

Flash floods hit Chinese school: 40 pupils drown

AFP, Beijing

At least 40 children were killed Friday when a flash flood struck a primary school in northeastern China, hospital sources said. "There are at least 40 children who were sent to hospital to be saved and who did not survive," said a doctor surnamed Liu at the Shalan town hospital in Heilongjiang province. Another doctor reached by telephone at Shalan police station confirmed the death toll, while a local bank worker said there were "at least 50 or 60 dead". The official Xinhua news agency said at least 20 children were missing after a torrent of water hit the school at around 4:00 pm (0800 GMT). It added that the exact num-

ber of victims was unavailable due to communication problems. Shalan town lies in a valley in Ningan municipality, about 450 kilometres (280 miles) from the provincial capital Harbin. The doctor named Liu said the school had about 300 pupils in total. **Tk 50 lakh** **FROM PAGE 1** robbery and heist in the early hours yesterday. The arrestees are Ashiq, 25, Ainal Huq, 23, Rabiul, 20, Nooruzzaman, 22, Abul Kalam, 22, Delwar Bepary, 40, Dhalu Miah, 24, Shafiq, 20, Dadon Miah, 27, Jahangir, 23, Kabirul, 20. The police said they were on the truck, which they use for carrying looted goods and valuables.

Money whitening

FROM PAGE 1 ask any one to submit all necessary statement of his or her assets, if it thinks necessary. The section provides that the person concerned will be imprisoned for three years or fined or may face both the punishments if he or she fails to provide statement or submits baseless or false statement. Maniruzzaman said it may be that the finance minister is expecting those undeclared assets to come as investments in various sectors, but the general feeling is that repeated time extension will not help curb corruption but will escalate it further. Sources in the ACC said Saifur proposed to retain the provision despite opposition from different quarters. It is intended to benefit corrupt people who provide huge amounts of money to political parties, and to give the last opportunity to whitening black money which many people earned during the tenure of this government. According to an estimate by Dr Zaid Bakht, research director of

Bangladesh Institute of Development Studies (BIDS), black money in the country may total as high as Tk 60,000 crore. But economists believe whitening of black money is not benefiting the nation. Zaid had earlier told The Daily Star, "Black money does not play any positive role in employment generation, production or any other sector. But this has a deep impact on inflation, which affects the poor. The unlimited expenditure of black money owners leads to higher import and increase of commodity prices. "On the other hand, honest tax payers are undermined and discouraged when black money owners are given such incentives." Earlier, between 1997 and 1999, similar provisions encouraged black money holders to whitening their money, and about Tk 1,000 crore was whitened. The National Board of Revenue collected Tk 100 crore in taxes against the whitened money.

JCD, BCL unmoved

FROM PAGE 16 immediately after the campus violence. Tension has been running high on the DU campus since the JCD on May 31 blamed the BCL for a bomb blast near a JCD rally and declared them unwanted on the campus for an indefinite period of time. Many JCD men now think that they might face increase of internal crises and other future problems if the BCL cannot come back to the campus within a short time. JCD General Secretary Shafiqul Bari Babu said they would not create any trouble for the BCL men if they come to campus. "But Chhatra League has to expel the outsiders, criminals and arms possessors before coming back to campus," he said. Meanwhile, the BCL insiders refused to sit with the DU authorities as they failed to handle the campus situation properly. "We will not go to the campus or have any dialogue until the authorities expel the Chhatra Dal leaders responsible for the attack on Chhatra League activists as well as general students, whose photos were published in different dailies," one of the top BCL leaders said preferring anonymity. BCL President Liaqat Sikder told The Daily Star that the BCL will not go for a dialogue with the DU authorities before they ensure political activities on the campus. DU Proctor Prof AKA Firoz Ahmed said they have not yet received any written answer to the

letters for a dialogue the DU authorities had sent to the student organisations. He, however, said they are contacting the student leaders over cell phone for arranging the dialogue. Asked about the dialogue, DU Vice Chancellor Prof SMA Faiz said the authority is keeping continuous contact with the student leaders regarding the dialogue. He said peaceful environment has been created in all the residential halls for coexistence. "We are ready to sit for a dialogue anytime to bring back normalcy in the university," Prof Faiz said, seeking all kinds of cooperation from journalists, teachers, student leaders and general students. Meanwhile, 54 DU Senate members in a joint statement said a vested quarter has been trying to create unrest on the DU campus taking advantage of the students' emotion following the death of DU student Shamme Akther Happy on May 28. The statement said the quarter has been spreading propaganda against the university authorities in a planned way and filed a case with false allegations against four teachers of the Institute of Fine Arts. Prof Shafiqur Rahman, Prof Jamal Uddin Ahmed, Prof Aminul Islam, Prof Monirul Haque and Prof Sadrul Amin were among others who signed the statement.

Saifur in dilemma

FROM PAGE 1 before it is totally stopped. About the Centre for Policy Dialogue's (CPD) criticism of the continuation of black money whitening provision, Saifur said he would make the same observation if he were in the position of the CPD. About the criticism that the budget is ambitious and deficit budget may lead to inflation, he said, "With a Tk 24,000 to 25,000 crore annual development programme (ADP), it is not a big budget considering the country's 140 million population." About the pace of ADP implementation, he said it depends on several factors. "It is very common in all countries that ADP implementation is five to six percent less than the target. The budget should not be termed ambitious for that reason only." "Budget is not an actual document -- it is an estimate," he said. Saifur said the budget has been prepared with the vision of poverty reduction strategy paper, giving priority to helping the disadvantaged and retarded groups. He said the proposed budget will help accelerate GDP growth and create resources to take the overall economy a step forward. About the revision of the GDP growth rate at 6.27 percent, he said a committee will be formed headed by Prof Wahiduddin Mahmud to update the base year as increased expenditure and some other steps are not reflected in the old base year. Speaking at the briefing, LGRD

and Cooperatives Minister Abdul Mannan Bhuiyan said there is nothing wrong in preparing a budget eyeing election. Such pro-people budget can help reduce poverty, promote rural development and generate employment. Communications Minister Nazmul Huda, Education Minister Osman Farruk, Agriculture Minister MK Anwar, Industries Minister Matur Rahman Nizami, state ministers for finance Anwarul Kabir Talukder and Shah M Abul Hussain were present at the briefing. **Shibir cadre** **FROM PAGE 1** last year, sources said. Police went out in a search operation to recover illegal firearms, taking the criminal with them in the evening and recovered the AK 47 rifle from Mondakini area. Meanwhile, Rapid Action Battalion (Rab) arrested a robber at Apollo Shopping Centre at Kazir Dewry in the city yesterday afternoon. Sources said the members of the anticrime elite force arrested the robber, Joinal Abedin, 22, of Nasirabad C&B Colony when he along with his four accomplices, all equipped with firearms, went to the shopping centre at around 5:45pm to commit a robbery. The Rab men with the help of local people held Joinal along with a light gun (LG), while the four others managed to flee. They recovered another LG from the spot.

Election camps torched in Narsingdi

UNB, Narsingdi

Unidentified miscreants yesterday torched three election camps of Alhaj Shahadat Hossain Munna, an independent candidate in Narsingdi-1 by-election. Shahadat told journalists that a gang of about 20-25 attacked his main election camp adjacent to Suravi Market and exploded cocktails. He said the gang took away two ceiling fans and damaged chairs, tables and lights as his campaigners fled the camp following the attack. Shahadat said the same group later torched his two other election camps in Basail and Bhagdi areas and exploded cocktails, injuring two of his supporters-- Faruk, and Osman. They are now undergoing treatment at Narsingdi Sadar Hospital.

KMP alert to extremists' fresh plans

STAFF CORRESPONDENT, Khulna

Khulna Metropolitan Police (KMP) have taken tight security measures in the city on intelligence reports that extremists are planning to carry out destructive activities to create panic and political unrest. Armed cadres of outlawed Purbo Banglar Communist Party (PBCP) and New Biplobi Communist Party (NBCP) who had gone into hiding in the face of Rab operation, have returned to the city in the guise of rickshaw pullers, vegetable and fish vendors, fruit sellers, hawkers and shoe shiners, sources said. They are holding secret meetings and getting ready to implement missions as per party decision. Three top leaders of PBCP (Janajuddho) reportedly used the jeep of an influential political leader for movement during their brief stay in the city and managed to escape a few minutes before plainclothes law enforcers swooped on their hideout, an intelligence report said. KMP Deputy Commissioner Akbar Ali said they have a strong intelligence network to keep an eye on the movement of the extremists.

US opens criminal probe of 2 army deaths in Iraq

BAGHDAD, Reuters

The US army has opened a criminal investigation into a blast that killed two soldiers at a base in Iraq after discovering it was not caused by an insurgent mortar attack, a military statement said yesterday. It said Captain Phillip Esposito and 1st Lieutenant Louis Allen were killed on Tuesday in an explosion at Forward Operating Base Danger near Saddam Hussein's hometown, Tikrit. "The initial investigation by responders and military police indicated that a mortar round struck the window on the side of the building where Esposito and Allen were located at the time," the statement said. "Upon further examination of the scene by explosive ordnance personnel, it was determined the blast pattern was inconsistent with a mortar attack." The military said the soldiers killed were New York National Guard troops assigned to the Headquarters Company of the 42nd Infantry Division. Esposito was company commander and Allen was an operations officer.

Sheep urine to fight traffic pollution?

AFP, London

A bus operator in Britain is road-testing sheep urine as a way of cutting pollution. The Guardian newspaper reported yesterday. Stagecoach has fitted a tank to a bus in Winchester, southern England, which sprays urine into the exhaust fumes to reduce nitrous oxide emissions. The radical plan is not just wooly thinking, explained Andrew Dyer, managing director of Stagecoach South. "It is a novel way of reducing pollution, but we believe it will work," he said. "There is nothing to worry about. We won't be asking passengers to leave a sample and we won't be carrying a resident sheep at the back of the bus." The urine, from farmyard waste, is refined into pure urea. Ammonia in the urea converts nitrous oxides into nitrogen gas and water. A bus rigged up with a urine tank has been carrying passengers around Winchester since last month. Dyer reckons he has nothing to be sheepish about. "I got some laughs when I told a conference in Birmingham that sheep urine could be the key to cleaner vehicles but it is becoming a reality," he said. "This is the latest in green technology and we believe it will help make our cities better places for the public."



PHOTO FOCUSBANGLA

Burglars loot a jewellery shop at Rapa Plaza shopping centre in the capital yesterday.

CPD on budget

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increase in non-development expenditure. Debapriya however praised the reduction in incremental growth in defence spending. The CPD executive director said the share of block allocation increased significantly in the new ADP (annual development programme) from 8 percent in FY05 to 12.4 percent in FY06, which he said goes against the budget discipline. About deficit financing, Debapriya said the ideal approach would be to increase the share of foreign resources in deficit financing, while keeping the loan and bank borrowing at a minimum level respectively for foreign and domestic sources. However, he noted, the existing scenario is showing a totally opposite trend with high borrowing from banking sources and incremental contributions from foreign loans. This might result in a double jeopardy for the fiscal balance with liquidity crisis and increasing expenditure on interest payments.

Investment figures for FY04 have been revised upward from 23.58 percent to 24.02 percent of GDP. But gross investment has failed to achieve the PRSP target by 1 percent. In real terms, investment remains stagnated at the 1990s figures, he maintained. Talking about revenue target for FY06, Debapriya said it is 10.96 percent of the GDP, it is still 0.24 percent lower than the PRSP projection. It will need special effort to achieve a 16.64 percent revenue earning growth in FY06, he observed. Prof Mustafizur Rahman, research director of CPD, researchers Uttam Kumar and Fahmda Khatun, and Fatema Yusuf, head of communications, were also present at the briefing.

ment has revised downward the per capita GDP for FY04 from \$421 to \$418 despite the upward revision of GDP for the same year. He said GDP growth should have increased per capita income and so, the data could not be explained. Similar to the GDP figures, the government also revised the gross national and domestic savings figures for FY04 from 24.49 percent and 18.27 percent to 25.44 and 19.53 percent of GDP. Debapriya said such revision of savings rate after two years will raise serious questions about credibility of the same. Even then, he said, national savings as percent of GDP has shown a way out from a prolonged stagnation, indicating an 1 percent increase in FY05 over FY04.

Prof Mustafizur Rahman, research director of CPD, researchers Uttam Kumar and Fahmda Khatun, and Fatema Yusuf, head of communications, were also present at the briefing. Talking on fiscal measures, he said the implication of the revised income tax rate for individuals is that people in the high-income brackets will pay relatively less than the low-income people. He however endorsed other fiscal measures. The CPD felt the tax holiday provision will have a positive impact. Debapriya said the increase in tax rate for non-listed companies will work against the government's policy of poverty reduction and employment generation since it will affect the small and medium enterprises which do not have the financial footing to be listed on the capital market. The CPD hailed the provisions to support the agriculture and export of agricultural produce, but it said a comprehensive initiative to promote export diversification is not seen in the budget. Also absent is any big measure to offset the post-MFA situation. Debapriya said very little has been allocated for power generation, distribution and transmission, which indicates that hardly any substantial improvement in the power situation could be expected in near future. He hailed the measures proposed for leather and RMG/textiles sector, and crop and livestock sectors. But he pointed out that the handloom sub-sector, which supports the poor, did not get any attention.

MCCI reaction

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fund for munga-stricken, and fully retarded people, increased subsidy for agriculture sector, increased allocation for women's education, fund for rehabilitation of retrenched and retired garment workers and enhanced honorarium for freedom fighters, as proposed in the new budget. "For the manufacturing and service sectors, continuation of the Tax Holiday Scheme for another three years is timely and welcome particularly when the neighbouring countries have similar schemes," the MCCI said. Exclusion of some important sectors from tax holiday is ill advised, it said. "Hospitals and telecommunications as well as some other infrastructure-related sectors should be included in the scheme." The decision to increase tax rate for non-listed companies will affect particularly the service sector, the chamber said, and suggested dropping it. The MCCI also urged withdrawal of the provision restricting allowable expenditures of insurance companies that will seriously harm insurance industry. To maintain the industrial sector competitiveness, the rates of customs duties ought to be reduced to 2.5 percent for raw materials and 7.5 percent for intermediate products, instead of the proposed 7.5 percent and 15 percent respectively, the statement said. The chamber welcomed the proposed duty exemption for raw materials and spare parts for export-oriented readymade garment industries. It however said similar facilities should be given to other export-oriented enterprises like leather industry, which has maximum value addition. Opposing restoration of discretionary powers of the Income Tax and VAT Administration, the MCCI reiterated that it must not be done to save tax-payers from harassment. The chamber also placed stress on reduction of government borrowing from the banking sector as, it pointed out, the proposed budget has provided for borrowing of as much as Tk 36 billion from the banks.

Ficci sees

FROM PAGE 1 deduction at source from professional and technical services fees to 10 percent from 5 percent, it said.

The Ficci reviewed the budget placed by Finance Minister M Saifur Rahman on Thursday and assessed its implications on the country's business in general and foreign investment in particular. It said the proposal for extension of the tax holiday facility up to 2008 is encouraging for investment. "However, to ensure natural flow of foreign direct investments (FDI), the facility should not be restricted to 18 sectors only," observed the chamber in a written statement. It pointed out the proposed budget has not fully addressed some of the issues capable of attracting more foreign investment. But it appreciated the strong measures proposed in line with the pronounced poverty reduction strategy paper (PRSP) of the government. The new budget of Tk 643.83 billion, which is 15.7 percent higher than that of the current fiscal year, may look ambitious to some extent. But the Ficci felt the goals can be achieved with proper governance and monitoring. "Attainment of the PRSP goals will benefit the foreign investors in Bangladesh," the chamber said. The Ficci hailed the reduction of duty on cellphone handsets to Tk 300 from Tk 1,500. But the proposed tax of Tk 1,200 on each SIM card will slow down the build-up of the thriving sector, it said. "The telecoms sector is a strategic infrastructure for the economic development of the country."

The chamber also pointed out the budget proposal for audit of any return certified by chartered accountants under section 82 is not in line with the government's goal of simplification of the assessment process. It also observed that no significant measures have been proposed toward reformation of tax administration. "We appreciate the retention of the three-tier duty structure, but reduction of rates, particularly those applicable on raw materials, could increase competitiveness of local goods," it said. The Ficci felt the budget with necessary revisions will help achieve its targeted goals.

Lanka, India

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the utilisation of a 380 million dollar Indian credit line to Sri Lanka while Colombo agreed to set aside a block for New Delhi when the island opens up bids for oil exploration. Singh side-stepped the deepening political crisis facing the government of President Chandrika Kumaratunga, who was Friday given five days by her main coalition partner to roll back a controversial deal with Tamil rebels. The Marxist JVP, or People's Liberation Front said they would quit on June 16 unless Kumaratunga withdraws her proposed "Joint mechanism" to share foreign aid for tsunami survivors with Tamil Tigers. The JVP, which was staunchly anti-Indian and opposed New Delhi's bilateral peace accord with Colombo in 1987, has changed its stance and had hoped that India would offer moral support to block the aid deal with the Tigers. India outlawed the Tamil Tigers after holding the guerrillas responsible for the May 1991 assassination of former Indian premier Rajiv Gandhi. However, India last week backed Kumaratunga's plan to enter into the controversial tsunami aid deal with the guerrillas. Asked for his reaction to the political crisis in Colombo, Singh declined comment saying: "That is an internal matter for Sri Lanka." However, he said New Delhi was supportive of Kumaratunga's peace moves and backed a solution to the island's drawn out Tamil separatist conflict based on protecting the island's sovereignty and territorial integrity.

Iraq violence

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men were found Thursday. They all had civilian ID cards. It was unclear if the bodies had any connection to a group of about 20 Iraqi soldiers that have been missing from the Qaim area since late Tuesday. Qaim, about 200 miles west of Baghdad, has been the scene of numerous US military and Iraqi army operations. US Marines carried out two major operations in the area last month, with a total of 11 Marines being killed in the campaigns. al-Qaeda in Iraq, the terror group led by Jordanian-born Abu-Musab al-Zarqawi, claimed in an Internet posting that it had abducted a total of 36 Iraqi soldiers in western Iraq on Wednesday. The posting, on a Web site known to carry militant statements, could not be verified independently. "A group of the infidel guards was arrested and investigated Wednesday," it said. The group added that the men confessed their crimes "against Sunnis and their loyalty to crusaders." To release them, it gave the government of Prime Minister Ibrahim al-Jaafari a day to set free "Muslim women" held in Iraqi prisons. It did not elaborate. Capt. Ahmed Hamid said the soldiers disappeared Tuesday after leaving an Iraqi army base in two minibuses from Akashat, a village near the Syrian border about 115km south-west of Qaim. Hamid, contacted by telephone at an Iraqi military base in Qaim, said the soldiers were wearing civilian clothes and travelling to Baghdad for a vacation. Elsewhere, a US soldier died Thursday of non-combat injuries near Tuz Khormato, about 130 miles north of Baghdad, the military said. Five other US soldiers were wounded Thursday when a suicide car bomber attacked their convoy between Beiji and Tikrit, 130km north of Baghdad, but none of the injuries was life-threatening, the military said. At least 1,684 US military mem-

bers have died since the Iraq war began in March 2003, according to an Associated Press count. In southern Basra, gunmen killed the dean of the city's police academy, Col. Karim al-Daraji, police said. The European Commission, meanwhile, said Friday it plans to have a delegation in Baghdad within a month, re-establishing a permanent mission for the first time since before the 2003 Iraq war. Briefing reporters after returning from the EU's first high-level visit to Iraq since the overthrow of Saddam Hussein, EU External Relations Commissioner Benita Ferrero-Waldner said the mission will be small but would grow as the security situation permits. "The security situation is difficult, and that's also the reason why we haven't opened a mission yet," she said. "But we need a delegation there, with all the possible care given to security." The EU wanted to appoint a charge d'affaires who could engage in a political dialogue with government authorities, she said. The EU wants the delegation located in the Green Zone, the security enclave in the centre of Baghdad that also houses the US Embassy. The EU delegation's one-day visit to Baghdad on Thursday was to prepare for a major donors' conference in Brussels, Belgium, later this month.

Advani

FROM PAGE 16 visit to Pakistan in which he praised Pakistan's founding father Mohammed Ali Jinnah as a "great man", drawing criticism from Hindu groups. Hardliners blame Jinnah for partition of the subcontinent at independence from Britain in 1947 and the ensuing religious violence. Over one million people died in riots after the creation of mainly Hindu India and the Islamic Republic of Pakistan.

Tokyo to urge Dhaka

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"The UN's most important task surely is peace and security. But one of its most important pillars is development and poverty alleviation. The UN has 191 members and that makes its credibility an important issue. We need to reform the UN to secure its pillars," he added. The move to reform the UN has gained momentum this year. About 100 nations have said Japan deserves permanent membership in the UNSC, he said. "Sixty years ago (after the World War II), Japan had pledged not to use force to resolve disputes and become a pacifist nation."

Japan has now focused on assisting the developing nations through Official Development Assistance (ODA), said the Japanese minister. He said Prime Minister Junichiro Koizumi last month announced he would double the ODA to Africa in the next three years. "We'll continue using larger ODA for the developing nations," Aisawa said. He will also discuss bilateral and regional issues with the prime minister during his visit. "Bangladesh and Japan have a friendship for long. We should now further deepen the relations. The fact that Bangladesh is a moderate Muslim democracy gives us more trust," he said. "The Japan government takes note of the steady economic growth of Bangladesh. We value its consistent 5 percent GDP growth and will give more financial assistance to facilitate it," the minister pointed out. Focusing on new areas of cooperation, he said Bangladesh's human resource development will get prominence under various Japanese programmes including those in the private sector. Prior to his arrival in Dhaka, the vice-minister will visit Sri Lanka. The resolution pushed by Japan seeks increasing the current five-

member UNSC structure to 11 by including Japan, India and four other countries. According to the Japan Times newspaper, the US, which has publicly supported the Japanese move, has asked Tokyo to refrain from submitting the resolution this month. Japanese ministers are visiting different countries in the recent months to wage more support for the move.

Hasina

FROM PAGE 16 Hasina also alleged that the government has created discrimination among various services by downsizing the proposals of the Pay Commission, depriving the officers and employees of their fair and due remuneration. Referring to risk allowance for the policemen, Hasina said while in government she had introduced risk allowance for policemen for motivating them to take up the challenge of maintaining law and order. "But this government has created discrimination in the salaries and allowances of policemen," she said. The opposition leader also accused the government of killing her party activists and filing cases against them. She asked the party men to work together sinking their differences for strengthening the party. Earlier, on her way to Tungipara, she also addressed separate wide meetings at Srinagar, Mawa, Char Zanajat and Bhanga. Party leaders Obaidul Kader, Faruk Khan MP, Sheikh Helal Uddin MP, Jahangir Kabir Nanak, Mirza Azam MP, AFM Bahauddin Nasim, among others, accompanied Hasina.

Primary teachers

FROM PAGE 1 yesterday's rally arranged at Muktangan by Bangladesh Non-government Primary Teachers Association.

Leaders of the association threatened to go on an indefinite strike from September 1 and sit-in at Paltan Maidan on September 20 if their demands are not met. They criticised the government for not even mentioning their demands in the proposed budget. They said the government should immediately fulfil its electoral pledge by nationalising its jobs. "Nationalising the service of the primary school teachers was one of the electoral pledges of the prime minister. But now we find it to be a mere political gimmick to win the last elections," Mohammad Shamsul Alam, president of the association, said while addressing the rally as the chief guest. "In the past, we did not opt for tougher agitation programmes in the interest of the students, but now the government has compelled us to declare the programmes," said Mahubul Alam Talukdar, president of Sangjukta Shikhhak Parishad. The rally was addressed among others by Mohammad Mukaddem Hossain, general secretary of Bangladesh Sangjukta Sramik Federation, and the association leaders Alhaj Shahidul Islam Khan, Abdur Rahman Bachhu, Abul Kalam Azad. A procession brought out after the rally paraded through different parts of the city.

Crackdown

FROM PAGE 16 "We took some foreign ambassadors to some border regions according to the map of alleged insurgents' camps provided by the Indian government, but did not find any Indian insurgents' camps." Babar said in last three years many persons were arrested from border regions for their alleged involvement in criminal activities but the identity of many people could not be known. "The arrested persons did not provide us right information regarding their identity. Besides we have no mechanism to find out their identity but we can understand that these people are involved in criminal activities," Babar observed. The government has initiated crackdown in the border areas from its own sense of responsibility, he added. Regarding an Indian official's claim of Uifa/United Liberation Front of Assam--run hotels and bank accounts in Bangladesh, the state minister said, "Different government intelligence agencies investigated the matter but found nothing in favour of the Indian claim."