakh acres of cultivable land of Bagerhat, Khulna, Satkhira and Jessore are already water-logged, with more areas becoming waterlogged every year due to the rise in sea level, the filling of riverbeds, unplanned embankments, lack of river management and unplanned shrimp cultivation.

The effects have been far-reaching and destructive. In the last 10 years, Aman-Boro-Aush paddy was unable to be cultivated in approximately 17,000 hectares of land in the Gopalganj, Barisal and Pirojpur districts because of the construction of an embankment at Satia-Bagha. Making matters worse, 1.25 lakh acres of land in 114 beels and water bodies in Gopalganj have fallen into a permanent state of water-logging.

Ironically, the Coastal Embankment Project of the 1960s, which was designed to protect low-lying coastal areas from inundation, has been the greatest factor in causing water-logging, since polders (dikes) were built along the coastline, with sluice gates controlling river flows, without consideration for local geo-physical characteristics.

Before the polders were built, tides used to flow inland, depositing sediments at high tide, creating a balance with the ongoing land subsidence. But after its construction, the silt was deposited on the riverbeds, resulting in the silting up of the rivers, while subsidence of the land within the polders continued. Eventually, the exit point of the sluice gates became blocked, permanently water-logging the embanked areas. The tide then became weak as silt weakened its current.

At the same time, currents in the upstream rivers - mainly the Padma (Ganga in India) and its tributaries Bhairab, Mathabanga and Garai-Modhumati - grew weak after India built the Farakka Embankment on the Ganga and started withdrawing water. Later, the current of the Padma eventually started moving towards the northeast.

"Had there been currents in the rivers, they would have washed the silt to the sea with the ebb, ensuring navigability of the rivers and taking the stagnant seawater or floodwaters to the sea," said Sheikh Selim Akhter Shwapna, a member of the Paani Committee (Water

The ACC chairman declined to make any comment on the January 29 Cabinet Division letter that says some of the Bac officials are still holding 'non-existing' positions and issuing letters on behalf of the ACC which is illegal.

Farm subsidy

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criticisms from people particularly for price hike of rice and oil."

Rafique Sarkar, president of Kismotgrampur union BNP, quoted local people as saying that during the Awami League rule, no development took place but essentials' prices did not rise. Under the BNP rule, despite development in all fields, prices of essentials have up.

Shubhodanga union BNP President Mozaifur Hossain said, "People do not believe in reports by the state-owned media, and these should be reorganised."

Several union BNP leaders including Babor Uddin, Shariful Islam and Himadri Sarkar dwell on farmers' problems.

They alleged that many MPs do not visit their areas even once a month.

Addressing the conference, Saifur Rahman said Awami League (AL) is a very old party but it does follow the norms of politics. They (AL) like politics of violence as they lack public support, he added.

Tarique Rahman asked his party men to keep vigil on fertiliser and seed dealers, and help ensure that government facilities reach the people.

"You should not depend solely on the government. You have to find out yourselves the ways of developing the country," he said.

He hoped MPs would regularly visit their areas.

India to hold talks with neighbours

AFP, New Delhi

India's cabinet yesterday gave the green light for the oil ministry to hold talks with Pakistan, Myanmar, Bangladesh, Turkmenistan and Afghanistan on securing gas supplies for energy-starved India, a minister said.

"It will significantly enhance the oil security of the country," Petroleum Minister Mani Shankar Aiyar told reporters after a cabinet meeting chaired by Prime Minister Manmohan Singh, the Press Trust of India news agency reported.

Three possible pipelines to India are being investigated -- from Iran through Pakistan, from Turkmenistan through Afghanistan and Pakistan and from Myanmar through Bangladesh, he said.

Indian industry welcomed the cabinet's nod saying that the Iran-Pakistan-India gas pipeline would be the cheapest option.

"A land-based pipeline would be four times cheaper than any other option, promote regional energy security and create a multiplier effect on income and employment in the respective countries," said Onkar Kanwar, president of the Federation of Indian Chambers of Commerce and Industry.

He added the project was a "potential conduit for peace" between India and Pakistan apart from the commercial dividends.

SAARC SUMMIT

Herald Tribune

slates Indian

decision

BSS, Dhaka

The International Herald Tribune (IHT) in its Hong Kong edition has criticised India for its last moment decision not to attend the 13th Saarc summit that was scheduled for February 6-7 in Dhaka.

The IHT published a story on February 8 headlined "India the bully" by Philip Bowring, holding India responsible for the postponement of the summit of the seven-nation regional grouping at the last moment.

"Although this is only a postponement, not a complete break-off of the summit process, India's move has created much bad feeling," the daily said.

"The collapse of the summit meeting comes at a particularly unfortunate time. Progress on India-Pakistan rapprochement has been proceeding at least as well as might have been expected and was to have been bolstered by a bilateral meeting in Dhaka between Indian Prime Minister Dr Manmohan Singh and Pakistan Prime Minister Shaikat Aziz. Also on the agenda was the South Asian Free Trade Area, which is expected to be finalised by next year," the IHT said.

The report said, "Alas, India seems not to have learned from the example of the Association of Southeast Asian Nations that effective regional cooperation is only possible if countries are prepared to give it priority over bilateral disputes."

In the case of India and Bangladesh, the IHT said, these can be best described as bickering aggravated by domestic politics of Bangladesh.

"Regional cooperation can only happen if India takes the lead, ignores bilateral frictions and is prepared to offer economic opportunities that entice smaller and poorer countries into seeing the benefits of freer trade. In short, India can only lead if it does not engage in the kind of bullying evident in its withdrawal from the Saarc summit meeting," The IHT maintained.

No shortage

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rice and other foodgrains in the country.

He warned that the government would not hesitate to take stringent action against any bids to create a volatile situation in the food market.

Meanwhile, the National Taskforce in a meeting in the conference room of the commerce ministry yesterday reviewed the market situation with Commerce Minister Altaf Hossain Choudhury in the chair.

The meeting was attended, among others, by Advisor to the Ministry of Commerce Barkatullah Bulu and President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Abdul Awal Mintoo.

Cops wait

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interrogation cell since his arrest under Section 54 for storming the Boalia Police Station in Rajshahi on November 6 last year.

"We have enough information and evidence to file a sedition case against him, but we are waiting for the home ministry's order," said a police official.

Five others arrested with Kawsar were earlier bailed.

On March 20, 2003, police had filed a sedition case against Kawsar and eight of his accomplices and accused three more persons in the charge sheet of the case given five days later. But things did not proceed much afterwards.

Nepal king faces legal challenge

Street protests planned for today

AFP, Kathmandu

Nepal's King Gyanendra was facing mounting opposition yesterday from a legal challenge and planned street protests as top lawyers said his emergency rule was against the spirit of the constitution.

In the first court action since the king sacked the government, seized power and imposed a state of emergency, a Supreme Court judge Wednesday ordered his newly-appointed government of loyalists to explain the arrest of a former bar association chief, a court source said.

The court issued the order in response to a habeas corpus petition by Nepal Bar Association president Shambhu Thapa, after former bar association president Sindhunath Pyakurel was arrested the day the king seized power on February 1.

Meanwhile, activists who escaped a roundup after the power grab met underground to finalise details of an anti-monarchy protest they plan to stage in the capital on Thursday in defiance of a ban on public gatherings.

Krishna Pahadi, former president

8-POINT DEMAND

30,000 jute mill staff form human chain

STAFF CORRESPONDENT, Khulna

Over 30,000 workers of eight jute mills in the Khulna-Jessore industrial belt formed a human chain along Jessore Road and BIDC Road in Khulna City from 10:30am to 11:30am yesterday to press home an eight-point charter of demands.

The demands include setting up a deep-sea port at Akram Point, payment of all arrears, festival bonus, dearness and medical allowances, refunding exhausted provident funds and payment of dues of jute mill staffs who had retired under the golden handshake programme.

The demonstrators were in bare feet, wearing sleeveless undershirts and carrying empty earthen plates as tokens of their distress, said Jute Mills Action Committee Khulna-Jessore Regional General Secretary Sarder Motaharuddin in a press statement.

Workers and employees of Jessore Jute Industries and Carpeting Jute Mill staged a similar human chain yesterday at Raighat of Abhoynagar upazila in Jessore district, the statement added.

Khaleda talks

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referred to a comment of LGRD and Cooperatives Minister Abdul Mannan Bhuiyan about the weaknesses in the administration.

A day after the killing of Shah AMS Kibria, Bhuiyan told a press conference, "We could not arrest the culprits involved in bomb and grenade attacks. It may be due to our weakness or of the administration."

Khaleda at first termed Siddiqui's question "irrelevant" though she was answering different queries from the lawmakers about strengthening efficiency of the public administration.

She however said measures have been taken in this regard. "People are getting benefits from these steps," she added.

Narrating the steps taken by the government to improve the administrative efficiencies, the prime minister said the police department and the intelligence agencies are being provided with modern equipment

of the Human Rights and Peace Society, said some 20 organisations would be represented at the protest and all those taking part expect to be detained.

"For sure people who will attend the meeting will be arrested but you cannot be detained for more than three months," he said.

Numbers were not as important as the symbolism of the demonstration, Pahadi added.

"Tomorrow, even if there are few people, the presence of various organisations will give a symbolic message... It will (send) a clear message that we are against (the) royal move."

He also hoped it would help mobilise students and political movements, many of which are planning their own programmes of public protest after their leaders were rounded up.

The Nepali Congress party said some leaders have crossed into India to avoid arrest but others who escaped the security net were meeting underground.

"(They) are planning a strategy of peaceful street protests against the king's move and to demand the restoration of the people's democratic rights and freedom of speech," party spokesman Arjun Narsingh said.

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