

sided, and, with the prospect of Britain associating with the Common Market, and the probable loss of preferences in the U K market, the Canadian exporter needs more than ever all the advantages he can obtain.

The main British comments on the change in the Canadian dollar rate are that this devaluation will make British exports to Canada even more difficult. The 10 per cent depreciation over the past sixteen months has made the prospects of export of British goods to

Canada far from promising and the end of preferences is bound to add a further obstacle. It is expected that there may well be a revaluation by British firms operating in Canada of the opportunities for them in these *new* circumstances. With the magnet of the Common Market, many British firms may be led to believe that Europe now offers better prospects for their capital investment.

So far the only staple Canadian export commodity to be affected by the new Canadian-dollar rate is

wheat. Shortly after the official announcement of the devaluation, the Canadian Minister of Agriculture announced a 6 per cent a bushel rise in the prices paid for all grades of wheat by the Canadian Wheat Board. This unexpected benefit has certainly caused great relief to Canadian farmers. As far as aluminium is concerned, however, the Aluminium Company of Canada "has said that their Canadian, United States and other export prices will remain unchanged.

Capital View

Tensions and Alarums Again

Romesh Thaper

WHILE the Italian Parliament has been indulging in fist-fighting over the election of the country's President, we have sought to demonstrate our political maturity by an elaborate programme of farewells for Dr Rajendra Prasad and a near-unanimous vote for the new Head of State. Those boycotting the poll have done so non-violently. And, even as these lines appear in print, the citizens of Delhi will for the first time through the festooned streets to say goodbye to a leader who is abandoning political life to retire to an ashram. Many in the procession, we hope, will make of this act a continuing tradition.

Observing the passing scene, one is apt to forget the tensions and alarums which have disturbed the slow, summertime tempo of the Capital. Earlier reports that Pakistan's attempt to revive the Kashmir issue in the United Nations would place India on the defensive proved highly exaggerated although the Foreign Office itself was somewhat panicky. Denied U S support, Pakistan has now embarked on a subtle assault on the Indian position in Kashmir and Ladakh. Negotiations have been opened with China to demarcate the border between China and parts of Kashmir held by Pakistan.

Pak.China Conspiracy

If this was merely an attempt to interfere with India's sovereignty over Kashmir, we could join with the Prime Minister in accusing

China and Pakistan of 'opportunism'. Peking, however, is not likely to be used by Rawalpindi in this fashion. The Chinese Government's note protesting against the setting up of Indian outposts in certain areas of Ladakh, and the threat to take action against them, is obviously very much a part of the preparation for the negotiations with Pakistan.

Past performance suggests that Peking will arrive at a speedy and amicable settlement with Pakistan while, at the same time, creating tension in Ladakh as a foil to prove how aggressive and unreasonable India is. This has been the pattern of Chinese propaganda during recent years and everything points to its intensification. Probably skirmishes will be arranged in Ladakh to encourage the idea that India has violated the *status quo* and is pushing into areas under Chinese control—even into Chinese territory. Nothing could be further from the truth.

Last year, when the Chinese established a fairly sizeable check-post at a strategic point on the Chip Chap river, it was clear that the *status quo* was not being honoured. The push southward, unless countered by the setting up of Indian check posts, would give Peking the opportunity to claim more territory in Ladakh. Indian checkposts have now been established in this area — and it is these that the Chinese will seek to isolate or liquidate. Peking knows, as

does Delhi, that this is not just a game of hide-and-seek in the snowy wastes of Ladakh, that if one day negotiations on the demarcation of the border take place much will depend on the location of our respective cheekposts.

'China Experts Disappointed

Comment on the revival of Chinese belligerency is not forthcoming from official quarters. Until only recently, the so-called China experts believed that there was every chance of a border settlement this year; indeed, in this context, the recent refusal of the Indian Government to 'talk trade' with China was regarded by some as an unnecessarily stiff attitude which made the reopening of border negotiations very difficult. Now, our neighbour has embarked on a war of nerves which can only lead to a further deterioration in the strained relations between the two countries — unless, of course, one believes that the situation in Ladakh is being deliberately brought to explosion point in order to force a negotiated settlement on terms more or less favourable to the Chinese.

Pakistan has also decided that apart from border embarrassments in the North-West, it is possible to create new tensions in the North-East. The movement of Naga hostiles into East Pakistan is a reminder that even if we are able to plug the escape routes into Burma, there are other points along the frontier which can be activated by

an unfriendly neighbour. This is not the last we have heard of Naga-Pakistani conspiracies.

No Thought for Nuclear Tests

Small wonder that the Prime Minister confronted, by these new developments at a time when the troubles with Nepal are unresolved, should show little inclination to get mixed up in Bertrand Russell's projected demonstration in the Pacific against the holding of U S nuclear tests. So great is (he strain that he imagines that Russell wants him to undertake a 'hostile' act by sending a warship into the Christmas Island (Sic) testing area. As Rajagopalachari has pointed out, while calling for direct non-violent action in support of Russell's appeal, no such thing is intended. 'For once,' writes the Swatantra leader, 'I am sorry I am not near Mr Jawaharlal Nehru in his Cabinet to press on him for acceptance this case for decisive action.'

However, nothing is further from the mind of official Delhi than thermonuclear tests. And Rajagopalachari's would be too if he were a member of the Cabinet waiting patiently for U S aid to finance our plans, purchasing jet aircraft from the Soviets to strengthen our hands against the Chinese, negotiating a new steel plant to be established at Bokaro, wondering how to balance the budget of a developing economy without upsetting the stock market and still debating the kind of socialism most 'suited' to Indian conditions. The old passions that gripped the Congress are dead. Who cares about the survival of the human race? We have matured. Politicians are now absorbed with the problems of their own survival — and Delhi naturally has also developed an appetite for such mundane matters.

Collecting the Pack

For weeks political pundits have been discussing whether there will be any Cabinet changes towards the end of the Budget Session of Parliament. Report has it that a reshuffle is certain, that K C Reddy, S K Patil, Shrimali and Asoke Sen are leaving, that the mercurial T T K has 'dropped his demands' and will soon be back and that after his recent illness Nehru will

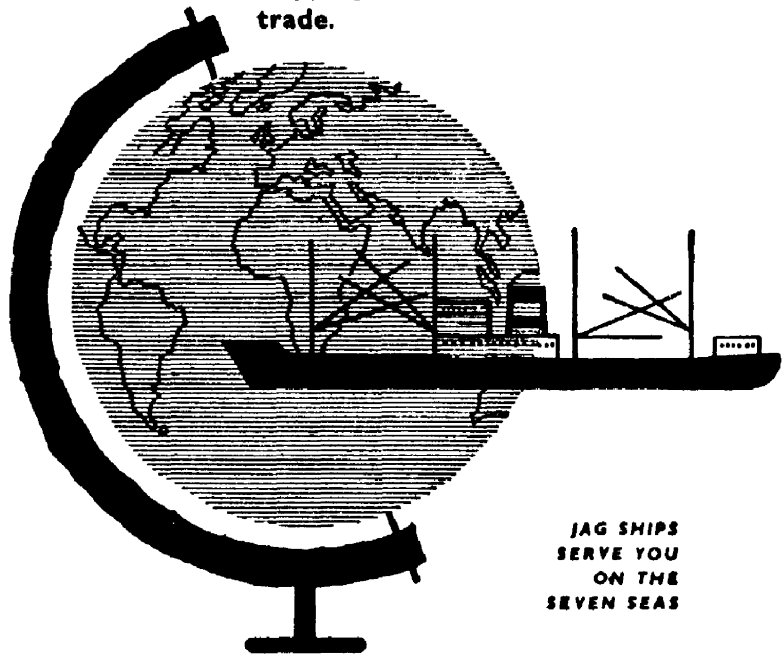
probably 'give up' the functions of Foreign Minister. The return of defeated but powerful faction leaders in the States in bye-elections might also necessitate 'adjustments'.

The speculation is unending, but judging from the latest expansion of the Council of Ministers, the Prime Minister's, only concern

seems to be to make this body fully representative of every region and community. The Council now has a membership of 50 of whom 17 are Cabinet Ministers, 12 Ministers of State and 21 Deputy Ministers. This is surely not the end. Several hopefuls are still waiting to be called 'for, after all, a pack has 52 cards — plus a joker.

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