

Import duty on newsprint

Save the newspaper industry from a debilitating blow

THE five per cent import duty on newsprint, as proposed in the budget, will deal a crippling blow to the already wobbly newspaper industry grappling with high production costs. The 5% import duty will in effect be enhanced to 11.5% with the inclusion of VAT and regulatory tax. And that will mean the newspapers will have to pay 30% as import costs to the government, as even under the existing zero tariff regime they are paying 19% of such costs. So, the additional financial burden that will be imposed on the industry is going to be huge in real terms.

The import duty on newsprint has apparently been levied to support the local newsprint industry churning out substandard newsprint involving wastage and charging an extra Tk 8,000 to 10,000 per ton. Obviously, this very idea of favouring one local industry at the cost of another, which is the newspaper industry with all its intrinsically significant role in society, does not stand to reason.

The decision makers are expected to take into account the positive role of the newspapers and the ill effects on the industry being burdened with additional taxes. The thriving and buoyant print media has played a role in brightening the country's image globally. By maintaining a free flow of information the print media has been serving both the people and the government. It is a bulwark against social injustice and all kinds of discrimination. It is also serving the cause of good governance by being a bridge between the government and the people and providing objective feed-back to the ruling party as well as to the opposition.

Moreover, when the imported newsprint becomes costlier, the whole publication industry will be adversely affected and prices of even textbooks will go up. It will hinder dissemination of knowledge -- a prerequisite for advancement of any society.

The newspaper industry is more than a business oriented venture which cannot be treated strictly from the economic point of view alone. It has a direct bearing on governance and growth of social and political institutions needed for consolidating democracy, establishing human rights and all other good things that we cherish as a nation. If production costs of newspapers go further up, the existence of the industry will be threatened, much to the detriment of society as a whole.

It is good news that the information minister has expressed his readiness to take up the matter with the government. We believe that the print media as the engine of free flow of information and the vehicle for serving the people's right to know will be accorded all the facilities that it deserves and that it should not bear the brunt of any policy adjustment or favour done to any other industry.

Elections in Iran

We hope that the matter can be resolved peacefully and constitutionally

THE dust has yet to settle in the aftermath of the presidential election held in Iran this week. Incumbent president Mahmoud Ahmadinejad has been declared the official winner of the race with over 63 percent of the vote.

However, his principal challenger, ex-prime minister Mir Hossein Mousavi, has now officially contested the results, and has been joined in his rejection of the results by another candidate, two-time parliament speaker, Mehdi Karroubi.

We cannot say whether the results really do reflect the wishes of the Iranian voters, as claimed by the supporters of the president, or whether the elections were rigged, as alleged by those protesting the election. In the first place, the landslide victory belies the predictions of most experts, who had been suggesting that the vote was likely to be a close one. Indeed, prior to election day, the informed speculation had been that a second round of voting might be needed as it was expected that no single candidate would reach the 50% mark.

In addition, the fact that the results were announced in a hurried manner has raised some questions. Early returns had suggested a close race, with Mousavi ahead by some counts, when the final results were suddenly announced, and Ahmadinejad declared the winner. The fact that the results were also announced all at once, rather than province by province did not also escape the notice of keen observers.

These were crucial elections for Iran. It is thus all the more important that the results enjoy a full measure of credibility, not just outside Iran, but, more vitally, inside the country as well. At present, questions have been raised about the transparency of the procedure; the authorities must, therefore, address the grievances with respect and seek to defuse tensions.

It is regrettable that the protesters are being met with violence, and that many of those who have been vocal in criticism of the election have been detained. We strongly feel that these are not measures that a government should take against its own people.

Our best wishes and highest hopes are with the Iranian people. We hope very much that violence will be eschewed by all sides and the controversy resolved in a constitutional and peaceable manner.

The colour of money

We go to the people in power, or people wearing different kinds of uniforms, or to big bosses in the secretariat, or to the dons in Dhaka, Pakistan and Dubai. Money we must have. An awful lot of money. A hell of a lot of money. For money we are ready to sell our country. For money we are ready to sell our souls.

SHAHNOOR WAHID

REMEMBER the super hit song by ABBA: "Money, Money, Money," or the movie, "The Colour of Money" (1986) starring Paul Newman and Tom Cruise? Well, there is no commonality between the two, except for the word Money. That's enough, isn't it? It rings so sweet in our ear...the sound "Money," whether it comes in metal or paper.

Yes, let us talk about money today. It is the most discussed and desired topic in history. It has created and destroyed many governments across the world. And it continues to do so. Volumes have been written on this topic and volumes will be written in the future. But nothing would change people's attitude towards money.

It is commonly said that money and happiness walk hand in hand. You can veritably buy happiness if you have sacks of money. So, one guy sarcastically said: "Money is not the most important thing in the world. Love is. Fortunately, I love money." How naughty, indeed. But do we all believe in this maxim? That money can fetch happiness? At least Benjamin Franklin did not. He said: "Money never made a man happy yet, nor will it. The more a man has, the more he wants. Instead of filling a vacuum, it makes one." Scary, isn't it?

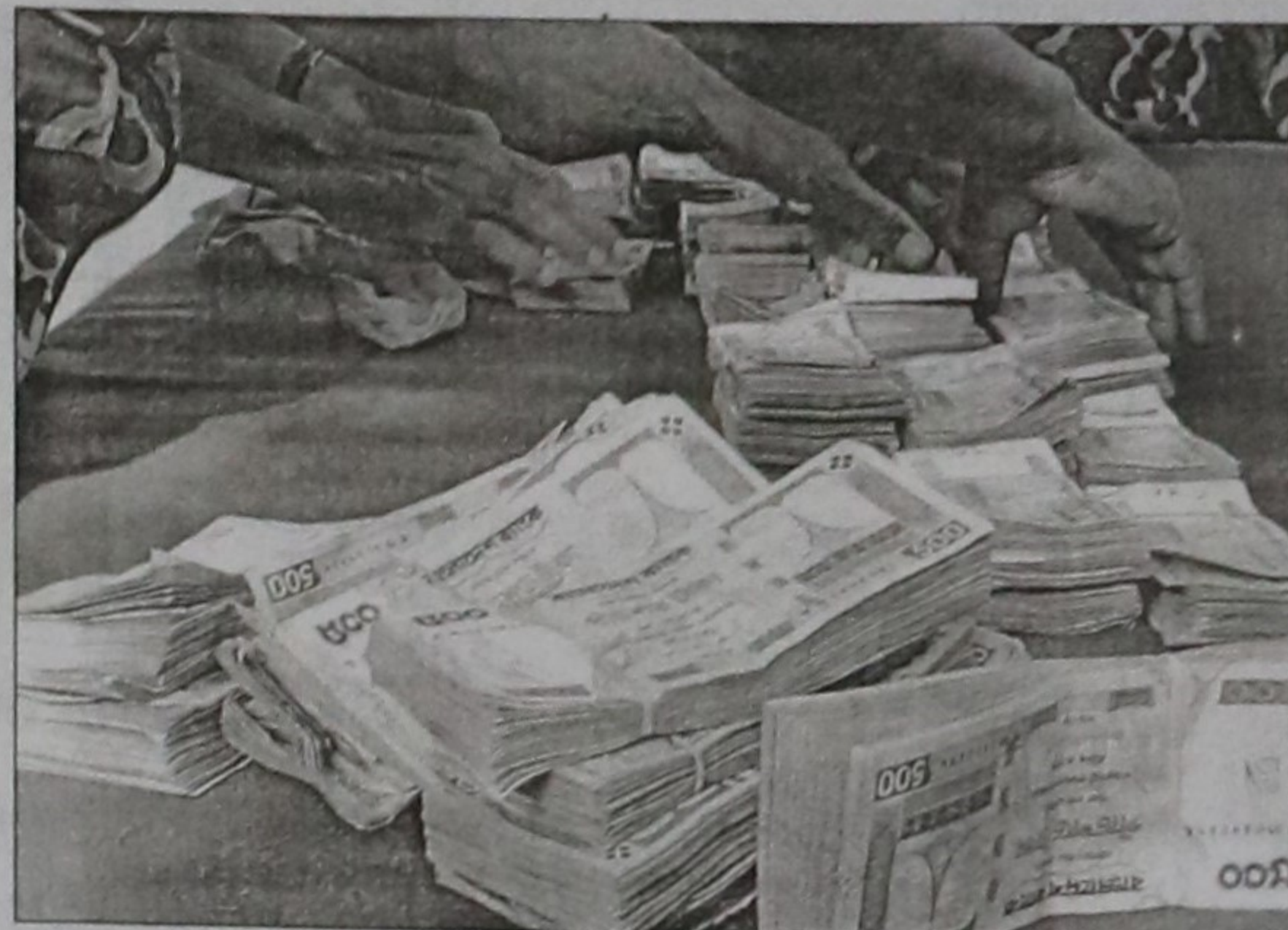
In Bangladesh, at the moment, everyone is talking money. The finance minister of the current government has started it all. He had reasons to do so. Because money is sprouting here in various colours -- black,

white, blue, red, green, yellow -- coming from various sources, smuggling, arms dealing, heroin peddling, hired killing, extortion, black marketing, taking bribe, selling villas with false documents, hoarding of essential food items and so on.

Well, as long as money comes, we are happy. We live like kings, sipping whiskey, surrounded by skinny men and women in groin clothes. When it stops coming, we get upset. Very upset. We go to the people in power, or people wearing different kinds of uniforms, or to big bosses in the secretariat, or to the dons in Dhaka, Pakistan and Dubai. Money we must have. An awful lot of money. A hell of a lot of money. For money we are ready to sell our country. For money we are ready to sell our souls.

But, brother, why do you need so much money? I mean, aren't there any other goals worth pursuing? Ah! It's simple! We need money to live in luxury, to send our children to expensive schools and universities, drive luxury limousines, pay club bills, pay for trips to Singapore for treatment, pay the chachas, pay the hired goons, go to New York to buy apartments, buy a yacht, and so on. You see, life is meaningless without these, so we need to have an awful lot of money.

Well, the money matter is beginning to sound funny lately with everyone coming up with individual explanations of whitening of black money as proposed by the finance minister. Some have outright rejected the idea. Some are trying to find rationale in it. Others remain non-committal trying to figure out what to say



What colour is your money?

really. It is a complicated subject no doubt.

How much black money do we actually have in the country? Has anyone done an extensive study to find this out? Also, we need to know which money is black and which is not. Is undisclosed money black money? If the total stashed away amount is from smuggling, black marketing, arms dealing, heroin peddling, hoarding and taking bribes, should we allow the owners the "lucrative" ten percent tax to take the rest of the money home? Aren't the crimes mentioned above treated as felonies strong enough to land one in jail for good?

The common idea is, exemption or the facility should be given only to people who have undisclosed or untaxed sums that were earned through legal means. These people could be motivated to invest the whitened money in industries or capital market. But, for God's sake, not smugglers or black marketers! And you don't expect smugglers wanting to invest millions in

industries and then wait for profits to come after years, when they could earn a million in a month through sending contraband items across the borders.

Let us conclude by quoting from some Indian journals on black money and money stashed away by Indians in offshore banks. Recently, there was a big debate in India over stashed black money. "Capital flight from India is a serious issue and should be debated seriously," former Union Minister Jairam Ramesh told PTI recently. One report says that Indian wealth in Swiss banks and other offshore tax havens ranges between \$500 billion and \$1.4 trillion (more than the size of the Indian economy). And for the first time in Indian electoral history, tax reforms have been discussed seriously during the last election in India.

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Iranian imbroglio

Iran's economic woes and its relationship with the outside world emerged as key issues during a feisty campaign marked by street rallies and acrimonious candidate debates on prime-time television.

HARUN UR RASHID

MAHMOUD Ahmadinejad has been re-elected as president of Iran in a resounding victory, according to the official result. Interior Minister Sadeq Mahsouli announced that Mr Ahmadinejad won some 63 per cent of the vote in an election marked by a turnout of more than 80 per cent.

Ahmadinejad was challenged by three contenders: war-era prime minister Mir Hossein Mousavi (1981-1989), two-time parliament speaker Mehdi Karroubi (1989-1992 and 2000-2004) and Expediency Council secretary, Mohsen Rezaei.

Iran boasts that it is the most democratic country in the Middle East and this is partly demonstrated by the fact that during the campaign, all four candidates were given equal air-time for a series of broadcasts, campaign videos, and one-on-one debates on state-controlled television.

As it became clear that the reformist Mousavi's bid to halt Ahmadinejad's drive for a second term at the helm of the Islamic

Republic was faltering, the president's supporters began pouring onto the streets of Tehran, honking their horns and waving Iranian flags.

Young men and women in big cities had thrown their weight behind Mousavi, while Ahmadinejad, who has pledged to help the poor and stamp out corruption, drew passionate support from rural towns and villages. It is repeat of what we had witnessed in Thailand -- the divide between urban and rural populations.

The leading rival, reformist candidate Mir Hossein Mousavi, is contesting the outcome, complaining of a number of voting irregularities. He had earlier said there was a shortage of ballot papers and millions of people had been denied the right to vote. His election monitors were not allowed enough access to polling stations, he added, saying he would deal seriously with any fraud. Free and fair elections, of course, include many elections. And there is a strong suspicion among critics that the government machine was behind Ahmadinejad.

Iran's economic woes and its relationship with the outside world emerged as key issues during a feisty campaign marked by street rallies and acrimonious candidate debates on prime-time television.

During their campaign, Mousavi, Karroubi, and Rezaei announced that they would adopt a different strategy in dealings with the West, promising to hold diplomatic dialogue with the United States. Ahmadinejad, however, reiterated that he would not change his foreign policy should he be elected for another term.

Venezuelan President Hugo Chavez telephoned Ahmadinejad to congratulate him, telling him the victory "represents the feeling and commitment of the Iranian people to building a new world." The Arab League urged Ahmadinejad to use his re-election to resolve the nuclear issue and establish peace and security in the Middle East.

World powers including Britain and the United States have reacted cautiously to the outcome of the presidential election. The European Union, which has led efforts to engage Iran on its contested nuclear program, said in a statement it "hopes that outcome of the presidential elections will bring the opportunity to resume the dialogue on nuclear issue and clear up Iranian position in this regard."

In power structure, the apex is the supreme leader, currently Ayatollah Ali

Khamenei, who appoints the head of the judiciary, six of the members of the powerful Guardian Council, the commanders of all the armed forces. He also confirms the president's election. The Leader is chosen by the clerics who make up the Assembly of Experts.

Then there is the parliament, the Majlis, with its powerful speaker Ali Larijani. And former president Hashemi Rafsanjani continues to be influential, partly through his chairmanship of two important institutions, the Expediency Council and the Assembly of Experts.

And while it is always said that the supreme leader has the final say on the nuclear program, it is surely no coincidence that it has been dramatically speeded up under the presidency of Ahmadinejad.

Iran's nuclear program has now gained such momentum that it is hard to see any new Iranian president stopping or suspending it. Neither will Iran's next president have the authority to change dramatically the Iranian system of government, or its relations with the outside.

It is only within these limitations that the country's leaders may change the direction of the country in response to President Obama's policy of dialogue, reconciliation and realism.

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Feeding the beast

The most obvious winner is Israel's right-wing Likud government, led by Prime Minister Benjamin Netanyahu and Foreign Minister Avigdor Lieberman. There was never the slightest indication that a Mousavi victory would lead Iran to dial back its program for enriching uranium and, potentially, building nuclear weapons.

CHRISTOPHER DICKEY

WHAT happened to all those charming, articulate young men and women in North Tehran, interviewed again and again on Western television? They were so enthusiastic about Ahmadinejad's main opponent, former prime minister Mir Hossein Mousavi. They were excited about the prospect of more freedoms. They thought Ahmadinejad was a failure and an embarrassment, and they really seemed to like us Americans. Indeed, they seemed almost to be like us Americans. Didn't they speak for the real Iran?

Actually, no. It appears that the working classes and the rural poor -- the people who do not much look or act or talk like us -- voted overwhelmingly for the scruffy, scrappy president who looks and acts and talks more or less like them. And while Mousavi and his supporters are protesting

and even scuffling with police, they are just as likely to be overwhelmed in the streets as they were at the polls.

So what does this beastly development mean for the region and American policy?

The most obvious winner is Israel's right-wing Likud government, led by Prime Minister Benjamin Netanyahu and Foreign Minister Avigdor Lieberman. There was never the slightest indication that a Mousavi victory would lead Iran to dial back its program for enriching uranium and, potentially, building nuclear weapons.

And Israelis see that program as a threat to their existence, no matter who is president of Iran. But Mousavi's touchy-feely image as a moderate reformist would have clouded the issue, obscuring the potential dangers as the Israelis see them, and making it harder, politically, for Netanyahu to keep open the option of a military attack to set back the nuclear program.

When it looked like Mousavi might win, the American Israel Public Affairs Committee (AIPAC) started sending out e-mails to American journalists and opinion makers insisting that Mousavi was a very bad guy, too.

Specifically, they said Mousavi was responsible for the secret deal with the underground network of Pakistani scientist A.Q. Khan that laid the foundations for Iran's nuclear program. But now AIPAC doesn't have to worry. Ahmadinejad's solid reputation as a Jew-baiting Holocaust denier will make it easier for Netanyahu to frustrate American attempts at dialogue with Tehran. And for the same reason, in political terms, Iran under Ahmadinejad is a perfect target should Netanyahu decide war is his best or only option.

Would-be peacemakers are losers, of course. Even if Ahmadinejad reins in his rhetoric and tries to reach out to the hand extended by US President Barack Obama, his history will be hard for Obama to shake. America's Arab allies are losers, too.

Ahmadinejad's populist appeal reaches beyond Iran to the streets of Cairo, Amman and Riyadh, undermining Arab regimes that have made peace with Israel, or would like to. As Saudi Foreign Minister Saud al-Faisal put it recently: "Israel is the key for Iran to enter the Arab world." Mousavi didn't seem interested in that game.

Ahmadinejad loves it.

Ironically, the biggest losers may be some powerful members of Iran's clerical establishment. One of the reasons Ahmadinejad was first elected in 2005 is because that beast, the public, was sick of what it saw as the corruption of earlier presidents.

Akbar Hashemi Rafsanjani, who was running against Ahmadinejad and remains at the upper echelons of the theocratic elite, was a particular target. In the closing days of this campaign, Ahmadinejad launched into Rafsanjani and his allies again, suggesting his opponents were just Rafsanjani's tools.

And Rafsanjani responded with an unprecedented public letter to supreme leader Ayatollah Ali Khamenei. In thinly veiled language, it warned that all of the old guard, including Khamenei, might be threatened if Ahmadinejad continued with his anticorruption accusations.

In the event, Khamenei did nothing to stop Ahmadinejad, and on Saturday Khamenei endorsed the outcome of the elections. But this drama of character assassination at the highest levels of the regime may be far from over.

For the old guard, that could be a beastly development indeed.