

WARNING, MEN (AND WOMEN) AT WORK

'TREASURERS ARE TOO FAR TOO PROFESSIONAL TO NEED PRODUCT WARNINGS. THEY DO NOT NEED WARNINGS, BUT THE PUBLIC DOES'

Recently, I happened to stumble across a list of Product Warnings. Most were familiar, not to say apocryphal, such as the warning on a chain-saw 'Do not attempt to stop blades with fingers' or the one on a microwave, 'Do not use this microwave to dry off family pets'. One warning was new to me. This was said to be on the label of a Superman outfit sold by a well-known UK supermarket and read "This garment does not enable the wearer to fly".

Every time there is a new financial disaster – Metallgesellschaft, Orange County, Barings, AIB and all those others – I am able to boast to my family that "I once dealt in these things." "Gosh," they say, "That must have been dangerous. How did you manage to escape alive?" I shrug my shoulders, to show that I was simply doing my duty, and was not at all brave, but just carried along by the adrenaline rush at the sight of the winking lights on the screen. I then send them into a sound sleep by telling them how disasters can be avoided through a proper system of checks and balances, prudent dealing limits, incisive auditing..zzz..zzz...proper segregation of duties, thorough documentation..yawn..yawn. Rather than having to apply these old familiar remedies, it strikes me that another way of avoiding disaster would be to attach a Warning to each treasury product.

How is this to be done? It could either be achieved through an extra line of type or by attaching a self-adhesive sticky label. That sounds easy, but may not be effective, since the documentation, after all, follows the deal.

A more promising idea would be to add a flashing banner to each screen on an electronic service, which would be consulted before each deal. (A quick browse through the internet will show how effective, not to say irritating, banner messages can be). Each screen, I suggest, should carry the standard message, "The price of this instrument can go down as well as up". That would be a start, but, perhaps, is not violent enough. Maybe any screens that deal with a type of derivative should also carry the flashing message, "This product is hazardous and is liable to blow up in your face".

Wait a minute. I seemed smart enough to realise that the deal comes before the documentation, but not smart enough to realise that the salesperson comes before the deal.

The treasurer may not be aware of the danger, when the salesman calls, and goes into his or her innocent-sounding opening spiel, which is usually along the lines of "My, my, how this district has changed since my grandmother lived here. Her little cottage was just round the corner in Rowntree Drive".

More harmless chat, as the treasurer waits for the time to be taken out for lunch. The weather. Distant acquaintances. Roadworks on the motorway. Something shocking. Miles of cones but nothing being done. The treasurer might be lulled into thinking that there is no danger from the salesman. In fact, the salesman is already thinking ahead, rehearsing how they will pick up a paper napkin at lunch and draw concentric circles and arrows with some hatching for the Turkish bank rate, and for the mean winter rainfall in Afghanistan.

A warning has to be given before it is too late. I realise that this may require primary legislation, but my thinking is that the bank salesman should be obliged to hand out a business card. The front will probably not use the word Salesman, but some grand title such as Vice-President Creative Financial Solutions, but by law the reverse will have to carry the words in small type:

1. This salesperson does not know the first thing about your business and any advice he or she gives, if acted upon, may lead to total business collapse.
2. If you follow their advice, you will run the risk of being dismissed without compensation and with loss of pension rights, of being expelled from the Association, of having your family reduced to foraging for grass and acorns.
3. Be warned that derivatives are not like insurance. No, not at all.

In case the salesperson tries to evade his or her statutory obligations, it may also be necessary for a supply of these cards to be left with the cocktail bar waiter, so that, when you say, "Oh, thanks, a gin and tonic for me. Just a dash of gin, with lots of tonic. Must keep a clear head," – the waiter can just reach into his satchel and hand out the warning. No. Come to think of it, all this has been very silly. Treasury professionals are too professional to need Product Warnings. They do not need warnings, but the general public does.

One way of achieving this would be to have the word 'Danger' tattooed on the forehead of each treasury professional. A more detailed warning could be printed on a label, and sewn on the back of the jacket. This could read: "This person is dangerous and if company funds are entrusted to him/her may lead to the ruin of this company, and may cause such scandal and disgrace as to make any non-treasury member of staff unemployable by any other respectable company." Now, that's what I would call an effective warning. **JF**