For the proposals submitted by the U. N, Kashmir Commission are still supposed to be a secret arid neither President Truman nor Premier Attlee should be privy to them, unless the whole affair is a pre-arranged show in which Britain and America pull the wires and do not even take the care to pull them behind the scenes!

Questions of propriety apart, if the press reports are correct and the Commission has, in fact, recommended that the dispute on the Truce Agreement should be referred to an arbitrator, India should not be a party to a repetition of the farce that was enacted when the Kashmir issue was, unwisely it now appears in retrospect, first submitted to the U.N.O. for a decision. Since we did not get that decision, there is no point in prolonging these negotiations. It is now clear beyond the least shadow of doubt that Kashmir has reverted to the *status ante* to first reference to the U.N.O. It is clearly now a case for the State Ministry to handle it as a purely domestic problem which it is. It should have been treated as a domestic problem and not been put up before any international adjudication at all. The present developments decisively point to the State Ministry taking it up from where it had left off. New Delhi reports that a high official will be leaving for Bombay to post Sardar Patel with the latest developments. We hope it would be a high official of the State Ministry and that the Ministry of External Affairs should wash their hands of the Kashmir affair, being wiser after their imprudent intervention.

Since the State of Kashmir acceded to the Indian Union and the constitutionality of this accession is not open to question, reversion to the *status ante* is not only warranted by the facts of the case, but it also offers the only realistic solution of the problem at this stage.

Weekly Notes

The First Loan to Asia

WHEN an institution which calls itself the International Bank of Recovery and Development grants the first loan for a development project to an Asian country, we are expected to make a song and dance about it! That India happens to be the lucky recipient docs not lighten the irony of the situation. Every loan is a separate transaction and is made after a searching scrutiny that the investment will pay. There is also a credit rating, the principles of which are a little difficult to follow since France, Belgium and Netherlands had to pay a half per cent higher than India. Even so, 4 per cent is not low, considering the duration of the loan and the terms of repayment. 3 per cent is what the Bank pays for raising the money and 1 per cent is its commission to be set apart in a fund to cover bad debts after deducting costs of administration.

The first loan for $34 million is for purchase of locomotives. Two other loans arc in the offing, one for 822 million for the construction of a thermal station in Bihar (the Bokaro Project) and the other for 815 million for purchase of equipment to eradicate 'Kans' grass which forms a part of the project for reclamation of waste land.

Sugar Prices

DEPLETED stocks and sharply rising prices have forced the Sugar Syndicate to throw up the sponge. The Government of India has stepped in, and none too soon. The six-point plan to cut sugar prices re-introduces price control Stocks will be taken over from mills at prices which were to have been enforced by the Syndicate as a part of the gentlemen's agreement which it entered into with the Government, Provinces are to be empowered under the Essential Supplies Act to take over slocks similarly from the dealers. Thus far the plan appears to be sound. But Provinces have also been asked to distribute sugar through such agencies as may be decided upon and this part of the plan does not warrant the confidence that consumers would get their requirements at controlled prices. But if local stocks are supplemented by imports, or if strategic use is made of them for keeping down prices, perhaps the situation can be met without recourse to full-scale rationing.

The history of sugar is almost a monotonous repetition of what should not have been done. Sugar should not, in the first instance, have been decontrolled at all. Neither should cane prices have been fixed at a level which was demonstrably out of alignment with other commodity prices.

The speculative situation is no

doubt aggravated by the restoration of areas, diverted to sugar, to food grains. But if there is a shortage not only during the next three months but also in the coming years, it is difficult to see how equitable distribution can be ensured without a return to rationing in a modified form. Of course, if the Government can allow people a greater latitude in the consumption of sugar than they can afford to do in the matter of food grains, no one can cavil at it. But imports to supplement internal production would cost precious foreign exchange, and this alone queers the pitch.

Mill Closures and Unemployment

SIMULTANEOUSLY reports have appeared in the papers about largo scale unemployment among textile labour and of recall of closure notices by a member of nulls in Ahmedabad and elsewhere. Even Sholapur Mills, the single largest unit involved, are expected to reach a voluntary agreement with the Government to work the nulls in co-ordination with the Government Controller and technical experts.

The problem is quite different from that of rationalisation. While Government seem to have set about the matter in a practical manner which does promise results, the problem of unsold stocks have gone on long enough to leave any doubt where the remedy really lies. Not only today, but all along, it has been the traditional policy of the cotton mills to meet bad times or glut by stoppage? of production rather than accept a reduction of prices and profits. That in the present situation such action would be anti-social in the extreme does not seem to have weighed much with the textile industry. But that mills cannot be entirely unaware of this aspect of their behaviour as Saviours is borne out by their readiness to comply, when Government have put forward with a workable proposition before them.

Protection for Glass

TIME was when the glass industry had cried for protection in vain. The Tariff Board had tin nod a deaf car to its cries in the past because in those days, availability of raw materials within the country had been a condition precedent for qualitying for tariff protection. And glass industry had to depend on imported soda ash for its raw material. After lying low for a number of years, the industry saw better days during the war. The progress it made was spectacular; the number of factories went up from 80 in 1939 to 174 in

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Our Delhi Letter

Nehru's Brief For Washington

AMERICA'S interest in India, lately evidenced by President Truman's appeal for the settlement of the Kashmir dispute, is not yet backed by dollars. But it is known that the question of financial aid to India will figure prominently in the talks between Pandit Nehru and the State Department officials during the former's visit to the United States in October. For these parleys, the Prime Minister will have the benefit of the advice of Sir Chintanu-ui Deshmukh and other finance officials who are expected to be in America about that time in connection with the meetings of the Governing Body of the World Bank.

Pandit Nehru's brief for the forthcoming talks is still in the process of preparation, but the possibilities of an Indian application for a U. S. loan on Government-to-Government basis are strongly favoured. A number of reasons are adduced in support of such a course.

Firstly, it is stated that the American engineering firms are prepared to supply technical service only, not the capital. A case in point is that of the proposed Rs. 100 crore steel works. One of the two American firms of consultants has clearly indicated that it would be unable to execute the project on anything but a commission basis. The other firm is prepared to invest dollars but only to a limited exlent. In any case, it is evident that, for the execution of this and several other projects, Government cannot entirely depend upon private U S. technician investors. If they themselves have to find the dollars, an official transaction is obviously the best means of acquiring them.

Secondly, it is felt that the opposition in the country, particularly the Socialists, will have a big political stick to beat the Government with, if they enter into any big deals with private investors in the United States or let Indian businessmen do so.

And, lastly, a Government-to-Government transaction, it is felt, may be cheaper and less onerous than a loan from a private agency.

The American Embassy here, however, seems to be inclined to the opposite view. It feels that if India needs U. S. help, it is upto her to convince American businessmen that she is a good