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'Without fear and without favour'
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India and Pakistan's dangerous war of words

The arms build-up in the region has raised the nuclear stakes

Separating noise from reality on the subcontinent can be especially difficult. Thus the latest rhetorical hostility between India and Pakistan could be just that — another spat between nuclear-armed neighbours who hesitate to match words with weapons because of the dangers of mutual annihilation.

Yet, the risk of a confrontation that could escalate into something worse has been significantly increased as a result of the arms race in the region. For good reason, global attention is focused on preventing North Korea from developing the ballistic missile capacity to strike the US west coast with nuclear weapons. That should not, however, deflect from the ever-present threat of India and Pakistan stumbling into a nuclear exchange.

As a reminder, officials in Islamabad warned on Thursday that they would not hesitate to deploy the full range of their weapons should India invade. That salvo was a response to confirmation from India's new army chief of the existence of "cold-start" plans. This was an explicit acknowledgment from Delhi of long-rumoured efforts to develop a swift cross-border response that would pre-empt diplomatic intervention in the event, for example, of a major terrorist incident like that in Mumbai in 2011.

It was wise to keep these plans under wraps until now. By spelling them out, India has not only lost the element of surprise, it has also raised public expectations — potentially increasing the pressure on government in the future to launch a rapid retaliatory response before the wisdom of such action has been adequately assessed. Pakistan's retort was predictable if equally unhelpful. It is a reflection of how far things have soured.

In December 2015, Narendra Modi became the first Indian premier in a decade to visit Pakistan, when he made a stopover in Lahore to celebrate his Pakistani counterpart Nawaz Sharif's birthday. In the content of 66 years of hostility and three wars, just the tea they shared was a breakthrough. It raised hopes that negotiations between the two nuclear-armed neighbours might resume and even progress.

The mood music did not, however, alter the underlying facts that make their common border the hottest potential nuclear flashpoint in the world. Against the backdrop of rising tensions and cross-border skirmishes in Kashmir, both countries have been engaging in an arms build-up.

Pakistan has always been alert to India's conventional military advantage, so it has developed tactical nuclear missiles. In theory, the battlefield deployment of these short-range missiles might slow an Indian invasion. But it would also greatly increase the risk of an accident that leads to all-out nuclear war. In any nuclear exchange India would also have the advantage because Pakistan is smaller and its cities closer to the border. This in turn is why Pakistan has been developing submarine capacity, to allow for a second strike. India is working on that too.

Both countries devote huge portions of their budgets on building up this deterrence — in Pakistan's case around a third. They could both use those funds towards addressing social tensions, which themselves contribute greatly to the threat of conflict. Meanwhile, outsiders including the US, China and France, have seized the arms build-up as a commercial opportunity to sell more weapons. The strategic consequences are alarming. The conflict over the disputed territory of Kashmir has been left unattended for far too long. Associated risks that a border incursion might lead to something worse are not new, what is new are the shortened odds of nuclear war.

Some welcome debate in the European Parliament

Tajani's election as president brings an overdue end to cosy consensus

If the EU is an institution sliding towards crisis, its parliament has done little to arrest the fall. The bloc is not just reeling from the forthcoming departure of the UK but from an apparent failure of confidence in the union among several member states. Avowedly Eurosceptic parties are on the rise and yet the European Parliament has, until now, displayed little awareness that it needs to become more representative and responsive.

This week there was a sign of change: Antonio Tajani was elected the parliament's new president. Mr Tajani, an Italian former European commissioner, is a controversial figure. His election represents a shift from rule by consensus to adversarial politics, which may bring credibility to a body stifled by convention.

The European Parliament is the weakest of the central institutions. It is not a full legislative body with the right to propose laws. Yet it still has an important role to play, having gained increasing power with successive institutional treaties. It now has a veto on most legislation — including, importantly, trade deals. If the UK signs a trade pact with the EU after Brexit, the parliament will need to assent.

It is also supposed to play a key role in representing European public opinion and in holding the European Commission, the EU's executive branch, to account. It has not done well on either account. European voters have shown considerable suspicion about federalising power, but the parliament has given Eurosceptic views insufficient voice.

The stitch-up that brought Martin Schulz, Mr Tajani's predecessor, to the parliament presidency was a model of cosy insider politics. Mr Schulz was kept in the job as a consolation prize after his centre-left grouping came second in the 2014 parliamentary elections. The candidate of the victorious centre-right European People's party, Jean-Claude Juncker, was appointed commission president.

Since then the parliament has been run by a "grand coalition" of the centre-left and centre-right groupings, which have divided up the top jobs between them, isolated the Eurosceptic minority and failed to subject the commission to sufficient scrutiny. Europhobes wanting to portray the parliament as a prime example of a self-reinforcing EU clique received plenty of material.

Mr Tajani's election has to some extent broken that mould. It involved a deal between the liberal centrist group, the EPP, and the more rightwing and Eurosceptic European Conservatives and Reformists (ECR), which contains the UK Conservatives and the harder-right Polish Law and Justice party.

The inclusion of the ECR in the alliance may raise eyebrows; so may Mr Tajani himself. The president starts his term with the so-called dieselgate scandal hanging over him. He was the European commissioner responsible for setting regulations for car exhaust pollution while Volkswagen was breaking the law in the US by evading official tests for emissions of nitrogen oxide.

So be it. Electing a president in a divided parliament will always involve some horse-trading, and may produce unexpected leaders. At least with Mr Tajani's elevation the dealmaking has produced an outcome conducive to debate rather than cynical conformity.

It remains to be seen whether the new ruling coalition can do a better job of scrutinising the commission and representing Europe's voters. In itself, it is a broad alliance including many centrist federalist members. Yet the shift from a grand coalition to a leadership with a distinctive identity brings hope that an often overlooked part of the EU machinery can play a more constructive part.

Letters

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Trump must grasp US security's link to global trade consensus

Sir, Anthony Scaramucci's comments in Davos about US trade policy (Scaramucci insists Trump is committed to Nato and open trade, January 18) are essentially correct, if lacking in context.

Following the second world war, the US allowed the Europeans in the 1950s and 1960s, the Japanese in the 1960s and 1970s, the Asian "tigers" in the 1970s and 1980s and the Chinese in the 1990s and early 2000s to maintain undervalued exchange rates. This allowed defeated wartime enemies as well as other devastated European economies to rebuild by offering unfettered access to the US market. Subsequently, it allowed many Asian economies to enter the ranks of developed economies and allowed China access to that same path. When the US felt that this opening of its markets was being exploited, as for example when Japanese automobile exports threatened this strategically important US industry, the US changed the rules. It forced Japan to adjust its exchange rate, via the 1985 Plaza Accord, and negotiated limits on imports of Japanese auto imports, which provided incentives to Japanese carmakers to set up factories in the US.

The missing context is that the quid pro quo was that the countries that benefited agreed to support the US-driven liberal, economic and political framework, subsequently labelled the Washington Consensus. US allies in Europe and Asia willingly accepted this bargain and have, very largely, fulfilled their part of it. China is different, having taken advantage of US trade policy to expand its economy while first dragging its feet and ultimately reneging on the quid pro quo. China feels entitled to take this approach because of its economic power and its sense of its position in the world, based on a long historical perspective.

The US has to decide the extent to which it is willing to try to enforce the post-second world war trade quid pro quo, against continuing to give China some leeway in return for co-operation on issues such as climate change and the North Korean nuclear programme. It is unclear whether the incoming Trump administration understands the post-second world war context of US trade policy and its links to US security policy. If it fails to do so, it risks creating damage to the global economy and global security by blowing up the structure of US trade and security alliances as it takes a naïve approach to addressing the rise of China.
John Griffiths
Seattle, WA, US

Bilateral imbalances with US were Beijing's policy

Sir, Yukon Huang's argument that China's large bilateral trade imbalance with the US was not caused by Chinese policy, but was rather a byproduct of China's participation as a link in a pre-existing global supply chain, is not supported by the facts ("Populism and China's trade tensions with the west", The Exchange, January 18).

Mr Huang suggests that the US trade imbalance was caused, in part, by excessive US government budget deficits. But in fact, the US was running a surplus in the late 1990s when the US trade deficit began its ascent from 1.5 per cent of gross domestic product to nearly 7 per cent in 2006. The suggestion that China's surging imports were inputs into products which it assembled and exported is only partially correct. China has imported a significant share of its raw energy and construction materials, such as iron ore and oil, which were used primarily to develop its growing infrastructure.

Mr Huang rightly points out that the US trade deficit began to accelerate before its imbalance with China developed. It is well understood by economists that the nations of Southeast Asia, who suffered dollar runs during the 1997 Asian financial crisis, subsequently built dollar reserves as a precaution against future runs. But by 2005, as their accumulation dissipated, the US trade deficit with China ballooned.

The tell-tale indicator that the US trade deficit with China was caused by Chinese mercantilist policies is the accumulation of dollars by China's central bank, the People's Bank of China. Between 2005 and 2008, which were the peak years of the US China trade imbalance, the US ran a total $1.24tn deficit with China and the PBoC's dollar reserves increased by nearly $1tn. A rough correspondence between the US-China bilateral trade imbalance and the increase in PBoC dollar holdings continued until very recently. If China was not deliberately attempting to run a trade surplus with the US, why did its central bank accumulate massive dollar reserves?
Daniel Aronoff
President, The Landon Companies, Birmingham MI, US

Challenge any changes to EU citizens' rights

Sir, It seems unrealistic to envisage any kind of straightforward political solution to the problem of EU citizens' rights after Brexit. Particularly where there is asymmetry, as in the case of Spain, it is not unreasonable to suppose that the other side will want something in return. Gibraltar springs to mind.

As an alternative, might I suggest looking to European law for a solution? The European Court of Justice in the 1963 Van Gend en Loos case and elsewhere has described EU citizens' rights as "part of their legal heritage". More recent judgments suggest that an act that threatened their survival, such as the outcome of an Article 50 negotiation, could be subject to judicial review. Although after Brexit UK citizens may not acquire such rights, it might well be arguable that existing EU citizens — including those of UK origin — cannot be stripped of them.
Anne Wilkinson
Roy, Belgium

'Trump just tweeted his inauguration oath'

Hit banks with a hefty charge for exits

Sir, The announcements by certain banks that they would move jobs to Europe is a typical example of bully-boy banks (January 20). It sounded like it was some form of collective punishment for voting Brexit.

I think it's time we took a much tougher line and the government should become more Trumpish.

If companies move profitable business abroad we should use available tax laws (or enact new laws) to charge an exit fee. After all, the business was built up here, presumably writing off initial costs and investment. A simple calculation could be profits moved times price/earnings ratio.

The knowledge there would be such a charge, possibly running into billions of pounds, may make the banks rethink their strategy.
Victor Levy
London W1, UK

Deals with Europe can even go beyond 'Plan G'

Sir, During the 1950s, the UK spent many unhappy hours planning for free trade with the emerging EU (then called European Economic Community). The archives bulge with the various plans, numbered alphabetically from A, until "Plan G" finally emerged. Plan G proposed that the UK would have an industrial free trade area with the EEC, but would trade on her own different terms with her Commonwealth partners (mainly agriculture). This was based purely on British national interests, and was driven by fear of exclusion from continental markets.

This free trade area proposal collapsed by 1959: it was vetoed by Charles de Gaulle. This was his first veto of the UK. All this is often forgotten in the wake of his more dramatic vetoes of UK attempts to join the EEC in 1963 and 1967. It now rings familiar again, and should not be forgotten by policymakers.

A pertinent continental observation at the time of the failing free trade area negotiations: the UK just wants to drop the EU market, just like a quickly dissolving sugar lump, into the British cup of free trade area tea.
Anne Deighton
Professor of European International Politics, Wolfson College, University of Oxford, UK

Unlikely mantras of the Brexiters-in-power

Sir, In the theory of trade and trade agreements there are a number of key concepts — comparative advantage, trade creation, positive-sum game and optimal trade policy (goods); beggar-my-neighbour, trade diversion and negative-sum game (bads). But a quick search for "best possible" brought up not a single mention of "best possible trade policy" or "best possible trade agreement" in the professional literature. By contrast, some such phrase is repeated in virtually every statement on Brexit policy by government or pro-Brexit think-tanks. Here again, it seems, the Brexiters-in-power are a step ahead of the experts.

There may be nothing in the literature on best possible trade policy, but there is plenty on second-best (least worst) trade policy. Maybe this is the literature that the Brexiters-in-power need to be reading up.
David A Dyker
Emeritus Professor, Science Policy Research Unit University of Sussex, UK

Octavian narrative spoke to epic nature of contest

Sir, In seeking an Ancient Roman analogue to the modern-day scourge of fake news, Izabella Kaminska misinterprets history ("A lesson in fake news from the info-wars of ancient Rome", Comment, January 18). The assassination of Julius Caesar in 44BC had indeed jolted the Roman world. And the dissolution of the Second Triumvirate of Octavian, Lepidus and Marc Antony portended greater strife.

As a result, the man who would become Augustus squared off against the Hellenophilic Marc Antony in a rancorous propaganda struggle: Octavian won the war of words and decisively defeated Antony and Cleopatra at the Battle of Actium (31BC). Yet Octavian's broadsides, however salacious, were not akin to the puerile tweets of, say, President Donald J Trump. For the fate of the Roman world — and western civilisation — hung in the balance. Had Antony and Cleopatra prevailed, the west as we know it might never have emerged. Imagine a world bereft of the rule of law, *Civis Romanus sum*, the *Pax Romana* and the Augustan Reformation.

Having secured the allegiance of the Italians in 32BC (the *conturatio Italiae*), Gaius Octavius, a small-town Italian boy (born in Rome and raised in Velletri), believed in the bedrock *Italentia* of the empire. As historian Michael Grant notes: "The future political leadership of the empire lay with Italy and Rome, as Virgil a few years later unequivocally pronounced while paying tribute at the same time to Greek culture and supremacy."

Augustus's Principate maintained Rome's constitutional framework. And he succeeded in making Roma Aeterna great again, adopting the title *pater patriae* in 2BC. But rather than engaging in "archaic tweets", Rome's first emperor invoked Virgil: *Sit Romana potens Itala virtute propago* — "Such shall be the power of Roman stock, allied to the valour of Italy."

To date, the two centuries of peace, economic revitalisation and political freedom that Augustus promulgated have never been equalled.
Rosario A Iaconis
Chairman, The Italic Institute of America Mineola, NY, US

Correction

●Pearson's higher education division accounts for about 27 per cent of revenues, not 60 per cent as incorrectly stated in an article on January 19.

Notebook

by Robert Shrimsley

Brexit Britain: a serious case of mentioning the war

Boris Johnson, UK foreign secretary, has upset EU leaders with a quip likening them to German guards in war movies. But, while EU allies are understandably irked by such talk, wartime metaphors (or at least allusions) appear to be breaking out across the British government as it prepares for Brexit negotiations.

The scene: Downing Street. Prime Minister Theresa May is talking to her foreign secretary.

Boris, we are flying to Brussels tomorrow morning for meetings.
Morning, eh? Wouldn't we be better off going in at night? I'll get my staff to talk to our astronomers: don't want to go in on a full moon.
Boris, we are just flying in for some informal conversations. We'll fly JAA. *Absolument*. **Top cover story. The old switcheroo. Create a diversion, then we fly in at very low altitude under the radar. They won't see us until we are almost upon them.**
Boris, they are expecting us.
What? Someone's peached. We'll have to scrap the whole mission. I know — we'll get a dead body and have it wash up on the banks of the Zenne. They'll think we're going in by boat and won't be watching the sky.
Boris, what are you talking about?
Yes, yes. Quite right. *Et fictionem esse*. Careless talk costs lives. Now who's on the delegation? We'll need a scrounger, a forger and a digger.
Boris, are you quite all right?
Absolutely, ex *vertice mundi*, raring to go, chocks away. Brexit — hoorah. It's a bombers' moon. We are going over the wall, tunnelling out, I've got our boffins working on some policies. We call them Bouncing Brexits — they'll burst the trade dam.
Boris, it's not helpful to keep talking in war-film metaphors. Our partners don't like it and we have to negotiate with these people.
Prime Minister, you appointed Big X and that means it's my job to harass, confound and confuse the enemy to the best of my ability.
You are foreign secretary, Boris. It's a diplomatic job so it needs diplomacy.
They don't understand our British sense of humour. They don't like it up 'em. That's why we'll win — and, if I have to spend 20 days in the cooler now and then, all I can say is pass me my baseball mitt.
What? Boris, this is serious. We need to be tough but we don't want to alienate people for no reason. Would you have us standing alone?
We've stood alone before. Don't worry, Michael Gove has talked to Donald Trump; he's sending convoys of powdered milk.
Boris, this is not helping. We need to work with President Trump but . . .
Ah, yes, he's overpaid, oversexed and overcombed.
Boris. We must focus. Michel Barnier is demanding €60bn alimony before they will even discuss trade. We need those discussions to run in parallel.
I'm shocked — shocked — to discover that Here's the plan. We talk to them about the exit payment. Keep them talking, let them think we are co-operating. Put them to sleep. And in the meantime we tunnel.
What about the trade agreements?
We smuggle them out in our trousers, scatter them in the yard. If we are careful, the goons will never spot it.
They know we want trade agreements.
Oh, no — they've found Tommy.
We feel Barnier is a man with whom we can do business. A civilised man.
You want to trade with von Luger? He's French, Boris.
But is he Free French? You talk about French and Germans. To me they're the same thing. They're Europeans.
Boris, we must show that we can work together, stress the areas of common interest — like climate change.
Ah, yes, we'll always have Paris.
We need to understand where the other 27 are coming from. They want to safeguard the integrity of the EU.
I know. No one's ever escaped from Stalag Luft. They say this prison is escape-proof. Well, we'll show them. We'll build a glider, or a wooden horse, or wooden horse glider.
Boris, we need to find another way of communicating than war-film references. If we don't get this right, businesses will leave Britain. The losses could be terrible.
You can't kill a squadron, Prime Minister. We must hold our nerve; keep on down to the end of the road. This will be our finest hour. We must reach for the sky.
I'm sorry, Bader, I'm taking away your legs.

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