

When the news is bad face up

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THE way the officialdom has been blaming the economic mess on the press and the rumour-mongers is literally like shooting the messenger for the bad news. President Clinton at least worked up courage to own up to his shenanigan before he tried to diffuse its impact by deploring the investigations for the time and money spent.

A specious syllogism of the prime minister ran as follows. Didn't the press report government's seizure and freeze of bank lockers, withdrawal of currency notes, confiscation of gold? That did not happen, ergo, everything the press wrote in criticism of the government was untruthful, and the press writing it was unpatriotic!

First, if some papers did mention one or two of those things as a public fear (not as a fact, mind you), was that really so outlandish after the foreign exchange in people's bank accounts had in fact been unceremoniously seized? If the other things did not happen, was that proof enough that they were never thought of? And that the idea was not given up only as a result of the public reaction shown up? If the government was guilty of one act of bad faith it could be considered capable of another.

It could even be argued that the newspapers sought to do public service by ensuring that the people were not again taken by surprise. If the other things had in fact happened they would at least have been made conscious of the possibility beforehand.

This was the first thing seriously wrong with foreign account seizure — its being presented as a fait accompli. You cannot do a thing like that to the people and then ask them to put it down to sacrifice. It becomes an extortion instead. Sacrifice by definition is something done voluntarily. If the volition part is taken out of it it robs it of the essence of the act, its feel-good essence. Resentment then takes its place, a sense of having been cheated.

Mr Sartaj Aziz's recent apologia for the decision did nothing to assuage the pain. A majority of the experts consulted, he said, were of the view that if the accounts were not frozen the moneys would disappear within three to seven days. Yes, probably the amount that did disappear in any case, and a little more. anyhow, the question is, does a government that can trust the patriotism of the people so little have the right to expect the people for their part to trust it with their patriotism? Can they be faulted if they are not too eager afterwards to respond to appeals for new sacri-

rate to meet their urgent needs.' A margin of some 23% in the eyes of this finance minister was only slightly higher.

Patriotism, even if it was involuntary, might have taken even that in its stride, except that when an honest person feels he is being treated pretty much on the terms and assumptions of a drug smuggler it rankles. It rankles even more when it seems almost certain that the benefit would not really end up going to the country or the common people. Such honest ones who were caught in the vice must be not one or two but a motley of tens of thousands.

The finance minister coyly admits in this article that the measure 'adversely affected the credibility of the government.' It is astonishing how it was not foreseen that affect the credibility it would. The explanation must be that the politicians, lacking in political sense, allowed themselves to be nose-led by the so-called experts. And now Mian Nawaz Sharif carps at the press for sowing doubts among the people, who he apparently believes were otherwise wholly trusting of his government.

People would indeed rally round a government in an hour of national need, but only if they believed in its bona fide and had faith in its competence. And also if they felt that the government itself did not have a big hand in the crisis. Unfortunately none of that is true in the present case.

Much as Mr Sartaj Aziz tries to put the blame for the present crunch on the earlier political government even his own figures show that at least the second year of the first Nawaz Sharif government and the past 18 months of his second one had had a big enough share in creating the mess.

Secondly, the problem is in part being admitted only now when it is blowing up in everyone's face. The hype earlier on was that we were on way to great things. Even now that continues to be the refrain even amidst the running undercurrent of ominous appeals to the people's patriotism.

Thirdly, official publicity keeps making the oblique suggestion that if there is a crisis hadn't the people committed their willingness to face up to it? They had demanded the nuclear-tit-for-tat last May. They had in that way expressed their readiness to risk international sanctions. The suggestion of course disregards the fact that the people

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...me credit for the government's having in the event chosen the second softer option. In practice though there is no more than a shade of difference between the two. Whether under mandatory exchange control or a freeze, whether through licensed money changers or unlicensed ones, the difference was only of names, the choice for most people only between methods or auspices of getting squeezed.

It wasn't just that the seizure was considered 'inevitable', as Mr Sartaj Aziz mistakenly puts it. It was also that it was done with such remarkable absence of bad conscience. The minister quotes an expert's view, with apparent agreement, that most of the residents' accounts consisted of black money anyway. That money had been converted in the local market at much lower rates than now over the past years: it was done so for being put into foreign currency accounts just in order to launder it and to avoid taxation over it. In other words, the freeze wasn't much of a loss for those people; their real purpose served either way.

That might largely have been true. But what about the others, the honest ones, who got penalised for their honesty and then left to wave the flag of patriotism for their pains?

One family of doctors for instance had recently come back home after spending their whole working life abroad. They found their lifetime's savings converted overnight into local currency. When soon after that they had to go abroad for a medical check-up and then send the yearly expense to a son studying abroad they had to draw upon their dollars in rupees at Rs 46 for a dollar, then go to the market to buy dollars at Rs 56

were never properly consulted and their so-called solidarity over the issue was now being made into a principal argument just because that suits the official purpose. There hasn't been a tradition of prior debate over important matters even in the parliament.

An even more worrying aspect is that there is no evidence of the authorities having any clear conception about the way for the future. A TV pep piece playing on word-sounds says in a booming voice: "Nuclear Explosion: A New, Clear Vision." The fact is there is no sign yet of a new or a clear vision, even of there being any vision at all.

The foreign exchange crunch appears to be getting worse — and not just in newspaper pages. Foreign remittances have declined although denials of that continue. Investments are halted. There is no apparent way that exports will look up. The inelasticity of both imports and exports remains a fact of life. The multiple exchange rate has meant effective devaluation without any prospect much as in the past, of the normal benefits of devaluation.

The residual reserve of a little over half a billion dollars hasn't been much helped by the Kuwaiti dose of \$250 million. The reserving liability of \$1.7 billion due next month seems a goner now, with a plea for rescheduling and then a default almost a foregone conclusion, except in case of an American and/or Arab change of heart of unlikely proportions. Even if a mir-

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acle of the latter kind occurs how long can the bailout last? Thus, it isn't just that the country is in an unprecedented bind the government too seems to have only the dimmest notion of it, let alone of the ways of getting out of it. It shows no sense of emergency.

If it were conscious of the size of the challenge it would be making the most concerted effort to try and bring the country together — not with childish TV inserts of a looming prime minister hollowly harking the nation once more to the breach as it were, but with honest open bids to take the people into confidence.

It would draw up an honest-to-goodness inventory of the needs and the priorities, the promised and expected size and source of assistance, and the minimum that a national effort has to find a way of rendering over a given period of

time. A crash blueprint of this kind would then be debated and finalised in a series of conference with leaders of political and civil society, and respective commitments would voluntarily be sought and responsibilities voluntarily assumed.

This would also require the pursuit of the political chimeras of the past to be put on hold for a while. Recriminatory politics hardens divisions, it does not ease cooperation. It makes suspect of a national cause too.

Such consensus-building is not easy in the best of times. It may be impossible with the kind of leadership there is. But the fact remains that if the country is to be heaved back on course a beginning of that kind may have to be attempted.

And if there is bad news a government of any sense would first look to its own record. It would not set about quarrelling with the bearer of those tidings.