

## Japan's PM

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and is expected to be approved by the less-powerful upper house since it has the backing of the two largest opposition parties.

Ozawa said the ruling party has "betrayed" the public by teaming up with the opposition to ram through the tax hike.

"The Democratic Party under Prime Minister Noda is no longer the one that achieved a power change," Ozawa told a news conference. "We are looking at forming a new party in order to return to our initial principle of establishing a political system in which the people can have a choice."

Ozawa declined to give further details about the new grouping, but said it would focus on addressing the people's main concerns, such as nuclear safety, in addition to opposing the tax increase.

He said a decision on policies and other details of a new party would be announced in a few days.

The party split will make it harder for Noda to achieve his policy goals in Parliament.

## Tarique's bail

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accused in 14 criminal cases and now on bail in 12 cases.

He was freed from jail on bail in 2008 and went to London for treatment the same year.

The HC yesterday extended his bail in two extortion cases and one tax evasion case, which were filed during the last caretaker government.

Two businessmen Aftabuddin and Syed Abu Said Shahid had filed the extortion cases with Gulshan Police Station.

On March 27, 2007, Aftabuddin sued Tarique and several others on charges of extorting Tk 80 lakh from him, while Shahel filed the case against Tarique and several others on May 4, 2007, for extorting Tk 4.89 crore at different times.

The National Board of Revenue on August 4, 2008, had lodged the case with the Metropolitan Sessions Judge's Court in Dhaka for evading tax of Tk 26.86 lakh between 2002 and 2006.

The HC on August 27, 2008, had granted bail to Tarique for six months in the three cases.

The court later on extended its bail order at different times.

Two cases were filed against Tarique on charges of misappropriating money in the name of establishing Zia Orphanage Trust and Zia Charitable Trust, said barrister Mahbub.

The trial of the two cases is underway.

## Punish graft

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also demanded that the government step down immediately shouldering responsibilities of the corruption in the mega project, and reiterated its pledge that two bridges on river Padma would be built if BNP voted to power.

The government is now internationally-recognised corrupt and the World Bank has given this certificate, claims the BNP.

"Construction of the Padma bridge with the World Bank fund will be better for the country. Still, scope is there to solve the issue with the World Bank instead of going for alternative funds with tougher conditions," BNP standing committee member MK Anwar told journalists at chairperson's Gulshan office.

Asking the government to make public all information regarding the deals for alternative funds, he said in a written statement that construction costs of the Padma bridge would go high several times "if the government goes for commercial loan".

"All the deals against the country's interest would be scrapped if BNP comes to power," he warned.

Party's acting secretary general Mirza Fakhrul Islam Alamgir, standing committee member Abdul Moyeen Khan, chairperson's advisers Osman Farruk, Mushfiqur Rahman and Ismail Jahiullah, and Joint Secretary General Ruhul Kabir Rizvi were also present.

Replying to a query, MK Anwar said the government took stance against the WB "only to protect some corrupt

# ACC quizzes

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investigation said 73-year-old Ziaul Huq, managing director of Engineering and Planning Consultant Ltd (EPC), the local agent of SNC-Lavalin, was interrogated about why he had frequently visited the office of Bangladesh Bridges Division.

ACC directors Mir Md Zainul Abedin Shebli and Mirza Zahidul Alam quizzed Ziaul Huq at the commission's headquarters from 9:10am to 10:30am, said Pranab Kumar Bhattacharya, ACC public relations officer.

According to sources, several secret meetings regarding appointment of the Canadian company were held in the Bridges Division office. Former communications minister Syed Abul Hossain, former state minister for foreign affairs Abul Hasan Chowdhury, CEP chief Ziaul Huq, former secretary of the Bridges Division Mosharraf Hossain Bhuiyan, SNC-Lavalin's former vice-president Ismail Hossain and civil contractor Mujibur Rahman Chowdhury alias Nixon Chowdhury, also the younger brother of parliament whip Noor-E-Alam Chowdhury, used to be present in the meetings.

The anti-graft watchdog interrogated Abul Hasan Chowdhury on June 14 and Nixon Chowdhury on June 19.

Sources said Abul Hasan and Ziaul Huq were quizzed as they were relatives and had played key roles in arranging meetings at the Bridges Division. Besides, Nixon also had close link with Bangladesh-born Canadian citizen Ismail Hossain, a former vice-president of SNC-Lavalin.

ACC would soon quiz Syed Abul Hossain and Mosharraf Hossain Bhuiyan, said officials.

The anti-graft commission launched two investigations into the allegations of corruption in the main bridge project and in the appointment process of SNC-Lavalin after the World Bank had drew its attention on the matter last October. Since then the WB kept its \$1.2 billion loan for the project suspended until June 30, when it finally cancelled the loan.

ACC has already completed the first investigation and found no evidence of irregularities in the main

bridge project.

Last November, the Royal Canadian Mounted Police (RCMP) on WB's request launched an investigation against SNC-Lavalin. They raided the company office, seized documents from there and arrested former chief executive Pierre Duhaime, Bangladesh-born Canadian citizen Ismail Hossain and Indian-born Canadian citizen Ramesh Saha

## All for a

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BSF men of Malshabari camp in Dhubri district of Assam, held them when they were distributing relief among the flood-hit victims in the area, according to Border Guard Bangladesh (BGB) sources. BSF sources said the Bangladeshi nationals had crossed the India-Bangladesh border at Narayanpur.

Later, the team was released at 2.00pm after BGB had communicated the matter to BSF in Dhubri district.

Maj Iqbal, acting commander of 22 BGB battalion in Kurigram, said, "The speed boat driver could not make out the India-Bangladesh border since the entire area is flooded."

## Gen Moeen

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Ten prosecution witnesses including widows of slain army officers Col Mujibul Haque and Lt Col Shamsul Azam, and Dr Snigdha, who carried out autopsy of 14 victims of the carnage, gave depositions yesterday.

The widows narrated the brutality of the muteers on their husbands. They named 17 muteers for the killings during the February 25-26 mutiny at the HQ of BDR, now renamed Border Guard Bangladesh, in Palkhana.

Judge (in-charge) Dr Md Akhtaruzzaman of the Metropolitan Sessions Judge's Court recorded the depositions.

The court fixed tomorrow for next hearing of the case. The court has so far recorded statements of 270 prosecution witnesses including complainant of the case.

Fifty-seven army officers including the then BDR director general Maj Gen Shakil Ahmed and his wife were among 75 people killed during the mutiny.

# ADB unable

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Division (ERD) said the Asian Development Bank and the Japan International Cooperation Agency (Jica) would similarly cancel their loans in line with the co-financing arrangement.

A statement issued by the ADB yesterday says, "ADB understands and respects the reasons that have led the World Bank to its decision. ADB and the World Bank follow similar policies, rules and procedures on governance and fiduciary oversight."

Last Friday, the WB in a statement announced its decision to cancel its component of \$1.2 billion on charges of corruption in the estimated \$2.9 billion project.

The ADB's share in the project is \$615 million, Jica \$400 million and Islamic Development Bank (IDB) \$140 million.

In an e-mail to The Daily Star, the ADB said it had been informed by the WB of the decision to withdraw the loan.

Given the importance of the project for the country and the region, the ADB said, it deeply regretted that the two parties [WB and the government] had been unable to reach an agreement to go ahead with the project. It added that it had a longstanding relationship with Bangladesh and its people, and reiterated its commitment to long term development needs.

Jica told The Daily Star through an e-mail that it would take a decision about the loan it had promised for the bridge upon consulting with the Japanese government.

The situation is very much regrettable in spite of the efforts of the Bangladesh government and the WB, it

## BSF kills

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other deceased could not be identified immediately. However, Abdul Jalil, Border Guard Bangladesh (BGB) 26 Battalion, denied the unidentified deceased was a Bangladeshi.

Lt Col Abu Bashir, commanding officer BGB 38 Battalion, said BSF personnel of Tarali camp of 24-Parganas district opened fire on a group of Bangladeshi cattle traders returning from India with cattle around 5:00am.

He confirmed that Altfar was shot near Kolaroa frontier, inside the Indian territory that his assistant Mohid Hossain has been detained by the BSF.

Meanwhile, BSF members of Kaliani camp stabbed an unidentified youth to death along Kaliani Border in India, confirmed local people and BGB informers.

The youth was stabbed around 6:50am, when he was loitering in the Indian side of the border.

Bongaon police recovered the body and could not identify his nationality.

## Industrial

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director to appear at the DoE Dhaka office yesterday.

He also ordered the MD to restore the area to its former state within 45 days.

The Doe director said they permitted Ahmed Valley Livestock Company, a sister concern of Abul Khair Group, for flattening hills on 12.99 acres of land for the Dhaka-Chittagong highway project.

But the company has cut hills at four places beyond authorisation and built a walkway.

It has destroyed ecological balance and increased the possibilities of landslides.

Any development work should be done after ensuring the safety of the environment, Munir added.

## Rangpur city

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Replying to a query, the CEC said the EC did not take any decision whether the Electronic Voting Machine (EVM) would be used during the polls.

The EC has finalised the 'Upazila Parishad Rules', said Kazi Rakib, adding that it would be sent to the law ministry soon.

## Mridha

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officials of Chittagong Division were interrogated as they were members of different recruitment committees.

In addition, nine teachers of a Chittagong school were also quizzed as they checked examination scripts of candidates for various posts.

ACC sources say the investigators summoned the officials and the teachers as they found evidence of irregularities in the process of selecting candidates and even in the checking of exam scripts.

The sources say the selection committees selected a huge number of candidates in exchange of bribe money, while the teachers were also allegedly biased in checking the exam scripts.

ACC deputy directors Akhter Hamid Bhuiyan and Abu Sayeed interrogated them in phases from 11:00am at the commission's office.

Mridha entered the ACC office around 11:00am and left the ACC office through the rear exit secretly dodging the eyes of the journalists waiting in front of the gate.

The other eight railway officials and the nine teachers, however, refused to comment.

They just said they came to Dhaka as they were summoned and answered to the investigators accordingly.

The ACC launched an investigation into the alleged corruption in recruitment process of the railway and illegal wealth of some officials after Border Guard Bangladesh members arrested former railway minister's APS Golam Faruq Talukder, Mridha, security commandant of railway's Dhaka Division Enamul Huq and Faruq's driver Ali Azam with Tk 70 lakh in their possession.

Following the incident, Mridha and Enamul were

# WB ignored Dhaka's

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never took any of our proposals into cognizance," the finance minister told the Jatiya Sangsad in a written statement.

"Probably, in an attempt to settle the issue in haste during his term, the outgoing World Bank president Robert Zoellick took this imprudent decision which has shattered Bangladesh's image.

"In April, a government representative [prime minister's international affairs adviser Gowher Rizvi] went to Washington to discuss the matter. He could not meet Zoellick because the World Bank president was preoccupied with other schedules. But he continued talks with other World Bank high-ups."

After Muhith gave his statement, Speaker Abdul Hamid said he hoped the crisis over the Padma bridge funding would now be resolved.

"I want to state in clear terms that there has been no misuse, corruption or irregularities in the Padma bridge project," the finance minister affirmed, this time not reading from the written statement.

Terming the WB's decision improper, Muhith said in the written statement, "The World Bank cannot malign a country or dishonour its people on the basis of an unconfirmed or incomplete allegation."

The WB cancelled its \$1.2 billion credit for the project on Saturday, saying it has proof of corruption conspiracy involving Bangladeshi officials, executives of a Canadian firm and individuals.

"I consider that the World Bank statement has humiliated the whole country and the allegation labelled against us is not well founded," said Muhith.

The finance minister once again urged the bank to review its decision, and said, "I hope we will have talks with the bank's top leadership any moment."

He was confident that the government would be able to start the project's work this fiscal year.

Muhith urged other financiers to take prudent decisions. "I also think other development partners will carry out their responsibilities in this project by analysing the World Bank's decision and statement."

The minister told the House that in order to clarify the government's position before the nation he had released a set of letters that the government had sent to the WB. But he did not make available the WB's letters to the government for the sake of the ongoing probe and out of respect to the global lender.

The finance minister provided a detailed background of the project and sequence of events.

He said the bank's claim that the Bangladesh government did not act properly on corruption allegations was not correct. The government

went beyond its routine procedures and was accommodative about all of the bank's recommendations, said Muhith.

"The World Bank wanted to sign a memorandum of understanding with us on corruption. I consider it highly disgraceful. Instead, I informed them that this should also apply to the understanding that we reach with the development partners through formal correspondence."

Muhith said the bank informed the government on April 9 that the probe in Canada was at a final stage and that the Canadian authorities had arrested two SNC-Lavalin officials. One of the officials told them that "he, through some distinguished individuals [whose identity was not disclosed], offered to give commission to some influential Bangladeshis if their firm was selected for the job."

The Canadian authorities confiscated the official's diary and found a list, said Muhith.

"I preferred not to make the list public as it would have ruined the reputation of those individuals. This list includes the names of politicians and bureaucrats as well as other individuals."

"Any writing in the diary would be credible evidence only when more proof is found in support of the writing. In my opinion, the whole matter is based on the possibility of corruption which the World Bank has called the conspiracy of corruption."

"We wanted to blacklist SNC-Lavalin when such allegations were raised and thus it is unfair to complain that we tried to protect any corrupt individual."

In early June, a WB delegation came to Dhaka on the government's invitation and the team had discussions with the government on corruption allegations and the project's implementation, Muhith said.

After this discussion the WB sent a letter asking the government to take some steps that included sending on leave the officers allegedly involved in the corruption and keeping a WB-designated panel informed about the progress in the probe and taking their advice.

"The problem with these proposals was that we were forced to admit the corruption allegations before they were substantiated. Therefore, we did not accede to their proposal and resorted to other means to dispel their concerns."

Muhith said the WB's proposal to form a separate inquiry cell was not necessary at all, as the ACC had already formed one, while the bank's advice regarding giving a foreign panel full access to the findings was not in conformity with ACC laws.

The government floated tenders for the main bridge in April 2010 with permission from all the partners. Later, a

re-tender was floated on the advice of the WB following a change in the bridge's design, he said.

The minister added the WB thrice advised the government to accept the Chinese company CRCC for qualifying in the prequalification. "But the evaluation committee comprising experts did not accept the advice."

The bridge department following an inquiry informed that the CRCC never applied for reconsideration, and the company's Bangladesh agent, Ventura International Ltd, resorted to corrupt practices in this regard.

"The World Bank went on to repeatedly recommend the CRCC .... As a result, the project implementation was delayed by three months. We don't know whether the World Bank has taken any action against those who were connected in this scam," said the minister.

Later, the CRCC informed the government that it was not interested in the project. At the same time, it cut off relations with its Bangladesh agent.

Muhith said two officials from the integrity department of the WB visited Bangladesh in April to probe the allegations of corruption in the project. They also met a group of business and spread "indecent rumours about a respectable person," the minister added without naming who the "respectable person" was.

"At this meeting, an official named Howard Dean lodged a complaint of corruption against a respectable person. One of the members present in that gathering protested firmly and requested him to refrain from spreading this kind of story. He also challenged him and asked him to show evidence in support of this allegation. In the end, the World Bank official withdrew his comments and apologised," he said.

Muhith said a representative of the government went to Washington and held talks with senior WB officials on how to eliminate possibilities of corruption in the project. "Taking the secret and informal proposal into cognizance, the prime minister took steps to bring in new leadership in the bridge division," he said, adding that the services of the project director were terminated and the secretary and the then communications minister were transferred.

Following this, the top management of the bank said it would inform Dhaka about its stance after discussions with the WB president.

"Later, they [WB officials] told us that our proposal and other steps could not satisfy the bank. They suggested the work of the bridge remain suspended until the Canadian probe is completed. They also suggested that the inquiry by the Anti-Corruption Commission

## Remove

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LGRD ministry with State Minister Jahangir Kabir Nanak in the chair. At the meeting, the traffic department of police narrated the reasons behind traffic jams in the city and dwelt on possible solutions to it.

Nanak told the meeting that traffic signals could not be seen on different city streets due to banners and festoons, and these lead to an increase in accidents in the city.

He said all organisations - political, social, business and charity -- would have to play a responsible role in keeping the city traffic jam-free.

LGRD Secretary Abu Alam Md Shahid Khan, DMP Commissioner Benazir Ahmed and top officials of the traffic department were present at the meeting.

Meanwhile, the DCC and the DMP in the early hours today started their massive drive, the first of its kind in the capital in the last few years, in different parts of the capital, including Farmgate and Mohakhali areas, and removed several hundred illegal structures.

In Mohakhali, the authorities removed a few offices of the ruling Awami League's associated bodies Jubo League and Swechhasebak League. In Farmgate, a good number of hawkers gathered to take away goods from their roadside shops around 1:15am.

## A bridge

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significant travel time and vehicle operational costs between Dhaka division and the southwest region.

The gross agricultural output in the region will increase by more than 50 percent over the 31 years.

After the construction of the bridge, increased economic activity will alleviate poverty in Khulna and Barisal divisions.

The project will help raise employment by 10.2 percent in the region by boosting farm activities, especially vegetable production.

According to the project appraisal undertaken by the WB, the bridge's outcome will be 1.9 percent reduction in poverty a year at the national level and 2 percent in the southwest region.

Once the bridge is constructed, roughly more than 9,000 hectares of land will be protected from riverbank erosion and flooding. The value of land saved will be at least \$156 million.

The combined savings in utility crossings for electrical line, fibre optic cables and gas pipelines will be \$271 million.

The proposed bridge will also help the government cut 50 percent subsidies for ferry operation. With closure and/or reduction in operation of ferries, there will be additional savings, to the tune of about \$400 million.

# Talks start on arms trade treaty

AFP, United Nations

International talks started yesterday on a treaty to regulate the \$70 billion a year global arms trade, with the Syria conflict and trafficking into Africa casting a shadow on efforts to secure an effective accord.

Negotiators from the 193 United Nations members have until July 27 to come up with a draft treaty. But most diplomats and observers say it will be a mammoth task to reach an accord.

The United States is by far the world's biggest arms trader, accounting for more than 40% of conventional weapons sales. Britain, China, France, Germany and Russia follow them.

All of the major producers have reasons to limit any treaty.

The United States -- which produces six billion bullets a year -- wants to exclude munitions, according to diplomats. China does not want the treaty to cover small arms, which it exports en masse to developing countries.

China, Russia and Arab countries say the accord's criteria are subjective and politically motivated.