

those promised? by Dr Mussadeq in his last offer. Both Teheran and London are now willing to accept a plan under which the World Bank will operate the oil industry. This plan includes a "foreign director". But it does not protect "the administrative organisation of the former oil company". London's diplomacy may have created political troubles for Dr Mussadeq. But it is not likely to succeed in getting a better deal for Iranian oil.

London has let it be known that circumstances may have compelled Britain to beat a retreat from Iran, but she has the required military might to fight it out in the Suez Canal Zone. London underestimated Cairo's diplomatic traditions. Egypt has succeeded in uniting the Arab World in her stand against Britain. On the Sudan issue Cairo was at a diplomatic disadvantage. But Egypt has forced Britain to disclose her ulterior motives. Cairo accepted the challenge for a free and fair plebiscite in the Sudan under the aegis of the United Nations. Britain had

not the moral courage to put Egypt's intentions to the test.

On the issue of the Suez Canal, too, Egypt has gained a diplomatic initiative. Britain can stay in the Canal as an Occupation Power because she has the needed military strength. But Egypt has succeeded in making the Canal Zone a besieged fortress. Without local water supply and without the help of Egyptian labour, the Canal Zone can never function as a military base for the Middle East. Nahas Pasha has succeeded in maintaining order in Egyptian territory. There have been disturbances and fighting in the Canal Zone. With deliberate calculation Cairo has succeeded in precipitating a crisis in the Canal Zone. It has forced Britain to climb down. Mr Eden has announced Britain's willingness to negotiate an entirely new Treaty recognising the Egyptian Government's position in the Canal Zone. London should have anticipated the outcome of the struggle. Today Britain may claim treaty rights for her military action in the Suez Canal Zone. These rights will ter-

minate four years hence. What will Britain do then?

Realism demands that Britain reaches an amicable settlement of disputes with Iran and with Egypt. Teheran is not unwilling to sell Iranian oil to her old customers. Iran's main aim is to get rid of "foreign" economic domination. Egypt was willing to reach an agreement with Britain as a friendly Power. Britain lost these opportunities on her insistence on legal and contractual rights. There was a chance for the "former Company" to protect its interests in the Iranian oil industry. London could enter into a friendly alliance with Cairo. Britain threw these opportunities away. She is responsible for creating unnecessary bad blood. And yet, with statesmanship and diplomacy, Britain could have secured her oil requirements from Iran without widening her "dollar" gap; the Western Powers could have a military base in the Suez Canal. It is, indeed, a tragedy that Britain has lost her genius for compromise. That is why the Middle East is in turmoil.

. . . . *Afraid to Wound*

It is not known whether M Vyshinsky is laimilar with Orwellian literature. Most probably not. He has been devastating in his denunciation of the three Western Powers' plan for world disarmament. He has profusely quoted proverbs, cited similies to prove that the plan is a hoax. Strange as it may seem, he has, however, not yet accused the Western Powers of downright hypocrisy. In 1984 Orwell painted a horrod picture of a dictatorial State in which Authority employed "thought control" to mesmerise individuals to believe what it wanted them to believe. Orwell describes how the citizens of such a Police State were led to believe through propaganda that "slavery is freedom", or that "war is peace".

This is supposed to be the fundamental difference between "free" democracies and "people's" democracies. In a "free" democracy—and Britain, France and America are commonly accepted to be "free" democracies—it is not possible for Authority to indulge in such "double, talk". Whereas, in "people's" democracies, this is alleged to be the main function of the State. Much has been heard about the propaganda tactics of Moscow.

Some naive and insolent politicians—and they include top-ranking diplomats and heads of State among Western Powers—have challenged Moscow to tell the Russians what they want the Russians to be told. Moscow has succeeded in making fools of them by obliging them.

It is now Moscow's turn to accuse the Western Powers of "double talk". This is what M. Vyshinsky's charge is, though he has not used Orwell's phraseology. M. Vyshinsky wonders how the world can have disarmament through re-armament. The three Foreign Ministers of America, Britain and France have belatedly discovered their wrong tactics. But they do not lack ingenuity to put forward arguments in defence. They admit that to talk of disarmament in a world ridden with tension is to put the cart before the horse. They concede that the world is not likely to disarm unless the tension eases. But they argue that re-armament will surely intensify the tension. That is why, they suggest they art! anxious to reach an agreement which will avert re-armament and facilitate "balanced" disarmament.

There is logic in this line of reasoning. But it would be wrong to assume that the Western Powers have agreed to have talks in private

with Russia so as to reach a compromise solution. Nor, be it added, has Russia consented to participate in secret discussions with the Western Powers with any such intention. It is, perhaps, true that Russia and the Western Powers are reluctant to flout the wishes of the small, neutral nations that both sides should discuss in secret the scope of a compromise agreement on their divergent proposals on disarmament. A sub-committee of the Big Four is now having private discussions. But sufficient time has elapsed to indicate that the Four Foreign Ministers are not likely to succeed where their deputies failed after three months' protracted negotiations at the Palais Rose.

There are reasons for pessimism. Both sides have agreed to have secret discussions. But both emphasize that there are "substantial differences" between the disarmament plans put forward by them. Russia insists that prohibition of atomic weapons is a condition for peace. The three Western Powers accept this as the ultimate aim. But their proposal stresses that there must be inspection first before an agreement for "balanced" reduction in armament can be put into effect. Russia would like a one-third cut in arma-

merits to suit with; the Western Powers insist that the existing levels must first be known before reductions in armaments can be effected. Both sides are adamant, but each has made concessions. The Western Powers have agreed to combine, the function of inspection and control on atomic and conventional weapons into a single international authority. Russia has agreed to inspection of atomic plants "immediately after" the General Assembly has outlawed atomic weapons.

Not only on disarmament, but on outstanding political issues, there is disagreement. Just as both sides are agreed on disarmament as the ultimate goal, they are agreed on what should be the final solution of German and Far Eastern problems. It is common ground that there can be no world peace without a settlement of these political issues. There is agreement that the German problem can be solved only through a peace treaty with a united Germany. Similarly both sides are committed to a united Korea under a Government of the choice of the people of that peninsula. Armistice negotiations are continuing in Korea. There are many differences which separate the Communists and the United Nations Command. But neither side is willing to abandon truce talks. Russia agrees with the Western Powers that there must be a "free and secret" election in the whole of Germany. Russia wants such an election to be conducted by the Big Four, while the Western Powers want that it should be held under the auspices of the United Nations. These are not major difficulties. But it is absolutely clear that Russia will insist on settling German and European problems through negotiations among the Big Four, while she would demand that the Far Eastern problems be similarly solved through discussions by the Big Five.

There are, to repeat, "substantial differences" which separate Russia and the Western Powers. There are abundant indications that both sides are preparing for the inevitable clash of arms. But there are equally unmistakable signs that both are apprehensive of war and its disastrous aftermath. The Western Powers have many worries. They know that Western Europe cannot be defended without the help of military aid from Western Germany. They are equally aware of the tough huddles that will have to be surmounted before a European Army can be formed. Recent develop-

ments have also indicated that it may not be easy for them to establish a Middle, Eastern Command. There are developments which are in favour of Russia. But she, on her part, is aware that she cannot maintain the superiority, in arms, which she now possesses, for long. She may be in possession of the secret of splitting the atom. She may have atom bombs. But she is not likely even to reach the military or industrial potential of the combined Western Powers.

Sceptics are not scarce. There is growing suspicion that both sides are shadow-boxing; that both are playing for time. Time may be in favour of the Western Powers. They may be secure in the knowledge that they will ultimately win the war if it is forced on them, but, at the moment, they face a dilemma. Most of the Atlantic Treaty Powers are

unwilling to bear the Himalayan burden of re-armament. They talk of war preparations, but hope for disarmament and world peace. This is a mood which suits Russia's tactics. She has nothing to gain, but, much to lose, in a war. It may be that she will not attack first but retaliate only if attacked. There is reason to believe that Russia is fearful and suspicious of the Western Powers' designs. At the moment, both have reached a precarious balance. It may suit both to maintain a balance, however delicate it may be. Current developments and discussions in Paris indicate that both sides are willing to come to an understanding if possible. He would be a bold man who could predict that a war can be avoided. But there are indications that both sides are anxious not to push ahead to a point from which there can be no return.

Weekly Notes

Steel Prices

THE Government of India announced in their resolution dated October 15, 1951 that having regard to the special factors brought to their notice, they had revised their earlier decision about the retention price of steel, and that the Steel Corporation of Bengal would be allowed to an increase of Rs 22 per ton in their retention price for the year 1950, and not Rs 11 per ton as had been decided four months earlier, on the recommendation of the Tariff Board. In the same resolution, the Government also announced their decision for granting to the Steel Corporation an additional sum of Rs 14.17 lakhs as the Steel Corporation's share of profits payable to the Indian Iron and Steel Company for the same year. The Government, however, did not think it necessary to inform the public what were the "special factors" placed before them, which had not been placed before the Tariff Board, presumably, and which had made them change their mind about the fair retention price, for the Steel Corporation. Nor did the resolution mention whether the decision had been taken in consultation with the Tariff Board. It was therefore with keen interest that the public had been looking forward to the speech of the Chairman of the Steel Corporation of Bengal at the Annual General Meet-

ing of the Shareholders held last week in Calcutta.

Apart from a few strong asides, which could have been easily avoided, Sir Biren Mookerjee's speech was a well argued indictment of the methods adopted by the Tariff Board in arriving at the cost of production of steel manufactured by the Steel Corporation at the time of the last enquiry. The Tariff Board's report on the subject was examined carefully in these columns in the issue* of June 30 last, and the line of criticism offered by this paper on that occasion requires no reiteration except that Sir Biren's carefully marshalled arguments support the contention that the adoption of the principle of uniform prices was itself wrong and strengthen the case made out then that the Steel Corporation of Bengal had not been given a fair deal by the Tariff Board. If there was any suspicion of unfairness before, it is not likely to be allayed by Sir Biren's disclosure that the Tariff Board could not find its way to show to the Steel Corporation the report submitted by its technical expert, and the evidence of the official witnesses, on which the Board's findings were based. This should not, however, be construed to mean that the Tariff Board was entirely wrong when it raised doubts about the efficiency of the management of the Corporation. The widening cost