

## Mediator or Madician?

THOSE who had expected quick and spectacular results from the UN Mediator in Kashmir have been sadly disappointed at the progress made by him up to the present moment. Out of the five months stipulated by the Security Council, Sir Owen Dixon has already spent more than two in his preliminary study of the dispute. This, indeed, is a slow progress considering the gravity of the problem, but Sir Owen has an excuse, and quite a legitimate one. In the absence of Prime Ministers of India and Pakistan who were on their official visits abroad, one in Indonesia and the other in the USA, what could he do? Now that they are back in their capitals, the UN mediator has convened a Tri-partite Conference at New Delhi on July 20 to discuss, for the first time, the various aspects of the dispute—including, of course, the thorny question of demilitarisation.

The emphasis on demilitarisation presupposes the acceptance of plebiscite as a feasible means of bringing the dispute to an end. An examination of other alternatives by the Prime Ministers of India and Pakistan, however, is not ruled out. Take, for instance, the partition of Kashmir. A pernicious idea no doubt, but it has been mooted by certain sections on both the sides as the only practicable solution under the circumstances. Once the principle is accepted, it would not be difficult to define the boundary line as the present 'cease fire line' may, in all probability, be acceptable to both the parties. Indeed, from the military point of view, this may be the most viable frontier line for India. But Shaikh Abdullah is opposed to partition—root and branch. He is a bitter opponent of the two nations theory, and he knows fully well that all that he stands for, and along with it, his National Conference will collapse the moment he accepts it. Moreover, the prestige of Pandit Nehru is involved in this issue. It is highly unlikely that India's Prime Minister will risk his popularity by taking a somersault at a time when his stock has risen

so high in international politics.

Another solution, a rough and ready solution at that, is the creation of an independent Kashmir. It would be an impossible adventure to trace the origin of this idea, but it is somehow associated with Sheikh Abdullah's name though he vehemently disowns it. The idea has dangerous possibilities. Occupying as it does the most strategic position in Asia, with her frontiers touching more nations than one, Kashmir may, in course of time, become the seat of international intrigues. This apart, India has put forth the view on previous occasions that no Princely State can remain independent after the lapse of paramountcy of the British Crown and therefore, such a proposition would be untenable from India's point of view. Sir M. Zafrulla Khan has forthwith rejected this idea as sheer nonsense.

Even granting that Pakistan would, for tactical reasons, agree to this proposal, there is no guarantee that there would be no violation of Kashmir's frontiers by marauders, if not by some of its neighbouring countries. Such a proposal, therefore, would not be favoured by the UNO.

Both alternatives being thus dismissed as impracticable, the only probable course open to the disputants is to hold a plebiscite. This is, indeed, the accepted democratic way of settling a dispute of this sort, but democratic ways, to be successful, presuppose a favourable political climate. It should, therefore, be the primary object of the tri-partite talks to explore ways and means to create such a climate. This does not mean that either of the parties should be dogma tie over total demilitarisation. If both the parties are genuinely in favour of a democratic way of bringing the long drawn dispute to an end, there is no ground for the pessimistic assumption that the talks would founder on the rock of demilitarisation.

## Tata Iron and Steel Co.

### Higher Dividends Announced

(From our Stock Exchange  
Correspondent)

Thursday, Morning

THE Tata Steel dividend has been announced. The dividend on deferred and ordinary shares has been increased to Rs. 79-5 and Rs. 16 from Rs. 64-15 and Rs. 14 respectively last year. That the declaration of higher dividend has had no visible effect on the prices of Tata Steel shares has not come as a surprise. It had been anticipated and discounted into the price.

The decision of the Tata Steel Company to increase its annual dividend has been greatly welcomed in stock exchange circles. And it is felt that it will go a long way in reviving confidence in the investment market.

Though financial observers were reluctant to comment on the Company's dividend policy, pending details of the annual report, they feel, nevertheless, that the increase in dividend may prejudice the Company's case for continuation of increase in retention prices which is due to lapse on March 31, 1951. Besides, it may add to the difficulties of putting through the scheme for the reconstruction of the capital structure of the Company as it would put the deferred shareholders in a still better bargaining position. A strong recalcitrant minority of deferred shareholders has hitherto foiled all attempts of the Company to convert deferred shares into ordinary shares. But if the increase in dividend helps to restore confidence in the investment market, it may enable the Company to raise the much needed reconstruction finance from the public or from banks on terms favourable to the borrower.

On the whole, though technical considerations warrant a moderate set-back in prices, Tata Steel shares, being now cum-dividend, appear rather cheap at current levels on the basis of the present dividend.