

Lankan military kills 78 during fierce clashes

AP, AFP, Colombo

A day of fierce clashes in Sri Lanka's embattled north has left 61 Tamil Tiger rebels and 17 soldiers dead, the military said yesterday.

Government soldiers and the rebels fought several battles in northern Mannar district Sunday, killing 40 rebels and 10 soldiers while three other soldiers are reported missing, the military said in a statement.

Twenty-one other rebels and seven soldiers were also killed Sunday in scattered fighting, mortar fire and mine blasts across Jaffna, Vavuniya and Welioya regions, the statement said.

Rebels spokesman Rasiah Ilangthirayan was not immediately available for comment.

However, a pro-rebel Website reported that the rebels have stalled a military advance in Mannar, killing 26 soldiers and wounding more than 50. Three insurgents were also killed in the battle the Web site reported, quoting an unnamed rebel official.

It was not possible to obtain independent accounts of the fighting because reporters are not allowed in the war zone. The two sides often release conflicting reports of casualties exaggerating damages caused to the enemy and lowering their own losses.

Government forces have for the past several months tried to break into the rebels' well-guarded northern strongholds from four main fronts, promising to crush the insurgents and dismantle their de facto administration by the end of the year.

But military analysts have pointed out that the military's progress has been slower than expected and that the rebels retain much of their capacity to resist.

Tamil Tiger rebels have fought

EC to publish

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the caretaker government during its planned dialogue with political parties, sources in the EC said. The EC Secretariat is now working on publishing in a couple of days the report containing entire proceedings of the talks.

In its report, the EC would suggest the government take necessary measures regarding the issues raised by political parties during talks with it, the sources added.

"We will try to draw the government's attention to some major issues which are beyond the EC's jurisdiction," a senior official at the EC Secretariat told The Daily Star.

The report will also contain political parties' opinions on EC proposals for electoral reforms so that people can know their (parties) stance on those, sources said.

Meanwhile, the EC has rationalised some of its vital proposals such as registration of political parties and restrictions on political parties to have front organisations comprising students and teachers.

About the popular demand for trial of war criminals and disqualifying them from contesting elections, the EC report said the commission would implement it if the government takes a decision to this effect.

In its proposals for electoral reforms, the EC proposed to disqualify convicted war criminals from contesting elections.

The EC began reform talks with parties on September 12 last year and concluded on April 27 this year. It held talks with the parties twice.

Fertiliser

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"The fertiliser prices are going up in the international market. Urea was sold at \$769 to \$784 a tonne last month, while it was \$408 last year. Therefore, the industries ministry asked the government to make a quick decision on fertiliser import," said a ministry official.

The three countries have asked Bangladesh to inform them of its decision quickly, he said, adding that otherwise they might export the fertiliser to other countries.

The industries ministry in its proposal said although the Public Procurement Regulations-2003 will be violated through the import of fertiliser at the state level, it is important to approve the proposal considering the government's high priority on agriculture and food crisis in the country.

Chief Adviser Dr Fakhruddin Ahmed in February instructed the industries ministry to make necessary preparation for dealing with any possible fertiliser crisis in the country, sources in the industries ministry said.

Following the chief adviser's instructions, an inter-ministerial meeting in April this year set the demand for urea at 28.5 lakh tonnes for the next fiscal year.

Of this, Bangladesh Chemical Industries Corporation (BCIC) will produce 17 lakh tonnes of urea, while the government will purchase five lakh tonnes from Karnaphuli Fertiliser Company and import seven lakh tonnes.

the government since 1983 to create an independent homeland for ethnic minority Tamils who have been marginalized by successive governments controlled by majority ethnic Sinhalese.

More than 70,000 people have been killed in the violence.

Meanwhile, Sri Lanka's capital was on high alert, with 1,500 extra policemen in Colombo during the week-long festivities, police officials said.

Last week a suicide bomber rammed into a police bus in Colombo, killing 13 people and wounding close to 100.

Dialogue

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Chief Adviser Fakhruddin Ahmed will lead a panel of advisers at the dialogue.

Sources in the parties said they would discuss a range of issues in the dialogue although the invitation letter mentioned that the CA's address should be taken as a guideline about the agenda of the dialogue.

The release of former prime ministers Sheikh Hasina and Khaleda Zia and complete lifting of the state of emergency are also expected to dominate the dialogue.

Talking to reporters yesterday, AL Acting General Secretary Syed Ashrafur Islam said though the government has sent them invitation, nothing is mentioned about the time and place of the dialogue.

AL received the invitation letter Sunday.

"Only names and telephone numbers of five to seven party leaders have been asked by the government," he said after a meeting of the AL presidium held at the acting party chief Zillur Rahman's Gulshan house in the capital.

Talking to The Daily Star, AL presidium members Suranjit Sengupta and Motia Chowdhury said they would take decision about participating in the dialogue with the government on recommendations of the party's extended meeting to be held on May 26.

Participation of pro-Khaleda faction of BNP in the talks has become uncertain as the BNP chairman appointed Secretary General Khandaker Delwar Hossain rejected the government invitation yesterday.

Meanwhile, Maj (ret'd) Hafizuddin Ahmed, acting secretary general of the reformist faction, said that they are yet to decide about joining the talks. He received the government invitation Sunday night.

Following the chief adviser's address to the nation, the government invited six parties on May 13. The next day, 13 more parties were invited to the dialogue.

Pakistan

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Agency (IAEA) recently cleared Bangladesh to use nuclear power for civilian use as energy.

"We have a programme for nuclear energy. We are going ahead with that. It is up to Bangladesh to decide what they want," Babar told a press meeting organised by the Diplomatic Correspondents Association, Bangladesh (DCAAB) at the National Press Club yesterday.

He said the discussions could take place within the parameters of the Nuclear Non-Proliferation Treaty (NPT) even though Pakistan is not a part of it. Bangladesh is signatory to NPT.

Babar added that Pakistan has the right to peaceful use of nuclear energy.

The envoy has meanwhile reiterated calls for the two countries to sign a Free Trade Agreement to improve on the US\$ 300 million in bilateral trade.

He said an absence of direct shipping lines between the two countries has been discouraging business communities on both sides.

The Pak envoy also mentioned that Bangladesh's Army Chief Gen Moeen U Ahmed is likely to visit Pakistan soon. Pressed on why Dhaka and Islamabad have not sorted out divided assets and repatriation since 1971, Babar told reporters that he said the repatriation issue has largely been solved but sharing of pre-1971 assets is far more complicated and currently under discussion.

Babar lauded Saturday's High Court decision giving voting rights to Biharis in Bangladesh.

There around two to three million Bengalis still living in Pakistan at present.

50 injured

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admitted to different clinics. Karnuruzzaman's cassette was taken away.

Protesting the attacks on newsmen while doing their professional duties, journalists held later held a meeting at Sathkira Press Club and brought out a silent procession in the town. They demanded stern action against those involved in the attack.

The silent procession ended near the official residence of Deputy Commissioner (DC) Md Kefayetullah, who assured the journalists of proper action after investigation.

Following the incident, the district law and order committee held a meeting with the DC in the chair of his office. The meeting asked the BDR authorities to take action against those responsible and solve the problem.

Sathkira Pourasava Chairman Sheikh Ashrafur Haque also condemned the attack and demanded proper action.

When contacted, the SP regretted the incident and said action would be taken in this regard.

BDR Commanding Officer Lt Col Saidur Rahman said the incident would be investigated and proper action would be taken.

Grafts reign supreme in import trade

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"Name whatever latest weapon or luxury item you want, it can be smuggled in as any legal item. Let's not bother about the duty!" says a top player in the syndicate that controls much of the PSI business with a laugh.

In the course of investigation, The Daily Star came to know about numerous abuses.

Rolls Royce without doors was imported as non-usable vehicle to dodge hefty taxes. The doors arrived in different container, and the super luxury vehicle was seen on the Dhaka roads complete with snugly fitting doors. In another case, an exclusive Mercedes Benz was landed at Chittagong port and declared as scrap although it was in pristine condition.

When checked another consignment, duty-free computers became heavy-duty sophisticated photocopy machines. Containers of tennis balls turned into containers of contraband B&H cigarettes at the Inland Container Depot (ICD) in Kamapur, while hugely expensive Hummer SUV vehicles were shown at least two times cheaper on the government's tax sheet than their actual value. VCDs became cigarettes after import. And there are plenty more skeletons to be found out in the NBR-customs closet.

The investigation of the taskforces as well as the Anti-Corruption Commission could not yet reveal much as the corruption web is very complicated and money-laundering network works efficiently all over the globe in the form of hundi-- the age-old under-world money transfer system.

With a grim face, the country's first-ever Tax Ombudsman, Khairuzzaman Chowdhury confirmed the untold tale of smuggling and money laundering. "What has come out so far is just the tip of a corruption iceberg. Possibly, we may never get to the bottom of it," he said.

The massive corruption went on mostly unnoticed for years until the taskforces cracked down on the Chittagong port early last year. In March, the sheer scale of abuse forced the NBR to cancel the license of PSI company Cotecna Inspection SA.

It is not the first time Cotecna has run into problems with the NBR, which has already issued several warnings to the company and dealt out several crore taka worth of fines following probes into the Swiss group's operations. Indeed the National Coordination Committee against Grievous Offences asked the Central Intelligence Cell of NBR to take legal action against Cotecna for its alleged illegal activities back in December last year.

However, the stern action of today mocked NBR's decision to award about 50 percent import areas to a relatively inexperienced company like Cotecna that has no offices in many of the main cities in countries of the blocks assigned to it-- a major qualification for the PSI job.

NBR turned to the PSI system

against a backdrop of massive corruption and harassment by a significant section of customs people, but its major move failed to live up to expectation as irregularities started with awarding of first license to 3 companies, dividing countries of import in 3 blocks.

The mandatory PSI system started off on the wrong foot with then prime minister Sheikh Hasina bending the first PSI order using her 'inherent power' to award license to the Intertek Testing Service (ITS) International Limited in 2000 after the lowest bidder Inspectorate Griffith pulled out of Block A-- which includes China, Hong Kong and 45 European countries.

Without considering options for close tender or re-tender after the pullout, NBR offered the job to ITS, the highest bidder in the block, initially for 3 years at a service charge rate 0.14 percent higher than the lowest bid of 0.45 percent after the Prime Minister's Office (PMO) office weighed in brushing aside opinions of finance and law ministries.

The government charges 1 percent of value from importers, a portion of which, fixed during tender, it shares with PSI companies for their service. The combined earnings by PSI companies should be around Tk 250 crore a year, 80 percent of which they are allowed to remit.

Then NBR chairman Abdul Mueyed Chowdhury in his note stated that the prime minister ordered 'to award three blocks to three companies for the sake of public interest and to protect revenue interest'.

But the ACC is now examining the low pricing in the ITS contract through which the country allegedly missed out on over Tk 100 crore in revenue in five and half years of the deal. Buoyed by taskforce finds and ACC initiative, NBR, after these years on April 10, issued internal note to collect information on how much ITS earned in service charges during the period from 2000-2005.

All most all the PSI companies, number of which was increased to 4 after import regions were divided in 5 blocks for the second tender in 2005, had their share of controversial contract and poor performance.

Griffith ended up with series of poor performances so much so that on expiry of its 3-year contract the block was offered to ITS, which contracted out India portion to Societe Generale de Surveillance (SGS). Interestingly, the change in blocks took place without tender procedure.

Though contract awarding evaluation committee was to check technical and financial qualifications of bidders, a small group of unscrupulous businessmen with political clouts found no problem in influencing the government machinery and policy-making circle through brokers. And when appointed the company started to return the favour to its backers.

Insiders of the PSI sector told of numerous stories, detailing how Hawa Bhaban stalwarts cashed in on the favour returned by a certain

PSI company during BNP-led coalition rule.

"Did we check history of PSI companies before appointment? We considered lobbying before awarding license," remarked prominent economist Professor Muzaffer Ahmad. "Companies that got license in our country have obtained through some linkages. Some got it through money and some through political linkage."

Declined to be named, a leading PSI executive meanwhile refused to accept the allegation that all PSI companies are graft-ridden. "The allegation of irregularities and corruption in imports were there against customs even before the PSI system was made mandatory," he argued. "And it's for sure the PSI companies helped increase government revenue significantly in last eight years. There could be some mistakes in the process. But there is provision for punitive action for that."

Genuine businessmen reap the benefits of the PSI system but unscrupulous political businessmen and their partners in crime-- a section of PSI, NBR and customs officials-- manipulate the system to dodge taxes and siphon off money abroad with the help of hundi players.

Dishonest importers always have documents of their choices, certified duly by related PSI companies, which are obligated to carry out 100 percent inspection of goods in addition to its valuation and classification job.

"I believe the PSI companies are not involved with this corruption, but some of their greedy employees are for sure getting a fair share of the graft," said a top tax official, wishing not to be named.

According to taskforce investigations, many of our politicians, businessmen and even sidekicks of lawmakers amassed staggering wealth or bought lavish properties abroad, thanks to the PSI system manipulation and hundi. Our financial system could only see legal cash transaction as documented on invoices but the hundi networks work behind the scene to complete bulk of the money transfers involved with the imports. The caretaker government is now in touch with a few countries to bring back the money laundered by some detained graft suspects.

Portion of export proceeds and remittance never enter the country after being routed into to different destinations by hundi network, confide players in the unholy league. Million of dollars can be transferred to anywhere in the world or brought in local currencies, and it will take only few minutes for hundi network to get the job done.

Meanwhile, traders can also manipulate a provision that allows importers to directly bring in goods for customs inspection, not the PSI, and get away with fines, exploiting the corrupt system.

The corruption syndicate and many of its kingpins slipped into background when the taskforces unearthed some cases of corruption

through the PSI system. APSI broker earned so much success in winning appointment that he was nicknamed Mr PSI in the circle. Mr PSI, who thrived on his links with both AL-BNP governments and NBR, went into hiding for months after taskforces and NBR moved to probe the questionable ITS contract during the AL rule.

The caretaker government has so far made some progresses in a few isolated corruption cases, feel PSI specialists, adding that it is far from tracking down the syndicated graft network, which is gobbling up country's economy and capable of creating price disorder in the import-based market.

Sources in the joint forces alleged that the syndicated graft network manipulated the market prices to cause commotion among people after the government came down hard on the racket.

The PSI companies play a dominating role in poor economies and are capable of causing embarrassment to governments. They have histories of becoming partners in corruption with government top brasses in African and third world countries.

Figures like former Pakistan prime minister Benazir Bhutto and her spouse Asif Ali Zardari hogged the world headlines in 2003, when a Swiss court indicted them for receiving kickbacks from SGS and Cotecna. And if investigated extensively and without any influence, a lot of high-profile names from Bangladesh will also hit world headlines, say anti-graft investigators.

Ershad

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Ershad, a former president, said the popularity of the present administration has come down to zero at present.

The JP chief made the remarks while addressing a token protest meeting at city's Diploma Engineers' Institute auditorium. The JP organised the meeting protesting price hike of essentials and chief adviser's speech.

"You [the government] are bureaucrats. What do you understand about politics? We know how to run the country," Ershad said blasting the chief adviser's initiative to formulate the national charter.

"We the politicians will formulate the national charter after discussing with each other," he added.

Saying that they do not want the democracy, which was prevailing in the country before 1/11, the JP chairman demanded holding of the local government polls before the national election.

If voted to power, they would not spare anyone charged in corruption cases, Ershad said adding that the graft convicts will have to follow legal process.

The JP chief also called for bringing balance of power between the prime minister and the president, saying, "In the present system, the president cannot say 'yes' on any subject if the prime minister does not okay it."

JP Acting Chairman barrister Anisul Islam Mahmud observed that the government has failed to fulfil the hopes and aspirations of the common people and did nothing for them. "So we are expressing 'no confidence' in this government," he added.

Party president member Ziauddin Ahmed Babu said, "Those days are not far away when Jatiya Party will come to power again and lead the country to prosperity."

Senior party leaders also spoke at the meeting.

Jatiya Party will stage token demonstrations in all districts today, protesting the government's failure to run the country and the chief adviser's speech without any guidelines.

Pro-Khaleda

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Both factions of BNP separately sat with the government in the pre-dialogue talks last month.

According to the chief adviser's announcement, the formal dialogue between the government and the political parties will start May 22.

Talking to The Daily Star yesterday, Maj (ret'd) Hafizuddin Ahmed said that he has received the letter, but they would take decision in this regard after discussing with the party leaders.

He declined to make any comment when asked if they will participate in the dialogue separately if the party does not reunite.

At present, the party unification process has been suspended due to strict stance of Delwar Hossain.

The reformist leaders believe that party chairperson Khaleda Zia, who is scheduled to appear before the metropolitan sessions judges court today, may give a positive signal to bring unity in the party and after that, the party would be united soon.

"We will get time even after the dialogue starts, as the government will sit with the smaller parties first," a senior leader of the pro-reformist group told The Daily Star.

Asked about the dialogue, Lt Gen (ret'd) Mahbubur Rahman, member of party's standing committee and known as a reformist leader, said, "We don't have any alternative but to get united. I hope a united BNP will participate in dialogue with the government."

Meanwhile, the pro-Khaleda faction leaders are observing the moves of rival Awami League leaders who had already said that they would decide about taking part in dialogue after an extended meeting of the party's central working committee to be held on May 26.

Govt working

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government will soon meet the representatives of political parties to discuss all relevant issues," he told a state banquet.

The CA hosted the banquet in honour of Prince Karim Aga Khan, Imam of Shia Ismaili Muslims, at Sonargaon Hotel.

"We are now passing through a critical period as we are looking to fulfil our promise for a meaningful and sustainable democracy. We believe that democracy is not just about elections and installing new governments at pre-determined intervals. It is also about empowering people and ensuring their rights - right to choose their representatives without fear or intimidation," he told the function.

Prince Karim Aga Khan also addressed the banquet, attended by the entourage of the prince, advisers, noted personalities from different professions, diplomats and senior civil and military officials.

At the outset of the function, the CA flanked by Prince Aga Khan released four commemorative stamps and the first day cover, marking the golden jubilee of imam of Price Karim Aga Khan.

Fakhruddin, whose government is carrying out comprehensive reforms in the interim period against the backdrop of the past political crisis, further noted that democracy is also about the right to enjoy the fruits of economic growth and development.

"To safeguard these rights, it is imperative to establish the rule of law, eradicate corruption, improve law and order and render the organs of government, including the judiciary, more effective and accountable," he said, reminding that his government assumed office on January 12, 2007 against the backdrop of a looming political catastrophe.

According to a warm welcome to Prince Karim Aga Khan, the CA recalled the prince- funded many projects for education, health and social welfare, saying that Aga Khan Development Network (AKDN) has addressed 'many long-term and persistent challenges of our times - poverty, hunger, illiteracy, health and sanitation'.

In Bangladesh, he said, the Aga Khan Foundation has been in operation since 1980. It has been involved with projects across a broad spectrum of activities, encompassing health, education and rural development.

He hoped that the AKDN would be a lasting partner in the country's development efforts.

"There should be a greater emphasis on the sharing of our development experiences. Bangladesh is in a position to work with AKDN, especially in the areas of our common interest. Many of our success stories in the social sector are replicable," he observed. The CA mentioned that the

prince's first visit to the country took place a half century ago and this visit was as yet another landmark event in the bilateral relations.

He said Karim Aga Khan is known for his laudable role in promoting social, economic and cultural development in Asia and Africa, contributing significantly towards improving the living conditions and opportunities of millions of poor around the world.

Laden lashes out at Arabs for sacrificing Palestinians

AP, Cairo

Osama bin Laden released a new message on Sunday denouncing Arab leaders for sacrificing the Palestinians and saying the head of the Shia militant group Hezbollah did not really have the strength to take on Israel.

In his second audio message in three days focusing on the Palestinians, the al-Qaeda leader said the only way to liberate Palestine is to fight the Arab regimes that are protecting Israel. And he called on Muslim militants in Egypt to help break the blockade of Gaza.

Bin Laden said Muslims should ignore the Islamic prohibition against raising arms against fellow Muslims, claiming it was legitimate to rise up against leaders who are not governing according to Islamic law. Those leaders, he said, came to power "either by a military coup or with backing from foreign forces."

"Those (Arab) kings and leaders sacrificed Palestine and Al-Aqsa to keep their crowns," bin Laden said, referring to Al-Aqsa mosque in Jerusalem, one of Islam's holiest sites. "But we will not be relieved of this responsibility."

His 22-minute audiotape was posted on an Islamic militant Web site where al-Qaeda leaders have issued past statements. The voice sounded like bin Laden's, although the authenticity of the tape could not be independently verified.

Bin Laden and his deputy Ayman al-Zawahiri frequently attack Arab leaders as traitors and sellouts. But they are increasingly focusing on the Palestinian issue in recent messages, aiming to increase their appeal to an Arab "public widely sympathetic to the Palestinian plight."

Bin Laden's last audio message, released Friday to mark the 60th anniversary of Israel's establishment, vowed to continue what he called al-Qaeda's struggle against the Jewish state.

With his denunciation of Arab leaders, bin Laden portrayed himself as the true defender of the Palestinian cause.

As history knows

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behind bars after the Fakhruddin Ahmed-led government assumed power early last year.

He was finally arrested, not for war crimes, after a court issued a warrant of arrest against him following the Gatco charge sheet.

Various documents show he was one of the leading figures among the Jamaat-oriented local collaborators during the independence war.

He was the president of Jamaat's youth front, Islami Chhatra Sangha (now known as Islami Chhatra Shibir) and carried out a wide range of activities against the Liberation War.

Under his supervision and leadership, the al-Badr (paramilitia) force was organised with a scheme of making Bangladesh a nation without her intellectuals. Al-Badr is accused of murders, rapes and arson attacks.

Jamaat, for its involvement in anti-liberation activities, was constitutionally banned after the country's independence and many Jamaat leaders had to face trial on charges of war crimes.

The trial was, however, blocked and the anti-liberation forces were politically rehabilitated in the wake of the bloody changeover of power in 1975.

With the demands for trial of war criminals and barring anti-liberation forces from contesting polls getting momentum again in recent months, Jamaat leaders started denying their roles in 1971.

Most political parties that have sat with the Election Commission (EC) for talks on electoral reforms opined that Jamaat couldn't be registered as a parliamentary party in independent Bangladesh.

The Jamaat leaders now claim they didn't work against independence and there is no war criminal in the country.

But the accounts of Lt Gen AAK Niazi, who led the Pakistani occupation forces as the chief of Eastern Command of the Pakistan Army in 1971, prove the claims false.

Niazi in his book "The Betrayal of East Pakistan" categorically says the Razakars force was formed by the Pakistan government to fight the freedom fighters.

In his book, he says Jamaat-e-Islami, Nizam-i-Islami Party and several factions of Muslim League were known as rightist political parties at the time and the Razakar force was formed with the men recruited from these parties.

Jamaat leaders Golam Azam, Abbas Ali Khan, Motiur Rahman Nizami and Ali Ahsan Mohammad Mojaheed launched a countrywide campaign urging youths to join Razakar, Al-Badr and the Al-Shams forces to fight the freedom fighters. The then home ministry also used to send reports to West Pakistan about the activities of these forces.

Speeches and writings of Jamaat leaders published in their mouthpiece, the daily Sangram, in 1971 also demonstrate how Jamaat, Razakars, Al-Badr, Al-Shams and peace committees functioned and indulged in killings and atrocities.

Nizami and his party are also accused of patronising Islamist militants that quickly emerged in the country in 2005 through bomb blasts and grenade attacks.

When Notorious Bangla Bhai of Jama'atul Mujahideen Bangladesh (JMB) was carrying out a reign of terror in the country's northern region in 2005, Nizami pinned the blame on the media of creating a "fictitious criminal".

"Police have nothing to do when there is no existence of this so-called Bangla Bhai. Who should they arrest?" Nizami told reporters at the Jatiya Sangsad Bhaban the same year.

But former BNP lawmaker Abu Hena before his expulsion from the party named former minister Aminul Islam, former industries minister Nizami and Jamaat secretary general and former minister Mojaheed as patrons of Islamist militants.

Majority of those who were arrested on charges of bomb blasts and murders and are now facing trial belong to Jamaat or its student wing Shibir.

Two more murder cases against Nizami, filed with Keraniganj and Pallab police stations for killing freedom fighters and general public during the Liberation War, are now under investigation.