



American voyage

The PM's meeting with Trump gives India a chance to study its options in a changed world

Three years after his first visit to meet U.S. President Barack Obama, Prime Minister Narendra Modi will travel to Washington for his first meeting with the new President, Donald Trump, on June 26. His visit in 2014 was made easier by a strong Indo-U.S. relationship built steadily over the previous two decades, and grounded in Mr. Obama's personal commitment to enhancing strategic ties. It also benefited from Mr. Modi's willingness to let bygones be bygones, over the earlier denial to him of a visa to the U.S., in order to build a new relationship, and his show of diaspora strength in the U.S. Mr. Modi now goes to Washington as a seasoned interlocutor, not the 'new kid on the world leadership block' he was in previous visits. But the situation in 2017 is different. In the five months since his inauguration, Mr. Trump has made it clear that no international relationship can be taken for granted, and it will be difficult to predict which American foreign policy principles will be adhered to in the new administration, and which will be dropped without ceremony. On the partnership with India, few will be willing to hazard a guess on what Mr. Trump has in mind. As President he has spoken to Mr. Modi twice, and sent his National Security Adviser to the region. But he has also criticised India on a tough tariff regime, on immigration and professional visas, and while withdrawing from the Paris climate accord, accused India of taking "billions and billions" of U.S. aid to fund its commitments. India has not been the biggest priority on Mr. Trump's list of meetings with world leaders; the focus has been on America's closest alliances in Europe and Japan, and problem areas such as China and Turkey.

Given the changed circumstances, officials in both India and the U.S. have reportedly set aside any formal agenda for the meeting on Monday, placing the emphasis on how the one-on-one meeting between the two leaders goes. Both sides have also, appropriately, toned down expectations of any big announcements. There are indications of likely agreements to be announced on counter-terror cooperation, maritime traffic facilitation and trade. However, it would be wise to put off more substantive decisions, on military cooperation, large defence purchases, Afghanistan and fighting regional terror, and the long-pending operationalisation of the nuclear deal to the next bilateral meeting, and focus instead on firming up the ground rules of engagement. That will allow Mr. Modi to get a true sense of what Mr. Trump's commitment to the relationship is, while India studies its options on how to chart its course amid the new uncertainty in world politics. That he is getting a sense of the changed U.S. administration may be clear from the decision not to hold any large gatherings of the Indian-American community this time, presumably in deference to the prevailing sentiment in Washington over immigration.

Macron once more

With a parliamentary majority, he is well placed to heal an ideological rift in Europe

The large majority for his La République En Marche in the National Assembly elections in France has cleared the path for President Emmanuel Macron's government to implement his ambitious, if sometimes contentious, policies. Along with its Democratic Movement allies, the LREM has won 350 of 577 seats. While the majority is smaller than the landslide many had predicted, the LREM's performance continues to show that the old system is being crowded out, with the mainstream Socialist Party on the left and the Republicans on the right suffering severe setbacks. From running the previous government, the Socialists have been relegated to a historically low position with around 30 seats, and their leader, Jean-Christophe Cambadélis, has resigned after losing his own seat. The Republicans and their allies have won 137 seats, down from 199 seats in the previous Assembly. On the far left, the Insoumise have secured more than the 15 seats required to form a parliamentary group. This is less than what their charismatic leader Jean-Luc Mélenchon had hoped for, but he himself has retained his seat and the Insoumise would be looking to develop as an opposition movement, especially in light of the attenuating Socialist Party. The far right's Front National, with its core xenophobic and nativist philosophy seen to be damaging not just to the Fifth Republic but to all of Europe, has done better than projected but is still well short of its goal of 15 seats.

Mr. Macron's economic policy proposals are a mix of right and left. They include cutting government spending and jobs, while investing in strategic sectors and increasing the scope of some welfare schemes. He has also proposed making labour laws more flexible. The argument that such a large majority for the LREM is dangerous is valid insofar as a strong and sizeable opposition is the cornerstone of a healthy democracy. But the 'neither left nor right' criticism of Mr. Macron's policies suggests an openness in the LREM's ideology. Additionally, some three-quarters of the new legislators did not hold a seat in 2012, and therefore they contribute to a renewal of the Assembly. Mr. Macron's first piece of legislation on 'moralising' politics, which seeks to bring greater probity into public life, is also good reason for optimism. Yet, Mr. Macron would do well to remember his presidential victory speech at the Louvre — a promise to reunite a deeply divided country and bring people back from the extremes. The need for this has been brought home again by a record abstention rate for the second round of elections on Sunday, of about 57%. If the month since the presidential election is any indication, Mr. Macron is well-placed to provide the strong leadership both Europe and the democratic world seem to need at the moment. This will have to start at home, where the way is now clear for him.

The art of positive messaging

The opposition parties might do well to take a leaf out of the BJP's playbook



HAPPYMON JACOB

“For all the killing and heading they do on the LoC (Line of Control), we thrashed them so badly on the cricket field yesterday,” my Uber driver told me, with a palpable tinge of pride in his voice, the morning after the Indian cricket team won the ICC Champions Trophy match against Pakistan on June 4. “But Pakistan has beaten India several times in the past,” I reminded the young man who kept checking for WhatsApp messages on his smartphone at every traffic signal. “Yeah, sometimes they (the Indian team) let us down,” he complained, irritated. I imagine that would have been the response had I spoken to him now about India's defeat by Pakistan in the Trophy final on Sunday.

Notice the subject of the two references to the Indian cricket team: victory is associated with 'we' and defeat is associated with 'they' or 'our team'. The underlying point is simple: we would like to associate with feelings and messages of positivity, prosperity and good news. And by extension, just as we would prefer bearing good news rather than bad news, we instinctively like those who give us positive messages and promise acts of pride and achievement. Several psychologists have reached these conclusions using scientific studies.

It's basic psychology that we like to hear good things — about our country, religion, cricket team, Olympic medals, etc. — as, they are, to some extent, an extension of our own selves. When our team wins a match, we are winning the match. But when they lose, we instinctively try to shift the burden of failure to the team. This desire and imagery of positivity is not limited to present achievements alone;

rather, it extends to imaginary glories of the past, revenge on the enemy, sacrifices for collective good, among others. Politicians and political parties habitually use symbols and images associated with positivity to gather domestic political support. “Make America great again” and “Bharat Mata ki jai” are two of the best examples of positive messaging in our times.

Questions of pride

Having been in power for over three years now, the Bharatiya Janata Party (BJP) government has little to show for itself in terms of economic growth, employment generation or national security. And yet, Prime Minister Narendra Modi's popularity has only spiked. What explains this? Part of the answer lies in their ability to master the fine art of positive messaging by effectively fusing national pride with our ordinary selves and daily lives. Mr. Modi's well-telvised visits to great power capitals, accompanied by an abundance of glamour and grandeur, are choreographed to look like our own teleported visits there, and we feel that the 'land of snake charmers' has finally arrived on the world stage. From invoking 'Gujarati asmita' when he was the Gujarat Chief Minister to invoking national pride today, Mr. Modi's ability to give a positive twist to just about any situation is unparalleled. Consider, for instance, how Mr. Modi reframed the curse of poverty with clever word play: “I find great po-

tential among the poor. The poor are the strength of this country.”

There are three core styles of positive messaging that the BJP typically engages in, and thereby successfully connecting with the masses on the ground, who could do with some positive news amidst all the anxieties of their daily lives. The language of greatness and growth are the most prominent in the BJP's tool kit of political messaging. The promise of “*achhe din* (good days)” galvanised the national imagination and brought Mr. Modi to power in 2014. From A.B. Vajpayee's “India Shining” to “*Mera Desh Badal Raha Hai, Aage Badh Raha Hai* (my country is changing, its' moving ahead)” to calming, without any basis of course, that plastic surgery has ancient Indian roots, BJP leaders consistently emphasise India's lost glory, and the need to restore that. It strikes a chord with the average Indian voter.

The BJP also uses the language of revenge for positive messaging. What makes the post-Urvi 'surgical strikes', giving an occasional '*muh tod jawab* (solid response)’ to Pakistan, or engaging in a war of nerves with China attractive to the public is not any novelty about them, given that previous governments have also done similar things, but the way these developments are packaged to project a strong India and a stronger Prime Minister.

Third, the BJP and Mr. Modi have managed to give a positive twist to

even painful, and proving to be counter-productive, decisions by the government by using the language of sacrifice. For a country that was distressed by scams after scams during the second United Progressive Alliance government, Mr. Modi's assertive and impassioned calls for making personal sacrifices to curb corruption and terror financing came across as being driven by a national sense of purpose and invoked our deep sense of patriotic duty.

Operationalising ‘achhe din’

The BJP's well-choreographed and finely calibrated “*achhe din*” message constructs a seductive meta-discourse about glory, achievements and revenge leading to the creation of an ecosystem of positivity. It functions like a well-designed advertising campaign — it sells you the narrative and enlists you. Once you get enlisted, you become the campaigner, and even if you know the product is faulty, you are likely to stick with it, often vigorously defending it. That's just normal human behaviour. Many initial supporters of the BJP who were genuinely upbeat about Mr. Modi's “*achhe din*” plank in 2014 today realise that this was after all a smart election strategy, but they find it too difficult to come out of the robusly constructed world of positivity and greatness, more hype than real, which they helped build and propagate. That's not all.

Besides creating a self-perpetuating and hyped-up ecosystem of positivity, the BJP has managed to further fortify its “*achhe din*” narrative with the discourse on anti-nationalism. If you are not taken in by the dominant narrative and criticise the state of affairs in the country, you could be termed as anti-national. It's a political double whammy for those opposing the “*achhe din*” message — even if you are not persuaded by the ‘positive messaging’, being castigated as anti-national stops you from criticising it.

While much of the “*achhe din*”

narrative is essentially make-believe, ignoring the power of positive messaging can be perilous for those involved in mass mobilisation in an age when post-truths and alternative facts tend to chip away at the fundamentals of fact-based debates. The non-BJP parties have typically ignored the lessons of positive messaging. Most of their narratives labour on about inabilities, inadequacies and a ‘what can we do, we are a Third World country’ refrain. While the Left parties criticise the Congress and the BJP, they have been unable to sell their own alternative on a grand scale. Criticism, while important for the survival of a democracy, lacks positivity. Thanks to its historical baggage of family-centred politics and corrupt leaders, the Congress party has stopped inspiring people.

Left liberals are also accused of being too cynical. A few days ago, I received a WhatsApp message rhetorically asking why left liberals are so negative/pessimistic about the country. The left liberal tendency to focus exclusively on shortcomings and inadequacies does not seem to sit well with a country that needs positive affirmation and a sense of self-worth. Bearers of bad news aren't popular any more.

There is, of course, a limit to how long positive messaging alone can get people rooting for a political party or ruling dispensation. The reflected glory of imagined victories is bound to fade away eventually. How the BJP's earlier ‘India Shining’ campaign collapsed under its own weight in 2004 is a case in point. At a certain point, (real) GDP figures, shrinking employment opportunities and rising living costs will start to matter. But until then, the opposition parties might do well to take a leaf out of the BJP's playbook.

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Bringing GM to the table

Promoters of GM food need to reach out to consumers in a transparent, engaging manner



RAMA MOHANA R. TURAGA

On May 11, 2017, the Genetic Engineering Appraisal Committee (GEAC) — the scientific committee of the Ministry of Environment, Forests and Climate Change — that regulates genetically modified (GM) crops in India — had cleared GM mustard for commercial production. Anti-GM groups immediately opposed the decision and appealed to the Minister for Environment, who gives the final clearance, not to accept the GEAC's recommendation.

Issues at core of opposition

The question of whether India should allow commercial production of GM crops has been one of the more enduring public policy debates over the last decade-and-a-half. After the approval of Bt cotton in 2002, the attempt to bring Bt Brinjal into commercial production faced serious resistance in 2010. After the GEAC approved Bt brinjal for commercial production,

the then Environment Minister, Jairam Ramesh, placed a moratorium after undertaking extensive public consultation. Proponents of GM crops, including Noble laureates, insist that opposition to GM crops is driven by irrational fears of harm to human health and having an environmental impact and accuse opposing environmental groups of misrepresenting facts. Such arguments, however, are unlikely to convince the opponents of GM crops. While the debate is complex, involving a wide range of scientific, socio-economic, and political factors, it is important to understand two related issues that are fundamental to the opposition: invoking the precautionary principle for regulatory decision-making and a lack of trust in government and industry that promotes and benefits from GM technologies.

One of the principal reasons for opposition to GM crops is the potential for serious, irreversible damage to human health and the environment. This is especially relevant in the context of crops such as Bt brinjal which involve direct consumption by humans, unlike Bt cotton. The widespread havoc that chemical pesticides and fertilizers have caused since the Green Re-



volution only adds credence to these concerns. While GM supporters claim that there is little scientific evidence of adverse impacts so far, GM opponents cite the need for longer term assessment of adverse impacts and more concrete evidence of no adverse effects. Implicitly, GM opponents are invoking the precautionary principle, which is a widely incorporated one in several international agreements and treaties on the environment. In the context of technologies such as GM crops, where there is significant scientific uncertainty over their safety, the precautionary principle suggests that we wait until a broader scientific consensus is achieved. For example, regulations in Europe, where GM crops face similar opposition, explicitly invoke the precautionary principle

as the basis for deciding whether GM foods should be allowed.

Lack of transparency

The lack of transparency in the regulatory process further amplifies apprehensions stemming from a precautionary approach. All the safety tests for regulatory approvals are typically conducted by the same party that applies for commercialisation of GM crops — whether it is Mahyco on Bt brinjal or Delhi University on GM mustard. This conflict of interest was made worse by the refusal of GEAC (in both cases) to publicly release the safety testing data submitted for regulatory approval until GM opponents filed a Right to Information petition. This tendency to operate in secrecy has not only created a serious distrust of the government and the promoters of GM crops but is also fuelling the conflict. Extensive research on public acceptance of GM foods in the European context identifies trust in regulatory agencies and industry as being a critical factor in public willingness to accept GM technology.

In a well-articulated decision letter at the time of rejecting Bt brinjal, the then Environment Minister, Jairam Ramesh, outlined the need

for the GEAC “to draw up a fresh protocol for the specific tests that will have to be conducted in order to generate public confidence”. The GM mustard case does not provide much evidence that anything has changed since the moratorium on Bt brinjal.

If there is a genuine case to be made to allow GM crops to improve yields and address India's food security, GM supporters might want to start cultivating an environment of openness and transparency to ally genuine fears instead of dismissing GM opponents as being “irrational”. On its part, the government should adopt a participatory approach to bring together all stakeholders to develop regulatory protocols that restore trust in the process. The burden of proof lies with the promoters of GM technology to persuade consumers, farmers and activists that among various alternatives available for sustainable food production — e.g., organic farming, use of biopesticides — GM technology is at least a serious option that we should embrace.

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LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

The candidate

In nominating Bihar Governor Ram Nath Kovind, and a Dalit, as its presidential candidate, the BJP has bowled a googly, uprooting the 'leg' stump of the Opposition. The maximum the Opposition can do now is to either support Mr. Kovind's candidature or nominate another Dalit or someone else from a minority community and appeal for a 'no ball'.

S. RAJAGOPALAN, Chennai

■ The BJP's announcement may or may not herald a new dawn for the marginalised in India. We have had a Dalit President before — the sagacious K.R. Narayanan — and yet Dalits and Adivasis continue to labour under overwhelming disadvantages in our Republic. The question is, will the next Dalit President at least verbally defend the pluralist ethos of the Constitution?

VASANTHA SURYA, Bengaluru

■ The BJP has a clear edge in numerical terms, further fortified by naming its Dalit candidate. However, it is clear that the move is more about “vote bank politics”. On its part, the Opposition should have sensed the BJP's line of thinking and announced, perhaps, the candidature of Meira Kumar who is also a fit candidate given her Lok Sabha Speakership background and as the daughter of Jagjivan Ram. The only sensible option left for the Opposition now is to support Mr. Kovind as he seems to be non-controversial. The Opposition can try to bargain for the vice-president's post by proposing Ms. Kumar's name. It would also brighten her prospects for elevation in the next presidential election.

V.N. GOPAL, Chennai

Unrest in the hills

The Gorkhaland agitation in West Bengal appears to be gaining momentum with

each passing day (“Another summer of discontent”, June 20). Though it is understandable that Gorkhas want to preserve their unique culture identity, the demand for a separate State is ambitious. India is a country of myriads of minorities, and a separate State for each one of them will only polarise the cultural plurality and unity of India. State governments should be more pragmatic and not impose any language or culture on those in a minority at least for the sake of peace. In the case of Darjeeling, it will be decorous if various political parties do not take advantage of the mayhem and work towards cooperation in the State (Editorial - “End the violence”, June 20).

PAUL JOM, Chennai

Policy and rights

One may tend to agree with the writer only when the piece is read fleetingly (“Legislation and legality”,

June 20). If the core argument — that sharing the particulars of one's Aadhaar and PAN numbers with others violates one's right to privacy leading to an infringement of fundamental rights — is correct, it must also be borne in mind that such a situation can be deemed to have some rightly perceived and ingrained exceptions. There is no judicial direction that an individual must share such particulars with another but only with the governmental authorities for the individual's credibility and safety. Take the case of one's driving licence, for example. If a driver is involved in a road accident, he is bound to disclose the particulars of his driving licence to the police and is not expected to protest that the particulars are extremely personal. Disclosure or linking of one's Aadhaar number to PAN is intended, *inter alia*, to streamline monetary transactions and to provide

identity to each individual. Can anyone cite an instance where the modality had gone wrong?

V. LAKSHMANAN, Tirupur, Tamil Nadu

It's only cricket

It's sickening to see how obsessed the media is with cricket. Many of us expected front page coverage of India's win over Pakistan in hockey but were

left sorely disappointed. It is a tragedy that our national game is projected in poor light and a shame that even the Tamil Nadu Premier League, for example, gets better and wider coverage. It leads to the perception that where money flows, the media follows.

G. VUJAY, Kavalpatnam, Tamil Nadu

MORE LETTERS ONLINE: www.hindu.com/opinion/letters/

CORRECTIONS & CLARIFICATIONS:

Editing error: A front-page report headlined “Splitting hairs on GST” (June 20, 2017) had incorrectly expanded GST as *General Sales Tax*. It should have been *Goods and Services Tax*.

In the graphic titled “Powerful strides” that was published along with the report, “Tangedco may post profit” (June 20, 2017, some editions), the figures corresponding to total revenue receipts and total revenue expenses for 2017-18 (budget estimates) got interchanged.

“Number theory” — the graphic that accompanied the report, “Low-profile Dalit leader tipped for the highest office” (June 20, 2017) — had a panel element that said the electoral college (for electing the President of India) comprises all Lok Sabha and Rajya Sabha MPs and all the members of the 31 Legislative Assemblies. It is clarified that the electoral college comprises only *elected members* of the Lok Sabha, the Rajya Sabha and the 31 Legislative Assemblies.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail: readerseditor@thehindu.co.in; Mail: Readers' Editor, The Hindu, Kasturji Buildings, 859 & 860 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com

THE WEDNESDAY INTERVIEW | ABDUL BASIT

'We have to keep the door open for possibilities'

Pakistan's outgoing High Commissioner says the two countries need to continue engagement on terror and other issues

SUHASINI HAIDAR
Abdul Basit's tenure as Pakistan's High Commissioner to India began in March 2014, a few months before the NDA government assumed office. The last three years have seen many low points in bilateral ties — from cancellation of Foreign Secretary-level talks in August 2014 over Mr. Basit's invitation to Hurriyat leaders to a near-freeze in dialogue over terror attacks emanating from Pakistani soil. However, Mr. Basit believes that agreement between the two sides on a framework for comprehensive dialogue in December 2015 is a silver lining. While reiterating Pakistan's position that talks and preconditions cannot go together, he is optimistic they will resume in the near future. As he ends his stint, he talks about the need for a structured initiative on the 'front channel'. He also calls for keeping the door open to all possibilities. Excerpts:

Congratulations on the Champions Cup cricket win, but given the sort of rivalry, is it actually better for bilateral ties that the two countries don't play each other until their other bilateral problems are resolved?

■ No, I don't think so. I think we should play cricket and other sports too... If we put off all sporting ties until we solve our problems, that wouldn't be wise. These events do help create a better environment and we need that.

You are completing your tenure after three years in India. When you came, there was the promise of a new bilateral relationship, Prime Minister Narendra Modi had invited his Pakistani counterpart Nawaz Sharif to India, the Foreign Secretaries were due to meet. How do you assess relations today?

■ We were very hopeful because our PM took a very bold decision to travel to India in May 2014, but after that the process got stuck. Notwithstanding all the problems, the two countries were able to agree on a framework to restart talks in December 2015 and on the comprehensive bilateral dialogue, which was our biggest achievement in the last three years. Now, whenever the two sides agree to talk to each other, at least we

wouldn't be spending too much time finalising the modalities for talks. In diplomacy... you have to keep the door open for possibilities. I am hopeful that Pakistan and India will talk to each other, but whether it happens now or two years down the road, I do not know.

You were held responsible for shutting one door yourself, when you invited the Hurriyat leadership for meetings, in 2014, just before the Foreign Secretary was leaving for Pakistan. Do you think your timing was wrong?

■ No, Pakistan has been engaging with the Hurriyat, and we never thought it should be a problem, and still don't.

The government said you crossed a "red line".

■ But since then too, we have been meeting the Hurriyat leadership and there has been no problem. Our meetings should be seen in a constructive way, as it helps us find a just and fair solution to the long-standing dispute over Jammu and Kashmir.

What steps do you think are needed to resume dialogue with India today?

■ We in Pakistan strongly feel that talks and preconditions do not go together. In-

dia has a different position. Now terrorism is also a big issue for us, and in Pakistan, Commander [Kulbhushan] Jadhav's conviction has proven our concerns. We aren't shying away from issues like terrorism. But even when you look at the Mumbai or Pathankot attacks, if you want to conduct a proper trial, the two countries would need to cooperate with each other... Without talking, how can you realistically expect these issues to come to a close? I feel that now that we have a framework under which to resume talks, it is just a matter of time...

Are you quite confident that the framework agreed to when Sushma Swaraj travelled to Pakistan in December 2015 would be taken forward if and when talks resume, as so much has changed since then?

■ The issues remain the same. No matter how much you fiddle with this framework, you will end up coming to the same issues. Obviously we don't expect overnight results, but our engagement must not be interrupted. Only then can we move beyond this environment of accusations.

It seems as if Pakistan is constantly looking for a third party. A few days ago, the Russian government had to deny the Pakistani contention that President Vladimir Putin had offered to mediate...

■ Well, we have not seen much progress in the 40-plus years since the Shimla agreement (1972) on bilateral talks, on the core dispute. If there is no movement on the bilateral front, you cannot expect that with the rest of the world... Jammu and Kashmir is central to Pakistan-India relations, and we feel that is



We do not see any move on the part of New Delhi to reach out for a structured dialogue with us

the root cause of all our problems.

Pakistan hasn't had much success on the international front either...

■ Well the UN Security Council did in its resolution 1172 of June 1998 state that Pakistan [and India] should resolve their bilateral disputes, including Jammu and Kashmir. So the international community is aware of the problem. In a recent interview to *The Hindu* too, the Saudi Ambassador here showed an interest in facilitating dialogue between India and Pakistan.

In October 2016, Pakistan's Foreign Affairs Advisor Sartaj Aziz said that there was "no hope for a breakthrough" with India under Prime Minister Modi. Is your assessment that at least

until Pakistan's elections in 2018 or India's in 2019, there will be no movement?

■ This is the impression we get, that there is no hope for a breakthrough at present. But that is not what we hope will happen.

We do not see any move on the part of New Delhi to reach out for a structured dialogue with us.

Do you agree that the discourse, especially since the Pathankot attack, has changed ties irrevocably in 2016? For example, India crossed the LoC and spoke openly of surgical strikes, the PM spoke of Balochistan in his Independence Day speech. India decided to go to the International Court of Justice (ICJ) over the Jadhav case. These actions are radically different from those of the past.

■ But issues remain the same. These are offshoots of the same problems we have been grappling with. You

mentioned that India brought up Balochistan; we raised (India's support to) Balochistan in 2009 at Sharm el-Sheikh.

In our view, the surgical strikes never took place, and it was Delhi's decision to take the Jadhav issue to an international court, let's see what happens. All these new issues that you mention only complicate the path to addressing the root causes: terrorism, Kashmir, Siachin, Sir Creek and others.

Let's speak of terrorism then. The Pakistan Interior Ministry has now said in court that Hafiz Saeed is a threat to peace and security within Pakistan, and has been involved in terrorism. Given that your federal officials are now saying what India has held for years, why is it still so difficult to take real action, not some house arrest type of detention, against him?

■ No individual in Pakistan is above the law. It is not the first time he has been put un-

der house arrest, the law will move against him. At the end of the day it is for the courts to decide.

The UNSC, the U.S. and many other countries seem to agree that the man is a terrorist. Now your government has also agreed to that. The question is, whether it is Hafiz Saeed, or Masood Azhar, why is it so difficult for Pakistan to take serious action?

■ If we do have evidence maintainable in a court of law, and if India cooperates by giving us hard evidence, that could help too.

The SAARC process is currently being held up by India's concerns on terror. Is Pakistan hopeful of being able to host the summit this year, and if necessary would you consider moving the venue to another country?

■ I haven't seen any move to hold the SAARC summit yet. This hasn't happened for the first time, and SAARC has been held up before. We wouldn't like the process to suffer, as all the countries in South Asia have invested a lot in it. There is no proposal under consideration to move the venue, and Pakistan will host the 19th SAARC summit, whenever that happens.

In the Kulbhushan Jadhav case, is there any rethink or hope for a review in Pakistan, given the lapses pointed out by India on consular access and on the mercy petitions?

■ There is a process that is ongoing, and if Jadhav's appeal were rejected [by the court], that would be the time for the Army chief or the President to reconsider the sentence against him. He has been tried, he has been convicted, and he has the right to appeal. If that is re-

jected, then he has the right to submit an application for clemency to the Army chief, and if he denies it, then to the President. So there is room for a rethink there.

Given that the ICJ has given dates for the process on India's case up to December 2017 at least, has Pakistan committed that it will not carry out the sentence until then, even if the process takes two-three years?

■ Yes that is clear, that goes without saying. We would like this process to be over quickly, but until [it is], we are committed.

Is there a back channel in place on this issue or on the larger relationship?

■ No there is no back channel between our two countries. We must first think of a formal structured dialogue and then we can think of a back channel.

Is there a need for one, since it would seem much of the progress seen between India and Pakistan in the years 2000-2008 were a result of a "quiet dialogue" or back channel in place?

■ Even at that time, the back channel was in parallel to a "front-channel" process, so that was a different phase in our relationship.

Is the four-step formula for Kashmir — which includes making borders irrelevant by allowing cross-Kashmir movement — still acceptable to Pakistan?

■ As far as Islamabad is concerned, no solution is acceptable unless it is acceptable to the people of Jammu and Kashmir. Any other solution will fall apart very quickly.

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SINGLE FILE

The pre-GST grand sale

Why companies are scrambling to clear old stock ahead of GST implementation

T.C.A. SHARAD RAGHAVAN



Ever since the Goods and Services Tax Council began releasing the rates on various items in May, companies ranging from e-commerce platforms and car manufacturers to apparel retailers and phone manufacturers have been bombarding registered customers and other recipients with messages, emails, and phone calls, offering attractive discounts valid till June 30, a day before the GST kicks in.

But why are they doing this? It surely can't be that they are celebrating the roll-out of the new indirect tax regime. By all accounts, most companies are quaking, fearing the huge increase in compliance costs and paperwork that GST will bring.

Multiple reasons

There are multiple reasons why companies are looking to get rid of their stock before July 1, including expectations of change in future prices, stringency of government laws, and tax complexity.

If companies, like luxury carmakers for example, feel that the prices of their products will go down in the new tax regime, then they have two reasons to get rid of their current stock. The first reason is economic.

They'll craft their discounts in such a way that even the discounted price is higher than the likely price of the car post-July 1. Most experts feel that the cost of a luxury car — to be taxed at 28% plus a 15% cess — will come down by about 1.5-4.5% under the GST. That works out to ₹75,000-₹2,25,000 on a ₹50 lakh car.

The other reason companies fearing a price reduction are getting rid of their stock now is because they fear government action against profiteering — that is, benefiting from a reduction in tax rates that have not been passed on to customers. The penalties are strict, including a fine and a possible cancellation of the company's registration. So, companies are doubly eager to avoid such a scenario.

Some companies may see the prices of their products go up. This, they expect, will bring its own share of problems. At a time when consumer demand is tepid at best, thanks to slowing economic growth, poor wage growth, and demonetisation, even a small increase in price is likely to encourage consumers to defer their purchases. And so Flipkart, Amazon, and all the other e-commerce companies are pushing huge discounts to attract customers.

The stock clearance sale could also have been prompted by a lack of clarity on what will happen to the old stock — products that were bought before the GST but need to be sold after its implementation. Government rules make this a complex question — the fate of their stock will depend on whether the company was a registered taxpayer before the GST, and whether it is a first-stage dealer, second-stage dealer, or importer. To avoid these hassles, companies are trying to get rid of all their stock and face the GST with a clean slate. In the meantime, as a consumer, enjoy!



CONCEPTUAL

Impossible trinity

ECONOMICS

A theory that states that, in the long-run, a central bank that hopes to conduct independent monetary policy must choose between maintaining a fixed foreign exchange rate and allowing the free movement of capital. For instance, a central bank that chooses to increase the total money supply by adopting loose monetary policy cannot hope to maintain the foreign exchange value of its currency unless it resorts to restricting the sale of domestic currency in the currency market. The idea is derived from the academic works of Canadian economist Robert Mundell and British economist Marcus Fleming.

MORE ON THE WEB

Video: What caused the Portugal wildfire?
<http://bit.ly/PortugalWildFire>

NOTEBOOK

Dateline Kathmandu

Reporting trips tell a saga of diplomatic slips by India

JOSY JOSEPH

The majestic Himalayan range provided a stunning backdrop to the tarmac of Tribhuvan International Airport. Passengers were waiting in the open for their turn to climb a few steps up a ladder to be subjected to a thorough final frisking before we boarded the aircraft.

At the Kathmandu airport, the ladder with a midway staging station is a sombre reminder of terror and diplomatic acrimony in the wake of the hijack of an Indian Airlines plane on Christmas eve of 1999, to be finally flown across to Kandahar. The hijack is now a distant memory in Kathmandu. Instead, the misery heaped on the Himalayan nation by nature and India are recurring themes in most conversations today. The city is in disarray — potholed roads, dilapidated buildings, a thick blanket of dust. Buildings that came down after the 2015 earthquake are still being rebuilt.

Kathmandu was the city where many of us reporters from Delhi would regularly land up, as political upheavals, bloodbath, rumours and diplomatic dramas all turned the sleepy town into one of the most happening datelines of the region.

In the summer of 2001, when I landed in Kathmandu to report on the royal massacre, it was a city on edge. The duty-free shop at the airport, where bottles of Famous Grouse whiskey, the brand that Prince Dipendra drank before wiping out most of the royal family, was prominently displayed in the wake of the massacre, today seems to stock more variety.

Over the years, rumours and anti-India sentiments have been key ingredients in most developments in Kathmandu. Except on rare occasions, India has let the historical goodwill slip away to frightening levels by its mostly avuncular, and recently aggress-

ive, engagement with Nepal.

Yet, the present level of Indian popularity, however, wouldn't surprise those who have been regulars to this valley over the years. In 2000, I had been drenched in the rain when I was escorted into the office of Jamim Shah, the cable king of Nepal who was accused by Indian agencies of being Dawood Ibrahim and ISI's key man. Indian agencies said Shah used his cable channel to provoke anti-India riots.

Shah gave me a rare and dramatic interview — laughing, crying, angrily dismissing allegations, and boasting about his Indian connections. A senior Indian official who heard the taped interview told me that while I had indeed met the real Shah, Indian agencies had over the years been probably listening in on the wrong guy. In February 2010, Shah was shot dead. Speculation was that Shah had been bumped off by Indian intelligence.

FROM The Hindu ARCHIVES

FIFTY YEARS AGO JUNE 21, 1967

Extremists active near Naxalbari

About 300 armed men looted on Sunday [June 18] a house at Nehalujote village within Naxalbari police station limits, according to reports received here [Siliguri]. About 25 families from Nehalujote village left their homes due to disturbances and took shelter at Naxalbari Bazar. Local authorities distributed wheat and cash to 10 displaced families already evacuated from disbursed areas. Meanwhile, two Deputy Magistrates have been posted at Naxalbari and Kohoribari to deal with law and order problems. Another Magistrate is likely to be posted at Phansidwa soon. According to another report, two workers of a tea garden, 10 miles from here [Siliguri], were killed by unknown persons on Sunday night [June 18]. Extremist elements at a secret meeting at Lohasing village in Phansidwa thana on last Saturday night [June 17] decided to face the police if the police started any operation in the disturbed areas after June 22, according to authoritative reports received here [Siliguri]. Blowing off vital bridges, cutting of telephone wires, damaging of road communications had been included in their plan, the reports said.

A HUNDRED YEARS AGO JUNE 21, 1917

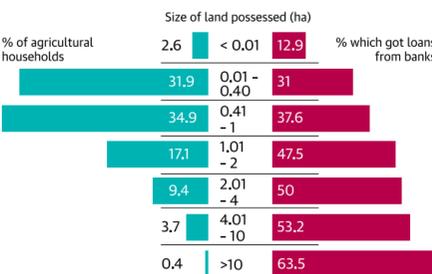
German titles.

It is understood that Prince Battenberg will assume the title of Mount Batten. It is announced that Princess Victoria and Princess Marie Louise of Schleswig-Holstein will henceforth drop the Schleswig-Holstein. Moreover, the Royal Princess bearing the title of Duchess of Saxony will relinquish it. There will ultimately be no princess or princesses other than the children and grandchildren of the sovereign. The papers point out the radical character of the changes completing the divorce between British and German institutions, and emphasising the democratic character of the Monarchy, stopping the tendency for styles and titles with which absolute rulers like the Kaiser make sport to become rooted in British soil. It is expected that the change will be cordially welcomed by the Empire as it is appreciated by the new peers whose incorporation in the British mobility is recognition of good and loyal work.

DATA POINT

Banking on non-banking sources

The bulk of India's agricultural households (69%) is made up of small and marginal farmers and predominantly depend on non-banking sources for credit



Note: Marginal farmers have holdings less than 1 hectare (ha); small farmers less than 2 hectares

Source: NSS 70th round