

## Resolve on Lailatul Barat

*Let's live up to its true spirit*

THE auspicious night of Lailatul Barat, known as Shab-e-Barat in the sub-continent, comes back again with its endless bounty. The night is called the 'night of freedom' because the Almighty opens the gate to His munificence and forgiveness. The Holy Quran has called it a blessed night. The night becomes all the more significant as the Almighty's attention descends upon the humanity and proclaims His forgiveness, sustenance and assistance to any one who seeks His blessings.

Lailat-ul-Barat comes every year in the eighth month of the Hegira calendar on the night preceding the 15th of Shaban. Faithful Muslims believe that it is in this night that the Almighty opens the door of His boundless mercy to bestow on those who supplicate to Him in true spirit of heart and soul. For the faithful it is a night for atonement for the past and for making new resolve for the future to be better men and women.

It is a night to unify the Muslims and work for peace in a world riven by turmoil and social injustices. What's more the spirit of the night should propel us into taking to the true essence of Islam which means peace and not violence in any form or shape.

Most notable is the faith of the believers that in this night the Almighty determines the fate of all His creatures until the next Lailatul Barat. Muslims all over the world will be spending the night in prayers and in imploring His mercy.

Unfortunately, the true meaning and spirit of the night is sometimes lost in the predisposition to demonstrative rituals and indulging in fanfare of lighting and use of crackers. For the believers, the night is actually meant to completely submit to the will of the Almighty and seek His salvation and guidance to uphold morality and justice in every sphere of life.

## Journalists under threat

*Take exemplary action against perpetrators*

WE note with concern reported incidents of harassment and intimidation of journalists from vested quarters for reporting on their wrongdoings and transgressions. Two recent incidents profoundly illustrate how increasingly difficult it is getting for journalists, both print and electronic media, to perform their professional duties, particularly outside the Capital.

In one instance the local correspondent of a leading Bangla daily, along with reporters and cameramen of two TV channels, suffered injuries after they were attacked and severely beaten up by some goons in Kushtia. They had gone to investigate a case of irregularity in the repair and refurbishment work of Rabindranath's 'Kuthibari' and other works when they were set upon by thugs of the local contractor with rods and hockey stick. According to the injured journalists, a local Awami League leader was complicit in the matter.

In the other instance, the Tanore correspondent of a Rajshai daily had to face the wrath of the local OC for reporting his misdeeds, even to the extent of having a case of extortion instituted against him by the said OC. Not only that, his family members also had to suffer harassment by the local police at the dead of night.

These two incidents are fairly representative of the conditions of journalists in Bangladesh. And such has been the long history of newsmen suffering harassment and maltreatment.

We wonder why power and might should be exploited to curb people's right to know, and why the keepers of the law should feel inclined to take law in their own hands when there are other avenues for redress of grievance, if any.

We are happy to note that the police administration has moved against the said police official and we hope that exemplary action would be taken against him. In this context, we would also like to caution our fellow journalists to work with integrity so that none gets the slightest chance to impute motives to their work.

## THIS DAY IN HISTORY

July 17

**180**  
Twelve inhabitants of Scillium in North Africa are executed for being Christians. This is the earliest record of Christianity in that part of the world.

**1948**  
The South Korean constitution is proclaimed.

**1968**  
A revolution occurs in Iraq when Abdul Rahman Arif is overthrown and the Ba'ath Party is installed as the governing power in Iraq with Ahmed Hassan al-Bakr as the new Iraqi President.

**1975**  
Apollo-Soyuz Test Project: An American Apollo and a Soviet Soyuz spacecraft dock with each other in orbit marking the first such link-up between spacecraft from the two nations.

**1998**  
A diplomatic conference adopts the Rome Statute of the International Criminal Court, establishing a permanent international court to prosecute individuals for genocide, crime against humanity, war crimes, and the crime of aggression.

### SUNDAY POUCH



ASHFAQUR RAHMAN

The US debt increases by \$3.86 billion per day and almost \$75 million by the hour.

This is a ridiculous amount for any country to be in debt. So how did USA come to such a pass? Who is she indebted to? And when can she return to a normal state of affairs? Why is President Obama asking the US Congress for a higher ceiling for US indebtedness?

Let us take each aspect separately. First, what comprises this debt? To put in simple terms, the US national debt is the accumulated amount of money which is owed by the US Federal Government. Another aspect of national debt is the Federal deficit, which is the yearly expense which exceeds the US annual revenue.

Thus, these twin elements make up the US national debt at any point of time. Due to the huge debt owed by the US, Standard and Poor, the influential credit rating agency, has this April downgraded the US credit outlook to "negative."

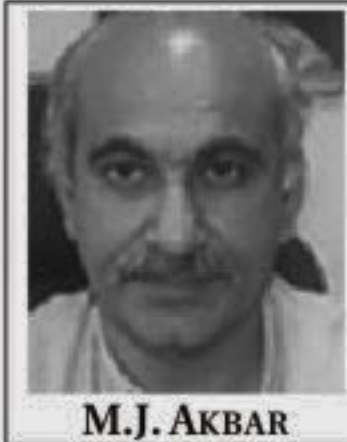
But the US had incurred public debt since she was born. In 1791, just after the American Revolutionary War, she had the first debt to the tune of \$75 million. A dramatic spurt in debt occurred during her War of 1812. The second dramatic growth occurred during the American Civil War. By 1860, it reached \$65 million. In 1863, the national debt first passed the \$1 billion mark.

During the First World War, US ratcheted up her debts to \$5 billion. But after the War it could reduce its national debt by 36%. The social programmes enacted after the Second World War caused a great increase in debt from \$16 billion in 1930 to \$260 billion in 1950. By 1980 the total had reached \$909 billion.

President George Bush presided over a debt burden of \$10.7 trillion in 2008. But under President Obama, the US debt increased from \$10.7 trillion to the present \$14.4 trillion.

The US national debt is the "sum of debts held by the public." This portion is about \$9.8 trillion. There is "inter-governmental debt," which is \$4.6 trillion. Both these add up to \$14.4

### BYLINE



M.J. AKBAR

Gandhi recognised the size of their problem, which is why they met four times, one-to-one, in their attempt to stabilise a government that had lost shape and begun to wobble. They did not need to save the government, since they have not lost it, yet. UPA 2 can splutter along on the usual paradox: the bigger the crisis, the closer partners cling together, since elections can only bring bad news.

What government has lost is the confidence of the people. The reshuffle was an opportunity for radical renewal of an administration immobilised by corrupt politicians, comatose administration, an angry Supreme Court, and citizens outraged by venality and inflation. All that Mrs. Gandhi and Dr. Singh managed was surface tinkering that induced a yawn from a handful of winners, a yelp from a basketload of losers, and puns by the tonne in newspaper headlines which opted for wit in the absence of substance.

The smiles were few, silent and strained; the yelp was picked up by

# The big, fat American debt

trillion.

Now who owns this national debt? A little less than half of the debt is owed by the Federal Reserve to individuals like Warren Buffet, corporations and states. The rest is to foreign governments.

Foreigners own \$4.5 trillion of the US debt, or 32% of the total debt of \$14.1 trillion (as on January 2011). The largest holders are the central banks of China, Japan and the UK.

It is well known that a high debt level affects a country's inflation, interest rate and economic growth. For the US

mandatory programmes like Social Security, Medicare and Medicaid. However, in future, due to indebtedness, it will not be able to provide the money needed.

So, sometime between 2030 and 2040, this mandatory spending will start exceeding tax revenue. The result will be that the US will have no resources for "discretionary spending" like defence, homeland security, law enforcement, education, etc. She will need to borrow more and also resort to deficit spending.

So what is the solution before the



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it is putting pressure on the value of the dollar. It also means increasing the risk of devaluation or inflation.

The most critical is that it challenges the dollar's role as the world's reserve currency. Thus, if another currency like the Chinese currency or a basket of currencies replace the US dollar as a reserve currency, then the US would have to face higher interest rate to attract capital. This would reduce economic growth of the US in the long term.

The US also faces a series of financial challenges due to its high indebtedness. The population of the US is growing older each year. In order to provide medical and social care it has

US?

The US needs to make a definitive choice now. Either she chooses "bankruptcy" or she raises taxes or cuts mandatory payouts like Medicare, etc. Increasing her dependence on foreign sources of funding, like from China, would make the US less able to act independently.

Do not forget that the US also has to pay huge interest to her domestic and foreign creditors. However, thanks to low interest rates, she is at the moment able to manage. But in case of increase in interest rate to historical averages, the interest cost could shoot up dramatically.

Now, is there a danger level of

indebtedness? Many think the level of debt to GDP shows the "red line." Anything above 90% of GDP is crossing the "line." But this is strongly disputed. So there is yet no threshold at which government debts begin to endanger economic prosperity and stability.

However, the moot question which President Obama faces in Congress today is whether he can lift the debt ceiling fixed earlier by Congress. By August 2 this year, the US would reach her debt ceiling and the country would then be in default.

President Obama is still negotiating with his opponents, Republicans and many Democrats, to find a way out of the impasse. He wants to raise the debt ceiling. But the Republicans say that he cannot do this as he must raise taxes. Further, they want him to reduce government expenses, which has bloated and caused this huge debt. To be specific, they say that they want \$2.4 trillion in spending cuts. Only then can the Republicans allow him to raise the debt ceiling. His own Democrats call for bigger tax increases to finance the rise in debt ceiling, which the Republicans are dead against.

President Obama is meeting congressional leaders every day till he comes up with a solution. To date, no deal is in sight.

China, the largest foreign creditor with more than \$1 trillion in loans to the US, has urged her to adopt responsible policies to protect investors' interests. Moody Investor Services has said that it may strip the gold-plated US credit rating, unless the US credit ceiling is raised.

Failure to raise the ceiling can scare investors and lead to a rise in US interest rates, which can lead to fall in stock prices, thereby pushing the US back into recession. This is likely to cause turmoil in global markets too and affect countries like Bangladesh and India.

A tense political drama is now being played out in the US. The president has called it "decision time." He is against a short-term decision which Republicans want, in order to defer a long-term solution.

The swords are out of the scabbards. The clang of steel against steel from the top US policy makers is being heard. But will there be a winner before August 2? Can the big, fat debt be reduced to a lean, thin one?

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# Between a yawn and a yelp

media nationwide. It is not, as the prime minister correctly noted, terribly significant that Gurudas Kamat and Srikant Jena were upset at being denied a place in cabinet. Parliament is packed with MPs who believe that they should be in cabinet, and cabinet teems with ministers who think they should be prime minister. The story is that their behaviour is part of a grow-

beholden to such interests. Every such remark whittles away the authority of a prime minister. A weak government begins to melt from the head, or at least the neck.

Immutable law of politics: Never shut a door that can be left ajar. The prime minister did himself no favours when he asserted that this would be the last reshuffle before general elec-

*All that Mrs. Gandhi and Dr. Singh managed was surface tinkering that induced a yawn from a handful of winners, a yelp from a basketload of losers, and puns by the tonne in newspaper headlines which opted for wit in the absence of substance.*

ing pattern of indiscipline, which is slowly disintegrating into disarray.

Mukul Roy, the little-known minister of state for railways, had the audacity to taunt the PM when told to visit the site of a railway accident at Fatehpur. Instead of being dropped, he was promoted to independent charge of shipping. If Roy had insulted his party leader Mamata Banerjee, he would have been out of a job. Ergo: he knows whom to respect. Veerappa Moily blithely attributed his demotion from law to corporate affairs to "vested interests," implying that the PM is

tions in 2014. I have never been able to fully understand why "grunted" is not the opposite of "disgruntled," but mysteries of the English language include dysfunctional logic. However, for every grunted person in Delhi there are a hundred who are disgruntled. Their self-respect survives in hope. They have no other answer to the question gnawing at their hearts when it is not sprawled over conversation: why have you not become a minister? The last alibi is gone. There is no next reshuffle. Their only option now is transference of hope, to the next prime

minister. Since every Congressman knows his name, all future applications will be addressed to Rahul Gandhi.

Such pinpoint confidence certainly worked for the backward caste leader from Uttar Pradesh, who defected from Mulayam Singh Yadav's party to Congress, Beni Prasad Verma. He is our glistening new cabinet minister for steel. This is not the messiah Indian industry was waiting for; this is not the economic brain who will bring inflation under control. Verma's star has evolved into a meteor through collateral benefit; Rahul Gandhi believes that this will bring him additional votes in the next UP Assembly elections.

All politics is sold as welfare of the people; the truth of democracy is that politics impels cabinet promotion more easily than ideas or competence. The prime minister probably had a far more difficult time in making the environment ministry more environment friendly to investment, and law ministry more conversant with law than Rahul Gandhi had in putting some steel into his UP gambit. This is the conundrum that has harried Dr. Singh. The time left to solve the riddle is ebbing, even as delay turns a headache into migraine.

The columnist is Editor, *The Sunday Guardian*, published from Delhi, *India on Sunday*, published from London and Editorial Director, *India Today and Headlines Today*.