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Near East & South Asia

BANGLADESH

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12 September 1991

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International Affairs

Foreign Minister Comments on U.S. Task Force

91AS1350 Dhaka *THE NEW NATION* in English
22 Jul 91 p 8

[Text] Foreign Minister A.S.M. Mustafizur Rahman yesterday said categorically that the government had no plan to lease out the St. Martin's Island to the United States, reports BSS.

The Foreign Minister, who was answering a question from Sharifuddin Ahmed (AL-Habigonj) during the question hour in the Jatiya Sangsad ruled out any such possibility unequivocally.

He told the Sangsad in reply to a number of questions on the operations of U.S. Task Force in the cyclone and tidal surge ravaged coastal area and off-shore islands that a Brigade of U.S. Task Force arrived in Bangladesh to carry out relief and rescue operations. Mr. Rahman said, out of the 4,600 marines and 2,965 seamen, a total of 300 marines had engaged themselves in the relief work directly.

In reply to a question from Nurul Islam Moni (Ind-Barguna), the Foreign Minister told the Sangsad that the U.S. Task Force had arrived in the country following the international appeal made by Prime Minister Begum Khaleda Zia for emergency help soon after the devastating natural calamity on 29 April. He said the U.S. President George Bush had ordered the Task Force to divert its home-bound course from the Persian Gulf to Bangladesh following Prime Minister's appeal.

The Minister also said a Memorandum of Understanding (MOU) was signed later on 20 May between Bangladesh and the United States on the legal position, status and facilities for the Task Force members.

Replying to another question from Mansoor Ahmed (AL-Satkhira), Mr. Rahman pointed out that the Bangladesh Government had not spent anything for the U.S. Task Force, although it had provided furnished accommodation, the Task Force members with telephone and transport facilities. He said the main Task Force team of the United States left Bangladesh on 29 May, while the second team of 40 marines left the country on 12 June.

He also said a total of 56 Indians, 16 Pakistanis, 25 Chinese, 36 Japanese and 30 Britons were also engaged in the relief operations in the cyclone battered coastal areas.

Reportage on Relations With Soviet Union

Soviet Foreign Minister's Remarks

91AS1324A Dhaka *THE BANGLADESH OBSERVER*
in English 12 Jul 91 pp 1, 10

[Text] Moscow, July 11:—Foreign Minister of Soviet Union, Mr. Alexander Bessmertnykh, has said that the official visit of the Bangladesh Foreign Minister, Mr. Mostafizur Rahman, to his country has opened a new phase of greater bilateral interaction, reports BSS.

"The visit has opened up a new phase of bilateral understanding and this contact needs to be maintained at regular basis", he told BSS Diplomatic Correspondent accompanying the Bangladesh Foreign Minister.

The Soviet Foreign Minister said his talks with the Bangladesh Foreign Minister covered wide areas—all aspects of bilateral issues, regional and international matters.

We have agreed to develop political relations between the two countries in addition to strengthening the areas of cooperation, Mr. Bessmertnykh said.

He laid particular emphasis on Moscow's desire to further develop ties with the Third World countries and said Dhaka occupied an important place because of its continued airing of the views of the Third World and LDC [less developed countries] nations.

The Soviet Foreign Minister who is now busy in visiting many countries to participate in different kinds of dialogue in the broader context of the wind of change blowing across the world said his country stressed particular importance to furthering ties with the democratic governments.

In this context, the Soviet Foreign Minister recalled the formation of new government in Bangladesh following general elections and said this augured well for a more closer Moscow-Dhaka relationship.

Mr. Bessmertnykh said he felt high political level contacts between Moscow and Dhaka should be maintained at a regular basis and added that he had accepted an invitation extended to him by the Bangladesh Foreign Minister to visit Bangladesh. Mr. Bessmertnykh left here last night for Washington for talks with United States Secretary of State James Baker on the next summit President Mikhail Gorbachev and President George Bush.

Soviet Union's increasing involvement in the global political scenario in the post cold war era takes its Foreign Minister frequently in different places. Mr. Bessmertnykh is also seized with the upcoming "G-7" meeting in London expected to be attended by President Gorbachev as an invite. Mr. Bessmertnykh spoke of the lessening of the global tensions in the recent years because of Moscow's initiatives and said this would have an important bearing on the reduction of the arms and consequently greater expenditures for the welfare of people.

The Soviet Foreign Minister said his country was thrown into a kind of confusion and problems in the domestic economic and political areas due to the remarkable changes brought about by President Gorbachev but such problems were evaporating giving way to a stable, moral and open system.

He stressed that the problems were inevitable since the changes were noteworthy but such problems, essentially transitional in nature, were a phenomenon that would eventually pay rich dividends to the Soviet Nation.

Joint Statement Issued

91AS1324B Dhaka THE BANGLADESH OBSERVER
in English 13 Jul 91 pp 1, 10

[Text] Moscow, July 12:—Bangladesh and the Soviet Union reaffirmed their willingness to continue to develop and improve cooperation between the two countries in the interests of the people of both the countries and building a safe and a peaceful world, reports BSS.

The Soviet-Bangladesh joint statement, issued following Bangladesh Foreign Minister A.S.M. Mostafizur Rahman's official visit to Soviet Union from July 9 to July 12, said talks were held between the Minister of Foreign Affairs of the USSR, Alexander Bessmertnykh, and the Foreign Minister of Bangladesh on a broad range of issues of common interest.

The talks revealed the proximity of approaches to disarmament issues, the problems of establishing a just and equitable [as published] international economic order, greater cooperation amongst the world community for environmental protection and environmental emergency situations.

The Soviet Union and Bangladesh advocated taking further steps to strengthen stability in Asia and the Pacific region through confidence building measures and dialogue in order to prevent confrontation.

The Soviet side welcomed the efforts designed to promote interaction between the South Asian states within the framework of the South Asian Association for Regional Cooperation (SAARC).

The Bangladesh Foreign Minister described the current state of the country's evolution towards democracy and the efforts taken by the government of the republic to overcome the existing economic difficulties.

In his turn, he was informed about the Perestroika trends underway in the Soviet Union and the basis parameters of the upcoming treaty on the union of the USSR as a new type of a federal democratic state.

Both the sides also discussed issues pertaining to bilateral relations and prospects for their further development. The need was noted to pursue the search for new areas and directions of mutually beneficial cooperation.

Mr. Bessmertnykh and Mr. Rahman signed the Consular Convention between the USSR and the People's Republic of Bangladesh.

The Bangladesh Foreign Minister met USSR Minister of Foreign Economic Relations Katushev. He also visited historic places in Moscow and made a tour of Leningrad.

The visit took place in an atmosphere of mutual understanding respect and goodwill which reflects the traditionally friendly nature of Soviet-Bangladesh relations, the joint statement said.

Talks With Mayor of Leningrad

Another report says:—Foreign Minister A.S.M. Mostafizur Rahman, now on an official visit to the Soviet Union flew in here yesterday and held talks with an important Soviet leader on Bangladesh's trade and other economic matters.

His discussions with Mr. Anatoli Sobchak, the Mayor of the Leningrad City, covered issues like setting up joint ventures and visit of Bangladesh trade teams to Soviet Union.

Mr. Sobchak shot into prominence in recent past following his big victory as the mayor of the important city in first direct elections. But his importance is not confined within the city affairs as he is seen as one of the top four or five Soviet personalities in the national level at present.

While Mr. Boris Yeltsin won the Russian Federation presidency elections, two of his close fellow leaders won the elections as mayor in Moscow and Leningrad. Mr. Sobachak, the mayor of this historic city where the great October Revolution had begun in 1917, is also speculated in some quarters as a potential candidate to run for Soviet presidency in future. Mr. Sobchak showed keen interest in developing trade ties with Bangladesh and welcomed ideas from the Bangladesh Foreign Minister for greater interaction. The Soviet republic under the on-going reforms is enjoying greater freedom and is free to an extent to have trade with foreign countries.

The Bangladesh Foreign Minister was warmly received in this great city by the Mayor and the Chairman of the City Council Mr. I.Y. Belieaev. The Soviet Government in a rare gesture provided special plane for the Bangladesh Foreign Minister and his delegation members for flying to this city the name Leningrad immediately focusses in mind glorious revolutionary past as the October Revolution in 1917 began from here and spread to other cities. Mr. V.I. Lenin had formed first Communist Soviet Government here and the building that housed the government stands at the heart of the city as the symbol of a new era. It is now being used as the office of the Communist Party.

It was again this city which displayed heroism and valour during the Second World War against 900 days seize by the Germans.

The Bangladesh Foreign Minister placed wreaths at the monument to the heroic defenders of Leningrad.

In his talks with the Chairman of the City Council Mr. Mustafizur Rahman discussed greater interaction of the city with Bangladesh's cities of Dhaka and Chittagong.

The City Council Chairman said linkages between this city with Bangladesh cities would help interactions in wider sense between the Bangladesh and Soviet Union. This would also facilitate the visits of different delegation between the two sides.

Earlier, in Moscow the Foreign Minister held talks with Soviet Economic Relations Minister Mr. Katuchev on economic relations between the two countries. Trade

Soviet assistance to different areas including the power sector came up for discussions.

Consular Convention Signed

91AS1324C Dhaka THE BANGLADESH OBSERVER
in English 11 Jul 91 pp 1, 10

[Text] Moscow, July 10:—Bangladesh and Soviet Union in a significant move today signed a consular convention as a step to further develop friendly relations and cooperation between the two countries, reports BSS.

The signing of the important convention which is under negotiations since 1975 followed high level official talks between the two countries here.

Foreign Minister ASM Mostafizur Rahman led the Bangladesh side while the Soviet delegation was headed by Foreign Minister Alexander Bessmertnykh in the talks that lasted two hours on the Soviet Foreign Ministry here.

The meeting, first at Foreign Ministerial level after many years was marked by a cordial atmosphere and all issues of common interest came up for discussions.

Two Foreign Ministers signed the consular convention after the talks and both sides described the signing of the agreement as a step forward towards further strengthening the bilateral ties.

The convention governing the treatment and other related matters of diplomats and civilians of two countries is seen as a breakthrough since its signing was awaiting for many years.

The official talks between the two sides led by the bilateral ties. [sentence as published] While the two ministers reviewed the state of bilateral ties with a view to further expanding the areas of cooperation all other issues of common concern including the current international scenario came up for discussions.

Before the start of the official talks Mr. Mostafizur Rahman and his Soviet counterpart Mr. Bessmertnykh had an exclusive meeting for some time.

The Bangladesh Foreign Minister arrived here yesterday morning on a four-day official visit. The last time a Bangladesh Foreign Minister visited Moscow on a bilateral visit was more than sixteen years ago.

Mr. Mostafizur Rahman was assisted in the talks, among others by Bangladesh Ambassador in Soviet Union Mustafizur Rahman, Additional Foreign Secretary Reaz Rahman and Director General in the Foreign Ministry Mohammad Zamir.

The Soviet Foreign Minister was aided in the discussions by Deputy Foreign Minister I. A. Rogachev, Ambassador to Bangladesh, Y. K. Alexeev and head of the South Asian Division in the Ministry Y. M. Kotov.

The level of cooperation in the different fields, exploration of new areas for possible cooperation and other issues were discussed in the meeting. Two Foreign Ministers

exchanged views on the contemporary global situation and spoke of their willingness to work in concert for world peace and stability.

The Soviet Foreign Minister welcomed the visit of the Bangladesh Foreign Minister and expressed the hope that this visit would contribute to furthering the bilateral ties. He also congratulated the new democratic government in Bangladesh.

Foreign Minister's Return

91AS1324D Dhaka THE NEW NATION in English
14 Jul 91 pp 1, 8

[Text] Foreign Minister A.S.M. Mostafizur Rahman returned here yesterday from a four-day official visit to the Soviet Union, satisfied with the outcome of his discussions with leaders there, reports BSS.

“The visit was goodwill in nature at the invitation of the Soviet Foreign Minister Alexander Bessmertnykh and we had fruitful discussions on bilateral and other issues,” he told newsmen at the airport on return.

The visit to the Soviet Union was first by a Bangladesh Foreign Minister in more than 16 years. It was also the first visit on a bilateral plane by the Foreign Minister to a country after the new Government was formed following the February general elections.

Mr. Rahman said, he held wide ranging talks with his Soviet counterpart on all issues of common interest.

He called on Soviet Vice-President G.I. Yaney and held talks on trade and other economic matters with Soviet Foreign Economic Relations Minister M. Katuchev.

“The Soviet side attached considerable importance to the visit” Mr. Rahman said adding that the outcome of the discussions would provide a requisite impetus to the bilateral ties.

The Foreign Minister said the focus of the talks was on the economic issues and two sides agreed to maintain close and regular contacts at a high political level for the furtherance of relations.

He said trade, other form of economic cooperation, the willingness to work in concert for global peace and stability and greater bilateral interaction figured prominently in the discussions with all the leaders he met.

The Foreign Minister, during his stay in the Soviet Union, placed a floral wreath at Lenin's Mausoleum and tomb of the unknown soldiers at the Red Square, he also flew to Leningrad, held discussions with the Mayor and the City Council Chairman and also placed wreaths at the monument of the brave defenders of the Leningrad who held on determinedly a long siege by the Germans in the second war world.

Soviet Aid Reviewed

91AS1324E Dhaka THE BANGLADESH OBSERVER
in English 10 Jul 91 p 5

[Article by M. Liaquat Ali Khan, assistant director of the External Publicity Wing of the Ministry of Foreign Affairs: "Bangladesh-Soviet Relationship In the Light of Foreign Minister's Visit to Moscow"]

[Text] It is nearly after 16 years that a Foreign Minister of Bangladesh is going to visit the USSR. The visit is taking place in a milieu conducive to reviewing the entire gamut of relations between the two friendly countries. In view of establishment of an elected democratic government in Bangladesh and Soviet openness in her policies both at home and abroad, the visit evinces keen interest of both the peoples.

There is no doubt that our people cherish great love for USSR because of her very valuable contribution to Bangladesh during our War of Liberation and post-Liberation reconstruction period. As such, we gratefully acknowledge the Soviet role during our War of Liberation and her subsequent timely and prompt assistance extended to salvage our war-torn economic infrastructure. USSR government formally recognised Bangladesh on 25 January 1972.

Immediately after the recognition, Soviet government sent experts to give life to the moribund veins of Chittagong Port. The occupation forces turned the Port to only a wreckage of what was once a life-line to the country. The navigability of the channel leading to Chittagong Port had collapsed entirely. It became a mine-field with hundreds of thousands of live mines and torpedoes scattered here and there. Huge vessels and ships remained sunk. In fact it became a danger-prone zone. At such a time, when everything was out of joint, Soviet salvage fleet came forward and did wonderful job of giving a new lease of life to the port. Mines and torpedos were swept away and sunken vassels removed. This was of vital importance for reactivating the Bangladesh economy at that critical moment. The port once again started throbbing with normal activities and of course this time more vigorously in an independent country.

General Electric Manufacturing (GEM) plant in Chittagong and Ghorasal Thermal Power plant are two key installations that still bear the stamp of generous and very effective Soviet contributions to the Bangladesh economy. The four units of Ghorasal Power Plant have already been installed that account for generating 530 Megawatts and meet over one fourth of our power needs. When the 5th will be added, 40 per cent of country's power need will be met from Soviet installed units alone. Contract for the 6th unit was initialled on December 12, 1987.

We must recount here with admiration the Soviet assistance for installation of superpower, Transmitter for Radio Bangladesh. Soviet assistance in the oil and gas sector started since 1962 in the form of expertise services covering the fields of geology, geophysics and equipment for drilling. The earlier agreement was renewed in March

1972 which is still continuing. The Soviet specialists worked on six drilling locations resulting in the discovery of three gasfields at Begumganj, Feni and Kamta. Now, Bangladesh hopes to receive Soviet assistance on grant, turn-key or soft loan basis for drilling two more exploratory wells during the Fourth Five Year Plan.

The Soviet authorities have agreed to examine collaboration on the Joypurhat limestone exploration and cement project. It is expected that a Soviet team will arrive in Bangladesh soon to study the economic and technical viability of the project. In March 1991, the Soviet Union informed that she was ready to supply a 440 Magawatt Nuclear Power plant and if necessary might cooperate in constructing nuclear power station on turn-key basis and render assistance in assembling and servicing Nuclear Power Station. The proposal is being assessed by Bangladesh Atomic Energy Commission.

Despite her own difficult economic situation, Soviet Union had pledged to provide Bangladesh with various materials worth US \$4 million for the relief of the April 29 cyclone victims. The goods include 5,000 tonnes of diesel oil, 1,000 tonnes of cement, 10 trucks, 3 tractors, 3 excavators, 1 bulldozer's 4 scrapers, medicines and bandaging materials. All the goods will reach Bangladesh by September this year. These relief goods are apart from the already rendered help on behalf of the Soviet Red Cross and the Soviet Peace Foundation and the Soviet Committee for Solidarity with Asian Countries.

We also recall with gratitude that many of our freedom fighters critically wounded in the liberation war received treatment free of charges at Soviet hospitals. The Soviet Union has also provided hundreds of scholarships to Bangladeshi students for study at undergraduate and post-graduate levels in the fields of medicine, engineering and other subjects of importance to their country. This year USSR government has offered 19 scholarships.

So far the two countries have carried out their trade through 19 Barter protocols, the last being signed on March 27, 1990 providing for exchange of goods worth about US \$34.50 million each way. Trade negotiations between the USSR and Bangladesh were held at Moscow during May 27-29, 1991. The two sides reviewed the development of trade between the two countries including the performance of previous Barter protocols as well as exports from Bangladesh under credit repayment. Presently, Bangladesh exports to the Soviet Union jute and jute goods, tea, finished and unfinished leather, readymade garments and other consumer goods.

It is hoped that the 4-day visit of Bangladesh Foreign Minister to USSR, beginning today (July 9, 1991), would mark a happy beginning to strengthen and consolidate the friendly and cordial relations that exist between our two countries. In the backdrop of changes in Europe, we also hope that the Bangladesh Foreign Minister ASM Mostafizur Rahman and his Soviet counterpart Mr. Alexander Bessmertnykh, will find many more areas in the sphere of both international and bilateral relations where their views will be close and complementary. There should

be common concern for international peace goodwill and security and both the countries would cooperate with each other in the efforts for renunciation of use of force in international relations and for general and complete disarmament. It should also be of prime consideration that regional and global cooperation is strengthened and Third World countries are giving opportunity to raise their levels of development and improve quality of life of their peoples.

Regional Affairs

Pakistani Policy on Stranded Citizens Scored

91AS1347A Dhaka *THE NEW NATION* in English
25 Jul 91 p 5

[Editorial—"Repatriation of Stranded Pakistanis"]

[Text] The stranded Pakistanis in Bangladesh have been passing their days in utter misery for the last 19 years. Housed in squalid, overcrowded camps and without any regular employment they are waiting for their repatriation to Pakistan without knowing how many years more they have to wait. These hapless, helpless foreigners pose a grave humanitarian question before the world. Taking advantage of their misery some Christian missionaries have started proselytising activities. Many of them are skilled hands and would have been a productive force in the normal course of things—that is, if they were not indefinitely stranded on a foreign land.

Bangladesh has always affirmed its readiness to cooperate in any move for their early repatriation. But Pakistan has always dodged the issue and evaded its primary responsibility in this regard. Pakistan could play host to three million Afghan refugees but has dragged its feet on taking back its own citizens numbering less than three lac. [lakh] Bangladesh is much smaller and poorer than Pakistan but it has repatriated all its stranded citizens from Pakistan and rehabilitated and re-employed them as far back as 1973-74.

When Benazir Bhutto was the Prime Minister the opposition IJI [Islamic Jamhoori Ittehad] led by Mr. Newaz Sharif criticised the Prime Minister for dilly-dallying over the repatriation issue.

Even an IJI sponsored delegation was sent to this country to make a survey of the situation. But nothing tangible came of it. Now IJI is in power. One would expect the present Pakistan government to remain steadfast to its commitment. For them the repatriation issue is not only a humanitarian but also a moral question.

A repatriation is an on-going process. The well-to-do have almost all left on their own initiative. Among the poor, those who can manage plane fare are going and are quietly accepted. But owing to absence of general repatriation, it is the poorest among the stranded Pakistanis who are left in the lurch. The Pakistan policy, if it is continued, will be seen discriminatory against the poor.

It is hoped, however, that the policy will change. The latest information in this regard is encouraging. Our Foreign

Minister informed the Jatiyo Sangsad recently that Pakistan has in principle, agreed to take back its stranded citizens numbering 2.5 lac in response to calls from Bangladesh and international organisations. The minister said that the Pakistan government and the Makkah-based international organisation Rabitat-al-Alam-al-Islami had signed an agreement back in 1988 to form a trust for generating funds for repatriation but there was no progress due to internal situation in Pakistan. The minister reassured, however, that the present Pakistan government, especially Prime Minister Newaz Sharif has expressed interest to take back the stranded Pakistanis.

We trust both the governments will intensify efforts to start general repatriation and end the misery of 2.5 lac Pakistanis now stranded in Bangladesh.

Kuwait To Return Deposits of Dhaka Nationals

91AS1348A Dhaka *THE NEW NATION* in English
22 Jul 91 p 1

[Text] The Kuwait Government has assured to refund Tk [Takas] twenty two crore deposited by the Bangladesh nationals with the Sonali Bank there, the State Minister for Labour and Manpower, Barrister Rafiqul Islam, informed the Jatiya Sangsad tonight, reports BSS [sentence as published].

He also told the House about the assurance from the Kuwait Government of returning assets lying with the Kuwaiti banks. A Sonali Bank team will shortly visit Kuwait in this connection, he said.

The State Minister was answering questions on matters of urgent public importance arising out of the problem created by thousands of Bangladeshis who returned home following the Gulf war.

Raised by JP [Jatiya Party] member Monirul Huq Chowdhury the discussion on the problem was participated by ten other members, namely: Messrs. Koksud Ibne Aziz (JP), Azizur Rahman (AL) [Awami League], Enamul Huq (Jamat), Mahbubul Alam (Whip-BNP [Whip-Bangladesh Nationalist Party]), Ebadul Rahman Chowdhury (JP), ARM Alamgir (BNP), Abu Lais Md. Mobin Chowdhury (JP), Ziaul Huq (BNP), Md. Nasim (Chief Whip opposition) and Begum Fatema Chowdhury (BNP).

Barrister Rafiq said Bangladesh government was in constant touch with the Kuwaiti government so that all the 56,000 Bangladesh nationals who were employed in Kuwait before the war could be sent back to that country.

Paper Reports Maldives President's Visit

Meeting With Zia

91AS1352 Dhaka *THE BANGLADESH OBSERVER*
in English 21 Jul 91 pp 1, 10

[Text] The Maldives President, Mr. Maumoon Abdul Gayoom and Prime Minister Begum Khaleda Zia Saturday discussed the ways for making SAARC [South Asian Association for Regional Cooperation] meetings more business-like and functional, reports BSS.

The Male meeting of SAARC Foreign Ministers had given the mandate to the current SAARC Chairman, Mr. Gayoom for seeking suggestions of member states on how to make the meetings business-like and functional by reducing formalities.

A foreign office spokesman told newsmen the two leaders during their 90- minute talks held at State Guest House Meghna also discussed various matters of bilateral interests.

He said the Maldives President briefed Begum Khaleda Zia about the SAARC activities. Mr. Gayoom also pointed out various previous decisions needed attention for speedy implementation.

The observance of SAARC year of environment in 1992, setting up of a SAARC regional fund, study on the causes and consequences of natural disaster and protection and preservation of the environment, study on the Green House effect and its impact on the region and setting up of non-governmental and professional associations are the subjects which came up for discussion, he said.

The spokesman said the Maldives had prepared a list of activities in observance of the environment year and those were being circulated among the member states.

Regarding the SAARC fund it was observed that the fund could be constituted by voluntary contributions of member states and also by donor agencies and international financial institutions.

The two leaders, among others, also discussed about the status of children in SAARC countries and called for following up of the export meeting held on the subject in February this year.

During the formal talks President Gayoom referred to the vision and wisdom of Shaheed President Ziaur Rahman who had first formulated the idea of SAARC as an instrument of peace, progress and cooperation in this region and added that although the translation of this vision into reality took place subsequently all of us owe this idea to him (President Zia).

Begum Khaleda Zia said that SAARC as a concept centred to be very close to us and all of us together should do everything to address the problem of poverty in this region in an environment of peace, security, and stability.

Begum Khaleda Zia described the existing relations between the two countries as "excellent" and said the volume of cooperation was very satisfactory.

The Bangladesh Prime Minister offered seats in the medical, engineering and other institutions for the Maldives students. She said Bangladesh could send both skilled and unskilled labours to Maldives.

She welcomed more economic cooperation between the two countries in the form of joint ventures for the mutual benefit of the two peoples.

Begum Khaleda Zia extended all support to the SAARC current Chairman President Gayoom in leading the organisation to its cherished goal of improving the lot of the people of this region. She hoped that SAARC would become more meaningful and purposeful in future.

During the talks, Prime Minister Begum Zia was assisted by Foreign Minister A.S.M. Mostafizur Rahman, State Minister for Food Barrister Nazmul Huda, Foreign Secretary Abul Ahsan, Member of the Planning Commission, Dr. Sheikh Maqsood Ali, Additional Foreign Secretary Reaz Rahman and Additional Secretary In-Charge Prime Minister's Secretariat Dr. Kamaluddin Siddiqui.

President Gayoom was aided among others by Mr. Abdul Rasheed Hussain, Minister of State for Presidential Affairs, Mr. Ibrahim Hossain Zaki, Deputy Minister for Foreign Affairs and Mr. Ahmed Abdullah, High Commissioner of the Maldives to Bangladesh.

Departure Press Conference

*91AS1352B Dhaka THE BANGLADESH OBSERVER
in English 21 Jul 91 pp 1, 10*

[Text] The Maldives President Maumoon Abdul Gayoom Saturday described his two-day visit to Bangladesh as "productive" and said his talks here on the SAARC [South Asian Association for Regional Cooperation] would help further strengthen the seven-nation regional organisation, reports BSS [Bangladesh News Agency].

"I am fully satisfied with the talks and we are looking forward to the next SAARC summit" President Gayoom, the current Chairman of the SAARC, told a Press conference prior to his departure.

The Maldives President, who had come here from Kathmandu, left for Bangkok en route to Colombo for talks with Sri Lankan leaders on SAARC matters.

He is visiting three SAARC nations in the current swing.

President Gayoom said he came here for talks with the Bangladesh Prime Minister on the SAARC affairs and called the discussions as extremely "fruitful."

"It is always a pleasure to visit Dhaka which hosted the first SAARC summit" said the SAARC Chairman, who attended all the SAARC summit held so far.

President Gayoom said his talks in Kathmandu, first stop of his current tour, were also purposeful.

We are discussing the consolidation and expansion of SAARC activities as well as the coming summit in Colombo, he said.

Answering a question whether he was satisfied with the achievements of the SAARC since an impression existed in some quarters that the organisation could have made more progress, the SAARC Chairman said no mean achievements were made given the economic conditions of the member nations.

It was necessary to assess the progress in terms of the realities and one could be reasonably satisfied with the achievements made so far, he said.

President Gayoom told another questioner that SAARC consciously avoided discussions on the contentious bilateral issues bedeviling ties among the member nations.

The SAARC had decided not to bring such bilateral issues within its parameters when the organisation was launched, he said.

Asked whether he found any new approach in the SAARC since the last summit in Male because new governments had come in some of these countries, the Maldives President called such changes as normal phenomenon which would not affect SAARC but only contributed to its further well being.

Replying to a question about preventing terrorism in the SAARC region since the killing of former Indian Prime Minister Rajiv Gandhi was suspected to have stemmed from cross-border terrorism, he said SAARC had already signed a convention on suppression of terrorist activities.

The convention has been ratified but all the member nations are required to initiate necessary national legislation to put the convention fully operational, President Gayoom said.

Some of the member countries have done so and it would be possible to eliminate such terrorism once the convention became operative, he added.

Internal Affairs

Zia Stresses Need for Population Control

91AS1325 Dhaka THE BANGLADESH OBSERVER
in English 12 Jul 91 pp 1, 10

[Excerpt] Prime Minister Begum Khaleda Zia Thursday underlined the importance of effective implementation of family planning and mother and child health care programmes, reports BSS.

She said one of the objectives of the present government was to remove the sorrows and sufferings of the poor majority people of Bangladesh.

Begum Zia was inaugurating a seminar on "environment and population" at Osmany Memorial Auditorium in Dhaka in observance of the World Population Day.

Mr. Kamal Ibne Yusuf, Minister for Health and Family Welfare, attended the function as the special guest.

Chaired by Khandakar Asaduzzaman, Secretary, Ministry of Health and Family Welfare, the inaugural function was also addressed by Mr. Charles H. Larsimont, UNFPA [UN Fund for Population Activities] Representative in Dhaka and Mr. Nazmul Huq, Director-General of Family Planning Directorate.

The Prime Minister said the present government had been entrusted to run the administration following an unprecedented mass movement and historic election. She said the

people-oriented programmes taken up by the government could succeed only when the population control target was achieved.

Begum Khaleda Zia said development would remain a far cry if population continues to surpass the area and resource of the country.

In this connection, she referred to the first national population policy initiated by Shaheed President Ziaur Rahman and said he had described the population explosion as 'number one problem of the country'. She said her government is firmly committed to carrying forward President Zia's programme in this regard.

Pointing out the effect of population boom on the environment, Begum Khaleda Zia said this had given rise to many problems. "So we have to link population explosion problem with environment pollution" she said adding "development of the people cannot be possible without controlling the population".

She said the parents would be interested in adopting family planning if the child and mother mortality rate could be reduced. She also called for educating the womenfolk to derive maximum benefit. The more people become educated, the more conscious they will be about the dreadfulness of population boom, she said.

The Prime Minister said the total world population now stood at 540 crore and another 100 crore would be added in 10 years time. But the most frightening matter is that 95 percent of the world population increase would take place alone in the developing countries, particularly in South Asia, she pointed out.

She said Bangladesh's present population of about 11 crore would surpass 13 crore at the end of this century.

Begum Zia said according to experts, the ecosystem of Bangladesh could contain only 13 crore people. If the population rises beyond that then it would be a great disaster, she added.

She called upon the people engaged in population programme activities to utilise all available resources and technique to popularise family planning programme. She said the elected representatives could also greatly contribute to this programme.

Begum Zia also called for utilising the services of the womenfolk and groups to contribute to this programme to make it a success. We are firmly committed to ensuring food, clothes, education, health and shelter for the people of the country, she said. [passages omitted]

Finance Minister Tells UN Extent of Cyclone Damage

91AS1359A Dhaka THE BANGLADESH OBSERVER
in English 18 Jul 91 pp 1, 10

[Text] Geneva, 17 July—Donors pledged 530 million dollars at a U.N.-sponsored meeting Tuesday to help the reconstruction of Bangladesh, hit by a devastating cyclone in April, reports Reuter.

French Secretary of State for Humanitarian Affairs Bernard Kouchner, who chaired the one-day meeting, told a news conference major contributors were the United States, the European Community, Japan, Norway, and Sweden.

The World Bank and the Asian Development Bank were among financial institutions which announced contributions to a rehabilitation programme prepared jointly by Bangladesh and the United States, he said.

Bangladesh, suffered 1.7 billion dollars in economic losses in the 29 April cyclone which killed more than 138,000 people.

"There is a competitive aid environment these days and we are happy about the world's readiness to help," he said.

BSS adds: Finance Minister M. Saifur Rahman Tuesday told the special session of the UN Economic and Social Commission (ECOSOC) for Bangladesh that the loss and damage due to the 29 April cyclone and tidal surge in Bangladesh were estimated at 2.4 billion U.S. dollars.

He said Bangladesh would need 1.8 billion dollars for specific projects for short, medium and long-term reconstruction programmes.

Mr. Saifur Rahman was addressing the ECOSOC meeting here attended by most of the donors and development partners of Bangladesh. French Minister of State for Humanitarian Action Bernard Kouchner presided over the meeting.

Earlier, M'hamed Essafi, Under-Secretary General and UN disaster relief coordinator, presented the joint Bangladesh-United Nations task force report in the meeting.

The Finance Minister said the total monetary value of various forms of external assistance in the initial relief efforts amounted to about 175 million dollars.

Highlighting the severe consequences of the 29 April disaster, the Finance Minister said the total budgetary impact of the cyclone may amount to almost 479 million dollars. He said significant revenue losses have not only been incurred, but more may be expected.

Mr. Rahman said the direct adverse impact on balance of payments may be approximately 600 million dollars, primarily due to export losses and additional import requirements.

Referring to the socio-political scenario of Bangladesh when the tragedy occurred, Mr. Saifur Rahman said after a relentless struggle for nine years against an autocratic regime, a democratically elected government under Prime Minister Khaleda Zia set off with determination to build up a self-reliant economy, social justice, rule of law and firm commitment to uphold human rights.

Rahman Returns From ECOSOC Session, Meets Press
9IAS1349A Dhaka THE NEW NATION in English
22 Jul 91 pp 1, 8

[Text] Finance Minister M. Saifur Rahman said yesterday that the special session of the United Nations Economic

and Social Commission (ECOSOC) had endorsed Bangladesh's need for 1.8 billion dollars for short, medium and long-term reconstruction programmes, reports BSS.

The Finance Minister was talking to newsmen on his return from Geneva via London at the Zia international airport after attending the ECOSOC special session.

Mr. Rahman said with an additional commitment of 150 million dollars the total amount pledged for the reconstruction and rehabilitation programmes for the 29 April cyclone and tidal surge damage now stood at 585 million dollars.

The endorsement was received at the special meeting of ECOSOC held at Geneva on 16 July.

The Finance Minister said Bangladesh was expected to receive more commitments for the programmes from friendly countries and agencies like the USA, UK, Germany, EEC and the World Bank and its affiliated agencies.

Mr. Rahman said the World Bank, in the meantime, had engaged a firm to assess and study the requirements of Bangladesh in her efforts for reconstruction and rehabilitation without affecting the normal development work.

The Finance Minister said Asian Development Bank was expected to contribute about 100 million dollars to the fund for the reconstruction programmes.

He said 36 participants had spoken in the ECOSOC meeting. All of them, he said, had emphasised the need for cooperating with Bangladesh in her efforts of reconstruction programmes.

Mr. Rahman, however, said most of them had also stressed the need and urgency of making economic reforms, plugging the wastage, taking accountability, and creating a competitive marketing system.

Referring to the economic sovereignty, the Finance Minister said it was an absurd thing in the prevailing concept of world economy because the world had to follow equilibrium where economic sovereignty has no place. He said even the richest countries of the world like USA, UK, Germany, Japan and other G-7 member countries had to compromise with the reality while taking certain economic measures.

The Finance Minister said the donors had lauded our measures to bring the economy on a sound footing through various steps. He said they had acknowledged our reform in economic sector such as stopping leakage in public sector, reduction of subsidy and tax reform.

Mr. Saifur Rahman said the Government had identified the bank loan defaulters and was taking steps to bring them to book. He said loans must be repaid so that they could be reinvested for the industrial development of the country. He said repayment of loans was a must for accelerating industrialisation.

Referring to the Value Added Tax (VAT), the Finance Minister said it was the most realistic system of tax for mobilising domestic resources which is badly needed for

the development of the country. He said "Our neighbour Thailand introduced the VAT system only the other day."

Turning to the BCCI affairs the Finance Minister said a committee was working on the issue and on the basis of its findings and recommendations measures would be taken so that interest of the customers was preserved.

The Finance Minister criticised the Bank of England for taking unilateral action on the BCCI bank without consulting the other countries where the bank was in operation.

On his way back home, Mr. Saifur held meetings with the Governor of the Bank of England and British Minister of the Treasury Mrs. Gillian Shephard and Minister for Overseas Development Administration Lynda Chalker. He also met the Deputy Governor of the Bank of England.

Mr. Rahman apprised the Governor of the Bank of England about the difficulties faced by the Bangladeshis in England whose savings with the BCCI had been frozen.

Finance and Planning Minister M. Saifur Rahman said his government had declared, a war on "institutionalised corruption" of the previous government of Bangladesh.

In an exclusive interview with the FINANCIAL TIMES of London in Geneva recently Mr. Saifur Rahman made the above remark in view of the concern voiced by some diplomats regarding corruption and mismanagements with the international aid sent to Bangladesh after several natural disasters during the previous government.

The interview, taken by the FINANCIAL TIMES Geneva correspondent William Dullforce during Mr. Saifur's recent visit there, was published in 17 July issue of the London based daily.

Talking about the recent cyclonic storm and tidal surge, Mr. Saifur Rahman said, Bangladesh Government had endorsed the UN Task Force report on 29 April cyclone and aimed at completing the reconstruction by 1991.

The cost of reconstructing and rehabilitating the area devastated by the disaster was put at 1.78 billion U.S. dollars by the United Nations Task Force which placed its report to potential donor countries.

Turning to the reconstruction of the coastal area wrecked by the cyclone Mr. Saifur Rahman said, Bangladesh had generated 400 million U.S. dollars from its own resources and received more than 400 million U.S. dollars from donor countries and agencies.

Almost one billion U.S. dollars more would be needed to be the cost estimated by the UN Task Force, the UN report added.

Bill To Return Shahabuddin to Justice Post

91AS1254A Dhaka THE BANGLADESH OBSERVER
in English 3 Jul 91 pp 1, 8

[Text] Law and Justice Minister Mirza Gholam Hafiz introduced the Constitution (Eleventh Amendment) Bill, 1991 in the Jatiya Sangsad Tuesday to further amend the

Fourth Schedule to the Constitution for ratification and confirmation of the appointment of the Chief Justice, Mr. Shahbuddin Ahmed, as Vice-President and facilitating his return to the office of the Chief Justice of Bangladesh, reports BSS.

The return of the Vice-President of his former post has been proposed in the bill in accordance with the assurances given to him by the people and the principal political alliances.

The bill also seeks to ratify and confirm all the acts, actions and things done by him as the Acting President and the exercise and performance of powers and functions of the President by him since his appointment on 6 December 1990.

Tracing the background of the appointment of the chief Justice of Bangladesh as Acting President of the country, the bill noted that the then President was compelled to tender resignation in the face of countrywide popular upsurge for the overthrow of the illegal and undemocratic government and giving democracy an institutional shape.

It said, "after the historic success of the students, all employees and professional organisations, regardless of their political affiliations, views and learnings, the three political affiliations, views and learnings, the three major political alliances made an ardent call to the Chief Justice of Bangladesh, Mr. Justice Shahabuddin Ahmed: to take the reins of a neutral and impartial government as its head."

The 11th amendment bill proposed a new Paragraph 21 after Paragraph 20 in the fourth schedule to the Constitution. It will be as follows:

"The appointment of and the administration of oath to the Chief Justice of Bangladesh as Vice-President on the 6th day of December, 1990, and the resignation tendered to him by the then President and all powers exercised, all laws and ordinances made and all orders made, acts and things done, actions taken or purported to have been made, done or taken by the said Vice President acting as President during the period between the 6th day of December, 1990 and the date of commencement of the Constitution (Eleventh Amendment) Act 1991 (both days inclusive) are hereby ratified and confirmed and declared to have been validly made, administered, tendered, exercised, done and taken according to law.

"The said Vice-President acting as President shall, after the commencement of the constitution (Eleventh Amendment) Act. 1991 (of 1991), be eligible to resume the duties and responsibilities shall be deemed to be the period of actual service within the meaning of Section 2(A) of the Supreme Court Judges (Leave, Pension and Privileges) Ordinance, 1982 (XX of 1982)."

Move To Form New Political Front Launched

91AS1351A Dhaka THE NEW NATION in English
21 Jul 91 pp 1, 8

[Article by Sheikh Mohiuddin]

[Text] A new political front is likely to be floated soon comprising breakaway components of the Awami League-led Eight-party Alliance and some other left leaning organisations, informed circles indicated.

Concerned sources said that NAP [National Awami Party] leader Pankaj Bhattacharya along with his colleagues and some like minded political elements had initiated the move to forge a separate platform. The proposed front is expected to be named Progressive Democratic Front, a top NAP leader signalled.

"We are serious about the issue though it is still at an initial stage," the NAP leader said. According to him, Muzaffar Ahmed-led NAP took the final decision at the past extended meeting of the organisation to quit the Eight-party Alliance in order to form another platform.

Nani Gopal Saha, a NAP leader, made it clear that the Eight-Party Alliance had remained only in name since the 27 February parliamentary polls.

Political observers found sharp schism within the alliance following seats-sharing issue during the election period. Indeed, the Eight Party Alliance does not exist at all although its formal dissolution is yet to be announced publicly, Mr. Nani Gopal told this correspondent. When asked Communist Party of Bangladesh (CPM) [as published] leader Mujahidul Islam Salim, also pointed out that the alliance virtually ceased functioning. However, the alliance insiders indicated that NAP, CPB [Communist Party of Bangladesh], Ganatantri Party, Abdus Samad-led Gono Azadi League, a portion of Baksal, Communist League of Bimal Bishwas, Janata Mukti Party would be the probable partners of the proposed front, NAP leaders hoped. NAP leaders, however, ruled out the possibility of forging any realignment with the Five-Party Alliance. It may be recalled that Awami League partners NAP, CPB, Baksal, Gonatantri Party Gona Azadi League forged an electoral alliance with the Five-Party Alliance following difference with Awami League over seats-sharing issue during the 27 February polls. But the electoral alliance had turned into a farce when Sheikh Iliasina dramatically offered 36 seats to her partners for contesting the polls unitedly with the symbol boat.

Rashed Khan Menon, MP [Member of Parliament] and an influential leader of the Five-Party combine told this correspondent that the move to float a new front would be a futile exercise. "We are not at all ready to stage a farcical drama in the political arena," Mr. Menon regretted.

Meanwhile, CPB sources said that the party's previous stand to remain with the Eight-Party Alliance was changed. The decision adopted at the last executive committee meeting of the party was to look for an alternative unity of the like-minded parties aimed at resolving the mountain high economic problems and political crisis. This sentiment of the rank and file also influenced the party's thinking following the 27 February parliamentary polls. Majority members are of the view that the party should immediately quit the Eight-Party Alliance and intensify its own organisational activities. The sentiment

was reflected at the recent executive committee meeting of the party too. Earlier, the joint secretariat meeting of the upazilas also expressed identical views. This is a clear signal of split in the Eight-Party Alliance aimed at forming new polarisations in the left camp, political speculators observed.

Mujahidul Islam Salim, CPB leader said, the party stands for a united programme to resolve the economic problems and political crisis confronting the nation. To achieve the goal, the party feels, there is no alternative to a broad-based unity of the like-minded political parties. Asked to comment on the move initiated by NAP leaders to form a front, Mr. Salim said that no formal or informal talks were so far held in this regard. When contacted Mirza Sultan Raja, convener of Janata Mukti Party said that formation of a mere front would not be encouraging and effective. We will consider the issue seriously if its ultimate goal is to form a party, he added.

Meanwhile, Ganatantri Party sources said that the party leaders like Peer Habibur Rahman and others raised the issue at its central committee meeting and the decision in favour of forming the front was finalised. None opposed the move.

Awami Krishak Sramik League Executive Meets

9IAS1354A Dhaka THE NEW NATION in English
20 Jul 91 pp 1, 8

[Excerpt] The BAKSAL [Bangladesh Awami Krishak Sromik League] faces a serious crisis of liquidity following preliminary decision of a faction to return to their parent organisation the Awami League. When asked, a top party leader ruled out the possibility of the merger of the BKSAL with the Awami League saying that some stalwarts along with a number of their admirers and supporters might desert the party but the BKSAL would exist, the dissolution of BKSAL would not be at all unanimous, the party leader asserted.

The issue on the merger of the party with the Awami League was raised at the recently concluded two-day executive committee meeting of the party with its Chairman Mohiuddin Ahmed in the chair. But the attending members failed to arrive at a consensus on the issue. Reviewing the latest political situation, some members suggested that a final decision be taken on the issue. Party sources said the followers of Mohiuddin Ahmed and Abdur Razzak, Chairman and Secretary General of the party emphatically argued in favour of the merger. While mid-level leaders like Hasimuddin Haider Pahari, Reazuddin, Mokul Bose and others strongly opposed the move.

They opined that the party leaders should immediately give due attention to its organisational matters by launching tours and mass contacts to strengthen the party at grassroot level.

The decision to merge with the Awami League is, however, likely to be finalised at the ensuing council session, as per decision of the recent meeting, party sources signalled.

Meanwhile, the antimerger group stressed the need for forging a left-oriented front with the like-minded people. Mukul Bose, Reazuddin, Hasimuddin Haider Pahari and others belong to this camp. They are also of the opinion that BKSAL should immediately quit the Awami League led eight party alliance, and form a separate platform with NAP [National Awami Party], CPB [Communist Party of Bangladesh], and other partners. These leaders strongly criticised what they called big brotherly attitude of the Awami League and said that the eight party alliance had ceased its function, so another platform of progressive and democratic forces is imperative to mobilise public opinion in favour of the movement for resolving the problems of the nation. [passage omitted] The eight party alliance virtually exists only in name, one of the leaders of this camp felt. Party sources stated that those who were opposing merger of the party favoured the forging of a broad-based unity with other partners of the alliance. In the meantime, anti-merger group had taken initiative to discuss the issue with NAP leaders. A series of hectic parleys among the like-minded party leaders had taken place informally, a NAP leader also disclosed. There is no alternative to a greater unity of left-oriented front to play an effective role in the political arena, some BKSAL leaders observed.

Assessing the opinion of the rank and file of the party, informed political circles indicate that party stalwarts would fail to attract the total leaders and activists of the party in favour of rejoining the Awami League. Hence BKSAL would not collapse if the prominent figures of the organisation including Mohiuddin Ahmed and Abdur Razzak quit the party, many said.

Awami League Central Executive Committee Meets
9IAS1353 Dhaka THE BANGLADESH OBSERVER
in English 21 Jul 91 pp 1, 10

[Text] Bangladesh Awami League would not compromise on any undemocratic provisions in the Constitutional amendment bill 1991 introduced in the parliament for restoration of parliamentary system of Government.

In a resolution adopted at a meeting of the Central Executive Committee held on Friday at Bangabandhu Bhavan under the chairmanship of Mr. Abdus Samad Azad, Deputy Leader of the Opposition in the parliament, Bangladesh Awami League observed that the Constitutional amendment bill, 1991 submitted by the ruling party contained provisions curbing the fundamental rights and aimed at establishing individual autocracy. The bill also contained some controversial issues opposed to the agreed modalities of the Three Alliances. Bangladesh Awami League believed in establishing real sovereignty of the Parliament and unalloyed parliamentary system of government.

The meeting of the central committee of the Awami League said that the Constitutional amendment bill placed by the party was acceptable and universal and contained clearly the democratic provisions for the restoration of real parliamentary system of Government. The meeting blamed the ruling party of resorting to subtle in curbing the

fundamental rights and establishing individual autocracy which it termed was the violation of the commitment as contained in the joint declaration of the three alliances. The meeting resolved to continue struggle for establishing sovereignty of the Parliamentary and unalloyed parliamentary system.

The meeting expressed its grave concern over deteriorating flood situation in different parts of the country and alleged that there was little government efforts in mitigating the sufferings of the flood affected people. The meeting demanded the Government to grant G.R. relief, supply of seeds and house building materials on liberal and easy terms, water purification tablets and medicines among the flood affected people.

The meeting of the Central Committee of the party also urged the Government to declare the greater Chittagong district as calamity zone following the unprecedented cyclone and tidal bore. It called for taking immediate steps for the rehabilitation of the people and waive all kinds of taxes including the land tax, water and electricity bills and other government credits within the cooperation limit.

Bangladesh Awami League expressed its solidarity with the demands of the journalists and two other federations of the newspaper industry and urged the respective owners to accept the recommendations of the Wage Board Award. The meeting hoped that owners of five newspapers would make efforts to end the strike of the newspaper employees and journalists by accepting their demands. It criticised the Government for maintaining silence in resolving the crisis in the newspaper industry. The Awami League simultaneously demanded the Government to implement the report of the Pay Commission for the Government employees.

BNP Leader Makes Statement on Campus Violence
9IAS1357A Dhaka THE BANGLADESH OBSERVER
in English 17 Jul 91 p 1

[Text] BNP [Bangladesh Nationalist Party] Secretary General and LGRD [Local Government and Rural Development] Minister Abdus Salam Talukder has said, the BNP government was committed to ensure congenial atmosphere in education arena by eradicating violence and terrorism.

In a statement issued in Dhaka Tuesday the BNP leader dispelled the allegations of Awami League chief Sheikh Hasina that present government was indulging in what she said oppression against the opposition including Awami League and Chhatra League. She raised the allegation at a workers' rally at Gopalganj Circuit House Monday, it said.

Mr. Talukder also rejected the allegation by the AL [Awami League] that campus vandalism could not be stopped due to lack of sincerity of the government.

He said, the government to stop campus violence had already taken a number of realistic measures. Besides, other necessary steps would be taken in future, he added. In this connection the BNP Secretary General referred to the grand conference of all political parties held at the

International Conference Centre on 12 July to find out ways and means to stop campus violence.

Mr. Talukder said, in the conference, Prime Minister Bergum Khaleda Zia gave a clarion call to all quarters to render contributions to ensure academic atmosphere in country's educational arena by eradicating violence and terrorism.

Reports of Misdeeds of Former Regime, Trial

Ershad Hearing Resumes

91AS1260A Dhaka THE BANGLADESH OBSERVER in English 20 Jun 91 pp 1, 8

[Text] The hearing in the corruption case against former President H.M. Ershad resumed on Wednesday at the Special Tribunal at Gulshan with Mr. Mohammad Ali Khan, Divisional Judge in the chair, reports BSS.

At the outset of the fourth day of the hearing which began around 10:30 a.m., the defence prayed for the adjournment with a plea that chief counsel Mr. Serajul Haq is unwell and is therefore unable to attend the court. Besides, the defence in its prayer requested that the accused be allowed to meet his lawyer. The application submitted by the defence mentioned that Mr. Haq was not allowed to see Mr. Ershad in the jail on 14 June.

The former President who was sitting in the dock stood up in an excited mood and told the court that there is no proper arrangement for him to talk to his lawyer in the jail and that no words could be exchanged because of glass partition placed between him and the lawyer. He further said that if a lawyer is denied free access to meet his client, then there was no point in saying that rule of law is practised. "If you want to punish me, do it. There is no need of any trial," he said.

His lawyers intervened and asked him to take his seat.

The Attorney-General Mr. Aminul Haque, did not agree with the contention of the accused that the present arrangement of meeting between former President and his lawyer was obstructing consultation. He, however, assured the court that intercom will be installed so that the accused and the lawyer can consult comfortably.

The prosecution then produced Mr. Nurul Alam, Officer-in-Charge of Cantonment Thana who is PW-2 in the case for cross-examination scheduled in the last date on 11 June. The defence, as per their prayer made earlier, showed no interest to cross-examine saying that they would do it on the next date.

Later, two Government officials who are witnesses to this case were produced to certify the authenticity the two orders issued in December last following his arrest in connection with the formation of an inventory committee and taking of stocks of the materials at the Sena Bhavan, official residence of the former President H.M. Ershad in cantonment, the officers, who authenticated the orders, are Mr. Abdul Hamid Chowdhury, Joint Secretary (Political

Branch), Home Ministry and Major (Retd) Momtazuddin Ahmed, Deputy Secretary (Security Branch), also of the Home Ministry.

The next date for hearing has been fixed for 1 July.

Earlier, the Attorney-General prayed for the transfer of court venue near the Central Jail to which the defence objected. The decision on the issue will be given later the judge said.

Impediments Alleged

91AS1260B Dhaka THE NEW NATION in English 28 Jun 91 pp 1, 8

[Text] The judicial commission set up for investigating the alleged corruptions indulged in by ousted President Ershad and his associates, is learnt to have faced impediments in carrying out its task speedily for a lack of cooperation from a section of bureaucrats.

According to reliable sources, despite repeated reminders the officials in different ministries and departments have not been supplying required information and documents to the commission for carrying out its investigations. High officials of some of the autonomous bodies are also causing delay in supplying the necessary information and official papers to the commission, the sources said.

The three-member commission headed by Mr. Justice Ansaruddin is yet to complete its reports on the alleged corruptions indulged in by Ershad and his associates for the unusual delay in the supply of the required information by the relevant authorities though it was set up more than six months ago.

The commission is learnt to have submitted second part of its reports to the Government this month after its investigations into 40 cases with prima facie evidence of corruption charges involving Ershad and some of his ministers.

The first part of its report was submitted earlier on 1 April to the Acting President and the commission mentioned 53 cases of corruptions against the Ershad regime.

The commission received innumerable numbers of corruption allegations since it started investigations on 24 December soon after the ouster of Ershad from power.

It may be recalled that Acting President Justice Shahabuddin Ahmed in his inaugural speech in Parliament on 5 April mentioned about 1,000 corruption charges against the ousted Ershad regime.

The sources said if the required information and official papers and documents were made available speedily by the relevant authorities, the commission could complete its task within a reasonable timeframe.

Ershad Speech Costly

91AS1260C Dhaka THE NEW NATION in English 30 Jun 91 pp 1, 8

[Text] Ousted President Ershad had penchant for dramatics when he would make gracious promises and distribute favours—all aiming at winning support. Understandably these promises were costly and it became costlier during later days of his regime.

In an attempt to strengthen his tenuous hold onto power, he announced financial benefits to the employees of jute sector without caring about its economic health in a speech at Adamjeenagar in August 1989. That speech cost the nation Taka 100 crore instantly, leaving behind an annual burden of about Taka 50 crore.

Sources said, he got his Prime Minister to work out the modus operandi. His henpecked labour union started making impossible demands which even the opposition labour unions did not dare make. A meeting was organised at Adamjeenagar and the ousted ruler gave his gracious blessings to the jute sector employees. The sector had incurred a loss of Taka 350 crore before the benefits were announced.

The benefits were two annual bonus, two gratuities, a special increment, 40 percent dearness allowance [DA]—10 percent over other employees of the government and house rent arrear from 1985, calculated on the basis of new DA.

No other speech of Ershad was so costly and so harmful for the economy.

But his aim to win the workers fell flat for they wanted to get rid of his corrupt rule and were growing impatient every day. While the sector got burdened with additional financial burden, the jute sector failed to face the competition from India.

Ousted President also ordered waiver of a rule under which bonus was paid to those who were present on 80 percent of the working days. Clearly the move aimed to win the worker at the cost of mills' economic viability.

The officials said the BJMC [Bangladesh Jute Mills Corporation] said the Corporation was now paying Taka 26 crore Taka for two bonus. Adamjee Jute Mills alone needs Taka 6 crore for two bonuses the official sources said.

The State Minister for Jute also informed the Parliament yesterday that BJMC suffered a total loss of taka 1,301 crore between 1972 and 1990. And the outstanding bank loans provided to run the BJMC units stood at Taka 1,145 crore. Of the total loan, the short term on is Taka 611 crore, the Minister added.

A bank official said the increased amount of BJMC loan was due to this announcement. BJMC was unable to earn the money.

He said the special increment announced by Ershad involved an additional expenditure of Taka 9 crore annually and the DA involved another burden of Tk 14.5 crore. The bonus needed funds amounting to Tk 13 crore.

An official source said Adamjee Jute Mills incurred loss of Tk 400 crore since independence and two-third of it during the 9-year autocratic rule. Most of the expenditure was due to enhanced benefits.

The losses were attributed to undiscipline, mismanagement, labour unrest, higher cost of production, recession of jute price in world market and above all muscle power of

the deposed Ershad regime. BJMC sources alleged that during the Ershad regime the jute sectors were used as havens of political touts, cronies and musclemen of the autocratic regime that led the nationalised jute sector to colossal loss.

BJMC sources said its units could hardly attain 59 percent of target of productivity. But benefits were unrelated to productivity.

Holders of Seized Passports

91AS1260D Dhaka THE NEW NATION in English
30 Jun 91 pp 1, 8

[Article by Tapan Khan]

[Text] After the fall of the autocratic regime of H.M. Ershad on 6 December last year, the care-taker government of the Acting President Justice Shahabuddin Ahmed and the subsequently elected democratic government ordered the authorities concerned to impound the passports of 50 persons including the ousted President Ershad, his defence lawyer Barrister Kazi Shahadat Hossain, 14 minister of Ershad regime, one Indian citizen and a top bureaucrat of the country. The rest of the persons are big industrialists, business magnates known to be the close associates of former President Ershad. Some of them are relations of Ershad, it is learnt. The orders for impounding the passports of those persons are still effective.

Police was, however, asked to keep strict vigil on the movement of those persons inside the country and alerted all the check posts so that these persons might not leave Bangladesh. The authorities concerned also sent a list to the airport customs to screen the departing and arriving passengers. Thus the persons have been forbidden to have any foreign trip.

The order of impounding the passports were given for the alleged involvement of the persons in a number of cases including gold smuggling, corruption, abuse of power, grabbing of state property, nepotism, terrorism and other crimes, it is learnt. Some of them are big bank loan defaulters too, the source said.

The persons whose passports are ordered to be impounded are ousted President H.M. Ershad, his wife Begum Rawshan Ershad, his brothers-in-law Mustafizur Rahman and G.M. Mohiuddin, sister-in-law Begum Monsura Mohiuddin, Ershad's defence lawyer Kazi Shahdat Hossain, 14 ministers of autocratic Ershad regime—Lt.-Col. (retd.) Zafar Imam, Maulana Abdul Mannan, A.B.M. Ruhul Amin, Naziur Rahman, Col (retd.) M.A. Maleque, Major (retd.) Iqbal Hossain Chowdhury, Mahmudul Islam Chowdhury (ex-Mayor of Chittagong Municipal Corporation), A.K.M. Mosharrif Hossain, Sheikh Shahidul Islam, Kazi Firoz Rashid, Mizanur Rahman Chowdhury, Anwar Hossain, Kazi Zafar Ahmed, Sarder Amjad Hossain, business magnates Beximco's [Bangladesh Export Import Company] Managing Director Salman Rahman and Director Sohel Rahman, Concord Construction Limited's Managing Director S.M. Kamaluddin, Goldhill complex owner H.M. Musa, Sajjad Ali, UNB Managing Director Enayetullah

Khan, Bengal Carpets owner Abul Khair Litu, Babul Ahmed, Ashraf Islam, Mahtabuddin, Director of Jute Corporation T.I.M. Hasan Imam, Chairman of Cox's Bazar Pourashava Nurul Absar, ex-MP [Member of Parliament] Mohammad Ali, Rajuk Chairman Rahmatullah, one Authorization Officer of Rajuk, Farid Akhter, Tajuddin Ahmed, Serajul Islam, Managing Director of United Traders Abdul Ghani, Mohammad Zafar, Major (retd.) Mir Saiful Alam, Abdul Wahed Majumder, Habibur Rahman, Almas Rahman, Suhera Rahman, Delwar Hossain, ex-T & T Chairman Maksud Ali Khan Rangs Director M.A. Rouf, top bureaucrat Dr. Mohiuddin Alamgir and an Indian citizen Abdul Matin Salapt.

Meanwhile ten persons including two big businessmen deposited their passports to the police. Authorities concerned also impounded about a dozen of passports of the persons listed, it is learnt.

One of the sources told the NEW NATION that most of the former ministers of the autocratic Ershad regime deposited their diplomatic passports to the relevant authorities recently. The source further said that police was not that active in impounding passports of other former ministers and close associates of ousted President Ershad.

After Ershad had been deposed, the government of Acting President Justice Shahabuddin Ahmed arrested 12 ministers of the ousted regime including its Vice-President Barrister Maudud Ahmed. The former ministers arrested during the last six months are Kazi Zafar Ahmed, Mizanur Rahman Chowdhury, Anwar Hossain, Sheikh Shahidul Islam, A.B.M. Ruhul Amin Howleder, Zafar Imam, Firoz Rashid, Sarder Amjad Hossain, A.K.M. Mosharraf Hossain, and Shah Moazzem Hossain. Two of them, Barrister Moudud Ahmed and Shah Moazzem Hossain were later released from the jail recently. Moudud is, however, enlarged on bail.

The sources said, the authorities are now engaged in preparing papers to file cases against the persons mentioned above for their alleged involvement in corruption, smuggling, abuse of power, grabbing of state property nepotism, terrorism, bank loan defaulting and other wrong-doings during the autocratic regime of Ershad. The source said before the fall of the autocratic regime, leaders of the mainstream opposition parties were vocal against the misdeeds and corruptions indulged in by a section of privileged class backed by Ershad. The government respecting the people's will would file cases against them, the source added. Although six months elapsed since the change of government, the opposition parties once vocal for the trial of these persons had been keeping mum against the persons who minted wealth under the blessing of Ershad.

The source said the government was also planning to file cases against the bureaucrats closely associated with the autocratic Ershad who violated official rules, abused power and grabbed property for fulfilling Ershad's whims and caprices.

Hearing on 1 Jul

*91AS1260E Dhaka THE NEW NATION in English
2 Jul 91 pp 1, 8*

[Text] Deposed President H.M. Ershad has been living in a mini circuit house in the Dhaka Central Jail with all the facilities, Attorney General Aminul Haq said in the Special Tribunal yesterday, reports UNB.

The Tribunal is hearing a second case against Ershad who was charged for amassing wealth beyond known sources of income. He was already convicted for keeping illegal arms and sentenced to 10 years rigorous imprisonment.

On the fourth day of hearing yesterday, the accused filed a petition saying that he had been kept in solitary confinement since 18 April and deprived of meeting relations and lawyers.

"He (Ershad) is living in absolutely a mini circuit house with all the facilities he deserves," the Attorney General told the court.

On solitary confinement, he said, "we may give him a companion—a man of ordinary status with whom he (Ershad) has to share the toilet and other facilities. We cannot give him an ex-president, nor one with the status of Lt. General."

About the denial of facility of meeting with his lawyers, the Attorney General said the accused had met his counsels for 53 times which he thought was quite adequate.

The Attorney General added he had visited the accused in the jail and tried to redress whatever grievances he had.

On hearing both sides, judge Mohammad Ali Khan asked the Attorney General to inquire into the allegations made in the petition and report to him when the court resumes on 3 July (Wednesday).

Submitting the petition on behalf of the accused, the defence counsel Advocate Sirajul Haque quoted sections 73 and 74 of the Penal Code which said no convict can be kept in solitary confinement for more than three months. "One may go mad if he is kept in solitary confinement for a long period," he added.

Advocate Haq further submitted the accused has not been allowed to meet his wife and children even on the Eid day. "He is not allowed to meet his lawyers and contact the jail authorities and relations."

The petitioner urged that the articles seized from Senabhan, which are the subject matters of the case, be produced before the court.

Advocate Haq observed that the case is a complicated one and it will be difficult to proceed with the case if he is not allowed to consult freely with the accused "and we may have to retire."

Earlier, three defence witnesses were cross-examined by the defence counsel.

Replying to defence counsel, prosecution witness Nurul Alam, Officer-in-charge of Cantonment Thana, said he estimated the current market value of Tk. 1.85 lakh of the four licensed firearms recovered from the Senabhavan. He said all those arms are European made and the value was assessed through inquiries conducted in various shops.

He denied a suggestion of the defence counsel that the value of those arms should not be more than Tk. 10,000.

Prosecution witness Abdul Hamid Chowdhury, Joint Secretary (Political) at the Home Ministry, said in reply to defence counsel that he is not aware of anything about the case except representing the Ministry on the Inventory Committee set up to make list of articles of the Senabhavan where the accused used to live.

He further said the case was filed by the Anti-Corruption Bureau which operates under the President's Secretariat.

Another prosecution witness cross-examined was Major (Retd.) Momtazuddin Ahmed, former Deputy Secretary (Security), Ministry of Home, who said he prepared the list of the Inventory Committee as directed by higher authorities which was approved by the Acting President.

The Court was shifted from Gulshan to an old building at Nazimuddin Road in front of the main gate of the Central Jail. It was housed in a small room where the lawyers, reporters and security men jostled each other to find a place.

Entry from all sides to busy Nazimuddin Road was closed to all vehicular traffic from 9 in the morning till 1:30 in the afternoon causing serious inconveniences to the people.

Hearing on 3 Jul

91AS1260F Dhaka THE BANGLADESH OBSERVER
in English 4 Jul 91 p 1

[Text] The former President H.M. Ershad was produced Wednesday for the seventh time before the Special Tribunal trying him for amassing wealth beyond his known source of income, reports BSS.

This is the second time the Special Tribunal is sitting in the makeshift court housed at a building opposite to the Dhaka Central Jail with Special Judge Mohammad Ali Khan in the chair.

Chief Metropolitan Magistrate Alhaj Azizul Haq Bhuiyan who is the PW-5 in this case, during deposition said Inventory Committee headed by his recovered Taka one crore ninety lakh eighty one thousand five hundred ten from Senabhavan. The amount, most of which were in Taka 500 denomination notes, was found in nearly two dozen trunks, he told the court.

On being asked, Mr. Bhuiyan said the notes were found wrapped in papers and cloths in the trunks under sarees and safari suits. After the recovery of the money, the committee put those in a trunk and deposited that with the Dhaka Treasury from where it was brought to the court for

the first time Wednesday. Bureau of Anticorruption seized the trunk after it was deposited with the treasury, he added.

Earlier, Mr. Bhuiyan narrated how the Inventory Committee was formed and inventory lists were prepared. At one stage, confusion was aroused about the number of pages of inventory list to which defence took exception. The defence also objected to the list which is a certified photocopy of the original.

In the absence of Chief Defence Counsel, Mr. Serajul Haq, his assistant Mr. Yusuf Hussain Humayn raised the prayer of the accused regarding alleged difficulties he was facing in the jail.

Judge Mr. Khan said he has directed the Attorney General to investigate the matter and report. Only then the matter would be taken up, he added.

After nearly 3 hours of sitting, the court was adjourned till 9 July.

Corruption Charge Against Ershad 'Accomplices'

91AS1322A Dhaka THE BANGLADESH OBSERVER
in English 15 Jul 91 pp 1, 10

[Article by Staff Correspondent: "Corruption Charge Against 132 Accomplices of Ershad"; names, titles as published]

[Text] Education Minister Professor A.Q.M. Badruddoza Chowdhury who is also in charge of the President's Secretariat told the Jatiya Sangsad on Sunday that inquiries had been made on charges of corruption against those connected with Ershad government after the fall of Ershad. Replying to a question from Rashed Khan Menon of Workers Party Professor Chowdhury said that the Anti-Corruption Bureau had completed inquiries against 132 people and so far filed 81 cases against them.

Those who are under enquiry besides the former President H.M. Ershad are Begum Roushan Ershad, former Vice-President Moudud Ahmed, former Prime Minister Mizanur Rahman Chowdhury, former Deputy Prime Minister Shah Moazzem Hossain, former Deputy Prime Minister Professor M.A. Matin, former Jute Minister Lt Col (Retd) Zafar Imam, former Religious Minister Moulana M.A. Mannan, former Civil Aviation Minister Lt Col (Retd) H.M.A. Gaffar, former Textile Minister Ruhul Amin Howlader, former Minister for LGRD&C [Local Government, Rural Development, and Cooperatives] Naziur Rahman Manju, former Food Minister Major (Retd) Iqbal Hossain Chowdhury, former Agriculture Minister Major General (Retd) Mahmudul Hasan, former Works Minister Sheikh Shahidul Islam, former Post Telegraph and Telephone Minister Kazi Firoz Rashid, former Chief Whip Abdus Sattar, former Works Minister Shafiqul Ghani Swapan, former Works Minister Mostafa Jamal Haider, former Mayor of Dhaka City Corporation Col (Retd) M.A. Malek, former Civil Aviation Minister Ziauddin Ahmed Bablu, former Mayor of Chittagong City Corporation Mahmudul Islam Chowdhury, former State Minister for Food Nurunabi Chand.

Professor B. Chowdhury tabled a list of person under enquiry by the Anti-Corruption Bureau also include members of Parliament, chairman of districts and upazilas and pourashavas and high government officials and individuals.

The list includes names of Messrs Mohammad Ali, former MP [member of Parliament](Noakhali), Begum Mansura Mohiuddin (former MP) Enamul Haq (Jaj Mia) former MP (Gaffargaon), Golam Rabanni (former MP Netrokona), Mujibul Huq Chunnu (former MP Kishoreganj), Al-Haj M. A. Jabbar former MP (Pirojpur), Abdus Sattar Chowdhury former MP (Pirojpur), Iktiar Hossain vice chairman Pabna Pourashava, A.K.M. Shamsuzzoha, former Upazila Chairman (Kurigram), Nurul Afsar chairman), Cox's Bazar Pourashava, Jahangir Hossain, Union Parishad Chairman, Bakerganj, Sufi Jahir Uddin UP [Uttar Pradesh] chairman, Mathbaria (Pirojpur) Totabbar Hossain, UP Chairman Mathbaria (Pirojpur) Fazlul Huq UP Chairman Mathbaria, (Pirojpur) Abdul Aziz, UP Chairman, Mathbaria (Pirojpur), Abu Sayed Musa UP Chairman Mathbaria (Pirojpur), Nurul Amin, UP chairman, Mathbaria (Pirojpur) Sayedur Rahman, UP member Lutfor Rahman, UP member, Jahangir Hossain UP member, Hemayetuddin, UP member, Nur Mohammad, UP member, Master Sultan Mia, UP member and Shamser Uddin, UP member.

Besides the high officials and individuals against whom inquiry on charges of corruption have been made are Messrs A.K.M. Mosharraf Hossain, former Industries Secretary, Group Capt (Retd) Shawkatul Islam, Managing Director, Biman, Kazi Anwarul Masud, former ambassador, Thailand, Mohammad Toaha, former Chairman BCIC [Bank of Credit and Commerce International], Maksud Ali Khan, former Chairman T&T Board, K.M. Hossain, former Secretary in charge of Post T&T Ministry, M. Sekander Ali, former Managing Director, Shilpa, Bank.

Tarek Anis Ahmed, former Managing Director, Bangladesh Shipping Corporation, Nurul Wahab Khondker, Managing Director, Shipping Corporation, Rahamatullah, former Chairman, RAJUK, A.H.M. Bashar, former Chairman, RAJUK, A.M.I. Khan, former Joint Secretary, Food Ministry, Khondker Abul Hossain, former Economic Counsellor, Bangladesh Embassy Bangkok, Moniruddin Ahmed, former Director (Finance) B.J.M.C.M.A. Latif, Executive Director, Adamjee Jute Mills, A.K.M. Bhuiyan, General Manager, (Administration) BJMC, Nurul Islam Khan, General Manager, Nurul Huq Bhuiyan, Zonal General Manager, BJMC, Meer Jamal Uddin, General Manager Karim Jute Mills, Abdul Momen, General Manager, Latif Bawani Jute Mills, G.B.W. Khaled, General Manager, Mymensingh Jute Mills, Khairul Alam General Manager, Adamjee Jute Mills, Kamal Uddin, General Manager, Adamjee Jute Mills, Tim Hasan Imam, Director, Jute Corporation, Nurul Alam Chowdhury, General Manager, Barial Textile Mills, Anwar Hossain, General Manager, BTMC, F.T. Rahman, Executive Director, Shipping Corporation, T.I.M. Nurunnabi, General Manager, B.J.M.C. Major (Retd) Kamrul Hasan, former Member, RAJUK, Anwarul Kader, General Manager,

T&T, Shamsul Islam, General Manager, T&T, Yusuf Jamal, Deputy General Manager, Bawani Jute Mills, A Momen Chowdhury, Deputy General Manager, Nabarun Jute Mills, A.K.M. Delwar Hossain, Deputy General Manager, Nishat Jute Mills, Sayedur Rahman, Deputy General Manager, U.M.C. Jute Mills, Mosharraf Hossain, Deputy General Manager, BTMC, S.M. Alfaz Uddin, Manager BTMC, Siddiqullah, Manager BTMC, Abdul Majid, Private Secretary to former Jute Minister, Nazrul Islam Chowdhury, Assistant Private Secretary to former Jute Minister, Sirajul Huq, former Manager, Rupali Bank, Chandpur, Abdul Majid, Divisional Engineer, T&T, Board A.B.M. Shamsul Alam, former Commercial Executive, Barisal Textile Mills, Abdul Huq Mirdha, Labour Officer, Barisal Textile Mills, A. Mannan Molla, Administrative Officer, Barisal Textile Mills, Yakub Ali, Assistant Security Officer, Barisal Textile Mills, Sheikh Oliur Rahman, Security Officer Barisal Textile Mills, Mansur Ahmed, Commercial Officer, BTMC, S.M. Faruque, Manager, BTMC, S.M. Alfaz Uddin, Manager, BTMC, Abul Hossain, Deputy Manager, BTMC, A.Q.M. Lutful Huq, General Manager, BTMC, Golam Sultan, Secretary, Cox's Bazar, Pourashav, Group Capt (Retd) Sayed Ahmed, Former Secretary, Shipping Ministry, M.A. Sayed, former Secretary, Agriculture Ministry and Syed Ahmed, former Chairman, BJMC.

The list as has been tabled by the Education Minister also included individuals who are Mrs. Sajeda Begum, Director, Pioneer Pharmaceuticals, Abdullah Mizan Chowdhury, Pioneer Pharmaceuticals, Aman Ullah Khan Chowdhury, Pioneer Pharmaceuticals, Mrs. Jinnat Mosharraf, Major General (Retd) M.I. Karim, Chairman, Vents International Ltd, Ruhul Amin Majumder, Abdur Rahman, Abul Khair, Manjurul Ahsan, Superior Builders and Engineers Ltd, Sajjad Ali, United Traders, Sultan, Sunlight Electrical and Mechanical Company, Afsar Uddin Khan, Secretary, Nurul Islam High School, Chittagong, Ashraf Khan Farmland and BID Company, Syed Azharul Huq, Messrs Agrotech., Faiz Chowdhury, Messrs Agri Tech, Abul Kashem, Hatiya, Noakhali, Abdul Shukur Prophan, Kazi Rezaul Mostafa, Shahnewaz Talukder, Abul Kair Litu, Vice Chairman, International Hotel Holdings, Abdul Momen, Nurul Amin, Shahjad Ali, Director, United Traders, Abdul Jail Talukder, Netrokona, Nurul Islam, Netrokona and Gias Uddin, Karimganj Kishoreganj.

Reportage on Ershad, Begum Ershad Continues

Ershad Bail Plea

91AS1358A Dhaka THE BANGLADESH OBSERVER
in English 17 Jul 91 p 1

[Text] A Division Bench of the High Court Division comprising Mr. Justice Anwarul Huq Chowdhury and Mr. Justice Muhammad Abdul Mannan Tuesday issued rule upon the government to show cause within six weeks as to why the accused former President Hussain Mohammad Ershad should not be granted bail, reports BSS.

Mr. Ershad filed criminal appeal on 9 July against the judgement of the Senior Special Tribunal, Dhaka, before the High Court Division.

The senior special judge Mr. Mohammad Habibullah on 12 June found accused H.M. Ershad guilty of keeping unauthorised arms and sentenced him to suffer ten years' rigorous imprisonment.

Mr. Sirazul Huq moved the prayer for bail on behalf of H.M. Ershad.

Charge Sheet Submitted

91AS1358B Dhaka THE BANGLADESH OBSERVER
in English 19 Jul 91 p 1

[Text] The Anti-Corruption Bureau has submitted chargesheet against five persons including the former President Lt. Gen. (Retd.) H.M. Ershad for giving order to allocate 3.82 acres of land of the then DIT [expansion not given] located north of the P.G. Hospital at a price below the fixed rate to a private owned hotel and allow payment of the price in installments without interest by violating the existing rules, an official handout said on Thursday night, reports BSS.

Others, who have been chargesheeted, are former Vice-President Mr. Moudud Ahmed, former Works Minister Mr. Shafiqul Gani, former Chairman of D.I.T. Mr. S.H.M. Abul Basher and businessman Mr. Abul Khair.

Procurement of Boats

91AS1358C Dhaka THE BANGLADESH OBSERVER
in English 23 Jul 91 pp 1, 10

[Text] Former President Ershad caused Bangladesh Government a loss of Taka 330,740,000 in the procurement of 275 relief rescue boats and 23 engines in collusion with the suppliers who stood second lowest in a tender floated by the Relief Ministry by exercising influence with the motive to monetarily benefit himself or others illegally, reports BSS.

According to an official handout Monday, the Bureau of Anti-Corruption (BAC) has filed a case in this regard against the former President with the Ramna Police Station under Sections 409/109 of the Penal Code and under Section 5(2) of the Anti-Corruption Act of 1947.

The case said former President Ershad had not only exercised his authoritative influence on the Relief Ministry to provide the supply of the boats and engines to the second lowest bidder but also illegally denied the lowest bidder from his due dispensation.

The complaint lodged with the police by the BAC, stated that the relief rescue boats and engines were purchased from the Japanese grant worth of 2,500 million yen (about Taka 570,000,000) with the condition that those boats and engines should be imported from countries other than Bangladesh and member countries of the Organisation of Economic Cooperation and Development (OECD).

The Relief Ministry under the directive of the former President formed a seven-member committee (technical and evaluation) on 24 June 1989, which prepared the specification of the purchasable boats, the handout said.

But, it said, former President Ershad did not accept the specification prepared by the seven-member committee, being motivated, and handed over a specification prepared by the Yamaha and Yanmar, a Japanese company, to the Relief Secretary and asked him to purchase the boats from only the Japanese boat manufacturing company under limited quotations.

The Technical and Evaluation Committee recommended for some changes in the specification accepted by the former President but he declined it and asked for inviting quotations based on that specification, the handout said.

Accordingly, Messrs. Kinsho Mataichi Corporation, Messrs. Marubini Corporation, Kanematshogoshu Limited and Somitomo Corporation submitted their quotations when it was invited. As per the comparative description, Messrs. Kinsho Mataichi Corporation proposed for supply of 520 different types of boats and engines worth 2,300 million yen (Taka 53 crore), the handout said.

On the country, the handout said, Messrs. Marubini Corporation proposed for supply of the boats and engines of 5,916 million yen (about Taka 136 crore).

Former President Hussain Mohammad Ershad with an ulterior motive, directed for accepting the offer of Messrs. Marubini Corporation despite the fact that two times it was higher than that of the lowest offer.

Consequently, the handout said, the Relief Ministry purchased 275 boats instead 520 and 23 additional engines from Messrs. Marubini Corporation for want of required money. At this, it said, the Relief Ministry paid an additional amount of Taka 330,740,000 to Messrs. Marubini Corporation, which was more than the amount quoted by the lowest, and caused loss to Bangladesh Government by the equal amount of money through misappropriation to benefit himself or others illegally.

Ershad Letter to Aides

91AS1358D Dhaka THE NEW NATION in English
23 Jul 91 pp 1, 12

[Text] Ousted President Ershad, now facing multiple corruption and other charges, feels that the people of Bangladesh have already become tired of democracy and counselled his close aides to mount propaganda for his party in an attempt to seize the opportunity.

Ershad's division of democracy and optimism to restore his old oppressive rule contained in a letter they wrote to one of his close aids. This and a large number of other letters were recovered by police from Mr. Jinat Ali, one of his lawyers, who is accused of carrying illegally these letters.

Police sources said, Mr. Jinat Ali confessed that he had been a courier of Ershad's letters from jail to his aides for

a long time. On learning the modus operandi, police interrogated the lawyer from whom a number of letters were recovered.

One of these letters was addressed to Mr. Sanaullah Noori, Editor of DAILY JANATA, in which the former President has substantial interest.

Ershad wrote in his letter: "Leave no stone unturned to keep Janata alive." The letter further reads: It would not be wise to sack Major Saleh Rahim at this moment. Tell him to take lower amount for salary. In the meantime I have written to many of my friends and wellwishers to extend financial support to the daily. Some may contact you to make generous donations to your newspaper... Send letter by Jinat Ali. Please let me have details. I am sure the future of the Janata is very bright.

Please also remember the people have already grown fed up about the government for various reasons. People are eager to know about us...

I am writing a book. Rahim Azad is editing for publication. Please accommodate Rahim with two rooms at the Asiatic Press.

I think people are also tired of democracy.

Many observers feel that the contents of the letter only confirm the long-held view that the ousted President Ershad and the black money were behind the post-election clashes and violence. They said that these also indicated that Ershad's aides—both inside the jail and outside it—were involved in stirring trouble, so that democracy could not take roots. This also amply proves that Ershad amassed vast amounts of black money now lying with his aides, who are pulling the strings from behind political curtain.

Bail for Begum Ershad

91AS1358E Dhaka THE BANGLADESH OBSERVER in English 25 Jul 91 pp 1, 10

[Text] A division bench of the High Court Division comprising Mr. Justice Mohammad Ismailuddin Sarker and Mr. Justice Kazi Shafiuddin Wednesday granted bail to Begum Raushan Ershad, reports BSS.

Earlier, the bail prayer of the petitioner was rejected by both the Chief Metropolitan Magistrate and the sessions Judge Court, Dhaka.

Two cases had been filed against Begum Ershad with the Tejgaon and Motijheel Police stations.

According to the FIR [First Information Report] in the Tejgaon case, Begum Ershad along with three other co-accused, collusively abused powers to make the principal accused, Begum Ershad, financially gained through allotting two bighas of RAJUK land and thereby causing loss to the state.

Three co-accused in this case are former President Hussain Mohammad Ershad, former Chairman of the RAJUK Mr. Rahmatullah and an authorised officer of RAJUK.

The other case in Motijheel police station had been filed by the Bureau of Anti-Corruption.

Mr. Sirajul Huq and Kazi Shahada Hossain appeared on behalf of Begum Raushan Ershad while the Deputy Attorney General Alhaj M. Shamsul Alam and Mrs. Rowshanara Begum appeared for the state.

Further Reportage on Prosecution of Ershad

Indictment for Aircraft Deals

91AS1439A Dhaka THE BANGLADESH OBSERVER in English 26 Jul 91 pp 1, 10

[Article: "ATP Purchase; Ershad Chargesheeted"]

[Excerpt] Former President Hussain Mohammad Ershad, two former Civil Aviation Ministers and former Industries Secretary have been chargesheeted in the case relating to the selling of three F-27 air craft and purchase of three ATP aircraft, reports BSS.

The Bureau of Anti-Corruption has filed charge sheet for holding trial against them for causing loss to the Bangladesh Government to the tune of Taka 20 crore by selling three F-27 aircraft of Biman at a lower price and purchasing three ATP aircraft at a price higher than the world market price then through misuse of power for illegal financial gains or giving illegal financial facilities to others. The three others involved in the case are: Former Aviation Ministers A.H.M.A. Gaffar and Ziauddin Ahmed and former Industries Secretary AKM Mosharraf Hossain.

Hearing on Detention Begins

Meanwhile, the hearing of the writ petition of former President Hussain Mohammad Ershad against his detention began Thursday before a single judge bench of the High Court Division comprising Mr. Justice Anwarul Huq Chowdhury.

Earlier a division bench of the High Court comprising Mr. Justice M. Abdul Jalil and Mr. Justice Kazi Shafiuddin gave split judgement on the detention of former President.

The bench referred the matter to the Chief Justice. Thereafter, the Chief Justice allocated a single judge bench to hear the matter afresh.

Mr. Moudud Ahmed, argued on behalf of Mr. Ershad while Attorney General Mr. Aminul Huq appeared for the state. [passage omitted]

Lawyers Withdraw

91AS1439B Dhaka THE BANGLADESH OBSERVER in English 28 Jul 91 pp 1, 12

[Article: "Ershad's Lawyers Withdraw"; quotation marks as published]

[Text] The lawyers of former President Ershad who defended him for the last few months in arms and corruption cases Saturday decided not to plead his case for what they termed "lack of security" and also for "upholding

their professional dignity and honour" being questioned in newspaper reports, reports BSS.

Advocate Serajul Haq who headed the defence team of lawyers in the arms and corruption cases against Ershad told the Dhaka Divisional Special Judge's Court that their "life is at stake". He mentioned that some lawyers have informed newspaper about some incident which were not true. The lawyers have decided to withdraw because it became difficult for us to uphold professional honour and dignity in defending this case," Mr. Haq said.

Earlier in his prayer cancelling the affidavits (power of attorney) of the lawyers Ershad mentioned that they (lawyers) told him of "suffering from insecurity" as various reports were coming out in the newspapers about "unprofessional activity of some lawyers appointed by him.

The former President in his prayer read out by his lawyer Yusuf Hossain Humayun said they (lawyers) had expressed their reluctance to carry on with the case "in the interest of their professional dignity and honour". Ershad prayed for time and said he would try to furnish new set of lawyers in consultation with his relatives.

Attorney General Aminul Haq wanted to know whether the defence had any complaint about him. They replied in the negative.

Mr. Haq then asked accused Ershad whether he had confidence on Mr. Serajul Haq as defence lawyer when Mr. Ershad replied in the affirmative. The Attorney General told Mr. Ershad to persuade Mr. Serajul Haq to take up his case once again.

Mr. Serajul Haq and other lawyers, however, showed their reluctance.

'All Our Prestige Would Vanish'

Earlier Major Mohammad Saiful Islam, prosecution witness in the corruption case against the former President Ershad Saturday told the court that Mrs. Mustafizur Rahman, sister-in-law of the former President had requested him to see if he could stop publication of news about discovery of huge money at "Senabhaban" in the newspapers.

Major Islam who was in charge of security of the "Senabhaban" from December 6 to 12 during his deposition at the Dhaka Division Special Judge's Court said he told her it would not be possible on his part to stop publication of news. Mrs. Rahman also told him that after the discovery of the huge money "all our prestige would vanish", Major Islam informed the court.

Major Islam, who is now posted in Bogra Cantonment, was a member of the Inventory Committee as a representative of the army headquarters (AHQ) to take stock of the goods and materials at the "Senabhaban".

Major Islam who is from the Signals, further said the former President used to bug the telephone conversation

of VIPs and top bureaucrats the users of red telephones through the red telephone exchange, installed at the 'Senabhaban'.

Earlier, during the cross examination by Defence prosecution witness Mr. A.K.M. Mukitur Rahman told the court that the Inventory committee did not ask the accused Ershad about the goods and materials found in 'Senabhaban' and 'Bangabhaban'.

The court also took deposition from Mr. Abdul Motaleb Khan, a record keeper of Dhaka Treasury. Prosecution witness Mr. Khan, who was not cross-examined, testified a signature in a paper during the deposition of money found in 'Senabhaban' to the Treasury.

The court was adjourned till July 30 after it heard a prayer of accused Ershad to appoint a new set of lawyers after lawyers, who defended him for the last few months in arms and the corruption case, had announced that they would no more defend him.

Value of Goods

91AS1439C Dhaka THE BANGLADESH OBSERVER
in English 31 Jul 91 pp 1, 10

[Article: "Moudud, Rabeya To Defend Ershad"]

[Excerpts] Former President H.M. Ershad Tuesday submitted a fresh list of lawyers, keeping all but two former ones and inducting three new including Mr. Moudud Ahmed, former Vice President, before the Dhaka Divisional Special Judge's Court trying the ex-President on charges of corruption, reports BSS.

Among the former lawyers retained by Ershad in the new Vokatnama are Advocate Serajul Haq, Barrister Kazi Shahadat Hossain, Barrister A.R. Mollah and Advocate Yusuf Hossain Humayun. The lawyers freshly inducted included Advocate Fazle Rabbi and Barrister Rabiya Bhuiyan, whom Ershad dropped from the cabinet when she was outside the country.

Advocate Sharif Ahmed and Advocate Mofizur Rahman, a long-time tax consultant of Ershad were dropped from previous list of nine lawyers.

Judge Mohammad Ali Khan accepted the prayer as the court resumed Tuesday after two days of recess granted at the request of accused Ershad.

Among the old lawyers Advocate Mosharraf Hossain Kazal and Advocate Sudhir Kumir Hazra, who were present in the court gave their consent to plead for Ershad by signing the affidavit.

Though on Saturday last Ershad cancelled his Vokatnama of nine lawyers, who defended him in the arms case and the corruption case now in progress, in his prayer Tuesday he retained seven lawyers. [passages omitted]

Despite request of the accused for an adjournment, Judge Mr. Khan allowed Attorney General to conduct the deposition of Major Mohammad Saiful Islam which remained incomplete.

Major Islam of the Army's Signal Corp and a member of the Inventory Committee told the Court that Mr. Mustafizur Rahman, Ershad's brother-in-law was present during identification of personal affects of the former head of state at the Senabhaban. He also informed the Court that General Ershad could tap the conversation of VIPs in red telephone through ultramodern computerised telephone exchange installed at the Senabhaban.

Major Islam deposed that he actively participated during identification of goods and was present when the valuation of the goods were assessed. The goods of General Ershad found at the Senabhaban were valued at Taka 65,37,435. Major Islam told the court as he completed his deposition. [passages omitted]

'Clandestine Communications' Stopped

91AS1439D Dhaka THE BANGLADESH OBSERVER
in English 1 Aug 91 pp 1, 10

[Article: "Ershad Not To Write Unauthorised Letters"]

[Excerpt] Former President H.M. Ershad has promised to refrain from making "clandestine communication" including the writing of unauthorised letters from jail cell, his Chief Defence Counsel Serajul said in Dhaka Wednesday, reports BSS.

Talking to reporters after adjournment of the court trying Ershad on charges of corruption, Mr. Haq said the former President gave the undertaking in the presence of the Attorney General.

Ershad on Saturday cancelled powers of all nine lawyers to represent him and submitted a fresh list of lawyers keeping all but two from the old team and inducted three new lawyers including Mr. Moudud Ahmed, his former Vice President.

Mr. Serajul Haq, who appeared in the court Wednesday after being reappointed, retains his old position as the chief counsel to Ershad, Mr. Fazle Rabbi MP [member of Parliament], one of the new lawyers, appeared in the court Wednesday and when asked said Mr. Moudud Ahmed would be with them in defending the former President.

Mr. Haq told the journalists that they had to enact the "drama" on Saturday to threaten Mr. Ershad to dissociate themselves from his case with the twin objective of dropping some lawyers engaged in unprofessional activities and also to stop the accused from "clandestine communications" in violation of the jail code. Replying to a question whether their honour and dignity had been restored, Mr. Haq said "the process has started". [passages omitted]

Inventory Panel Member Testifies

91AS1439E Dhaka THE BANGLADESH OBSERVER
in English 5 Aug 91 pp 1, 10

[Article: "Graft Case Against Ershad; Senabhaban Telephone Had Bugging Facility"]

[Text] Three prosecution witnesses were examined Sunday in the corruption case against Former President H.M.

Ershad as the Dhaka Divisional Special Judge's Court resumed hearing of the case after three days, reports BSS.

Besides Major Mohammad Saiful Islam whose deposition was completed earlier, two other witnesses produced to the court Sunday were Mohammad Shamsul Huq Khandoker, Manager of Rupali Bank, Cantonment Branch, and Mr. Shafiqullah, SP [Superintendent of Police] of Armed Police Battalion at Chauddagam, formerly Deputy Commissioner of Detective Branch, Dhaka.

Ershad entered the court accompanied by Moudud Ahmed and other lawyers.

The proceedings of the court began with the cross examination of prosecution witness Major Islam, an officer of Army's Signal Corps, now posted in Bogra.

On being asked, Major Islam told the Court that it was not customary to make inventory of the house of an officer after he retires. He said he did not know the reason why inventory list was prepared for Senabhaban after he left it. Although he noted that it was done at the directive of Home Ministry, he could not produce any paper in support of his contention.

Major Islam, who was a member of the Inventory Committee, rejected a suggestion that a list of goods of Senabhaban was prepared to file a case against Ershad by hook or by crook. He told the Court that he had no role in fixing the valuation of the goods found in Senabhaban and was not aware if the goods were purchased by the former President or were presented to him. He, however, said any government officer receiving presents or gifts valued more than Taka 500 should hand over those to government Toshakhana.

When the Chief Defence counsel Serajul Haq asked Major Islam whether he checked up the income return of the former President, the Attorney General stood up and objected saying law forbids raising such question. At this stage, the court witnessed a brief but hot exchange of words between the prosecution and defence lawyers. Mr. Moudud Ahmed and Mr. Fazle Rabbi stood up and asserted that the question was very pertinent to the case. However, at the intervention of the Judge, Mr. Mohammad Ali Khan, the issue was settled.

Major Islam, who was posted at the Senabhaban between December 6 and 12 for maintaining security, said he did see Mr. Ershad while on duty, but did not enter inside the Senabhaban. He replied in the negative when asked whether Inventory Committee members wanted to know from Mr. Ershad or his wife about the value of goods found at the Senabhaban.

To another question whether a former military officer, the accused H.M. Ershad, was given the opportunity for self-defence as allowed in armed services in relation to the assessment of goods found, the witness said in the case state rules were applied. As the Chief Defence Counsel pointed out that even war criminals are given chances to defend themselves, the Attorney General stood up and asked the court to reject the suggestion as being irrelevant.

Major Islam told the court during query that telephone facilities installed at Senabhaban had the potentialities for bugging conversations, but added that he was not sure the former President did bug the telephone conversations.

Major Islam replied in the positive to a suggestion that Ershad had enough money left from his salary to purchase books and other things as food for the former President was supplied from Bangabhaban. He, however, expressed his ignorance that the accused purchased some tax-free goods from CSD (Canteen stores Department) during Pakistan days.

The prosecution witness admitted that a Deputy Secretary in the Government does not get shoes free of cost, but the members of armed forces, get. When asked whether he was aware that soyabean oil is being sold at Taka 42 per KG [kilogram] in open market while army personnel get it at a much cheaper rate, between Taka 5 and 7, the witness replied in the negative.

At this stage defence lawyer Yusuf Hossain Humayun took up the cross examination to have some clarifications of the statements of Major Islam made in the court and before the I.O. [as published] The points referred to as contradictory by the Defence Council included the number of trunks found at Senabhaban and the amount of currency found there. The Attorney General remarked that those are not contradictions, but omission.

About the affidavit mentioned by prosecution that Mustafizur Rahman and his wife Gulshan Ara Afroze Mary were authorised to represent Ershad, the defence showed the paper in which the accused nominated them for receiving the goods left by him (Ershad) at Senabhaban. Major Islam agreed to the defence contention that the affidavit did not give them (Mustafiz and his wife) right to represent Ershad. He, however, rejected the defence suggestion that Mr. Mustafiz said the inventory list was prepared under duress.

To another suggestion, Major Islam said he was unaware that the money found at Senabhaban was kept for purchasing a house for Jatiya Party. Mohammad Shamsul Huq Khandokar, Manager of Rupali Bank Cantonment branch, Prosecution witness no 13, during cross examination informed the court that an FDR [expansion not given] account of Ershad with the bank was frozen following instruction from the bank's head office. He had earlier told the court that Ershad deposited Taka ten lakh on February one 1987 for FDR for a period of three years and that the FDR was renewed three years later. The defence prayed that counterfoil of receipt and instruction to freeze account be produced in the court.

Md. Shafiqullah, prosecution witness no 14, during deposition said he was one of those who escorted the former President from Senabhaban to the Gulshan sub-jail. He told the court that the former President carried some goods

like TV, VCR, suit-case and pillows, but was found to be very curious about a particular briefcase.

On being crossed, police officer Shafiqullah said he did not go through the detention order, nor he knew where the accused was being headed for.

Yesterday was the 16th hearing of the case after the chargesheet was submitted on March 20.

The court was adjourned till August 7 following a prayer of the defence.

Former Vice President, Industry Official Indicted

*91AS1442A Dhaka THE NEW NATION in English
31 Jul 91 pp 1, 8*

[Article: "Moudud, Mosharraf Chargesheeted"]

[Text] The Bureau of Anti-Corruption has chargesheeted former Vice President Moudud Ahmed and former BCIC [Bangladesh Chemical Industries Corp.] Chairman and Industries Secretary A K M Mosharraf Hossain for causing financial loss to the Government by Taka 588.30 crore besides misusing Taka 349.15 crore Government money, reports BSS.

According to an official handout here yesterday, Mr. Moudud Ahmed, in collusion with Mr. Mosharraf Hossain, implemented the renovation project of Ghorashal Urea Fertiliser Factory without the approval of the ECNEC [expansion not given] and also without the correct information on the project profile.

It said they got implemented the renovation project by the Toyo Engineering Corporation of Japan misusing their power for achieving monetary benefit for themselves and also for others.

According to case filed against them under Section 409 and Clause 5(2) of Number 2 Anti-Corruption Act, the then BCIC Chairman Mosharraf Hossain sent a renovation project for Ghorashal Urea Fertiliser Factory defying the opinion of the technical committee to the Industries Ministry for taking it up for implementation.

Mr. Mosharraf took the initiative at a cost of Taka 265.62 crore although the timelimit for rehabilitation programme of the factory was fixed upto 1995, the handout said.

The inter-ministerial committee recommended to the project evaluation committee for sending project profile by curtailing the cost but Mr. Mosharraf Hossain defied it and submitted it to the ministerial committee on purchase without the approval of the Planning Commission or the ECNEC. He did it by increasing the project cost with the active cooperation of Mr. Moudud Ahmed, who was then in charge of the Ministry of Industries.

They got the renovation project approved by the cabinet without providing all information about it, the handout said.

Dhaka Urged To Follow World Bank's Advice*91AS1259A Dhaka THE NEW NATION in English
29 Jun 91 p 5*

[Editorial—"World Bank Credit and Advice for Bangladesh"]

[Text] The International Development Association [IDA], a World Bank affiliate, will provide 247 million U.S. dollars equivalent to 884 crore taka for two projects relating to population control and LPG [Liquefied Petroleum Gas] transportation and distribution. The credit will be extended on concessional terms as has been the IDA practice in respect of least developed countries. Project-wise IDA allocation will be 180 million dollars and 67 million dollars for the first and second projects, respectively.

On the occasion of signing agreements in this connection the World Bank Director expressed satisfaction at the success of population planning in Bangladesh and hence the additional dose of loan for launching the fourth population and health project involving 600 million dollars: ten co-financiers would shell out 225 million dollars in order to strengthen the delivery of family planning and health services. The project, inter alia, aims at reducing population growth rate by way of birth-spacing programmes. The high rate of population growth is a positive hindrance for achieving optimum economic growth of the country. We have reservations about the extent of success in family planning achieved during the previous regime. On closer examination it is bound to reveal that much of the money was misused. It is expected that with the installation of an accountable government population growth will be effectively controlled.

On the other hand, the LPG project will help Bangladesh reduce dependence on imported energy by setting up LPG distribution centres in the northern areas of the country. As stipulated the project will finance construction of LPG facilities, a pipeline and bottling plants. The main objective of the project is to make available household energy at a cheaper cost with the ultimate aim of arresting deforestation to the extent of fuel needs. While framing this particular project the question of restoring ecological balance was given due weightage. While acknowledging the support and cooperation from the World Bank and the donor countries Bangladesh Ambassador requested mobilisation of more resources for human resources development.

The World Bank is however worried about undiscipline in the financial sector of Bangladesh and reminded the Government of the pledges of reforms. In a letter written recently the bank cautioned about the consequences of ignoring the conditionalities. So much so it has threatened to withhold future loans if reforms were not expedited. Furthermore, concern has been expressed by the bank over the unproductive expenditure in some public sector enterprises and specific mention was made of 42 percent system loss in the power sector.

In the context of overall national economy the World Bank suggestions merit serious consideration. Mere sanctioning

of loans by donor agencies would never bring about positive impact on the sagging economy unless the investment is channeled in the right direction. Foreign credits would be made available only when the donors are convinced of proper utilisation of funds in productive sectors. The national economy has been subjected to so much strains over the years that it can hardly afford wastage or for that matter wild squandering of resources. The mismanagement in the banking sector has been pinpointed by the World Bank where thousands of crores of taka are stuck by way of overdue loans. Strict discipline must therefore be enforced in the affairs of nationalised commercial banks.

The World Bank, Asia Development Bank and donor agencies and countries have expressed their willingness to help Bangladesh to tide over the economic malaise. That must not be allowed to go amiss and we believe that the present democratic Government is alive to the exigency of circumstances. The present government is also aware that a section of corrupt and politically motivated union leaders has much to do with the undiscipline prevailing in the economy. The autocratic regime during its long stranglehold left the country's economy in shambles and now it devolves upon the present Government to rebuild the economy from scratch. As such our approach to the entire financial sector must be based on realism and whatever reforms and discipline are called for must be addressed rigorously and promptly.

Commerce Minister Announces Biennial Tea Policy*91AS1440A Dhaka THE BANGLADESH OBSERVER
in English 29 Jul 91 p 1*

[Article: "Tea Export Target Set at Tk181 cr"]

[Text] Commerce Minister M. Keramat Ali Sunday announced the bi-ennial tea Policy fixing an export target of 30 million kg worth Taka[Tk] 181 crore[cr] for 1991-92 and 31 million kg worth Taka 200 crore for 1992-93 fiscal years, reports BSS.

The projected earnings of 1991-92 and 1992-93 are 12 percent and 24 percent higher than the income of last year.

Announcing the policy over radio and television on Sunday evening, the Commerce Minister said the production targets of 1991 and 1992 were 48 million and 50 million kg respectively.

He said in the last fiscal year Bangladesh earned Taka 155 crore by exporting 27 million kg tea against the target of Taka 175 crore through export of 28 million kg.

Ali Announces New Export Policy*91AS1441A Dhaka THE BANGLADESH OBSERVER
in English 29 Jul 91 pp 1, 10*

[Article: "Export Target Set at Tk.7,744 cr"]

[Text] Commerce Minister M Keramat Ali on Sunday announced the bi-ennial Export Policy fixing export target at Taka[Tk.] 7,744 crore[cr] (2,151 million dollars) for

1991-92 and Taka 10,000 crore (2,689 million dollars) for 1992-93 fiscal years, reports BSS.

The country's projected export earnings in 1991-92 fiscal year will be 28 percent higher than the previous year while that of 1992-93 will be 29 percent higher than the export target of 1991-92.

The export earnings of the last fiscal year (1990-91) was about Taka 6,000 crore which was 19 percent higher than the export earnings of Taka 4,976 crore of the previous year.

While announcing the bi-ennial Export Policy and Tea Policy over radio and television this evening, the Commerce Minister said despite adverse circumstances the export earnings of 1990-91 reached nearly the target fixed for the year.

The Minister said the highlights of the basic objectives of the Export Policy were to minimise the gap between the export and import trades, to improve the qualities of exportable commodities and expansion of export of more value added items.

The objective also include creation of opportunities for getting higher prices through diversification of traditional export commodities and making them marketable.

Mr. Keramat Ali said, the other objectives were to establish backward linkage of the export-oriented industries to add more values to expand, consolidate and create new export markets, and to create job opportunities especially for the educated unemployed youths, through strengthening the production and marketing of exportable goods.

Besides, he said, to make export activities more profitable and attractive than the import trade and setting up import substitute industries through rationalisation of export facilities were the other objective.

The Minister said, to achieve the objectives of the export policy, efforts would be made to increase the use of locally available raw materials in the export-oriented industries, to increase participation in the international trade fairs, and send more trade missions abroad.

He said, backward linkage industries would be set up to strengthen the readymade garment industries, and the wet-blue leather manufacturing industries would be converted into finished leather production and exporting establishments.

The Minister said, a separate fund named "export promotion fund" would be established to meet the expenses for strengthening the overall export activities.

He said, production and marketing of high quality packet tea would be strengthened to establish the brand name of Bangladeshi tea in the world market.

Mr. Keramat Ali said, export volume would be increased by producing labour intensive electronics, engineering and other commodities taking advantages of withdrawal of

GSP [Generalized System of Preferences] facilities by the United States and other developed nations in case of some countries.

Under the export policy, seven new items would be included in the crash programme. The items are diamond cutting and polishing, ornament making, manufacture of certain stationary goods, gift items, cut-flower orchid, vegetables and engineering consultancy services. At present only four items—toys, luggage and fashion materials, the electronics goods and leather products are included in the crash programme.

The interest rate on export credit would be kept at the possible minimum level to lower the production cost of exportable goods and make them competitive in the international market. At present the interest rate on export credit varies from eight to twelve per cent.

The Minister said, to consolidate the position of the exporters in the international markets income tax rebate on export earning would be given up to 100 percent on the basis of export volume. At present there was a provision for tax rebate up to 60 percent on export earnings on items other than jute, jute goods and tea.

The Minister said, in certain cases the pick-hour rate of power would be relaxed for those export oriented industries which would pay their power bills regularly.

He said, to increase production and marketing of exportable agro-products export village (rapatani palli) would be set up at different districts especially in greater Dhaka, Comilla, Bogra, Barisal, Rajshahi and Chittagong Hill Districts, there was a bright prospect of exporting Agro commodities from Bangladesh, he added.

He said, I.P. [Industrial Policy?] fee on import of capital machineries for setting up export oriented industries have been withdrawn by 2.5 percent to increase the interest of the entrepreneurs and make their products competitive. This withdrawal of fee would also be applicable on the import of raw materials for export oriented industries. Besides, no I.P. fee would be charged on all goods to be imported under barter trade agreement, he added.

Reports, Comments on New Industrial Policy

Industry Minister Meets Press

91AS1443A Dhaka THE BANGLADESH OBSERVER
in English 30 Jul 91 pp 1, 10

[Article by staff correspondent: "Industrial Policy Aims at Growth of Private Sector"]

[Text] Mr. Shamsul Islam Khan, Minister for Industries on Monday announced the new Industrial Policy of the country envisaging liberalisation and deregulation measures paving the way for rapid industrialisation. The basic difference of the new policy of that of the previous ones will be supportive role of the Government instead of regulator for private sector industrial growth, he added.

Addressing a crowded Press conference at the Conference Room of the Ministry, the Minister hoped that the new

policy would facilitate establishment of competitive market economy. Narrating the basic objectives of the policy, the Minister said, "the Government will encourage setting up of new industries. We will also create favourable environment to attract foreign investment," he said.

The discouraged list of the previous policy has been dropped and development financing institutions and nationalised banks will have the authority to sanction projects up to Tk.[Taka]30 crore as against the previous ceiling of Tk. 10 crore, he said. The profit of export-oriented industries will be exempted from the payment of income tax to encourage setting up of export-oriented industries to earn foreign exchange, the Minister said.

Asked whether necessary funds would be available for fresh investment in industrial sector in view of prevailing outstanding loan in the industrial sector, the Minister disclosed that donors had indicated release of nearly 300 million dollar for the industrial sector.

Describing the problems of the existing industries in different sectors, the Minister said that the priority of the new policy would be to find solutions through necessary evaluations. Pragmatic steps would be taken to reactivate and strengthen the existing industries in the light of findings of the studies, he said. The highlights of the new policy include simplification and liberalisation of procedure for setting up of new industries through withdrawal of regulatory provisions of the previous policy, promotion of private sector industrial growth and incentives for export-oriented industries. The ceiling of investment in small scale industries has also been raised from Taka 1.5 crore to Taka 3 crore and the limit of equity participation by foreign entrepreneurs has been raised to 100 percent as against 51 percent in the previous policy.

Another aspect of the policy is to help develop an appropriate in the light of experiences of the existing industries, so that a solid industrial sector could become more competitive, he said. The policy also aims at expansion of small and cottage industries to create employment opportunity for the rural and suburban people the Minister said. All the existing obstacles standing on way to foreign investment will be withdrawn and the investors can repatriate the invested capital, dividends on investment or both, he said.

The foreign investors will be allowed to employ foreign workers through issuance of work permit. There will be provisions of repatriation of 50 percent of salary of the foreign workers, and in time of departure their savings and retirement benefits in the new policy.

There are several other incentives for foreign investment including permission purchase of share through stock exchange and infrastructural facilities. The Government will pursue the policy of gradual disinvestment of the public sector industries in phases, he said. A pragmatic policy for disinvestment of the public sector enterprises will be formulated the Government will take necessary steps to make the public sector more responsible and efficient, he said.

Foreign Investment Considered

91AS1443B Dhaka THE NEW NATION in English
4 Aug 91 pp 1, 8

[Article: "Foreign Investors Act May Impede Industrial Policy"; text as published]

[Text] The implementation of the just-announced Industrial Policy '91 may become difficult due to inconsistencies in the provisions of Foreign Investors Act '82, labour policy, project financing and lack of institutional support for raising funds of viable projects.

Experience shows that the foreign investors willing to invest in Bangladesh are hesitating to invest in direct venture or joint venture project due to inconsistencies in the Foreign Investors Act '82. The act has not reportedly provided safety of investment adequately. Sources indicate that the American investors as well as investors from the EC countries, Japan, South Korea, India and China are in favour of clear-cut interpretation of the provisions of Foreign Investors Act with a view to smoothing the process of foreign investment in the Chittagong Export Processing Zone (CEPZ) and elsewhere in the country.

Meanwhile, the Industrial Policy '91 has exempted technological support fee, and royalty fee of projects set up directly with foreign investment. Besides, provisions have been made for exempting interest on foreign credit and capital gain tax. The system of double taxation has also been abolished. The Foreign Investors Act provides for exemption of income tax of foreign technicians and engineers working in companies set up with foreign investment.

The foreign investors who would invest upto 75,000 US dollars in the country will be given either permanent residentship or citizenship. Besides, any foreign investor willing to invest 5 lakh US dollars either in a project or transfer the same to an investment company will be allowed citizenship in Bangladesh.

Talking to Taiwanese delegation members who visited Bangladesh this Correspondent learnt that the provisions of foreign direct investment are not clear which can prompt immediate investment.

It is believed that the authority of the Board of Investment (BOI) created to give package offer to any investor for setting up industries in the country may be greatly reduced due to delegation of the same power to Bangladesh Small and Cottage Industries Corporation (BSCIC). BSCIC is now empowered to sanction any project whose investment does not exceed Tk 3 crore.

The Board of Investment (BOI) has lost much of its effectiveness due to non-implementation of most of its recommendations by the concerned development agencies regarding setting up of industries in the Export Processing Zone (EPZ). It is learnt that the BOI may revert to its original form and work as Directorate of Industries.

The Labour Policy of the country is not consistent with productivity. Trade union activities and increase in wages

without corresponding rise in productivity in both public sector and private sector industries in recent years have created an unfavourable climate in the industrial arena. The foreign investors are likely to favour a production-oriented Labour Policy which the present government has not yet implemented.

The new Industrial Policy has kept provision for sanctioning working capital to the projects financed by Bangladesh Shilpa Bank [BSB] and Bangladesh Shilpa Rin Sangstha [BSRS] during the time of approving a project. In many instances, it is found that most of the Development Financing Institute (DFI) funded projects stopped production midway due to lack of working capital. Although provisions have been made to sanction working capital by nationalised commercial bank (NCB) at the time of sanctioning of projects by BSB and BSRS, the NCBs are not following the instructions. Besides, the bank financed projects have not got worthwhile support from the capital market to raise capital for their projects.

Lack of Clarity Scored

91AS1443C Dhaka THE BANGLADESH OBSERVER
in English 3 Jul 91 p 5

[Editorial: "The New Industrial Policy"]

[Text] In the backdrop of the nation's need for accelerated industrial growth the new Industrial Policy announced by the Industries Minister is a pointer to the right direction. The provision for raising the ceiling for private sector investment without prior government approval from Tk[Taka]10 crore to Tk 30 crore together with enhancing the limit of investment in small scale industries from Tk 1.5 crore to Tk 3 crore will go a long way in unfettering the industrial sector from the bureaucratic red-tapism. Increasing the limit of equity participation by foreign entrepreneurs from 51 percent to 100 percent and withdrawal of disparity between local and foreign entrepreneurs in providing different facilities are likely to open an added attraction for foreign capital and boost joint industrial ventures in our country. A heartening feature of this policy is the voluntary contraction of the government authority over the industrial arena and limiting it to seven reserved sectors such as (1) arms, ammunition and defence equipment and machinery (2) generation of nuclear energy (3) Security printing and so on. It is equally a redeeming feature that investment in some reserve sectors like telecommunication, cellular telephones paging etc will be shared along with the government at the Upazila level.

In the past the public sector and specially the enterprises under the government controlled sector corporations used to enjoy preferential treatment over the private sector. Bestowing such special privilege on the public sector to the detriment of the private sector has been done away with in the new policy when the Industries Minister categorically stated that no discrimination would be made between the public and private sectors for providing facilities.

These facilities would also be provided to the foreign entrepreneurs without any discrimination. This paper in its numerous editorial comments in the past reiterated the

crucial importance of setting up export-oriented and import substitution industries so that our excessive dependence on imported commodities can be significantly reduced. It is reassuring that the Industries Minister made it a salient feature of the new policy to establish export-oriented industries in larger numbers. The withdrawal of the discouraged list and allowing investment therein barring the seven reserved sectors would henceforward allow the entrepreneurs their own free operational choice of investment.

As a matter of fact the process of denationalisation was initiated as far back as in 1977-78. However, barring a few exceptions the process could not gain momentum due to certain obstructions beyond the control of the administration. The vested interest grown as a consequence of premature nationalisation under the garb of socialism did more harm than good to industrial growth. However the new military authority in post-March 1982 hastened the process and denationalised a huge number of large, small, and medium scale industries.

Notwithstanding the fact that such a sweeping denationalisation opened up a new vista for the effective operation of a free market economy the experiences however in the subsequent days appeared to be totally disquieting. Performances in the denationalised large industries were quite disappointing. Not a single jute mill in the private sector was established. The rate of growth of the large scale textile mills offered a completely dismal picture. A host of industries freed from the shackles of government regimentation grew sick while 90% of the industrial units in the jute and textile sectors which were alleged to have been sold at a throw away price were shut down. The Mohini Mill of Kushtia, Habibur Rahman Textile Mill, Comilla, Bogra Cotton Spinning Mills Ltd, Zeba Textile Mills Ltd, Narsingdi, Halima Textile Mills Ltd, Comilla etc are but a few of the 25 mills which were closed down after these were handed over to the private owners.

It may be noted that the past performances of the denationalised mills is a sad commentary on the efficacy of the private sector in our country. The new industrial policy however suffers from the lack of clarity with regard to the concrete policy to rejuvenate the sick industries and transfusion of new blood to the losing industrial units. So far as the question of transformation of the public sector units into holding companies is concerned the new policy is not loud in its articulation and forthright in its approach. Last but not the least is the stark reality that it is difficult to translate it into reality.

Editorial Scores Currency 'Adjustment'

91AS1355A Dhaka THE BANGLADESH OBSERVER
in English 19 Jul 91 p 5

[Text] Bangladesh has devalued her currency again which, however, has been euphemistically titled by the Finance Minister as adjustment of the currency in terms of the international rate of exchange, i.e., the U.S. dollar. This is the 67th time in a brief span of 20 years of our national existence that our currency underwent depletion of value. The Finance Minister while disclosing this information on

the floor of the Parliament, informed the members of Jatiya Sangshad that our immediate big neighbour India adjusted her currency downward by 20 percent in a period of two consecutive days in the first week of July. The reference of Indian devaluation as a case for our currency adjustment is, however, subject to question and scrutiny.

The vast multitude of the people of our subcontinent have undergone a spree of currency depreciation in the 1st week of July 1991. India first depreciated its currency by 20 percent. Nepal devalued its currency in the wake of Indian depreciation in a big way raising the value of its rupee from 35.30 to 42.70 against U.S. dollar. The rate of Nepalese depreciation is, therefore, 17.36 percent. Bangladesh followed suit.

Notwithstanding the Finance Minister's reference to Indian devaluation the stark reality, at least for the moment, remains that the two conditions are not analogous. Confronted with a colossal external debt liability of U.S. \$70 billion and having its foreign exchange reserve depleted so much that it had to sell 40 tons of gold to tide over its instant liquidity crisis, India had to submit to the dictates of IMF and IBRD (World Bank) for securing a huge loan of \$7 billion. Nepal's instant devaluation in the wake of India can be explained in terms of the complementarity with and dependence of its economy on India. But what prompted Bangladesh to follow suit?

Devaluation of currency is normally resorted to by a country with the principal objective of encouraging export and curbing import. Unfortunately this noble objective has although remained a wishful thinking ever and since the emergence of Bangladesh.

It may be recalled here that in 1970 and even before the military crackdown of 1971 one U.S. dollar used to fetch 4.50 Pakistani rupee. One hundred Pakistani rupee was equivalent to 104 Indian rupees. However, the outbreak of the war of liberation of Bangladesh corroded the value of Pakistani rupee in terms of Indian rupee and brought it at par with the Indian currency. Thus judged by the standard of intervention currency (which is U.S. dollar) Bangladesh currency was stronger in the exchange market. But to the utter dismay of everybody the value of our currency was depleted by 60 percent in relation to Indian currency on 1 January 1972 without any rhyme or reason. Thus for the first time in the history of the sub-continent Bangladesh currency was made to plummet swiftly below the Indian standard. Our currency thus started descending fast from 4.50 rupee of the days of civil strife in 1971 it and dropped to 7.88 Tk. in 72-73. The process of decline thus set in motion continued unabated when it touched the abyss of Taka 38 in 1991. As a result of devaluation 67 times our currency has depreciated. Conversely, according to the rules of the game in international transaction the dollar has been revalued proportionately.

As a consequence the inevitable has happened. Instead of paying any dividend, depreciation of our currency has only lead to constant shooting up of our prices. Since devaluation has led to revaluation of the exporter's currency, or in other words depreciation of our currency has resulted in

appreciation of exporters' currency prices of all commodities both within and without have inflated by leaps and bounds. Industrialisation grew costlier since capital machinery for setting up new units for BMRE (Balancing, Modernisations Replacement and Expansion) and the spares and accessories thereunder became dearer. Enhanced value for importable raw materials for use in the local industries pushed the prices of indigenous industrial products upward. Revaluation of commodities, specially the daily essentials which were imported to our country with a view to tiding over the shortage of daily necessities led to the spiralling of their prices. An inexorable impact of these factors and their cumulative effect were manifest in the adverse balance of trade of Taka 60,317 crore over a period of 20 years as disclosed by the Commerce Minister the other day on the floor of the house.

Some government quarters are prone to argue that our export has increased enormously. Let it be stated unambiguously that the spectacular rise in our export from Taka 4,097 crore in 1989-90 to Taka 4,976 crore in 1990-91 (an increase of Taka 879 crore) cannot be attributed to devaluation. The impressive growth in export is attributable to the phenomenal increase in the garments sector which singularly accounted for the increase of Taka 610 crore. The amazing rise in the export of garments has been possible for exterior factor. Besides, garment is a service industry and not a production industry which aspect is of crucial importance.

Devaluation even at 100 times will not yield any fruit unless export oriented and import substitution industries spring up on a massive scale and the construction of our export structure undergoes radical change with a shift of emphasis from the primary to the tertiary sector.

Effects of BCCI Crisis Considered

Bank Press Release

91AS1323A Dhaka THE NEW NATION in English
12 Jul 91 pp 1, 8

[Text] The clients of BCCI [Bank of Credit and Commerce International] (Overseas) Ltd. are naturally facing difficulties because of suspension of its business in Bangladesh. BCCI's operations have been closed in all international financial centres by respective regulatory authorities. Any instructions regarding international transactions of BCCI will not, therefore, be legally effective, according to a Bangladesh Bank press release. Consequently BCCI is totally incapable now to carry out any international transactions. One or two countries which are allowing BCCI to carry out business locally on a very limited scale have also completely suspended BCCI's international transactions, added the press release issued yesterday.

Where imported goods against import L/Cs [Letters of Credit] opened by BCCI are awaiting customs clearance at Bangladeshi ports, but relevant import documents have not yet been released or where goods have been shipped from abroad but relevant import documents are in transit, the concerned importers may arrange to have the import documents released by making full payment of import

value to Agrani Bank. Where goods against import L/Cs opened by BCCI have not yet been shipped, the importers concerned in their own interest should contact the foreign suppliers to cancel the relevant L/Cs and arrange to open new L/Cs through other banks. In those cases alone where imported goods are lying in the godowns of BCCI, the concerned importers may arrange to have the goods released by making full payment of import value to Agrani Bank.

In the cases where exporters have effected shipment of goods against export L/Cs which were not opened by any office of BCCI abroad, but received by BCCI in Bangladesh and the bank has not yet negotiated the relevant export documents, the exporters may arrange to amend the export L/Cs so that the documents can be negotiated by Agrani Bank.

The above arrangement will also apply to back-to-back Letters of Credit. However, where the mother export L/C has been received but import L/C has not been opened, the importer concerned may arrange to have the principal export L/C cancelled and get new export L/C opened through another bank. Concerned importers and exporters may contact the head office of Agrani Bank in the above matters.

It may be mentioned that as a result of the above arrangements the interest of BCCI in Bangladesh will not be prejudiced. On the other hand, it is expected that these arrangements will help alleviate the problems now faced by the traders.

Authorities in Bangladesh are determined to ensure that banking services in general and Trade & Commerce in particular are not hampered because of temporary set-back in the operations of a particular bank. Temporary suspension of the business of BCCI has not caused adverse impact on the operation of other Scheduled Banks in Bangladesh who are operating normally.

BSS adds: Bangladesh Bank has reiterated that all possible actions are being taken to protect the interest of the depositors and other creditors of Bank of Credit and Commerce International (BCCI) in Bangladesh.

The bank in a press release issued yesterday said that the Ministry of Finance has been kept "Full in the picture about all actions it has so far taken about the BCCI."

Referring to some "Baseless stories" about "Imaginary actions" taken by the authorities, the bank has drawn the attention of all concerned to Section 57 of Bank Companies Act, 1991, which provided for upto two years imprisonment and or penalty of Taka 20,000 for any person, who in a planned manner tries to destabilise the confidence of depositors in bank.

Garment Industry Crisis

91AS1323B Dhaka THE NEW NATION in English
12 Jul 91 pp 1, 8

[Text] The sudden suspension of operation of Bank of Credit and Commerce International (BCCI) has thrown

some 25 garment factories in serious crisis, according to a top executive of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

A high-level meeting held Wednesday at the office of the Export Promotion Bureau (EPB), reviewed the prevailing situation arising out of the BCCI crisis. The meeting held detailed discussion about various problems faced by the garments sector, particularly after the suspension of BCCI's operation.

Chaired by EPB Vice-Chairman, Mr. Abu Sayeed Chowdhury, the meeting was attended by Mr. Musharraf Hussain, President BGMEA, and Mr. Akram Hussain, President, Federation of Bangladesh Chambers of Commerce and Industries, among others.

The BGMEA President, Mr. Musharraf Hussain said some factories might not be able to pay the staff salary, while others would face shortage of raw materials to keep themselves functioning.

He said, some factories were to get payment against shipment of their order. The payment would enable them pay the salaries. And a number of others would not be able to continue with the operation of their factories as they could not get release of the raw materials the shippers sent them from the port and godowns for want of supporting bank order. In these cases, Mr. Hussain said the garment factories would face problems in executing the order on time. This would lead to serious crisis for many factories affected by the recent cyclone.

He said, many apprehend that they will not be able to export or the shipment might be delayed. This would put the manufacturers into huge foreign currency liability and also on the Bangladesh Bank, he added.

Mr. Hussain suggested that Bangladesh Bank should take up the matter on an urgent footing to resolve the complex issue confronting the garment sector. He said, if necessary, the Bangladesh Bank should nominate some other scheduled banks to handle the pending LCs and allow the garments exporters to continue their business transactions uninterrupted through other banks.

He also said the suspension of operation of BCCI in Bangladesh and elsewhere affected overseas buyers adversely.

When contacted, a multi-national trading organisation based in Hong Kong having business connection with Bangladesh told this correspondent that their trade had been affected due to suspension of the Bank's operation.

The American garment buyers' representatives in Hong Kong with wide business network in Bangladesh said that their business operation came to a halt due to the closure of BCCI in Hong Kong along with the closure of the same bank in other countries.

Banking experts strongly feel that the Government of Bangladesh should move swiftly to restore confidence in

Bangladeshi depositors as well as salvage commercial transactions in the garment sector before a great harm is done.

The small, medium and large-scale depositors of Bangladesh, Pakistan, Middle East and UK have been affected by the BCCI crisis.

Managing Director of a pharmaceutical industry said his industry would suffer badly if the bank is not allowed to resume normal functioning.

Results of Bank Action

91AS1323C Dhaka THE BANGLADESH OBSERVER
in English 11 Jul 91 p 5

[Text] With the suspension of its transaction the massive banking edifice built the world over by a handful of financial barons of the Emirate is on the verge of totally crumbling down. The calumny of laundering drug money of the newly sprung mafias of Western hemisphere has been hurled against the Bank of Credit and Commerce International (BCCI). Together with some European and Asian Countries the 336 officers and employers of BCCI, Bangladesh, have been plunged into unemployment on 6th July abruptly when the reported 500 crore deposit money of the Bank were frozen at the orders of the Central Bank of Bangladesh. As apprehended a great uncertainty has gripped the depositors and creditors.

The worry of the depositors was aggravated amongst the trade and industrial circle of Bangladesh with the calculated circulation of rumours that the BCCI Bangladesh is in process of liquidation.

It may be mentioned here that such a drastic action like total suspension of operation of a particular bank is the first of its kind in Bangladesh. Therefore it created an instantaneous alarm amongst its clients and creditors who made an unprecedented rush to withdraw their money.

The suspension of BCCI transactions resulted in an instant snow-balling effect on other banks. The fear psychosis of the clients filtered down to other scheduled banks. On 7th and 8th July long queues of people were seen standing to withdraw deposit money. BCCI had been doing business since 1976 with reputation and promptitude. Their sincere and diligent service coupled with the head office managerial efficiency resulted in the generation of a large deposit of Tk.[takas]550 crore and thereby securing its position. So far as Bangladesh is concerned the past record of this bank is unblemished. Against such a backdrop when Pakistan, Australia and India etc. refused to comply with the directive of the upper echelon for temporary closure the swiftness of Bangladesh Bank's action appears to be precipitous. Instead of total suspension Bangladesh, like Pakistan, could have cleared the liabilities up to a certain slab. In fact there was nothing to invoke the Banking Companies Act 1991 by the Bangladesh Bank.

The allegation of laundering drug money calls for close security. Financial irregularities in so far as they relate to laundering illegal money across the globe involves US \$32 million out of which BCCI has been implicated for \$14

million. The rest of the irregularities of \$18 million are alleged to have been committed by the US banks located in the USA. What punitive action has been taken against these alleged American delinquent launderers? Prima facie evidences are reported to have been found against those American Banks as well as the BCCI. Why then take the BCCI alone to task?

Motivated stories are circulated that Bangladesh BCCI's liabilities are more than the assets. Some interested quarters are reportedly even concocting figures of liabilities and assets as 675 crore and 450 crores respectively. Such conjectures of nonexistent liabilities seem skilfully contrived by the vested quarters to heighten the tension and shatter the confidence of the creditors. The truth however is quite otherwise. After proper audit the asset figure comes to Taka 550 crore and the deposits a little over 500 crore. As such there should be no cause for alarm.

Yet another interested quarter is reportedly involved in this affair. We would expect that personal grievances against individuals connected with banks should not be the basis for action against the bank itself.

Five days have elapsed since the suspension of BCCI activities in Bangladesh. The fate of almost 40 thousand clients of this bank are hanging in the balance. The clamp down has already shaken the confidence of the people in the banking system in general and the foreign and private banks in particular. Resumption of transaction even on a limited scale with withdrawal facility reopened will do much to restore the shaken confidence of the clients as a first step to put BCCI back on the rails.

Planned Actions Against BCCI Revealed

91AS1356A Dhaka THE BANGLADESH OBSERVER
in English 18 Jul 91 pp 1, 10

[Text] Minister of State for Finance Mujibur Rahman told the Jatiya Sangsad Wednesday that proper actions would be taken against those Bangladeshi employees of the BCCI [Bank of Credit and Commerce International] who had involved themselves in the bank's unlawful activities, reports BSS.

Mr. Rahman said, Bangladesh Bank had appointed a two-member audit team to inquire into the entire affairs of the Bank of Credit and Commerce International Overseas Ltd. (BCCI). After the team submits its report everything could be known regarding the functioning of the BCCI in Bangladesh. The Minister, however, said nobody had ever raised any allegation against the BCCI or its employees here before the operations of the bank were suspended.

In reply to a call attention motion on matters of public interest raised by Mr. Rahmat Ali (AL-Gazipur) the State Minister said that all out measures were being taken to protect the interest of the BCCI's Bangladeshi depositors.

He also informed that Bangladesh Bank had issued some important instructions to facilitate import-export transactions relating to the BCCI.

Mr. Rahman told the House that a preliminary report would be received from the audit team within a week to take a decision about the depositors.

The Minister said, for any misdeeds of the BCCI outside the country, the employees of its Bangladesh branches could not be held responsible. If specific allegations were found against any of them, legal and stern action would be taken, he added.

Giving a background of the whole affair, Mr. Mujibur Rahman said that Bangladesh Bank had suspended the operations of BCCI in Bangladesh with effect from 6 July under the Banking Companies Act, 1991.

He said, BCCI central office in Abu Dhabi had directed all its branches in Bangladesh to close down their business from the same date. The instruction also stipulated that Bangladesh authorities would also be responsible for all consequences if the BCCI continued operations here and that the Bangladesh authorities would have to furnish a legally enforceable guarantee to the BCCI to that effect.

Under such circumstances, the Minister said, the transaction of business by the BCCI branches here was virtually barred by such an unusual stipulation and hence their operation had been suspended by Bangladesh Bank.

The State Minister said immediately after suspension of operations of the BCCI branches here. Bangladesh Bank

has deputed an officer of the rank of General Manager to look into the assets and liabilities of the bank here.

He also told the Sangsad that Bangladesh Bank, from time to time had been keeping the Government informed about the latest developments of the situation. Bangladesh Bank is also consulting with the Government over the issue, he added.

Earlier, raising the call attention motion, Mr. Rahmat Ali said, it was found from the past records of the BCCI activities that the said bank was engaged in "drug trafficking turning black money white for unscrupulous businessmen." Besides, he said, this bank in Bangladesh was engaged in the flight of crores of Taka of the ministers and unwanted persons in power of the former autocratic government.

Mr. Rahmat Ali said, it was alleged that the main task of the bank was also to make black money white, for government officials of many other countries also.

He said, local subscribers and the banks having transactions with the BCCI had suffered drastic losses owing to close down the activities of the bank here. "Our national economy is also facing a crisis," he added.

Besides, Mr. Ali said, many people who were serving in various branches of the bank have become unemployed. He sought an explanation from the Minister on the issue as it related to public interests.

Kuwaiti-Bound Troops Addressed by Army Chief

91AS1252A Dhaka THE BANGLADESH OBSERVER
in English 5 Jul 91 p 10

[Text] Chief of Army Staff Lt. General Muhammad Noor Uddin Khan addressed the members of the Bangladesh Military Contingent for Kuwait at the Sena Kunja at the Dhaka Cantonment on Thursday morning, an ISPR [Inter-Service Public Relations] release said, reports BSS.

The contingent led by Col. M. Shah Jalal will be leaving Dhaka soon for Kuwait to take part in the reconstruction of the friendly country.

The chief of the Army Staff called upon members of the contingent to discharge their duties in Kuwait with utmost sincerity and devotion to keep up the reputation and appreciation earned by Bangladesh Military Contingent in Saudi Arabia.

Members of the contingent would represent Bangladesh abroad. They must earn respect from all by their personal behaviours and manners so that the image of our Armed Forces as well as our national prestige is held high.

The chief of Army Staff said that the Bangladesh Military contingent in Saudi Arabia successfully carried out their responsibilities in defending the Holy land of the country and opened avenues of our army to work with other armies abroad.

Another contingent would leave for Bahrain sometime in next December. Success of the Bangladesh Military Contingent for Kuwait would bring more such opportunities from other countries in the Middle East, he told.

General Noor Uddin expected that professional efficiency and discipline of our soldiers would enable them to succeed in their mission abroad. Members of the contingent would be able to overcome the climate difference and other hazards with perseverance and endurance, he added.

Principal staff officers and other senior army officers including the Savar Area Commander were among others present on the occasion.

Air Force, Navy Chiefs Retire; Replacements Named

91AS1111A Dhaka THE BANGLADESH OBSERVER
in English 5 Jun 91 p 1

[Text] Air Vice Marshal Mumtazuddin Ahmed, PSC, Chief of Air Staff Bangladesh Air Force, has been retired from Bangladesh Air Force with effect from Tuesday, according to notification issued by the Ministry of Defence, yesterday, an ISPR [Interservice Public Relations] press release said, reports BSS.

Air Commodore Altaf Hussain Choudhury, NDH, PSC has been appointed Chief of Air Staff, Bangladesh Air Force, in his place with effect from the same date.

Another report says, Rear Admiral Amir Ahmed Mustafa, PSC, BN Chief of Naval Staff Bangladesh Navy, has been retired from Bangladesh Navy with effect from Tuesday.

Commodore Muhammad Muhaiminul Islam, NCC, has been appointed to the post of Chief of Naval Staff, Bangladesh Navy, in his place with effect from the same date.

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