

A mixed bag budget

Implementation would be challenging

THE just-announced budget for fiscal 2007-08 is a true reflection of the economic realities on the ground topped off by reform expectations with a recipe for sustaining the GDP growth rate trend against some daunting challenges. We are giving our instant reaction to the finance and planning minister Mirza Azizul Islam's lively and quite substantial presentation that is not fully devoid of contradictions though, withholding for the present any elaborate comments on his proposals, especially those relating to fiscal measures.

The challenges before him were basically two-fold. The rising essential prices and the increasing inflation rate have been hitting the vast majority of the poor people of the country so that there was a crying need to provide them with relief. Secondly, the confidence of the traders and investors which had been admittedly shaken by the anti-corruption drive, the eviction of hawkers in urban areas and the disruption of the rural market structure in the name of reclaiming government lands needed to be restored through a package of incentives.

Coming to the price situation, duties on import of some essential items like edible oil, lentil and rice have been done away with but imported sugar would cost more. Computer, computer goods, medical treatment fee, et al will be dearer. On the one hand IT has been declared as thrust sector but on the other computer, SIM and telecommunications materials are to cost more. It augurs well for newspaper industry that the newsprint price will be lower.

To provide relief to the poor, social safety net has been extended with VDF coverage for 50 lakh people for eight months. Overall, 10.6% of the budget will be spent on social safety provisions. It is good to see food security receives priority attention of the government. Subsidisation of agricultural inputs has been increased which is likely to have positive effect on agricultural production.

In allocations of resources disparity between regions is being sought to be removed.

Export subsidy has been retained contrary to speculations otherwise and as a matter of fact in view of the arrears in the sector, the subsidy provision has been increased to Tk 1100crore from the previous Tk 300crore. As for the fiscal measures, the taxation on imported raw materials and capital machinery so far as the textiles go needs to be reconsidered on two counts. First, to help retain the competitive edge of the RMG sector and secondly to promote local textiles which cater to the needs of the ordinary people.

The proposal for endowment fund worth Tk 350crore for agriculture is to be lauded but that for education research need to be substantially increased. Tk 150crore lending fund for agro-based industry and Tk 100crore endowment fund for SMEs development are good proposals.

The overall size of the budget is Tk 79,614crore of which the revenue budget is Tk 52,900crore and the ADP is Tk 26,500crore. The deficit is 5.6 percent of the GDP including the subsidisation liabilities to the Bangladesh Petroleum Corporation. So, internal resource mobilisation assumes critical importance, even though the share of external resources in the development budget is estimated to be higher implying increase in debt servicing. Revenue collection has to be substantially revamped to reduce government borrowing from the banking sector which is pivotal to inflation-reducing monetary policy.

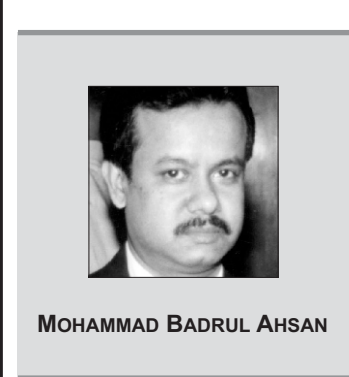
Powers of magistracy to the police?

We are opposed to the idea

WE are concerned about the proposed police ordinance relating to provisions of magistracy powers for the law enforcing agency. Reportedly, the proposal has been made with a view to keeping the police free of political influence. That the police need to be freed of political influence is an idea we wholeheartedly endorse and so does the rest of the country. But it is the method that is now sought to be adopted to achieve that goal that causes deep disquiet in us. We would, therefore, like to state here unequivocally that we are opposed to any magistracy powers being given to the police. One of the reasons behind our position is the clear fact that at a time when public sentiment is inclined to a definitive separation of the judiciary from the executive, any move towards empowering the police with magistracy authority will run counter to such an objective. In circumstances where the police have not always been above controversy with all their prescribed, existing authority, any thought of giving them additional powers will complicate not only the administrative system but also the judicial process itself.

The proposal for magistracy authority for the police seeks to invest the police commissioner and assistant police commissioner with certain powers now exercised by magistrates and district magistrates. Should the proposal be adopted, the justifiability for the police resorting to firing as a way of ensuring law and order and explaining deaths in police custody will be entirely dependent on the police themselves, with little scope of outside, independent inquiry. An implementation of the proposal will put the district administration and the police department on a collision course where a demarcation and exercise of authority are concerned. With broad public sentiment and civil society views currently emphasising a need for police powers to be subject to checks and balances, the provision of magistracy powers for the police force can only be a negation of such demands.

An apology not accepted



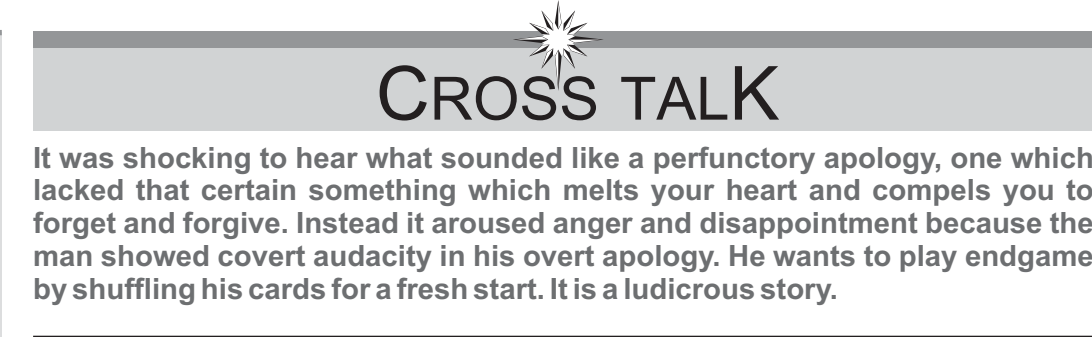
MOHAMMAD BADRUL AHSAN

BETTER late than never, we have got an apology. In one fell swoop, a pillar of politics has said sorry last week. Most people say sorry for their own mistakes. He has said it for the mistakes of others. Well not quite like that.

He has said sorry by the way of making a convoluted confession. It was a mistake for him to have mingled with politicians who are now suspected wrongdoers. He said it. I didn't.

But let us not get excited. There comes a time in life when everybody wants to say sorry. Pakistani cricketer Shahid Afridi said sorry to his countrymen because he failed to perform in the ICC Tournament in 2006.

Germany has apologized for the sufferings caused by its actions in two world wars. Then it paid billions



of dollars in reparation to allied forces and the Holocaust survivors.

British Prime Minister Tony Blair apologized for the treatment of the Irish during the potato famine, Pope John Paul II apologized for the sins of the Roman Catholic Church, and Australia has apologized to Aborigines.

To its credit, the US government has apologized to the Japanese Americans interned in concentration camps during WWII. It has also said sorry for persecution of American Indians and black Americans who were lynched.

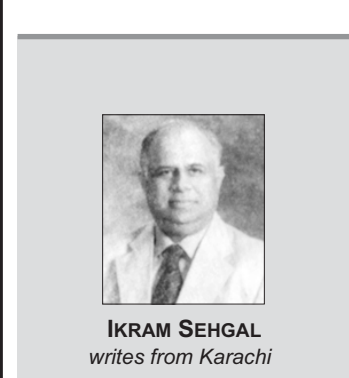
Perhaps conscience works like a festering wound, which finds relief when opened to discharge the burden of guilt. But this one apology comes a cropper, it comes too late. It also comes from a stalwart amongst us who feigns ignorance of people who were his political allies. Hard to digest that a well-informed man mixed with the mischievous bunch and didn't know they had dirty hands.

It seems all things come late to this man. He didn't clear his taxes until things came to a head. For God's sake someone of his stature, one who wants to be the leader of the people, the epitome of sound mind and intelligent scruples, is expected to stay ahead of the game. He should set examples, lead the way and be squeaky clean. He should be shipshape so that nobody can lift a finger at him!

But what can you say? He feels guilty by association and didn't bother to pay attention to what in every house parents say to their children. At least my parents cautioned me to stay away from strangers and not to accept anything from others if I didn't know them well.

And when you are grown up and educated, established in life and society as a legal giant, when you can write national constitution,

A question of image



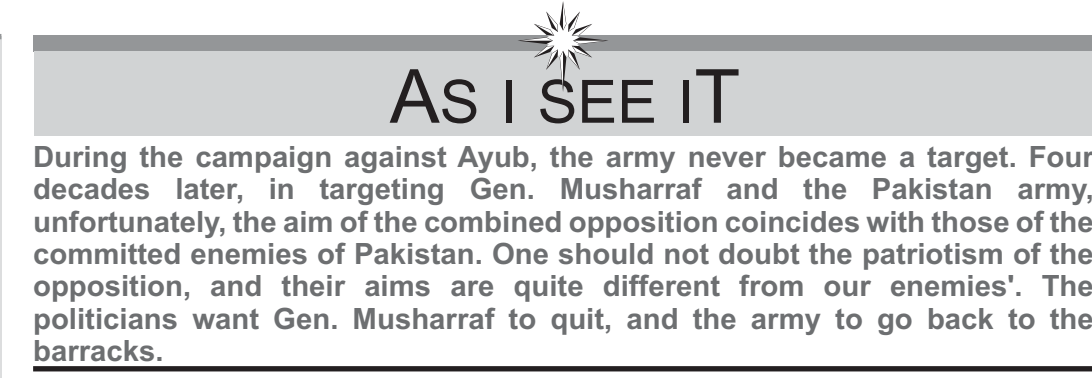
IKRAM SEHGAL
writes from Karachi

ONLY a cursory browsing of Dr. Ayesha Siddique Agha's book *Military Inc* reveals it to be a motivated attack on the armed forces, a sophisticated embellishing of facts, intertwined with pure fabrication. Even for those not subscribing to conspiracy theories, it comes across as a part of a bigger plan.

Moreover, the book will sell well in the present environment. Some remarks attributed to me are such blatant misquoting that one calls into question their credibility. My views about the military's involvement in business, other than the four welfare institutions, Fauji Foundation, Army Welfare Trust, Bahria Foundation and Shaheen Foundation, are well documented. I do not need Dr. Agha as my mouth-piece.

No adverse comment was made by me about Lt. Gen. Zarrar Azim, my views not having changed over 36 years since we served together in the Chor Sector in 1971, he was in Guides Cavalry and I was commanding an infantry company in 44 Punjab (now 4 Sindh).

That he should be so disparaged by the twisting of my words is not fair. In an article on August 2, 2003,



when Zarrar was a powerful Corps Commander in service, I had advised: "The Chief of Army Staff (Coas) must disassociate the Corps Commanders Lahore and Karachi from the Defence Housing Authority (DHA), as they are unnecessarily getting a bad name themselves and for the image of the Army."

Both Corps Commanders (Tariq Waseem Ghazi, than Corps Commander, Karachi, happens to be another fine officer produced by this Army) were being unnecessarily defamed because of their association with the DHAs. DHAs functioning necessarily involve transactions in plots of lands, and with real-estate brokers. With honourable exceptions, these are mostly suspect, even in the purely civilian sphere.

Dr. Agha was using a tape recorder for the session with me; she should make the tapes available. I take pride in stating what is a fact, whether someone likes it or not, even to my detriment. Despite being an admirer of the four service foundations, I also hold that Frontier Works Organisation (FWO), and National Logistics Cell (NLC) etc. should not exist.

FWO and NLC do good work in the specialised fields for which they were originally created, but the present range of their business interests and the uniformed connection lets the army down.

These self-created image problems of the army should be merged into the foundations. However, contrary to public perception, they are subject to audit by qualified Chartered Accountants, and the profits are not going into individual pockets.

To quote from my article of May 31, 1997, "Military industrial welfare complex," a copy of which was handed over to Dr. Agha, "The prime mission of Fauji Foundation is to benefit ex-servicemen and their families. Since, obviously, funds are required for expenditures on welfare activities, all the needs are met with funds generated by its industrial and commercial projects. A major portion of the money earned every year is earmarked for welfare (at least 65-75%), while the remainder goes towards further investment in projects or kept as liquid reserves. Welfare is directed mainly toward medical, education and technical fields."

If Fauji Foundation was limited to simply being a military-industrial complex with profits going for

Professor Erin O'Hara and Douglas Yarn of Georgia State University have found that it matters how a guilty party says sorry to others. A sorry must not be an empty gesture because then the apology becomes another mistake which calls for repeat apology, going back to square one.

Somehow I cannot accept the fact that a man like this man didn't know he was hanging out with the wrong crowd. There were many newspaper stories, and I am sure someone of his stature, who was in privileged position compared to the rest of us, had access to lots of information.

Did he not ever bother to check on those rumors? Did he not ever have a flash of doubt cross his cross-examiner's mind? How could he not know what was common knowledge to street vendors and rickshaw pullers?

In a way, it has been good news that he never got elected. He doesn't have his ears on the ground, and he would have blown it away. He would have been inveigled by unscrupulous men. And that also tells us something else.

If he couldn't handle it in the past, he may not be able to handle it in future. It is time he should seriously think to let bygones be bygones and kiss goodbye to politics.

I am sorry if I have hurt anyone. I

know the man has many admirers. But I cannot accept his apology as a proof of public contrition. Blaming it on others is not apology. Instead it is politics in the thick of it. I have quoted it before and I am quoting it again. Former US Vice President Hubert Humphrey said that to err was human, but to blame it on someone else was politics.

It was shocking to hear what sounded like a perfunctory apology, one which lacked that certain something which melts your heart and compels you to forget and forgive. Instead it aroused anger and disappointment because the man showed covert audacity in his overt apology. He wants to play endgame by shuffling his cards for a fresh start. It is a ludicrous story.

An apology has four conditions: regret, understanding of problem, acceptance of responsibility and willingness to improve. So far he has fulfilled the first two conditions, which makes it an incomplete apology.

In the movie Gandhi, a senior police officer brings a letter from Gandhi, and Lord Irwin tells him to thank Gandhi for the letter and then put him in jail.

It is my pleasure to thank the man for his apology and then tell him to get lost.

Mohammad Badrul Ahsan is a banker.

During the campaign against Ayub, the army never became a target. Four decades later, in targeting Gen. Musharraf and the Pakistan army, unfortunately, the aim of the combined opposition coincides with those of the committed enemies of Pakistan.

One should not doubt the patriotism of the opposition, and their aims are quite different from our enemies'. The politicians want Gen. Musharraf to quit, and the army to go back to the barracks.

Pakistan's enemies want the country to cease to exist, or if it exists, it should as a client-state of a regional superpower. And they know this can only happen by destroying the army.

To do this, they must start with the head of the army. Gen. Musharraf's success in the past has been based on good initiatives mixed with a fair amount of luck, with an overwhelming dependence on the latter.

While Napoleon was quite happy with a general who was brilliant and/or brave, he wanted someone "lucky." Pervez Musharraf has been very lucky in having destiny smile on him for quite some time. The concerted campaign against him in early 2006 was waylaid by the Hezbollah's resisting of Israel's incursion into South Lebanon.

To quote from the same article as aforementioned: "Pakistan has perennially suffered from an image problem, recently reaching endemic proportion because of the "terrorism" tag; notwithstanding that, we are an acknowledged frontline state in the US-led "war against terrorism."

The irony is that while we have been in the forefront thrice in the free world's engagement with its opponents, we have been pilloried from pillar to post by the western media, duly orchestrated across a broad front by baseless stories fed by Indian sources. The result has been a build-up of adverse perception about Pakistan (and Pakistanis) in the world psyche.

After 9/11 the negative fallout has been force-multiplied to the extent that the green passport is now universally viewed with barely veiled suspicion. Prestigious western magazines carrying stories divorced from reality about Pakistan do not help things. The government must soon take the initiative to confront our adverse image problem, we must get something done and soon!

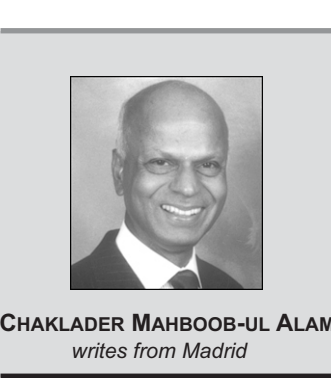
Most importantly, we have to separate the internal requirements from the external image factor. Obviously, a full-fledged comprehensive plan has to be worked out and acted upon if we want to successfully cope with our rapidly depreciating image in the comity of nations.

The great tragedy is that the good image and reputation of nearly a million men (and women) in uniform is hostage in the hands of unnecessary commercial ventures, which, despite public perception, are not for individual benefit as are other business entities.

What was true in Dec 2003 about our image is very much a cause for grave concern four years later in mid 2007, is anyone listening?

Ikram Sehgal, a former Major of Pakistan Army, is a political analyst and columnist.

40 years of occupation

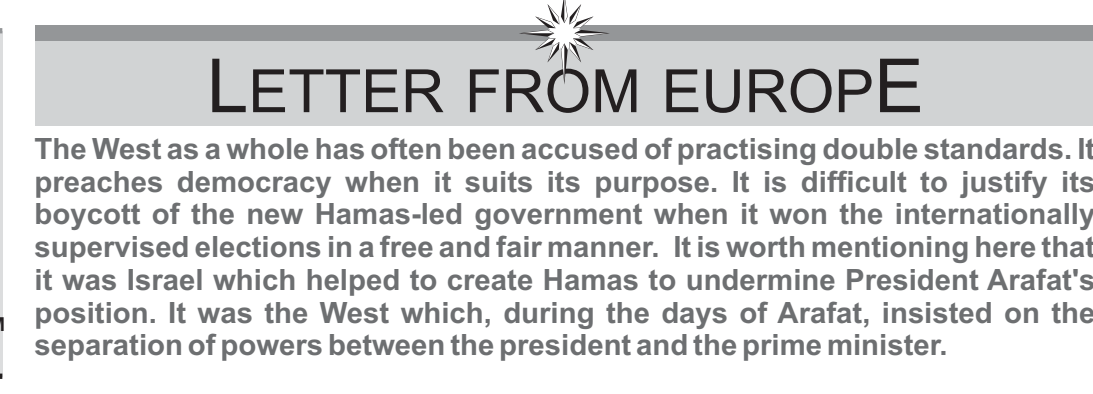


CHAKLADER MAHBOOB-UL ALAM
writes from Madrid

FORTY years ago, on June 5, 1967, Israel launched a pre-emptive war against Egypt, Syria and Jordan, which ended in a spectacular military victory for Israel. It not only smashed the Arab armies but also conquered Sinai, the Golan Heights, the West Bank, Gaza and, of course, East Jerusalem. It converted Israel into the most powerful country in the Middle East. This was Israel's finest hour. Or was it?

From an Israeli point of view, it certainly opened up enormous possibilities. Gone were the days when people in the Middle East and elsewhere doubted whether Theodor Hezt's dream of having a Der Judenstaat in Palestine would ever be fulfilled.

If on May 15, 1948, Israel had acquired a tenuous existence, the 1967 war confirmed beyond any



shadow of doubt that Israel was there to stay. The Arabs had no other option but to accept Israel as a neighbour, and Israel held all the cards to make it possible.

Israel could now reach a just and lasting settlement with the Arabs from a position of strength, using the formula "land for peace and security." Instead, emboldened by victory and intoxicated by religious zeal, it decided to become a colonial power.

Since the end of the war, and the subsequent occupation of the West Bank and Gaza, Israeli government policy of both the conservatives and the socialists has been driven by one single vision -- that of establishing a Greater Israel on Palestinian territories.

While paying lip-service to peace negotiations, Israel vigorously pursued, and is still pursuing, a policy of ruthless colonisation. It has dotted the whole of West Bank with hundreds of garrison-like settlements, fenced highways connecting the settlements (for settlers' use alone), watchtowers and innumerable checkpoints.

Leaving aside the day-to-day suffering and humiliation inflicted on the Palestinians, this policy has destroyed Palestinian economy and has produced "ever smaller and disconnected cantons" (World Bank). In the words of Prof. Newman of the Ben Gurion University: "These West Bank settlements are not a few temporary outposts ... the settlement network is a collection of small towns, industrial and commercial areas, schools and colleges, roads and public services. When one travels around the settlements, it seems they have put down roots for good."

The separation wall, built on Palestinian lands, delves deep into Palestinian territories and snakes through the West Bank to include the major Israeli settlements. According to Prof. Dugard of the University of Leiden: "It (the wall) is manifestly intended to create facts on the ground."

The intention is to annex much of the West Bank as part of Greater Israel, destroy the Palestinian society and contain the growing Palestinian population as virtual slaves in isolated enclaves with no geographical contiguity on 40% of the occupied territories.

According to Prof. Chomsky, in comparison with these Palestinian dungeons, the Bantustans of apartheid-era South Africa looked "like symbols of freedom, sovereignty and

self-determination."

Roger Cohen of the New York Times commented recently: "The West Bank, after 40 years under Israeli control, is a shameful place." This abominable situation dismayed a group of Holocaust survivors to such an extent that they recently published a manifesto decrying the Israeli society's descent into a "quagmire of violence, brutality, disrespect for human rights and contempt for human life."

How could such a thing happen? While preaching democracy and freedom, how could the West allow Israel to pursue such a policy of ruthless colonisation? How is it possible that no one could get beyond the narrow perspectives offered by Israel's short-sighted policy and look at the situation from a big-picture long-term perspective? How could anyone think that this policy of colonisation will not have wider repercussions?

The 1967 war bestowed on Israel a certain sense of invincibility. It felt that the Palestinians could never pose any threat to Israel. Therefore, there was no need to negotiate with them.

It felt that with the unconditional support of the US, it was in a position to impose its terms on the Palestinians. If necessary, they must be starved into submission. In fact, in the words of Professor Chomsky, it

has been made possible by "unremitting US military, economic and diplomatic support of Israel."

The role played by Europe has not been very dignified, either. Instead of imposing sanctions on Israel to force it to change its policy, it has sometimes taken measures, which have inflicted further miseries on the Palestinians. Otherwise, how can one justify the economic sanctions imposed by it on the Hamas-led government?

Actually, the West as a whole has often been accused of practising double standards. It preaches democracy when it suits its purpose. It is difficult to justify its boycott of the new Hamas-led government when it won the internationally supervised elections in a free and fair manner.

It is worth mentioning here that it was Israel which helped to create Hamas to undermine President Arafat's position. It was the West which, during the days of Arafat, insisted on the separation of powers between the president and the prime minister.

Now that the results of that separation of powers do not suit the West's purposes, it is asking the president to exercise certain powers which he no longer possesses constitutionally.

Of course, Washington's role in all this is far more dangerous. By supplying weapons worth millions of dollars to the president's personal security forces, it is trying to foment a full-scale civil war between rival militias with the objective of overthrowing the democratically elected government of Palestine.

Of course, disunity and inaction of the Arab governments in the past must also take some blame for the current plight of the Palestinians.

Today, however, the situation on the ground is different from what it was forty years ago. Israel is no longer invincible. Now, non-state actors like Hamas and Hezbollah have replaced weak Arab governments as effective threats to Israel.

The nature of warfare has also changed. Today's technological revolution has empowered spontaneously organised small groups of highly motivated irregular forces to inflict damage "on such a scale that only a few years ago could only have been done by a superpower."

As Nicholus Christoff of the New York Times pointed out, if the present trajectory continues, "the terrorists will eventually turn to chemical, biological or radiological weapons."

Israel's hard-line colonial policy has radicalised young Palestinians, empowered the extremists, eroded sympathy for Israel across the globe, and created enemies in the entire Muslim world.

After the beginning of Bush's so-called war on terror, this conflict is no

longer perceived in many quarters as a regional one, but as part of a much wider confrontation between Islam and the West.

Many Jews now realise that Israel had squandered the golden opportunity, given by its decisive victory in the 1967 war, to be accepted as a peaceful neighbour with secure borders in the Middle East.

Israel must realise that occupation is the root cause of all its security problems, and that "ultimately its security will emerge only from a peace agreement with the Palestinians."

So what should be done now? Well, in a way, it is quite simple. Without any further excuses, it is imperative to jump-start the final status peace process to end the occupation. No one could have put it more succinctly than the prestigious Israeli newspaper Haaretz. In a recent editorial it wrote: "Instead of constantly trying to decide which Israeli manipulation will work best, the government should immediately state that it adopts the 2002 Arab League peace initiative, and that it is willing to negotiate over its basic points with any authorised Palestinian party."

Chaklader Mahboob-ul Alam is a columnist for the Daily Star