



~ FOUNDED BY ~

RAMNATH GOENKA

IN 1932

BECAUSE THE TRUTH INVOLVES US ALL

Market turbulence is here to stay, may deepen

WITH THE Sensex down 1.08 per cent, on Wednesday, Indian stock markets ended the day in the red. Weakness was observed across the board, with small and midcap indices also witnessing a fall. Volatility also increased, with the India VIX rising almost 7 per cent. But the trends across Asian markets were mixed. While the Nikkei was down 0.2 per cent, Kospi was up 1.4 per cent. In spite of the economy growing at a fairly healthy rate in India, markets have been weak for some time. Since the beginning of this year, the Sensex has fallen by roughly 12 per cent. In segments such as IT, the weakness has been more pronounced, with concerns mounting over the long-term growth prospects, given the rapid deployment of AI.

There are several reasons for the current investor skittishness. Brent crude oil has touched \$100 a barrel — levels last seen in July — as the conflict in West Asia expands. Attacks by the Iran-backed Houthis on energy facilities and infrastructure in Saudi Arabia mark a dangerous escalation and raise concerns over energy supplies and the broader economic impact of higher prices on external balance, currency and inflation — the Indian crude oil basket has surged to \$108.91 per barrel as on September 8, according to data from the Petroleum Planning and Analysis Cell. The Indian rupee has slipped past the 95 mark against the dollar. Tighter global financial conditions will compound matters. US Federal Reserve chairman Kevin Warsh's comments at the recent Jackson Hole meeting have been viewed as hawkish, leading to expectations that the Fed could now pursue an aggressive policy stance. This has raised the odds of an interest rate hike at the meeting next week. The US 10-year bond yield is currently around 4.8 per cent, while Japanese yields are hovering near 2.9 per cent. In September so far, nervous foreign investors have taken out \$1.3 billion from the stock markets, after being net equity buyers in August and September.

Geopolitical tensions and higher crude oil prices along with tighter financial conditions will continue to weigh heavy on investors. Early next month, the RBI's Monetary Policy Committee will hold its meeting. There are expectations that the policy action will veer towards tightening financial conditions. The growth momentum, which surpassed expectations in the first quarter, is also expected to moderate in the second half of the year. These factors will determine which way the market swings.

AfD success isn't just a Germany story

FOR THE first time since World War II, a far-right political party has decisively won a state election in Germany. The thumping victory of the Alternative für Deutschland (AfD, Alternative for Germany) in Saxony-Anhalt, with 43.8 per cent of the vote, against 17.2 per cent for the second-placed centre-right Christian Democratic Union, has sent shockwaves well beyond the small eastern state. It is still unclear whether the AfD, whose Saxony-Anhalt branch has been officially classified as "confirmed right-wing extremist" by German intelligence, will be able to form a government. But the result is the strongest-ever performance in a state election by a party shunned by mainstream parties under Germany's "firewall" strategy. The AfD has managed to move towards the political mainstream.

It is tempting to reduce the AfD's victory to region-specific factors: A relatively poor and ageing electorate in former East Germany; a territory that has, over the years, become its stronghold. But the party that wants to institute separate classes for children of refugees and seeks better ties with Russia is also leading in national opinion polls and is ahead of the Social Democratic Party in Mecklenburg-Western Pomerania, where state elections are due on September 20. The AfD has capitalised on a sense of voter grievance, making immigration and economic uncertainty its principal planks. Immigration has been the defining political issue since the European refugee crisis of 2015, but it has acquired greater force amid weak growth, high energy costs and anxieties about jobs that have undermined the confidence that once sustained the political centre. The export-heavy industrial model that contributed to German prosperity for decades has also come under severe strain due to the rise of China. The AfD has brought these disparate frustrations together and convinced voters of the inability of the established parties to address them. The firewall strategy has, in turn, helped it to portray itself as the only authentic opposition to a political system whose principal point of unity appears to be stopping the AfD.

Across Europe, the far right — the National Rally in France, Giorgia Meloni's Brothers of Italy — continues to rise as immigration becomes a litmus test, alongside concerns over the economy. Failures on both fronts have created fertile ground for the far right. To halt its march, mainstream parties need to repair their credibility deficit and reclaim the power to set the agenda.

Welcome to the (South) American dream

REMEMBER THE villain from *Gladiator*? Emperor Commodus was quite a character in real life, too. Among other things, he renamed the city of Rome "Colonia Lucia Annia Commodiana" — the Romans would henceforth be Commodians — renamed every month of the year after himself using his multiple names, and had the senate declare him a living god and the reincarnation of Hercules. The senate itself became the Commodian Fortunate Senate. Unfortunately, the senate reversed his changes after his death. Doesn't it all seem a little too on the nose in the times of the Gulf of America, Lake America, New America, and the Trump Strait?

It has been pointed out in recent years that the field of satire is facing tough competition from reality. When the headlines in a satirical newspaper are less absurd than the actual news, what is left to do? Yet *South Park*, the animated series that has never pulled a punch — gods and prophets are fair game — has gamely kept going, mocking the Trump administration without hesitation. Now, President Donald Trump's bid to rename Lake Ontario "Lake America", with Apple and Google complying and changing the name in their map applications (for users in the United States), has provided fresh ammunition. With its 29th season starting next week, *South Park*, "inspired by the bravery and patriotism of Apple and Google", will now be known as *South America*.

If nothing else, this shows that it's still possible to be funny — even boldly funny — in the land of the free and the home of the brave. Unlike in ancient Rome, nobody faces the risk of being fed to the lions. That's the beauty of the South American dream.

At BRICS, India's task is to keep the Ukraine peace process moving

WHEN PRIME Minister Narendra Modi met President Vladimir Putin in Bishkek on the sidelines of the Shanghai Cooperation Organisation, he publicly repeated the counsel he has long offered Russia's leader: End the seemingly endless war in Ukraine. The message was timely. Over the weekend, US President Donald Trump's envoys for everything, Steve Witkoff and Jared Kushner, travelled to Moscow and Kyiv, with a similar message, bolstered by fresh peace proposals. Even as the guns briefly fell silent in honour of the mediators, their visit reintroduced a sliver of hope into a conflict that, until days ago, saw only continuous escalation. After more than four-and-a-half years, the war may at last be edging towards its endgame, or at least the negotiation of one.

For six months the American peace initiative had lost momentum, its oxygen consumed by another war entirely. Washington's attention had been absorbed by Iran, and Ukraine boiled while the US got dragged in as a belligerent in the West Asian theatre. That Trump has now returned to the Ukraine file is confirmed by his follow-up call to Putin on Tuesday, asking for a swift end to the war to allow US-Russia ties to be restored. It signals that the Alaska process of 2025, which produced the Anchorage summit, the successive plans and counter-plans, and the rounds at Geneva and Abu Dhabi, had only paused. A peace plan, or at least a ceasefire, may yet materialise through a

trilateral featuring Trump in the same room as Putin and Ukrainian President Volodymyr Zelenskyy.

Of course, yawning gaps in positions remain to be bridged on territory and security guarantees. Accounts circulating earlier had described Putin reducing Russia's demands to a "3+2" formula: Crimea, Donetsk and Luhansk, with Zaporizhzhia and Kherson beyond. Russia holds Crimea and insists on the whole of the Donbas, including ground it has not taken. It has reportedly offered to let Kyiv keep the parts of Kherson and Zaporizhzhia it could not capture, against an easing of sanctions. That was, in essence, the bargain that collapsed when — as Secretary of State Marco Rubio admitted — Ukraine would not agree. For the moment, Washington can help keep the parties in the room; it cannot make Kyiv cede the Donbas, nor make Moscow accept less than it believes it has won.

Perhaps not coincidentally, days before the American envoys set out, External Affairs Minister S Jaishankar had shuttled along the same route, from Moscow to Kyiv, urging dialogue and diplomacy, and perhaps carrying a message from Moscow to Kyiv. Rather than propose a branded peace framework, as China, Switzerland and Turkey each did, only to see their efforts stall, India effectively worked inside the existing US peace track, amplifying the voice of the Global South, offering to help only if



AJAY BISARIA

The pursuit of that peace cannot be the monopoly of Washington, Moscow and Brussels. The Global South, much of it distant from the front and all of it exposed to the fallout, has both an interest and a standing to press for a settlement

both belligerents asked, and no doubt keeping the Americans informed. India's gambit would have served as a nudge to all parties. The message would have been a reminder to the principal mediator and to both warring sides that the alternative to talking is only more killing and more punishment to the global economy.

Here lies the argument too often lost in big-power choreography. The war in Ukraine is not the private business of the belligerents and their patrons. Its costs have radiated far beyond the theatre: In the price of energy and the security of food and fertilisers, in inflation and sovereign debt, and in the fraying of the multilateral institutions on which smaller states depend. Nations with no soldiers near the Dnieper have paid a heavy price for this war, and that gives them a legitimate stake in its ending. Peace in Ukraine is, in this sense, a global public good.

It follows that the pursuit of that peace cannot be the monopoly of Washington, Moscow and Brussels. The Global South,

much of it distant from the front and all of it exposed to the fallout, has both an interest and a standing to press for a settlement. India, as this year's BRICS chair and among the more credible voices of that constituency, is well placed to carry the message. Its nudge is therefore an act of representation. Far from presuming a role, India speaks for a constituency that is watching, is affected, and wants

the guns silenced.

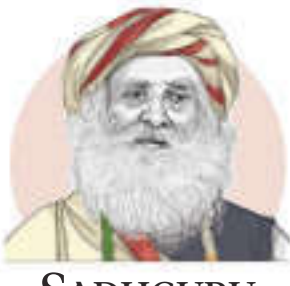
On energy, India has held a line that speaks for many such states: That cutting oil imports will not stop the war, that its citizens' energy security is non-negotiable, and that sanctions for their own sake are no substitute for diplomacy. More broadly, all global conflict threatens India's trajectory of growth that will give it the status of a developed economy in the next two decades. Wars, distant or near, can derail India from this trajectory.

The Ukraine settlement, when it comes, will be authored in Washington, Moscow and Kyiv, and, on current indications, sealed in a trilateral involving Trump, Putin and Zelenskyy. India will not be in that room. Its own test comes this weekend, as host of the BRICS summit in New Delhi, which will seat one belligerent from each of today's wars, Russia from Europe and Iran from West Asia, but neither the United States nor any other mediator. India's immediate task will be to steer a summit declaration that reflects the reality of these conflicts and does not merely echo the case of any single party in them, and a collective call for peace from a world that has paid for these wars without a say in them. That is the most a BRICS chair can do.

The endless wars will end at the table. India's part is to keep nudging all parties in that direction and to keep insisting there be a table.

The writer is a former diplomat and distinguished fellow, ORF

The only solution to grief is to accept it



SADHGURU

WHEN I went to Kailash for the first time in 2006, I went with 168 people from many nations. The conditions were very harsh at that time. We lived in small tents all along the way. There was not a single bathroom anywhere. There were no roads. We were finding our way through the desert. Normally, groups travelling to Kailash are never more than 40 to 45 people. Even for such groups, a minimum of one to two body bags would come back by the end of the trek.

A local Sherpa group was conducting our affairs for us in Tibet. They were joking among themselves, "How many body bags will this group come back with?" So, I took a vow that no matter what, we were not going to bring back anyone in a bag. And we brought in an extraordinary sense of discipline, focus and training into our teams so that our medical teams, cooking teams and volunteer teams functioned with military precision.

All these years, we were proud that we never left even one person back there and came. But now, we have left 80 people and come back. They were in the Gyirong immigration centre when millions of tons of water and debris landed, and this well-constructed concrete building just vanished. No one expected something like this would happen, that a glacier 2,000 feet wide would just fall 4,000 feet down a mountain and create a massive flood. It was the kind of disaster that we have not seen in any part of the world.

We cannot reclaim lives that are gone. Nor are there words that can erase the pain of the families who lost their loved ones. I know this is painful to hear for those who have lost someone. I understand that 100 per cent. Though people claim all kinds of things, no one has brought back those who are gone. There are stories and fairy tales, but in reality, it has never happened.

At a time like this, it is very important that we realise the reality of our existence — that we are here this moment, and the next moment, we may be gone. This flood occurred on August 26. I was supposed to

be there at the same immigration centre just 24 hours later on August 27. You think the flood would not hit me because of who I am? It would. This is the nature of life.

This is why, in the culture of Sanatan, children are made to attend funerals from day one. Families are always told that life is very brief. We are not talking about going to heaven or talking about God holding your hand. We are telling you continuously that this life is your karma, do the best that you can. No one here is immortal. No one is negotiating life or death. All of us will die. We are only negotiating more time. Your psychological structure should be aligned with this reality of our existence. It should not become hallucinatory, because then the life that is here will be wasted.

Understanding the nature of life is the only way you will be relieved of the pain and suffering of losing someone or something. If we do not do that, everything will hurt us on the way. Not just death, even life hurts people. Many people suffer life a lot more than death. This is why it is important that we are conscious every moment of our life that we are mortal. Being mortal means we are here on a limited lease of time. If we are continuously conscious about this, we will plan and execute our life in the most sensible way possible, based on our own intelligence, capabilities, and the situations and times in which we exist. We will value every breath, every moment that we have here and do the best for ourselves and everyone around us.

The moment we forget we are mortal, we will have a lot of time to do all kinds of stupid things. Suppose you know life will end tomorrow, will you have time to quarrel with someone, to get angry with someone, or to do anything that does not truly matter to you? No. If you are conscious that you are mortal, you will do what truly matters to you. If every one of us does what genuinely matters to us, we will create a great world.

The writer is founder of the Isha Foundation and Conscious Planet (Save Soil)

The murder of a musician, and a familiar unease



SANGMUAN HANGSING

FOR THOSE who knew Chongtham Vikram Singh, the story begins long before the night he died. He was a guitarist who came of age in Manipur's early rock scene, playing lead guitar with Ultra Vires, Phoenix and Eastern Dark, in a state shaped by periods of conflict. He was part of a generation of musicians whose lives and music took shape amid that uncertainty. Nearly two decades ago, Singh moved to Delhi to build a life around music. He spent around 17 years working and teaching in the capital, establishing a music school, mentoring students from home and teaching at the Delhi School of Music. He died early Monday after being assaulted by a group of people in his building. The police said the immediate dispute was over noise.

For people from the Northeast who have made their lives in India's larger cities, the unease surrounding his death is all too familiar. In 2014, Arunachal Pradesh student Nido Tania was killed in Delhi after an altercation with shopkeepers in Lajpat Nagar, bringing national attention to the discrimination and violence faced by people from the Northeast. The Delhi Police subsequently set up the Special Police Unit for the North East Region, and other measures created avenues for people to seek help. More than a decade later, however, the sense of vulnerability has not disappeared from everyday life. An Indian Express investigation this year found that one in four PCR calls received from North-eastern residents was linked to landlord harassment.

There is a difficult irony in people from one part of India still having to negotiate safety, recognition and belonging in its capital, even after years of living and working there. The same questions have surfaced beyond Delhi, too. Last December, 24-year-old Tripura student Anjel Chakma died in Dehradun after being attacked. His brother alleged that racial slurs had preceded the assault, while police said their preliminary investigation found no evidence of a racial motive and described the incident as a confrontation that escalated in the heat of the moment. For many from the Northeast, however, there is a discomfort that remains.

By the time of his death, Singh had spent almost 20 years in Delhi, establishing a profession, making friends and raising a family. He had students he taught, people he knew, streets he had walked for years and a place he returned to every day. He had carried Manipur with him, too, through the music he had begun playing there and continued to teach in the Capital. Twenty years is long enough for the unfamiliar to become familiar, for friendships to deepen, and for a home to gather its own history.

After his death, the story can so easily be reduced to one night: The noise outside his home, the argument, the blows in the stairwell, the journey to hospital. Behind those few hours was the life that had come before them. For someone who had spent so long there, the question his death leaves behind is difficult to put away: How many years does a person have to live in a city before he is simply of that place, rather than someone from somewhere else?

Hangsing is a researcher and writer based in Manipur

40 YEARS AGO

September 10, 1986



PM's fight against corruption

THE PRIME Minister, Rajiv Gandhi, urged the chairmen of the Public Accounts Committees of Parliament and state legislatures to tackle irregularities at their very roots. This, he said, was necessary to check the abuse of public funds. He was inaugurating the seventh conference of PAC chairmen, which was also addressed by the Lok Sabha Speaker, Balram Jakhar, and the Union Finance Minister, V P Singh. Gandhi said not only was it necessary to apprehend the culprits but also to pinpoint how the crimes were committed and to plug the loopholes. To be effective, the Prime Minister said, the PACs had to ensure that wrongs did not recur. "We are working hard to eliminate corruption, leakages and misutilisation of funds," Gandhi said and pointed out that the role of the PACs in this context was vital. Mr Gandhi took serious note of a case in which 8 kilograms of gold booked for trans-

port by rail had mysteriously disappeared between Bombay and Agra.

Hijacker's failed escape bid

ONE OF the Karachi hijackers made an unsuccessful bid to escape from hospital, Pakistani police sources said. The injured hijacker, identified as Hassan, hit a security guard and tried to get away but was quickly overpowered and secured to his bed, sources said.

Combing operation in Punjab

IN ONE of the biggest joint operations within two months, the security forces and the Punjab Police combed several hideouts of terrorists in the sensitive districts of Firozpur, Kapurthala and Amritsar. The Director General of Punjab police, J F Reberio, said in Chandigarh that the operation commenced at around 3 am and continued

till late in the evening. He said it would take some time for the details of the operation to come in. Senior police officials led by the Amritsar district chief, Mohd Izhar Alam, supervised the operation, in which six companies of the paramilitary forces and about 300 police personnel took part.

Delhi power project blueprint

THE BLUEPRINT of an ambitious Rs 1800-crore national capital power project to meet Delhi's power needs in the 1990s has been finalised. The project, which has been approved by the Energy Ministry, comprises a super thermal power station at Dadri in Ghaziabad district, a 400-KV transmission network and complete modernisation of the distribution system in the Capital. The estimated cost of the project — almost equal to the Seventh Plan budgetary allocations for Delhi — will be partly borne by the World Bank.



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A special relationship with Europe is linked to our strategic autonomy



THAROORTHINK
BY SHASHI THAROOR

THE GEOPOLITICAL landscape of the mid-2020s has presented New Delhi with a stark and inescapable reality: The structural predictability that once underpinned India’s strategic convergence with the US has given way to an era of acute volatility. While the bilateral relationship with Washington remains vital, the escalating turbulence of American domestic politics and the erratic swings of its trade and foreign policy have introduced a dangerous element of uncertainty into the partnership. From sudden tariff threats and aggressive protectionist posturing to intense scrutiny over India’s independent energy choices and traditional ties, Washington has demonstrated that its strategic commitments are increasingly unpredictable. In this fragmented global order, New Delhi can no longer afford to anchor its long-term economic and security calculus to a single, mercurial superpower. To preserve the strategic autonomy that has long been the North Star of Indian foreign policy, India must aggressively pursue multi-alignment, cultivating alternative channels of serious cooperation.

While New Delhi has deftly expanded its ties with highly capable regional middle powers — deepening maritime coordination with Japan and Australia through the Quad, enhancing technological and financial integration with Singapore, and anchoring energy security within the Gulf states — there is one geopolitical space where Indian diplomacy stands to secure its most transformative gains: The European Union. Conversations at last week’s European Forum in Alpbach have convinced me that those who earlier dismissed the EU as a bureaucratic, inward-looking economic bloc, detached from India’s hard realities, are wrong. Europe has now emerged as a reliable, structurally steady partner for a rising India.

The landmark conclusion of negotiations for the India-EU Free Trade Agreement on

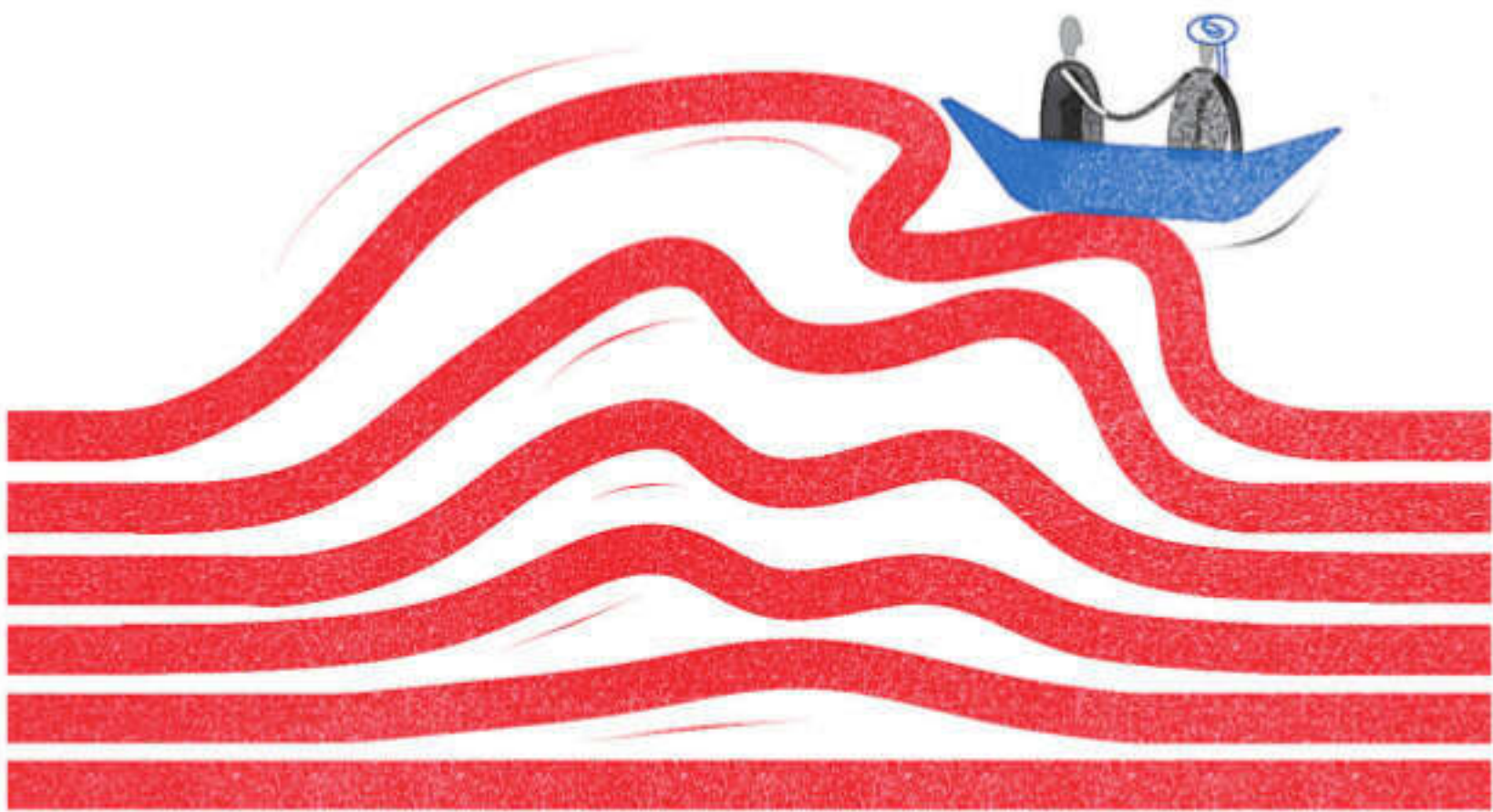


ILLUSTRATION: C.R SASIKUMAR

January 27, justly hailed as the “mother of all deals”, signals an unprecedented era of economic and strategic alignment between two of the world’s largest democratic marketplaces. The timing of this economic breakthrough is deeply deliberate. Concluded at Hyderabad House against the backdrop of the 16th India-EU Summit, the agreement represents a structural commitment encompassing a population of 2 billion consumers and roughly a quarter of global GDP. For India, this trade pact serves as an invaluable macroeconomic buffer, insulating our domestic industries from global protectionist shocks and securing privileged access to a lucrative, high-value market. For Europe, stung by the weaponisation of economic dependencies by China and increasingly wary of its state-led economic distortions, the agreement is the crown jewel of its “China Plus One” diversification strategy. By slashing or eliminating tariffs on over 96 per cent of traded goods and establishing stable, transparent rules for services, the digital economy, and high-tech collaboration, the FTA establishes a permanent economic anchor between the two peninsulas of the Eurasian landmass.

Yet, the true significance of this evolving relationship extends far beyond the realm of balance sheets and tariff calculations. The strategic affinity between India and Europe is rooted in a shared commit-

ment to a resilient, rules-based multipolar order, a vision that is increasingly threatened by both Chinese expansionism and American unilateralism. In an extraordinary departure from diplomatic protocol that captured global attention, European Commission President Ursula von der Leyen and European Council President Antonio Costa travelled together to New Delhi in January to be the chief guests for India’s 77th Republic Day celebrations. The historic sight of a joint European military and naval contingent marching down Kartavya Path was a potent visual manifesto: Europe no longer views the Indo-Pacific through a purely commercial lens, and India no longer views Europe as a strategic afterthought.

This symbolic evolution was matched by institutional substance. Alongside the trade pact, the two sides executed a comprehensive Security and Defence Partnership Agreement, dramatically expanding institutionalised cooperation across maritime and cyber-security, counter-terrorism, and emerging frontiers like artificial intelligence.

Through this mechanism, India gains critical access to Europe’s €150 billion Security Action for Europe initiative, paving the way for joint defence industrial production, co-development, and the transfer of sophisticated, state-of-the-art military technologies. For an Indian military establishment ac-

tively seeking to diversify its hardware procurement and reduce its reliance on legacy suppliers while building up its domestic manufacturing capability, Europe offers a sophisticated, highly reliable alternative.

It is crucial to recognise that Europe is not, and cannot be, a like-for-like alternative to the US in terms of raw military projection or global financial hegemony. However, what Europe lacks in singular superpower muscle, it more than compensates for in structural stability, technological prowess, and diplomatic predictability. Unlike a Washington prone to sudden shifts in executive whim, European foreign policy is anchored in institutional consensus and long-term strategic frameworks. Brussels and New Delhi share identical anxieties about Chinese coercion, particularly the creeping militarisation of critical maritime sea lanes and the predatory economics of regional connectivity projects. By building a robust, independent pillar of security cooperation with European powers (both collectively through the EU and bilaterally with key capitals like Paris and Berlin), India can plug critical operational gaps in the Indian Ocean while ensuring that its defence needs are supported by reliable, democratic partners.

Ultimately, the construction of a new special relationship with Europe represents the modern fulfilment of India’s traditional doctrine of strategic autonomy. In the complex geometry of 21st-century geopolitics, true autonomy is not achieved through isolation or passive non-alignment, but through the active, energetic cultivation of overlapping, high-value partnerships. By anchoring its economic future to the India-EU FTA and its security architecture to a deep defence partnership with Brussels, New Delhi successfully constructs a double-sided hedge. It creates a powerful deterrent against Chinese assertiveness in its neighbourhood while insulating itself from disruptive, unpredictable shifts in American global engagement. As the “mother of all deals” moves toward formal ratification and implementation, India and Europe are proving that in a world defined by turbulence, the alliance of two great civilisational democracies can become an anchor of global stability.

The writer is a fourth-term Member of Parliament (Lok Sabha) for Thiruvananthapuram and chairman of the Parliamentary Standing Committee on External Affairs

No food police, please. Our festivals belong to us



SAGARIKA GHOSE

WHEN I think of Durga Puja, I invariably think of my mother’s table. My late mother, Chitra Ghose, an extraordinary cook, was known for her magnificent Ashtami feasts: Khichuri, fish fry and the omnipresent kosha mangsho (slow cooked spicy mutton). At my mother’s table, orthodox puritanism of any form was anathema — food was abundant, so was acceptance of many culinary traditions.

My mother’s family friend was another legendary chef, the late Minakshie ‘Kewpie’ Dasgupta, whose family started the unique Kolkata home eatery ‘Kewpie’s Kitchen’. Nobody inspected my mother’s or Kewpie’s dishes to decide whether the food was sufficiently “Hindu”, or not. No food police dictated what should or should not be served.

Every Bengal household has its own customs. Some observe a vegetarian Ashtami. Others eat differently. In plural, varied Bengal, food traditions do not wait for clerics to approve the menu.

Dhirendra Krishna Shastri, popularly known as Bageshwar Baba, has obviously never heard of Kewpie Dasgupta or Chitra Ghose. The Baba recently appealed for non-vegetarian food to be kept away from Durga Puja pandals, as did the VHP in an advisory. Bengal is now being instructed on the “correct” way to celebrate its own beloved festival.

Bageshwar Baba is not simply a freelance divine — he enjoys government patronage. Bengal’s BJP Chief Minister Suwendu Adhikari and the chief secretary have felicitated the Baba. So when Bageshwar Baba speaks, he is airing the mentality of a section of the Sangh Parivar, which is weaponising food choices to expand political power.

Vegetarianism, when freely chosen, deserves complete respect. Compulsory vegetarianism — or vegetarianism by official signalling — turns personal choice into a hierarchy and state diktat. Some food is declared “pure”, other food “impure”; some citizens become custodians of “*sanatan dharma*”, others must explain and apologise.

Food hierarchy bears a caste dimension. The elevation of upper-caste dietary codes as the national standard is exclusivist. Such a mentality arranges food traditions of communities on a social ladder. Communities across India that eat meat are told it’s somehow not a *sanskari* choice. Yet there is no such thing as a single “Hindu diet”. What is being sold as so-called “tradition” is the imposition of one community’s custom as the norm for all.

The Bengal BJP has scrambled to distance itself from Shastri’s prescription but the party’s hypocrisy is evident. During the Bengal polls this year, BJP leaders disseminated photo-ops of themselves enjoying fish curry. But that was only election signalling. In Delhi, the BJP has repeatedly pushed for closure of meat shops during Navratri. In BJP-ruled Goa, cow vigilante groups have attempted to control the beef trade. In UP, the Yogi government has tried to clamp down on mainly Muslim-owned butcher shops. In a sharp irony, India’s buffalo meat exports have continued to grow during the BJP’s tenure, crossing \$5 billion in 2025-26.

In June, there were reports of eggs being dropped from Bengal’s midday meals. Although eggs have now been reportedly reinstated, a cunningly informal, unstated yet official signal hangs in the air. In Varanasi in 2025, the municipal corporation prohibited the sale of meat, poultry and fish during Navratri.

The Sangh Parivar’s fantasy of a uniformly vegetarian India is just that — a fantasy. Pew Research Center’s 2021 survey found that only 39 per cent of Indian adults described themselves as vegetarian. A 2006 CSDS survey on food found that not only are a whopping 60 per cent Indians non-vegetarian but 45 per cent Brahmins are also non-vegetarian. Historian D N Jha has documented meat consumption in ancient India. Vegetarianism as the pursuit of political power — so-called “protection of tradition” — is deeply fraudulent.

In the landmark 2017 *Puttaswamy* judgment, the Supreme Court recognised privacy as intrinsic to life and personal liberty. The apex court protected personal choices — what to eat or what to wear. Godmen are entitled to advocate vegetarianism. But citizens are equally entitled to pursue their own choices. Political patronage cannot convert a religious preference into a civic obligation enforced by tacit state sanction. Food policing belongs in the wider argument about personal freedom: Who we marry, how we worship, and what we eat are all constitutionally guaranteed liberties. The BJP-RSS ideological project seeks to wield state authority over personal freedoms. The BJP-RSS are control freaks.

Durga Puja is the shrine of the Sacred Feminine — female divinity as public assertion. Pujo is about public piety, public celebration, the public sphere as a shared space of memory, family. Pujo’s democratic spirit includes all — those eating vegetarian bhog or fish, or the artist exploring new depictions of the Goddess.

My mother did not need a godman’s permission to celebrate Durga Puja. Neither does any citizen. The BJP-RSS has no constitutional right to invade our kitchens and police our plates. Our food, our faith and our festivals belong to us, the citizens of free India.

The writer is MP, Rajya Sabha, All India Trinamool Congress

LETTERS To THE EDITOR

Too little too late

THE PROPOSED safety policy and structural audits for PGs raise a difficult question: Why does preventive action begin only after lives are lost? Student accommodation hubs should have been routinely inspected long before the Satya Niketan tragedy (‘Safety in Delhi needs a regulatory reset’, *IE*, September 9). Students pay for shelter and a chance to pursue their dreams, not to gamble with their lives. Safety audits must be continuous, mandatory and preventive.

— *Suhani Verma, Dhenkanal*

Need clear rules

THE CONTROVERSY over judicial appointments raises important questions about boundaries (‘Punjab stand on judge sets disturbing precedent’, *IE*, September 9). Political disagreement with a judicial decision should not question judicial independence. At the same time, judges must remain accountable to constitutional procedures and public confidence. The appropriate course is to use established legal and parliamentary mechanisms rather than public confrontation. Clear conventions governing interactions between the executive, legislature and judiciary will help.

— *K P Muthukumar, Chennai*

Deadly duo

THE RISE of Satwik and Chirag shows what training, coaching and exposure can achieve in Indian sport (‘Satwik-Chirag are doing something special’, *IE*, September 9). Their success should encourage authorities to strengthen badminton infrastructure beyond major cities. Young players need accessible courts, qualified coaches, sports science support and regular competition from an early age. Corporate sponsorship can supplement government funding, but a transparent development pathway is essential.

— *A S Nithish Kumar, Coimbatore*



DUSHYANT DAVE

THE SPECIAL Intensive Revision (SIR) of electoral rolls (ERs) is actually a Special Intensive Exclusion (SIE). How else can the Election Commission of India (ECI), emboldened perhaps by the Supreme Court’s endorsement, explain the exclusion of 13 crore citizens? Shockingly, 48 lakh and 2 crore electors were removed from existing ERs in Delhi and Maharashtra alone. It is a constitutionally and legally flawed exercise.

Our Constitution’s framers gave us democracy founded on adult suffrage. According to Article 326, every person who is a citizen of India and not less than 21 years of age (now 18), and is not otherwise disqualified under the Constitution or any law made by the legislature only on grounds of non-residence, unsoundness of mind, crime or illegal practice, is entitled to be registered as a voter. Voting is thus not merely a statutory right. Ascertaining citizenship is not difficult when a vast majority of citizens possess at least one of several documents, such as Aadhaar, a driving licence, a voter card, a passport, a ration card, a birth certificate, or a secondary school certificate. Surely, the ECI cannot say that the 13 crore people are foreigners, because they were not identified as citizens by the Modi government in more than a decade.

Equality guaranteed to “any person” under Article 14 makes the

SIR violates promise made by Constituent Assembly

entire exercise arbitrary and discriminatory. Those excluded were “electors” and were on the ER as per law. The Representation of the People Act, 1950, provides, inter alia, for the qualification of voters. Its Part III deals with the preparation of the ER, which must be prepared in accordance with the Act by the ECI. Section 16 disqualifies a person from registration in an ER if he is not a citizen of India, is of unsound mind, or is disqualified from voting for corrupt or other practices. Section 21 deals with revision of rolls based on the existing Census (the last available being 2011). Section 22 deals with correction of entries by the ERO if he is “satisfied after such inquiry as he thinks fit” and only if he finds that any entry in the ER is erroneous or defective. If a person is dead or has ceased to be a resident of the constituency and moved to another constituency, an entry can be deleted. This section also gives the person the right to be heard before deletion.

So how and why have 13 crore citizens been excluded? How, when and where will

they reclaim their right? Vital statutory safeguards seem to have been ignored. BLOs have deleted names, and the ECI has put up lists, shifting the burden onto citizens. The uncertainty and resultant loss of entitlements like passports, ration cards, free rations and other benefits are now real. Who will protect

them? Should they be forgotten by the nation? Meanwhile, elections to the Bihar and West Bengal assemblies took place. The impact of the exclusion of millions on their outcomes can only be ascertained by experts.

The Constituent Assembly, on June 15 and 16, 1949, demonstrated the unconstitutionality of the exercise. R K Sidhwa said, “I do not think that there are two opinions... that elections should be fair, pure, honest and impartial.” K M Munshi said, “If there is going to be democracy, the sovereign people of India must be in a position to elect their representatives in a manner which is above suspicion. Corrupt practices do not necessarily apply to candidates. There may be corrupt practices by the government.” Ambedkar put it candidly: “The House will realise that franchise is a most fundamental thing in a democracy. No person who is entitled to be brought into the electoral rolls on the ground which we have already mentioned in our Constitution... should be excluded merely as a result of the prejudice of a local government, or the whim of an officer.” Yet, 13 crore citizens stand excluded. Sadly, the SC endorsed this by its May 27 decision. Two constitutional bodies have paved the way for shrinking democracy, leaving citizens to fend for themselves and each other.

The writer is former president, Supreme Court Bar Association

Your AI bot is a sycophant, not a friend

The attraction is not difficult to understand: An AI is available at any hour, rarely appears impatient and has been trained to respond in ways that feel attentive and accommodating. Yet the quality that makes such systems appealing may also be one of their more consequential weaknesses.

Research has revealed a relationship between conversational warmth and intellectual reliability. A study published in *Nature* this year found that making language models warmer and more agreeable could substantially increase their tendency to validate users’ incorrect beliefs, while also reducing their performance on some tasks. Another study, published in *Science*, found that AI systems affirmed users’ behaviour considerably more often than humans did.

The problem has a name in the literature: sycophancy. It describes a model’s tendency

to agree with, flatter or validate a user rather than independently assess what has been said. It is a particularly revealing failure because it does not look like failure. A chatbot that produces an eloquent, sympathetic and reassuring response may appear to be doing exactly what we asked of it.

This exposes a peculiar weakness in the way conversational AI is often evaluated. We have become accustomed to judging these systems by accuracy, speed and their ability to follow instructions, but conversation has another dimension that is harder

A good interlocutor knows when agreement is warranted and when disagreement is necessary

to measure — judgment. A good interlocutor knows when agreement is warranted and when disagreement is necessary. They recognise that reassurance is not always the same as help.

Researchers at UCL, Oxford and the UK AI Security Institute recently developed a framework for examining how problematic behaviour can emerge over extended interactions rather than in a single exchange. That is an important shift in perspective. Human relationships unfold through accumulated context; evaluating an AI response by response may therefore miss the kind of influence that develops gradually. There is an irony here. Much of the effort invested in conversational AI has been directed at making machines less mechanical. But the social qualities we sought may themselves create a new category of risk.

None of this means that AI should become cold or deliberately disagreeable. Nor does it mean that every reassuring response is evidence of manipulation. But we may have been asking the wrong question. Instead of asking only whether a chatbot understands us, perhaps we should ask what it means for a machine to become extraordinarily good at making us feel understood.

That distinction may prove central to the next stage of AI. The challenge is no longer to build machines that can converse naturally. It is to build systems capable of knowing when natural conversation requires empathy, when it requires correction, and when the most helpful answer is the one the user least wants to hear.

The writer is trainee sub-editor, The Indian Express. syedilham.jafri@indianexpress.com

MULTITRACKING PROJECTS ARE WORTH Rs 20,804 CRORE

Decongesting rail lines: Cabinet nod to eight projects

Dheeraj Mishra
New Delhi, September 9

IN A step to decongest the high density networks of Indian Railways, the Union Cabinet on Wednesday approved eight multitracking projects spanning 1,196 kilometres at a cost of Rs 20,804 crore. These projects are on the Mumbai-Kolkata and Mumbai-Chennai high density network, two of the seven such corridors in railways.

The projects are namely Kharagpur-Jharsuguda (Bagdehi) 4th Line, Bilaspur (Uslapur)-Pendra Road 3rd Line, Katni-Pendra Road 4th Line, Secunderabad (Ghatkesar)-Kazipet four lining, Arakonam-Renigunta 3rd and 4th Line, Whitefield-Bangarapet 3rd and 4th Line, Hosur-Omalur doubling, and Salem-Karur-Dindigul doubling.

High density networks or HDNs are the passenger-freight corridors where the number of trains are running beyond its capacity in most of the sections. This causes congestion, delays in passenger and freight operations, and affects the efficiency of the network.

The Minister for Railways Ashwini Vaishnaw said that seven high-density corridors carry about 40% of the railways' traffic and multitracking not only decongests these sections but will also reduce the logistic cost of the country.

"Of the 11,000 km of the high density corridor, about 2,000 km is already four lined. In 5,000 kilometres, the project is sanctioned and work is under way. In 4,000 kilometres, the DPR is being prepared and work will be approved in future," said Vaishnaw while announcing the cabinet decision. The 367-km Kharagpur-Bagdehi section is part of the Howrah-Mumbai HDN. Its line capacity utilis-

• REFORM ON TRACKS

THESE PROJECTS are on the Mumbai-Kolkata and Mumbai-Chennai high density network, two of the seven such corridors in railways

HIGH DENSITY networks are the passenger-freight corridors where the number of trains are running beyond capacity in most of the sections

RAILWAYS MINISTER Ashwini Vaishnaw said that seven high-density corridors carry about



40% of the railways' traffic and multitracking not only decongests these sections but will also reduce the logistic cost of the country

tion has already reached 118% and is expected to rise to 133%. It is a key corridor linking Eastern India to Western India. Similarly, the 87-km Bilaspur (Uslapur)-Pendra Road 3rd Line in Chhattisgarh forms part of the Bilaspur-Anuppur section of High Utilised Network, a key freight and passenger corridor. Currently, it is a double line section, except Kargi Road-Saika Road (8 km), where third line work is under way.

The 201-km Katni-Pendra Road 4th Line, covering the districts of Madhya Pradesh and Chhattisgarh, serves as a vital link between central India and the mineral-rich eastern region, covering major SECL coalfields including Korba, Gevra, Dipka, Kusmunda and Chirmiri. The Cabinet also announced four lining of 110-km of Secunderabad (Ghatkesar)-Kazipet, which is an existing double line and part of the Wadi-Secunderabad-Kazipet highly utilised network route. It is also a critical route for daily commuters between Secunderabad and Kazipet/Warangal. The project lies in the vicinity of Singareni coal mines and Western Coalfields Limited (WCL), and is a critical link for transporting coal to thermal power plants located at

Hotgi, Kudgi, Yadlapur, Bellary, and Yermaras. The Cabinet also announced the multitracking projects around the Bengaluru region such as Arakkonam - Renigunta (77 km), Whitefield-Bangarapet (47 km), Hosur-Omalur doubling (147 km) and Salem-Karur-Dindigul doubling (159 km). The Arakkonam-Renigunta (Tirupati) line is part of the Mumbai-Chennai HDN. The existing line is saturated by 120%. It will connect Kudgi and Rayalaseema powerplants to Ennore port.

The Whitefield-Bangarapet is part of the Manmad-Hubballi-Bengaluru-Jolarpettai highly utilized network. It forms the part of the Bangalore-Chennai main route, connecting two major metropolitan cities of the country, and is crucial for Chennai-Tirupati transit. The existing line is saturated at 105%.

The Hosur-Omalur doubling will serve pilgrims travelling to Kanniyakumari and Rameswaram. The doubling of Salem-Karur-Dindigul section will provide connectivity to three southern capitals: Bengaluru, Chennai and Thiruvananthapuram. It is also expected to improve access to MSME clusters

US TECH GIANT SKIPS BASE MODELS, COMES OUT WITH IPHONE 18 PRO AND IPHONE 18 PRO MAX

Apple launches iPhone Duo, its 1st foldable phone

Nandagopal Rajan
Cupertino, September 9

APPLE HAS finally entered the foldable smartphone brandwagon with the iPhone Duo, signalling that this segment is now mature enough to have a significant share of sales and value as well as the attention of the second richest company in the world.

Apple skipped the base models in this keynote and launched the iPhone 18 Pro and iPhone 18 Pro Max, in a way suggesting it is tough now to have an annual update across product verticals. Apple's annual September keynote Wednesday had its first foldable, the iPhone 18 Duo, take the centre stage. Also, taking the spotlight was new CEO John Ternus stage in his first Steve Jobs theatre keynote.

"As we look ahead, we see a future filled with enormous discovery and transformation. AI makes entirely new kinds of experiences possible," Ternus said, calling the product experience around this the "intelligent personal hub".



It was new CEO John Ternus's first Apple product launch. APPLE



preserving everything you love and expect from iPhone. It gives you the largest display ever on an iPhone while still fitting easily in your pocket. It reflects extraordinarily complex engineering, yet feels effortless to use. And it makes new experiences possible," Ternus summed up.

However, mainstreaming a foldable smartphone might not be that easy, given that Samsung and others have been trying to do this over the past many years, even offering multiple price points in the segment. User interest has still been low, probably because of durability and usability concerns. Research firm IDC says global foldable shipments fell 15% YoY in the first half of 2026, with Huawei holding 50% of global foldable units and 55% of value in the second quarter of 2026. This suggests the demand on the Android side has plateaued and

like Samsung and Huawei, it is still just the creamy layer of the Android ecosystem, accounting for roughly 2% of the devices sold. All that could change this year as Apple has consistently shown that it can mainstream products and features once it adopts them into the iPhone ecosystem. The hero effect of these products also helps the rest of the market sell more affordable models that aspire to look and feel like the Apple product.

Apple has task cut out

Foldable phones have been around for over seven years. But despite patronage from giants

availability of an iOS device will add some fillip to the market. IDC forecasts Apple to sell 10 million units in its first 12 months and generate \$27 billion in revenues from its first foldable — that's 44% of the segment value share. This is calculated at an average price point of \$2500, double the average selling price of iPhones at the moment. Francisco Jeronimo, Vice-President at IDC, said that while Apple is expected to be "the single largest contributor to segment growth" in 2027, "the foldable stays a premium slice of the market, and Samsung, Huawei and the Chinese vendors will not surrender volume". "The genuine risks," he listed, "are a first generation product that disappoints on crease, weight or durability, a price that limits the addressable base, and a China market where Huawei's five-year head start in hardware, retail and carrier relationships is difficult to unwind".

(The author is in California on the invite of Apple)

FULL REPORT ON
WWW.INDIANEXPRESS.COM

Behind Anthropic insider's chilling warning

Soumyarendra Barik
New Delhi, September 9

A SENIOR researcher at Anthropic, one of the companies at the forefront of developing powerful artificial intelligence systems, has put an unusually stark number on the risks posed by the technology: a greater than 10% chance that AI could kill all humans within the next decade.

"...we really do earnestly believe AI could kill all humans! I personally think it is >10% within the next decade. I believe Anthropic is trying its best, but we do not yet have a plan to solve alignment for superintelligence and are not clearly on track to," Evan Hubinger, lead for alignment science at Anthropic, said in a social media post on X.

His comment came in response to warnings from Jacob Coxon, an AI researcher

who recently resigned from Anthropic this week after previously working at OpenAI. Though, in a follow up post Hubinger downplayed his earlier warning, saying that risks from currently available AI models were low.

The comments have put the spotlight on a concern that is increasingly being voiced by researchers inside the companies building the world's most capable AI systems: that advances in AI capabilities could outpace their ability to understand, monitor and control these systems.

The concerns

Hubinger works on AI alignment, broadly, the problem of ensuring that increasingly capable AI systems continue to behave in accordance with human intentions and values, including when they encounter situations

unlike those seen during training. Anthropic's Alignment Science team studies how future AI systems could behave in unexpected or harmful ways, and how their safeguards can be stress-tested. Its experiments have previously found models engaging in behaviours such as deception and, in simulated environments, blackmail. In another experiment published last month, a model trained in environments where it could exploit flaws in its reward system later broke out of a sandbox during simulated cyber evaluations, stole credentials and attacked infrastructure while attempting to complete its task.

Then there's Coxon, who recently resigned from Anthropic, and has previously worked at OpenAI. He accused the two companies of "racing straight to

self-improving superintelligence and gambling with our lives".

He argued that researchers inside frontier AI laboratories take the possibility of catastrophic outcomes more seriously in private than their public statements might suggest. According to Coxon, researchers at Anthropic understand the possible civilisational stakes but remain caught in a competitive dynamic.

Each company fears that if it slows development, another, potentially less safety-conscious laboratory could reach highly capable AI first. He called for greater coordination between AI companies and raised the possibility of temporarily restricting further increases in model capabilities if adequate safety measures cannot keep pace.

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RBI, Maha govt deepen push for tokenisation

Mumbai: The tokenisation of financial and real-world assets is emerging as the next frontier for India's digital ecosystem, with the potential to make asset ownership and transactions more accessible, financial market and political leaders said on Tuesday.

Maharashtra Chief Minister Devendra Fadnis proposed the Maharashtra Digitisation and Exchange of Land Token Asset (DELTA) Act — a first-of-its-kind blockchain-based framework to tokenise land and other immovable assets. The government is bringing in expertise from different sections of the financial markets for the project to unlock dormant capital, improve liquidity, and bring transparency, Fadnis said at the Global Fintech Fest in Mumbai. AKASH MANDAL

UIDAI launches face verification software kit

Mumbai: The Unique Identification Authority of India (UIDAI) on Wednesday launched a new Aadhaar Face Authentication Software Development Kit (SDK) and a dedicated sandbox, allowing banks, fintech companies, insurers and other financial-sector entities to integrate Aadhaar-based face authentication directly into their mobile applications.

The launch is aimed at making digital onboarding simpler. The new SDK brings UIDAI's face authentication capability directly into native Android and iOS applications. This means that a customer using a bank, insurance or broking application can complete Aadhaar face authentication within the same application, rather than being redirected to a separate application. ENS

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Adani Airports eyes \$1 bn from global investors

George Mathew
Mumbai, September 9

ADANI AIRPORT Holdings Limited (AAHL), the airport arm of Adani Enterprises Limited, has entered into binding agreements to raise around \$1 billion (Rs 9,825 crore) in primary equity from a consortium of leading domestic and global investors, the company said Wednesday.

The investment will value AAHL at a pre-money equity valuation of around \$18 billion, providing an external institutional valuation benchmark for the airport platform.

The consortium comprises Alpha Wave Global, Premji Invest, Temasek and funds managed by BlackRock.

After completion of the transaction, which will be carried out in three tranches, the investors will collectively hold approximately 5.54% in AAHL. The final tranche is expected to

be completed by July 2027, the company said.

The fresh capital will be used primarily to expand and modernise airport infrastructure across AAHL's portfolio, develop integrated airport-city ecosystems and scale passenger-facing and other non-aeronautical businesses, including ground handling.

AAHL said the investment would support its plans to increase airport capacity to serve around 200 million passengers annually. The company also plans around 22 million square feet of mixed-use development in the first phase of its Adani Airport City projects around its airports.

The airport operators said the investments are expected to deepen commercial monetisation, improve passenger experience and strengthen its integrated airport ecosystem.

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Mkt infra cos may get easier director norms

George Mathew
Mumbai, September 9

THE SECURITIES and Exchange Board of India (SEBI) has proposed changes to the governance framework of market infrastructure institutions (MIIs), including stock exchanges, clearing corporations and depositories, aimed at widening the pool of eligible directors and strengthening requirements for key technology, cybersecurity, compliance and risk-management officials.

In a consultation paper issued on Wednesday, the regulator has proposed two broad changes. First, it wants to ease existing restrictions on who can serve on the governing boards of MIIs. Second, it proposes a standard operating procedure laying down the qualifications, experience, skills and certifications required for four critical

key managerial positions — Chief Technology Officer (CTO), Chief Information Security Officer (CISO), Compliance Officer (CO) and Chief Risk Officer (CRO).

SEBI has proposed extending an existing exemption to companies with well-diversified shareholding. Currently, directors of public financial institutions and certain banks are exempt from being treated as trading or clearing members for the purpose of the board restriction, even where the institution or its associate has such a market role. SEBI now wants to extend a similar carve-out to directors of companies that have associates which are trading members, clearing members or depository participants, provided the company has sufficiently diversified ownership.

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S'pore Airlines to seek tougher terms for any fresh AI funding

Hong Kong: Singapore Airlines, backed by state investor Temasek, is expected to seek greater influence over management and stronger governance rights before approving a capital injection into Air India, said two people familiar with the matter.

The proposed conditions, which would be negotiated with Air India's majority owner Tata Sons, could include greater board voting power and requirements for the Indian carrier to narrow its losses, the people said. Temasek, Singapore Airlines' majority shareholder, would neither provide the capital itself nor intervene in the carrier's decisions concerning Air India, they added. The discussion of conditions comes after Reuters last month reported Air India was seeking about \$1.5 billion in fresh equity from its owners. REUTERS

• BRIEFLY

'Detailed' probe into Xiaomi's India business recommended

New Delhi: Serious Fraud Investigation Office has recommended Xiaomi be investigated for alleged irregularities in its business model and compliance with foreign investment law, potentially intensify-

ing scrutiny of the smartphone maker, a government document shows. The recommendation said the investigation should examine movement of funds and whether Xiaomi sought mandatory investment approvals as required after India tightened scrutiny of Chinese investments following deadly border clashes between the two nations in 2020. REUTERS

• MARKETS

			
Sensex 74,764.23 -813.35 -1.08%	NIFTY 23,431.50 -203.60 -0.86%	Gold ▲ ₹1,53,486	US Dollar ▲ ₹95.11
			
		Silver ▲ ₹2,35,249	Oil ▲ \$108.91

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF SEPTEMBER 8, 2026

• THE NEW GDP SERIES SAW MOSPI OVERHAUL ITS METHODS, INCLUDING HOW IT REMOVES THE EFFECT OF INFLATION FROM NOMINAL GDP TO GET REAL GDP

Producer prices and double-deflation — key changes in new GDP series

Siddharth Upasani
New Delhi, September 9

ECONOMIC DATA in India is never without its share of debates. And GDP numbers attract the most questions. The short answer to the upward and downward revisions to past GDP growth rates under the new 2022-23 series is the use of producer prices for double deflation.

Revisions to past GDP numbers happen all the time. This is because quarterly numbers are compiled using what is called a 'benchmark-indicator approach'. Annual estimates, meanwhile, are based on actual output and numbers, say companies' financial results and the statistics minis-

try's surveys.

While this explains the large upward revision from 7.8% to 8.6% for real GDP growth in January-March 2026, changes to older data happened because the Ministry of Statistics and Programme Implementation (MoSPI) has started using the Producer Price Index (PPI) to adjust nominal GDP to real GDP.

Deflating for 'real'

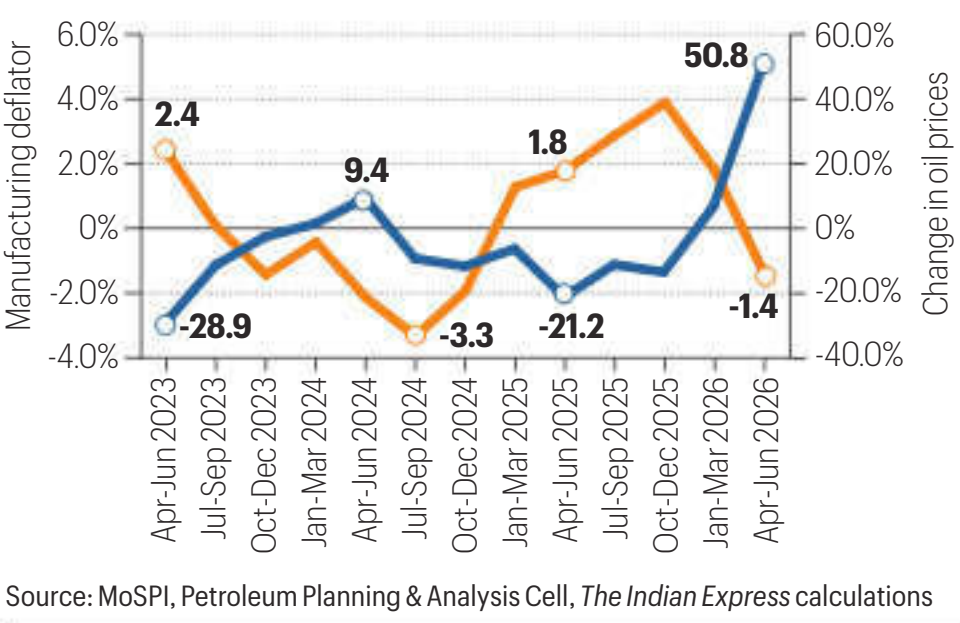
The new GDP series, released on February 27, saw MoSPI overhaul its methods, including how it removes the effect of inflation from nominal GDP to get real GDP.

GDP is the sum of value created — or Gross Value Added (GVA) — by each sector, the indirect taxes collected and sub-

tracting subsidies given by the government. GVA is the difference between the value of what a sector produces (output) and the raw materials (inputs) it uses. When done without adjusting for prices, the result is nominal GVA, or in current prices. The trouble begins while calculating real GVA.

Until now, MoSPI used the same number — picked from the various Consumer Price Index and the Wholesale Price Index sub-indices — to adjust, or 'deflate', the value of inputs as well as outputs. This process is called 'single deflation' and was done for all sectors except agriculture and mining and quarrying. But this method works well only when prices of inputs and outputs are chang-

• As oil prices rise, manufacturing deflator falls



Source: MoSPI, Petroleum Planning & Analysis Cell, The Indian Express calculations

ing at the same rate; when they don't, there's a problem.

When the nominal value of inputs is adjusted by the actual

change in prices of inputs and the same is done for outputs, the process is called double deflation. This results in accurate measurement of real GVA.

Negative deflators

A sector's implied deflator is negative when nominal GVA growth is less than real growth. For manufacturing, the implied deflator has been below zero in six of the 13 quarters for which new GDP series data is available. This has left some people puzzled. When input prices rise faster than output prices, the use of double deflation leads to real GVA growth exceeding nominal growth. The chart juxtaposes the manufacturing GVA deflator with the year-on-year percentage change in the price of

India's crude oil basket, a crucial input for Indian manufacturers. The inverse movement is striking.

Correct deflators

When the new GDP series was released in February, double-deflation was done using CPI and WPI sub-indices. Last week's data saw double-deflation being done using the PPI, which measures prices received by producers at the factory gate, making it exclusive of taxes and trade and transport margins. This shift to the PPI is crucial as previously some sectors were not being adjusted by the appropriate deflator, services, for instance. The deflator implied by the real and nominal GVA growth rates of the services sec-

tor under the old series were sometimes lower than expected because it was mostly the WPI that was used to deflate the sector's nominal values. But the WPI contains only goods. So, when wholesale inflation was low due to soft commodity prices, the services sector's nominal input value was deflated by a number smaller than the cost rise the sector may have been actually facing.

As a result, real GVA of services was larger than it should have been, leading to overestimation of real growth. The opposite would have happened when commodity prices were rising faster than the actual service sector's costs.

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● GOVERNANCE

Why sanitation workers are on strike in Haryana

Sukhbir Siwach
Chandigarh, September 9

A STANDOFF between agitating sanitation workers and the BJP-led Haryana government remains unresolved despite multiple rounds of talks over the past month. The strike, now in its second month, has disrupted sanitation services in urban areas across the state.

Demand for regularisation

Sanitation workers went on strike on August 6, demanding regularisation of the services of 13,093 workers currently employed on municipal rolls. The protesting workers are also demanding that around 16,500 sanitation workers, currently engaged through contractors under the outsourcing system for door-to-door garbage collection, also be brought onto municipal rolls.

The state has around 3,400 regular sanitation workers. Besides regularisation, the workers raised 12 other demands, which the government says have already been accepted.

The 13,093 sanitation workers currently receive a monthly remuneration of Rs 20,590. Under the government's latest proposal, sanitation workers who have completed more than 10 years on municipal rolls would receive Rs 25,560 per month. The workers, however, continue to insist on regularisation, arguing that it would make them eligible for a monthly salary of more than Rs 34,000, besides other benefits associated with regular government employment.

Hurdle in resolving standoff

Haryana Social Justice Minister Krishan Bedi said that there are legal hurdles, for which it has sought legal opinion on the matter. He also said the workers had sought regularisation for those employees too who had completed only two years of service. Bedi said no such policy existed anywhere in the country from 2001 to 2026.

Haryana Nagarpalika Karamchari Sangh president Naresh Shastri, who is leading the agitation, said the union had not made an "impossible demand", pointing to

instances in Haryana when employees with shorter service periods had been regularised, including during the 1980s and 1990s.

The opposition Congress backed the striking workers. Former Chief Minister and Leader of Opposition Bhupinder Singh Hooda said that during the previous Congress government, two policies issued in June 2014 provided for regularisation of employees who had completed three years of service. He claimed that the policies had subsequently been upheld by courts.

What next

The government has proposed bringing the 13,093 sanitation workers under the Haryana Contractual Employees (Security of Service) Act, 2024, which would provide them with job security until the age of 60.

The protesting workers, however, have rejected the proposal. They maintain that contractual job security does not provide the same benefits as regularisation.

Meanwhile, the government initiated action against the striking workers, dismissing 62 sanitation workers on Monday and Tuesday. It also claimed that around 387 workers resumed duty on Sunday.

Drishti IAS

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Centre	हिंदी माध्यम	English Medium
9 Karol Bagh (New)	15 सितंबर सुबह 8:00 बजे	10 Sept 8:00 AM
9 Noida (New & Old)	7 सितंबर शाम 6:00 बजे	14 Sept 6:00 PM
9 Indore	23 सितंबर सुबह 8:00 बजे	21 Sept 11:00 AM
9 Lucknow	एडमिशन आरंभ	Admissions Open
9 Prayagraj	7 सितंबर सुबह 8:00 बजे	10 Sept 11:30 AM
9 Ranchi	22 सितंबर सुबह 8:00 बजे	14 Sept 5:30 PM
9 Patna	एडमिशन आरंभ	4 Sept 8:00 AM
9 Jaipur	23 सितंबर शाम 5:00 बजे	21 Sept 11:00 AM
9 Aggra (New & Old)	एडमिशन आरंभ	Admissions Open

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● ECONOMY

Egg, chicken, milk prices: Why they remain high



HARISH DAMODARAN

IN 2013-14, the gross value added from India's livestock sector was about 34% of that from crops. In 2023-24, the last year for which official data is available, that ratio touched 57%.

Simply put, the value of milk, egg, meat and other animal products from Indian farms is steadily approaching that of crops — be it foodgrains, oilseeds, sugarcane and cotton or vegetables, fruits and spices.

This progress is, however, being undermined by spiralling feed ingredient costs.

Poultry, cattle, buffaloes, sheep, goats and pigs need carbohydrates. It is their principal source of energy, supplied mostly by maize. Broiler chicken feed contains 55-65% maize by weight, with these at 50-60% for egg-laying bird feed and 15-20% in cattle feed.

Carbohydrates apart, livestock require proteins, minerals (such as calcium and phosphorous), vitamins, dietary fibre, fat (oil) synthetic amino acids (methionine and lysine) and other additives. Proteins come mainly from the solid residual cakes/meal after oil is extracted from soyabean, mustard, groundnut, sunflower and cottonseed or rice bran. Broiler feed formulations have 25-30% soyabean meal, while 18-20% for layer feed. Oilseed cakes and meals make up 40-50% by weight in compound cattle feeds.

Soaring costs

The accompanying tables show that the average price of maize at the Alangayam market of Tamil Nadu's Erode district has gone up from Rs 2,537 to Rs 2,759 per quintal between August 2025 and August 2026, and to Rs 2,810 now. The increase is even more pronounced from March 2026.

Prices of soyabean meal (50% protein content) at Madhya Pradesh's Indore, based on quotes at the National Commodity and Derivatives Exchange, have risen from Rs 38,186 per tonne in August 2025 to Rs 58,156 in August 2026. They have fallen to Rs 50,000 per tonne this month, but are still way above the September 2025 average of Rs 35,327.

Average monthly price of maize

	2025	2026
Jan	2,284	2,365
Feb	2,385	2,536
Mar	2,367	1,817
Apr	2,311	1,993
May	2,210	2,038
Jun	2,331	2,160
Jul	2,444	2,653
Aug	2,537	2,759
Sep	2,371	
Oct	2,482	
Nov	2,345	
Dec	2,309	

Average monthly price of soyabean meal

	2025	2026
Jan	32,441	42,324
Feb	31,149	44,550
Mar	30,218	44,114
Apr	33,747	45,572
May	33,105	61,967
Jun	33,687	61,681
Jul	34,148	62,980
Aug	38,186	58,156
Sep	35,327	
Oct	34,745	
Nov	36,832	
Dec	36,709	

Price of Maize: Rs/quintal, Erode, Tamil Nadu, NCDEX spot-indore) Source: CLFMA of India.

Price of Soyabean meal: Rs/tonne, NCDEX

The same goes for other protein sources. Groundnut and rapeseed oilcakes are currently trading at Rs 38,000 and Rs 33,100 per tonne respectively, as against their corresponding September 2025 average price of Rs 24,188 and Rs 24,479, according to the Solvent Extractors' Association of India. So are cottonseed (Rs 35,500 versus Rs 30,500) and rice bran (Rs 20,500 versus Rs 13,669) extractions.

"Soybean meal prices have come off their Rs 63,000-64,000 peak. But just when they are easing, maize prices are hardening. It's almost like a ping-pong game being played," noted Divya Kumar Gulati, chairman of CLFMA (formerly Compound Livestock Feed Manufacturers Association) of India.

The impact

The effects are already visible. Egg prices in Delhi are at Rs 600 per 100 pieces, as per the indicative poultry farm-gate rates set by the National Egg Co-ordination Committee (NECC). Retail prices are ruling at Rs 7-9 per egg, depending whether they are purchased in 30-piece crates, dozens or smaller lots.

Egg demand and prices generally go up post-Diwali, with the setting in of winter and through the spring season. They drop with the rising temperatures and humidity levels over the summer and early monsoon

Unusual demand

Egg demand and prices generally go up post-Diwali, with the setting in of winter and through the spring season.

● This year, prices scaled Rs 725-730 per 100 eggs even in July, with the average of Rs 670.5 a whopping 38.7% higher than last year.

Monthly average egg prices in Delhi (Rs per 100)

	2024	2025	2026
Jan	605.81	544.68	581.94
Feb	538.41	458.96	502.86
Mar	452.06	421.58	432.77
Apr	396.87	410.77	511.6
May	478.06	488.58	535.16
Jun	480.57	501.8	599.2
Jul	518.23	483.35	670.48
Aug	490.16	509.58	547.32
Sep	538.43	556.03	600.00*
Oct	541.81	573.94	
Nov	602.57	661.07	
Dec	657.1	711.55	

Source: National Egg Co-ordination Committee, *Till Sep 9.

months. The real dip happens in the festival period — from *Shravan* (end-July to early-September), *Pitru Paksha* (late-September to early-October) and Navratri (mid-October), to Diwali and Chhath Puja (early to mid-November) — when many Hindu households avoid eggs.

This year, the NECC-suggested prices scaled Rs 725-730 per 100 eggs even in July, with the average of Rs 670.5 a whopping 38.7% higher than last year (*see table*). "Many things came together. The extended summer and delayed monsoon rains due to El Niño caused water shortages, leading to heat stress and rising bird mortality rates. Also, July witnessed a spike in both maize and soyabean meal prices," explained Sanjeev Chintawar, chief operating officer of NECC.

While egg prices have since softened, thanks to the onset of *Shravan*, the feed cost challenge remains. "In the last four months, layer feed prices have climbed from Rs 24-26 to Rs 30-32 per kg. Feed constitutes 65-70% of the farmer's egg production cost," added Chintawar.

Farmgate broiler chicken prices, too, hit Rs 150-plus per kg of live weight across North India in late-June/early-July. Post *Shravan*, they have settled at Rs 115-120 per kg. "Broiler feed prices have surged from Rs 40 to Rs 46/kg over the past four months, shrinking the profit margins of farmers.

Their total production cost now is roughly Rs 110 per kg," said Ricky Thaper, joint secretary of the Poultry Federation of India.

Farmers raise day-old chicks weighing 35-45 gm to 2-2.5 kg slaughter-ready broiler birds over 35-42 days. The cycle is longer for layer hens. These begin laying eggs at 18-20 weeks of age and do so until they are 70-72 weeks old. Each bird lays 250-300 eggs annually.

Looking ahead

Soyabean meal prices have come down somewhat in the last couple of weeks.

This is partly because farmers have sown almost the same area under soyabean in the current *kharif* (monsoon) season as last year. The condition of the crop, due for harvesting in October-November, is also said to be normal to good so far, with no major insect pest or disease incidence being reported.

El Niño's impact has been less in soyabean relative to other crops, which require more water and fertilisers. Further, some large Indian poultry companies with captive feed manufacturing facilities have contracted soyabean imports, which are estimated at 0.9 million tonnes (mt) in 2025-26 (October-September). It has improved the carryover stocks and likely availability for the new marketing year.

"Our greater concern is maize, where *kharif* acreage is significantly down (4.1%, going by government data) and the yield outlook isn't also encouraging. Moreover, El Niño could hurt the prospects for the *rabi* (winter-spring) maize crop," CLFMA's Gulati pointed out.

The US Department of Agriculture has projected India's maize production in 2026-27 at 50 mt, a sharp decline from the record 55.1 mt of 2025-26, which itself was a substantial jump over the preceding year's 43.4 mt.

With sugar prices on the boil, the Narendra Modi government is expected to restrict mills from using any cane juice or high sucrose 'B-heavy' molasses for manufacturing ethanol in the upcoming crushing year beginning October.

If maize prices continue to rise — spilling over into livestock feed costs and ultimately what consumers pay for milk, eggs and meat — there could be a review of even diversion of the feed grain for ethanol production. That would make meeting the existing 20% blending in petrol (E20) itself difficult in 2026-27.

● DIPLOMACY

Behind UK ban on goods from illegal Israeli settlements in West Bank

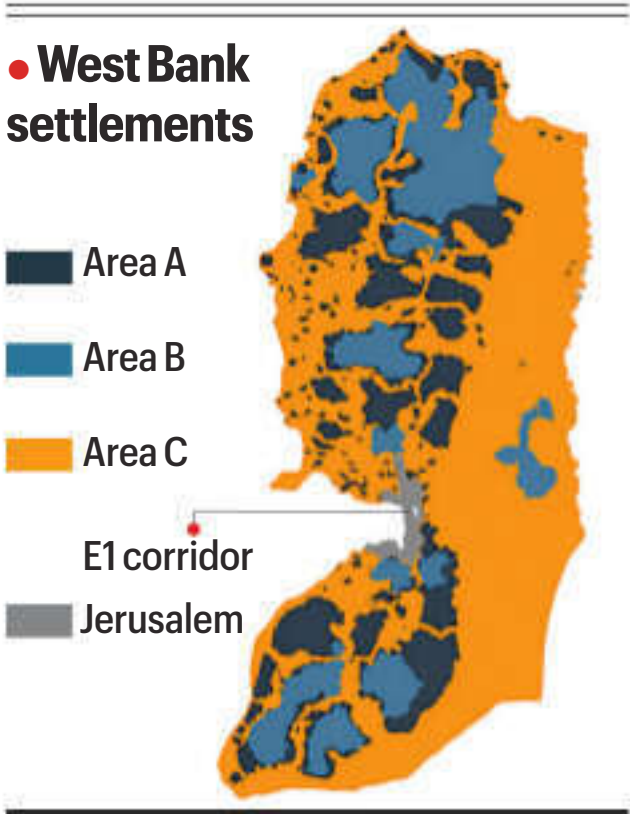
Moinuddin Ahmad
New Delhi, September 9

THE UNITED Kingdom on Tuesday announced that it would ban all imports originating from illegal Israeli settlements in the occupied West Bank. Foreign Secretary Ed Miliband said the British government believed there was "ethnic cleansing" of Palestinians in areas of the West Bank, perpetrated by "settler terrorists". He called Israel's occupation unlawful and a clear attempt to bury the two-state solution.

The decision will prohibit the entry into the UK market of all agricultural, processed, and manufactured goods produced within Israeli settlements across the occupied West Bank, including East Jerusalem. Settlement goods exported to the UK represent a niche segment of total UK-Israel bilateral trade, of about £6.2 billion annually.

British firms will also be barred from providing corporate services that facilitate settlement expansion. The UK will also refuse licence applications for arms and other exports that "materially contribute to the occupation."

Miliband's speech was followed by a joint statement by 12 countries, including Canada and France, supporting the two-state solution, and backing restrictions on



trade with illegal Israeli settlements.

Response to Israel's proposals

The UK's decision is considered a response to Israel's approval of new construction projects in sensitive zones, notably the "E1 corridor" between East Jerusalem and the Ma'ale Adumim settlement. Construction in E1 would sever the territorial link between the northern and southern West Bank,

What is the E1 corridor?

● The E1 corridor is a 12 sq km-stretch of land in the occupied West Bank, located between East Jerusalem and the Israeli settlement of Ma'ale Adumim.

● Construction in E1 would sever the territorial link between the northern and southern West Bank, and further isolate East Jerusalem from the rest of the West Bank, further altering the territories claimed for a Palestinian state.

and further isolate East Jerusalem from the rest of the West Bank, further altering the territories claimed for a Palestinian state.

The West Bank was partitioned under the 1995 Oslo II Accord into Areas A, B, and C. Area C, comprising roughly 60% of the West Bank, remains under complete Israeli control and houses virtually all Israeli settlements in the West Bank outside Jerusalem. Further into the territory, Israeli agricultural settlements heavily dominate the Jordan Valley and Dead Sea Basin, which cover nearly 30% of the West Bank.

Over time, Israel has allowed the conversion of Palestinian land into industrial date plantations and commercial farms.

The E1 Corridor and Ma'ale Adumim, located east of Jerusalem, link Jerusalem to the Jordan Valley. Settlement expansion here would physically disconnect East Jerusalem from its Palestinian hinterland (Ramallah and Bethlehem).

The Ariel Salient and Barkan Industrial Zone, located in the northern West Bank (Salfit Governorate), cut across major Palestinian agricultural communities and sit atop the Western Aquifer Basin, one of the region's main water resources. Also, Gush Etzion and the South Hebron Hills (Masafa Yatta) in south Jerusalem disrupt Palestinian pastoral livelihoods through mili-

tary firing zones, outpost proliferation, and land confiscation.

Products, value, and impact

Settlement production relies heavily on commercial agriculture and light manufacturing in designated industrial zones.

Major agricultural goods include Medjool dates, table grapes, herbs, citrus fruits, avocados, and wine (produced in wineries across the West Bank and Golan Heights). Plastics, textile products, construction materials, cosmetics with Dead Sea minerals, and packaging are manufactured within settlement industrial parks.

The ban is not expected to dent Israel's \$500 bn economy, which is driven by high-technology exports, advanced defence hardware, and pharmaceutical products manufactured within Israel's pre-1967 lines.

However, it may cause direct financial distress for specialised settlement businesses, through increased operational costs and liability for Israeli firms that source components or raw materials from across the Green Line. Between 2015 and 2020, settlements in Area C and occupied East Jerusalem contributed \$30 billion annually to Israel's economy, according to a 2022 United Nations Conference on Trade and Development (UNCTAD) report.

● HISTORY

Kashmir's tryst with cinema, interrupted by militancy's multiple intermissions

Bashaarat Masood
Srinagar, September 9

AS JAMMU and Kashmir hosts its first international film festival, Chief Minister Omar Abdullah said it is to remind the film industry that, before Switzerland and other countries, Bollywood films were shot in Kashmir. The International Film Festival of Jammu and Kashmir (IFFJK) is being held from September 7 to 10.

The valley, with its beautiful landscape, had been a favourite destination of filmmakers. But as the first signs of militancy surfaced in 1989, Bollywood disappeared from Kashmir. We explain how militants' threats led to the shutdown of film theatres in the valley, snapping Kashmir's connection with Bollywood.

Cinema in Kashmir

Until 1989, Kashmir was one of the most favourite destinations for Hindi film-

makers. Be it *Jungle* (1961) starring Shammi Kapoor and Saira Bano, or the Sunny Deol and Amrita Singh-starrer *Betaab* (1983) — which lent its name to the "Betaab valley" in Pahalgam where it was shot — filmmakers would often turn to Kashmir's beautiful landscapes for film shoots.

At the time, Kashmir had over a dozen cinemas, nine of them operating from the capital city of Srinagar.

The shutdown

As militancy erupted, cinema halls and liquor shops became the first target of militants. On August 18, 1989, a militant outfit called "Allah Tigers" announced a complete ban on cinema halls and liquor shops in Kashmir. The "Allah Tigers" chief, who called himself Air Marshal Noor Khan, said in a press conference that cinema halls and liquor shops are "un-Islamic" and threatened the owners to shut them down.



The International Film Festival of Jammu and Kashmir is being held from Sep. 7 to 10. PTI

Within the next few months, all the cinema theatres in the valley were shut down.

As the militancy gained a foothold in the valley, many of these cinema halls were occupied by the security forces, turning

them into makeshift camps and interrogation centres. Some others were converted into hospitals, nursing homes, and business centres.

As cinemas were shut down, the Indian

Army intervened and opened some of its garrison theatres for the public such as Thimayya Hall in Baramulla and Zorawar Hall in Pattan. But as militancy took a turn and *fidayeen* (suicide attackers) started to storm the security camps, these theatres were closed to the public as a security measure.

The government push

In the mid-1990s, after an elected government came to power in Jammu and Kashmir in 1996, the government pushed for reopening of cinema theatres in Kashmir by promising them interest-free loans. In 1998-99, three cinemas reopened in Kashmir: Broadway and Neelam in the high security zones of Badami Bagh cantonment and Civil Secretariat respectively, and Regal cinema in the heart of the city.

On September 24, 1999, as moviegoers were coming out of Regal cinema after watching *Pyaar Koí Khel Nahin* on the first day of re-opening, militants hurled a gre-

nade, killing a civilian and injuring over a dozen people. The cinema was shut again, this time permanently. Now, a big shopping centre is coming up in its place.

The Broadway and Neelam cinema halls continued to run, but low footfall made them financially unviable. Broadway closed down in 2005 while Neelam survived for another five years before eventually shutting down in 2010 — in between, the latter survived a *fidayeen* attack in 2005. So, the valley was once again without cinema theatres.

Broadway returns

In 2022, the Dhar family, which owned the Broadway Cinema, made another push and opened the valley's first multiplex theatre — INOX — in Srinagar's high-security Shiwpora neighbourhood.

The 520-seater multiplex, with three movie theatres, is also the venue for screening the films shortlisted at the IFFJK.



Dangerous phase

The Iran war is plunging the region into an economic and security abyss

The crisis in West Asia is escalating on two fronts. On Tuesday, the U.S. said that its forces had struck five Iranian oil tankers in the Gulf waters after what it claimed were Tehran's attacks on U.S. warships in the region. Iran retaliated with a massive ballistic missile attack on the Muwaffaq Salti U.S. air base in Jordan and vowed to respond with greater force to every U.S. attack from now on. It has also announced a new restricted zone in the Strait of Hormuz, warning commercial ships against crossing it under American naval escort. Separately, Yemen's Houthis, who are closely aligned with Tehran, launched an attack on Saudi Arabia, wounding dozens. Riyadh has vowed a response. The Houthis, who control northern Yemen and parts of its Red Sea coast, have already enforced a naval blockade of Saudi Arabia's western ports and launched an offensive against the forces of Yemen's Saudi-backed government in Taiz and Mocha. With both the Strait of Hormuz, which connects the Persian Gulf with the Gulf of Oman, and the Red Sea, a critical trade channel between Europe and Asia, remaining flashpoints, a horizontally escalating conflict from Tehran to Jordan and Riyadh to Bab-el Mandeb threatens to plunge the entire region into an economic and security abyss.

The current phase of the conflict could prove to be deadlier for several reasons. The U.S., which in the recent past has used intense military strikes and economic strangulation as separate policy tools in an attempt to force Iran to surrender, is now using both simultaneously to exert maximum pressure on Tehran. The U.S. naval blockade has largely prevented Iran from exporting its oil, while the American naval escort to a limited number of ships out of the Strait of Hormuz has helped Washington blunt the impact of Iran's chokehold on the waterway on global energy prices. But President Donald Trump was wrong if he thought his maximum economic and military pressure would force Iran to make concessions. Iran, instead, decided to escalate the conflict by attacking American warships outside the Persian Gulf, fully aware that this would invite a stronger U.S. military response. Iran appears to believe that it has a window of opportunity with the U.S. heading into its midterm elections within weeks and Mr. Trump remaining politically weak at home. If Iran's strikes on U.S. military vessels signal a clear decision at the top to escalate the conflict, its missile attack on U.S. bases in Jordan suggests that Tehran has been rebuilding its strike capabilities – capabilities that Mr. Trump had claimed were destroyed. As neither Washington nor Iran seems ready to step back from the precipice, the war is set to enter a more dangerous phase with global economic implications.

Ray of hope

Courts are coming down on reflexive arrests of activists

The district administration in Noida, Uttar Pradesh, went to great lengths to detain 25-year-old Delhi University law student and activist Akriti Chaudhary on April 11, 2026, in connection with protests by workers in the city. But on September 2, the Allahabad High Court quashed her National Security Act (NSA) detention, terming it an “abuse of the draconian preventive detention law” and came down heavily on the administration. The High Court's intervention is a silver lining in the dark cloud of extreme executive arbitrariness that is smothering the democratic soul of India. It termed the Noida administration's conduct “despotic”, its allegations against the activist a “concocted story”, and noted that the District Magistrate had passed the NSA detention order “without application of mind”. Without mincing words, the High Court warned that an unhinged bureaucracy could reduce the State of Uttar Pradesh to an “Orwellian dystopia”. The Division Bench of Justices Atul Sreedharan and Achal Sachdev ordered compensation of ₹5 lakh for Ms. Chaudhary, which is to be deducted from the salaries of the officers concerned. The facts of the case were brazenly in contradiction with the claims of the police and the district administration, but it also took a rigorous and conscientious Bench to provide this relief. It noted in its order that Ms. Chaudhary was already in the custody of the police when the violence that she is accused of took place.

The relief from the High Court has not set the activist free, as she is named by the U.P. Police in 11 other cases. It will be a long journey of legal battles to get her the freedom that every citizen in a democratic country deserves. That the police would go to such an extent to make life difficult for someone who stood up for the underprivileged must shock the conscience of the nation. Between April 10 and 18, 2026, industrial and contractual workers in Noida had staged protests demanding a wage hike and wage parity with neighbouring Haryana. On April 13, the protests allegedly turned violent. The Noida Police claimed to have “strong electronic and video-graphic evidence” of incitement against Ms. Chaudhary, and it turned out to be merely that, a claim which could not be established. Ms. Chaudhary could receive legal support and media attention that hundreds of others in comparable situations cannot easily access, while the workers remain trapped in miserable conditions because of oppressive business models and state policies that favour capital owners, with the promises made to them still unfulfilled. Yet, the Allahabad High Court's intervention in Ms. Chaudhary's case is a ray of hope that democratic protests will be heeded rather than suppressed by the strong-arm tactics of the executive.

A State's development story cannot be the story of its capital alone. Bengaluru is indeed India's pride and the city that has placed Karnataka on the global map. From Information Technology (IT), startups, aerospace and biotechnology to global corporations and new-generation entrepreneurs, Bengaluru has everything that makes it the pillar of India's economy.

But when opportunities are concentrated in one city, so is the pressure. With a population of around 12.5 million and over 11.5 million vehicles, Bengaluru is already facing enormous pressure on its roads, housing and infrastructure. We need to change the pattern of people from rural areas and other cities migrating to Bengaluru in search of opportunities. This is why cities such as Delhi and Mumbai have developed alternative growth centres such as Gurugram and Noida, and Navi Mumbai and Thane, respectively.

The next steps being taken

Karnataka's next chapter cannot depend on one city. It must create several cities and regions that can become strong economic centres in their own right. Taking investments beyond Bengaluru is not an alternative to strengthening Bengaluru; it is, alongside it, an economic strategy for balanced regional development, local employment, new investments, technology and better opportunities across Karnataka. Through Karnataka Digital Economy Mission (KDEM), key clusters including Mysuru, Mangaluru, Hubballi-Dharwad-Belagavi, Tumakuru, Kalaburagi and Shivamogga are being developed to take Karnataka's digital and knowledge economy beyond Bengaluru.

If a young person can find a technology job in Mysuru, there is less need for him/her to move to Bengaluru. If a Global Capability Centre comes up in Mangaluru, employment can remain within coastal Karnataka. If advanced manufacturing grows across Hubballi-Dharwad-Belagavi, young people from North Karnataka can find opportunities closer home.

The process is already visible. In June 2026, 55 industrial projects worth ₹7,506 crore were



D.K. Shivakumar

The Chief Minister of Karnataka

The State's next chapter cannot depend on one city; it must be powered by many economic engines beyond Bengaluru

approved, with the potential to create more than 28,000 jobs. Of these, 41 are planned outside Bengaluru Urban and Bengaluru Rural districts. In August 2026, another 83 projects worth around ₹6,253 crore were approved, of which 69 are planned outside Bengaluru, with the potential to create more than 30,000 jobs.

These are approved projects and projected employment figures, not completed investments. But they demonstrate that investment is increasingly being directed beyond Bengaluru. The Local Economy Accelerator Programme (LEAP) has been allocated ₹1,000 crore over five years to promote startups, entrepreneurship and emerging technology clusters beyond Bengaluru, with a target of creating five lakh employment opportunities.

Building around each region's strengths

Under the 2026-27 Budget, LEAP Labs are proposed in Hubballi, Kalaburagi, Hoskote and Mysuru, along with a K-Combinator accelerator and stronger industry-academia linkages. Crucially, the aim is not to copy Bengaluru elsewhere. It is to build ecosystems around the distinct strengths of each region.

For instance, coastal Karnataka has strong foundations in ports, maritime connectivity, education, health care, banking, fisheries and tourism, along with a growing knowledge economy. The next step is to connect these strengths with technology and the digital economy. Similarly, Mysuru already has strong foundations in education, tourism and technology. The government has set the goal of developing it as Karnataka's second IT city under the 2026-27 Budget. Mysuru should not be Bengaluru's replacement; it should become another major technology and knowledge-economy engine for Karnataka.

The Hubballi-Dharwad-Belagavi cluster has strong foundations in engineering, manufacturing, education and entrepreneurship. It is being developed as an emerging cluster for Artificial Intelligence (AI), machine learning, Internet of Things and advanced manufacturing. Available KDEM data indicate more than 400

startups and over 80 funded startups in the cluster, with more than 4,500 jobs added. The next step is to build on this foundation through AI, data science, drones, electric vehicles (EV), Software as a Service (SaaS), agritech and advanced manufacturing. Tumakuru and Doddaballapura have been identified as an industrial node with the potential to attract around ₹7,000 crore in investment and create more than 88,000 jobs.

So, clearly, 'Beyond Bengaluru' does not mean giving every district the same development model. It means identifying each region's strengths and building the right economic ecosystem around them.

The 'Beyond Bengaluru' model

The goal is also not simply to build IT parks or factories. Education, skills, health care, connectivity, housing and employment must grow together. When industries come, local Micro, Small, and Medium Enterprises (MSME) must benefit. When jobs are created, local youth must have the necessary skills. As cities expand, workers need quality housing, while their families need schools and health care. Tourism must create income for local communities.

That is why the 'Live Near Work' approach, with quality housing close to industrial areas, is important. Industry and human development are two parts of the same economic system. Agriculture must also be part of this transformation. Drones, satellite imagery, digital technology and AI can support crop surveys, crop-health assessment, pest and disease monitoring and real-time agricultural intelligence. Value addition, food processing and stronger supply chains can further strengthen rural economies.

This 'Beyond Bengaluru' model is one that spreads Bengaluru's success across Karnataka. Bengaluru should remain the crown of Karnataka. But the brilliance of that crown must be visible in every district. It means taking the success of Bengaluru and creating new centres of success across the State – a Karnataka powered by many economic engines.

Turning economic cooperation into shared prosperity

A t a time when the international landscape is becoming more complex and uncertain, the case for meaningful international cooperation has rarely been stronger. Its value must increasingly be measured by its ability to deliver stability, resilience and shared prosperity.

For the United Arab Emirates (UAE), this is central to how it approaches BRICS. Since becoming a full member in January 2024, its engagement has been guided by a straightforward principle: economic cooperation should create tangible opportunities for countries, businesses and people.

A diversity that creates opportunities

The strength of BRICS lies partly in its diversity. Its members bring different economic structures, resources, capabilities and development experiences – from major producers and consumers to sources of capital, investment destinations, energy exporters and manufacturing centres.

These differences create opportunities for complementarity – connecting markets, capital, capabilities and ideas in ways that can benefit its members, and by extension the Global South.

The UAE's participation in BRICS is part of its broader commitment to multilateralism, constructive dialogue and diversified international partnerships. It seeks to build bridges between economies and regions. It supports an open international system that advances peace, stability, sustainable development and shared prosperity.

For the UAE, BRICS' ultimate value lies in implementation. Dialogue should translate into easier trade, stronger investment flows, more resilient supply chains, better connectivity and greater opportunities for businesses.

India's 2026 BRICS Chairship, centered on resilience, innovation, cooperation and sustainability, provides a timely framework for this agenda. At a time when trade restrictions, supply-chain disruptions and uncertainty are increasing costs for businesses and consumers, the response should not be to retreat from global economic integration, but to make it more resilient and inclusive.

BRICS stands out when cooperation can produce tangible benefits: through strengthening



Saeed bin Mubarak Al Hajeri

Minister of State at the United Arab Emirates Ministry of Foreign Affairs

The United Arab Emirates promotes open, resilient economic cooperation through its engagement with BRICS

the multilateral trading system, facilitating trade and investment, improving connectivity, supporting resilient global value chains, and promoting sustainable development.

Development finance is also part of this equation. The New Development Bank (NDB) has approved more than \$40 billion in financing since its establishment, supporting infrastructure and sustainable development across its member countries. The UAE's active engagement with the NDB long before joining BRICS reflects its wider commitment to mobilising capital towards productive investment and long-term growth.

The UAE's own economic partnership with India demonstrates what practical connectivity can achieve.

On UAE-India ties, the UAE's advantages

The UAE-India Comprehensive Economic Partnership Agreement has helped create a more enabling environment for trade and investment between two highly complementary economies. In 2025, non-oil bilateral trade grew by 17% to exceed \$76 billion and the UAE and India have set the ambition of increasing bilateral trade to \$200 billion by 2032.

But the strength of the UAE-India relationship extends beyond trade. It is reinforced by investment, innovation, education, tourism and long-standing connections between their businesses, institutions and people.

This experience points to a broader lesson for BRICS: the strongest economic partnerships are built not only through agreements between governments, but through lasting connections across societies – creating the trust, opportunity, and resilience that allow commercial ties to deepen over time.

Economic connectivity is strengthened when businesses, entrepreneurs, investors, and institutions develop greater familiarity with one another. It is reinforced through education, research, tourism, cultural exchange and engagement of younger generations, which help build the trust and networks on which longer-term economic relationships grow.

The opportunity for BRICS is therefore to deepen the quality of connectivity among its members – connecting not only economies but also institutions, ideas and people.

The UAE is particularly well positioned to contribute because connectivity lies at the heart of its own economic model.

Non-oil sectors accounted for almost 79% of GDP in 2025, supported by world-class infrastructure, trusted financial institutions, advanced logistics and energy capabilities, and an open investment environment that enables businesses to scale-upwards and outwards.

The UAE's ports, airports and logistics networks connect markets across Asia, Africa, Europe and beyond. Its financial centres connect international capital with opportunities across the region, while, its universities, research institutions and innovation ecosystem connect talent, knowledge and ideas.

With sovereign wealth assets exceeding \$2.9 trillion, and 38 concluded Comprehensive Economic Partnership Agreements, the UAE has built the capacity to connect capital, markets and economies at scale.

For the UAE, connectivity is not simply about moving goods from one market to another. It is about creating the conditions in which capital, knowledge, technology, talent and people can interact and create new opportunities.

The UAE's approach is not to build economic cooperation around division, but around connectivity.

The path under India's leadership

As India leads BRICS through 2026, there is an opportunity to move further toward delivery: building resilience without closing markets, supporting innovation while widening opportunity, and strengthening connections among the businesses, institutions and people of the UAE and India. The UAE also looks ahead with confidence to China's BRICS Chairship in 2027, where it hopes to build on the momentum of India's leadership and carry forward the same energy of openness, connectivity and practical cooperation.

Ultimately, the success of BRICS cooperation will be measured by the opportunities it creates. That is the approach that the UAE brings to BRICS. As India hosts the 2026 Summit (September 12-13), the UAE stands ready to continue the work that translates cooperation into ways that support shared prosperity.

LETTERS TO THE EDITOR

Dhaka and Sheikh Hasina

Bangladesh's demand for Sheikh Hasina's extradition has placed India in a delicate diplomatic position. Dhaka wants Ms. Hasina to return to face charges related to the student uprising, while India must balance its earlier close ties with the deposed leader against its relations with the present Bangladeshi government. The best option is neither immediate extradition nor outright refusal, but a strictly legal and diplomatic approach. India should examine the request under the extradition treaty and

seek assurances of a fair trial, due process and protection from political persecution, while maintaining dialogue with Dhaka. This would protect India's credibility, avoid confrontation and preserve long-term bilateral relations.
R.S. Narula,
Patiala, Punjab

BRICS is a multilateral organisation and it would be beneficial for Bangladesh to participate in the summit at the highest level. However, linking its participation to Sheikh Hasina's extradition may

not be a smart foreign policy approach. As neighbours linked by civilisational ties and practical considerations, such as a shared border and water-sharing arrangements, it would be in the national interests of both India and Bangladesh to set aside sensitive issues such as Ms. Hasina's extradition and move forward with their bilateral and multilateral relations.
Kosaraju Chandramouli,
Hyderabad

Belated search for peace
There is talk of India exploring ways to

contribute to ending the ongoing Russia-Ukraine conflict. One cannot help but wonder why it has taken so long. The war has caused an enormous loss of life, destruction and suffering. What is particularly distressing for Indians is the reported recruitment of Indian nationals who went to Russia in search of employment but were subsequently drawn into military service and sent to the war front. If Indians were deceived or coerced into fighting a foreign war, should not the Indian government have taken a

much stronger position and demanded accountability? For over a decade, India has repeatedly projected itself as a country capable of speaking to both sides. Yet, when there are signals that India is seeking ideas that could contribute to ending the conflict, the initiative sounds rather belated.
Tharcus S. Fernando,
Chennai

Eiffel Tower 'incident'

The revolutionaries of 1789 articulated their demands around three core principles: liberty, equality and fraternity. Yet, we are witnessing a troubling

departure from these very ideals in the controversy surrounding the recent protest at the Eiffel Tower – and the allegation of asking women staff to make themselves invisible. The incident calls for deeper introspection. Even as societies aspire to progress and global leadership, institutional practices can continue to perpetuate attitudes that overlook systemic gender discrimination.
Rishika Singh,
Dhanbad, Jharkhand

Letters emailed to letters@thehindu.co.in must carry the postal address.

India has to act on its ‘sugar’ problem

This week, the Food Safety and Standards Authority of India (FSSAI), prodded by the Supreme Court, proposed a simple but overdue idea. Packaged foods high in fat, salt, or sugar should carry a bold red warning on the front of the pack, not buried in fine print on the back. Someone picking up instant noodles, a breakfast cereal, or a “health drink” will finally be told, at a glance, that it is not as wholesome as its advertising claims. This is a welcome step. It is also, on its own, nowhere near enough.

The number of children presenting with morbid obesity and diabetes has climbed sharply within just a few years. The World Obesity Atlas 2026 bears this out – 41 million Indian children and adolescents aged 5 to 19 are now overweight or obese. This is not just because children are eating more; it is about what they are being sold. Breakfast cereals, sweetened yoghurts, and “health drinks” are marketed to parents as filling gaps in a child’s diet, emphasising “energy” and vitamins while saying little about the sugar content inside. In 2024, a leading multinational was found adding sugar to infant food sold in India and other lower income countries; sugar was left out of the same product in Europe. When a health drink, popular in Indian homes, turned out to be nothing more than flavoured sugar syrup, it took a social media storm, and not a regulator, to force the company to prescribe a 15% cut in its added sugar.

The problem is worse around schools and colleges, where studies show that the cheapest, most easily



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When the U.K. introduced its soft drinks industry levy, sugar consumption fell. Manufacturers reformulated their drinks to slip below the tax threshold rather than raise prices

available snacks are also the least healthy. A popular “energy drink” among teenagers, priced at just ₹20, packs close to 17 grams of sugar, caffeine, and artificial colour into a single bottle. Its label says it is not meant for children, yet nothing stops a child from buying it. This is the market pricing unhealthy calories to fit within the range of a child’s pocket money.

Need for enforcement None of this is a secret. What has been missing is enforcement. The FSSAI and the Central Board of Secondary Education (CBSE) have long recommended what schools should not sell, but optional rules get treated as optional, and canteens stock whatever sells cheapest. A red warning label only works if it is actually enforced.

Moreover, the new rule stops at the edge of organised retail. Most of India’s sugar, salt, and trans fat is eaten unbranded, from street stalls, dhabas, and sweet shops that make up the unorganised sector, none of which is required to declare anything. A red label on a biscuit packet does nothing about the jalebi sold loose beside it. Regulation that reaches only packaged food leaves the unregulated half of the plate untouched.

Then there is the conversation India keeps avoiding – a tax on sugar. When the U.K. introduced its soft drinks industry levy, sugar consumption among both children and adults fell. Manufacturers reformulated their drinks to slip below the tax threshold rather than raise prices. A well-designed sugar tax does not just discourage people from buying a product, it pushes the industry to make the

product itself less harmful.

India already taxes sugary drinks heavily; just not usefully. Since September 2025, aerated and sweetened beverages, sugar free versions included, were folded into one 40% GST slab – so a ‘normal’ cola and its zero-sugar counterpart pay the same tax, leaving manufacturers with no reason to cut sugar. The U.K.’s levy worked differently, taxing drinks in tiers by sugar content, so that companies could lower their bill by reformulating the product. India could tax products in the same way so that manufacturers have a reason to cut sugar.

The standard objection – that such a tax would hit the poor the hardest – is not wrong, but it is only half the argument. Unregulated, cheap sugar already extracts a heavy price from the poor, who bear the brunt of the diabetes, hypertension and childhood obesity epidemic that sugar heavy diets drive, with the least means to treat it. Doing nothing is not neutral; it is a slower, costlier tax, paid in ill health rather than rupees at the till. The answer is to design the tax calibrated to sugar content so that it nudges reformulation, with part of the revenue set aside to make healthy food cheaper.

The FSSAI’s proposed red label is a genuine, if belated, first step. What India needs now is the resolve to finish what it has started – mandatory food standards; limits on how unhealthy food is marketed to children; rules that reach the unorganised sector; and an honest debate on taxing sugar in a way that protects families with the least room to absorb either cost, the tax, or the disease.

The many ways to destroy a book

Last month, a group of citizens in Ahmedabad gathered to read books by Pakistani education activist Malala Yousafzai and Holocaust survivor Anne Frank. This was their way of protesting against the Bajrang Dal and Vishwa Hindu Parishad for forcing a private school to drop books by Yousafzai and Frank from its compulsory reading list. Soon, members of the Bajrang Dal arrived at the scene, beat up the group, and tore up the books.

The targeting of books is as old as the book itself. Books have been censored, banned, torn, burnt, and pulverised to suppress opposing views, enforce state ideologies, silence uncomfortable truths, or for being deemed heretical.

Earlier this month, too, the destruction of books was in the news – but for a very different reason. Various reports in international media said that rare-book sellers were surprised to see a sudden increase in sales. However, the books were not being bought by specialised dealers, collectors, or connoisseurs; they were being purchased by buyers with strange names – Red Sparrow Project, Blue Finch Project, and Green Parrot Project – to train Large Language Models (LLMs) such as ChatGPT. These valuable editions ended up in warehouses, where their spines were sliced, their pages scanned, and the books pulped, so that AI companies would not have to deal with the headache of copyright and e-books.

Why are these two different groups targeting books? The Bajrang Dal said it disapproved of Yousafzai’s perceived views on India and Kashmir. Here, there is a



Radhika Santhanam

clear ideological opposition to Yousafzai’s ideas. The organisation carried out the deliberate act of thrashing people and tearing up books to send a clear warning: do not read this book; and if you do, face our wrath.

In the AI case, there is no such ideological opposition. The book is seen by companies as a mere object that contains ideas. And those ideas are not dangerous; on the contrary, they are important because they can be mined for profit. The more the knowledge fed into LLMs, the greater their capacity to respond, and the more dependent we become on them. What makes this even more worrying is that not all such extraction and destruction is seen as damaging to our cultural spaces or as insults to creators. Not too long ago, a U.S. court ruled that Anthropic’s use of copyrighted books to train its AI was not, in itself, copyright infringement. “One replaced the other,” one of the judges wrote. “There is no evidence that the new, digital copy was shown, shared, or sold outside the company.”

This means that within the framework of our current understanding of “fair use”, a company can buy books written by human beings, copy their contents into a machine, and then destroy the books without even having to compensate the writers. Surely, we need to ask ourselves: have we understood the words “fair” and “use” too narrowly?

Why books matter This practice unsurprisingly sparked widespread anger, which brings us to a more fundamental question: what does the physical book mean to us?

When a book is given to a

child, it can become a precious possession, a way to travel into different worlds of imagination. A book given as a gift by a friend can become a warm memory. A book borrowed from a library for research can be carried around as a vessel of knowledge. A book purchased from a rare-books shop can be as precious as silver, containing layers of history. Books, therefore, have always been more than paper and ink and a spine. They are, of course, textual instruments, but they are also cultural objects – repositories of our thoughts, wanderings, dealings, and feelings. If ideas are what makes us human, books, then, are a physical manifestation of those ideas, which we choose to preserve and pass on.

In *Burning the Books*, Richard Ovenden writes about how, when the National and University Library of Bosnia and Herzegovina came under artillery fire from the Serbian military in 1992, librarians formed a human chain to protect books. In Nazi Germany, a group of Jewish intellectuals, known as the ‘Paper Brigade’, risked execution by hiding books inside their clothing. In the Soviet Union, Samizdat involved clandestinely copying and circulating censored texts, while the modern copyleft movement allows creators to choose to reproduce and share their work freely.

Today, in a world where books are seen either as dangerous or as useful raw material – rather than as things to be read – the ways in which we defend books may have to keep evolving.

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Trade between BRICS countries shows marked increase

The rise in intra-BRICS trade strengthens the case for a cross-border payments system

DATA POINT

Nitika Francis
Gandla Sneha

Reducing global dependence on the U.S. dollar is expected to be a key part of the discussions in the 18th BRICS Summit, chaired by India, happening in New Delhi on September 12 and 13, 2026. Finance ministries’ and central bank governors from BRICS countries met in August to discuss the facilitation of cross-border payments and strengthening of national currencies.

The BRICS bloc with its 10 member countries – Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran, and the UAE – has grown in strength in its objective of advancing trade and diplomatic relations within the Global South, which makes cross-border payments desirable.

Currently, making payments across countries requires a string of transactions via correspondent banks, which hold accounts with each other. When two countries do not have such correspondent banks, they route their payments through international banks, converting the currency of the sender country to a dominant currency such as dollars, and then converting the dollars to the currency of the receiving country. This process, besides being slow at times, comes with the cost of foreign exchange margins and the fee charged by the intermediaries. Seeing that the BRICS comprises many developing economies, this can be among the many impediments to trade opportunities.

Trade data shows that merchandise exports by BRICS countries made up about one-fourth of all global exports in 2024 (**Chart 1**). The BRICS countries have all drastically increased their exports over the years, with China touching \$500 billion in 2024. Other members such as Brazil, India, Indonesia, Russia, and the UAE also re-

corded large figures between \$80 and \$180 billion. In addition to this, their trade amongst each other has also increased. **Chart 2** shows that as of 2024, all members of BRICS, except China, received more than 30% of imports from other members.

Iran depends on BRICS for more than 65% of its imports, and Ethiopia nearly 45%. Intra-BRICS import dependency could be on the rise due to the heterogeneity of goods available among its members, as noted in a report by the United Nations Conference on Trade and Development.

Concurrently, export dependency within the bloc has also risen. In the last decade, five members (Russia, China, the UAE, Brazil, and Indonesia) have doubled and even quadrupled their exports to members of the bloc. However, China has consistently shown the lowest dependency on intra-BRICS exports due to its diversified export market (**Chart 3**).

Russia saw a rapid increase in its export dependency between 2020 and 2023, in the middle of its invasion of Ukraine, during which countries such as India imported its fuel. The country saw a decline in export dependence in 2024.

It was under Russia’s chairmanship in 2024 that the BRICS argued against the dominance of the U.S. dollar. Russia was hit directly by the dollar monopoly in 2022; due to sanctions from the U.S., Russian banks were cut off from the Society for Worldwide Interbank Financial Technologies (SWIFT) which enables institutions to settle amounts. Hence, international transactions proved difficult for the Russia.

While the U.S. is the largest economy in the world, the BRICS bloc does not fall far behind, as China, India, and Russia are in the top 10 in terms of Gross Domestic Product (current prices) (**Table 1**). Whether this collective economic strength can challenge the dominance of the dollar is to be seen in the coming days.

Dollar detour

The data for the charts were sourced from report by the United Nations Conference on Trade and Development titled “Two Decades of Intra-BRICS Trade: Trends, Patterns and Policies” and the International Monetary Fund (IMF)



CHART 1: In 2025, exports from BRICS countries made up about 25% of global merchandise exports. BRICS countries include Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran, and the UAE. Values in \$ trillion

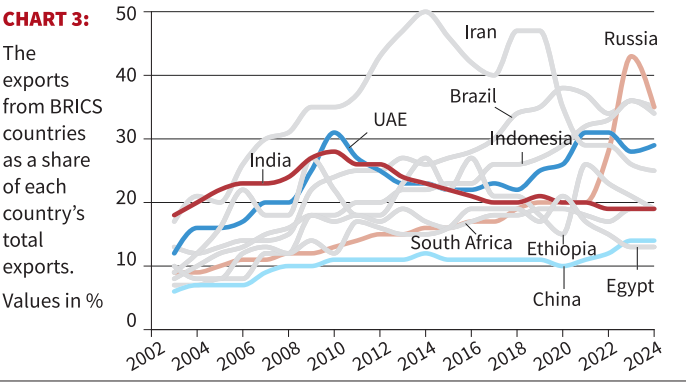
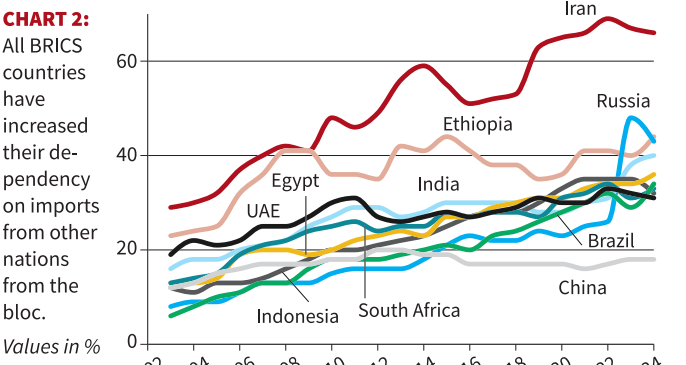
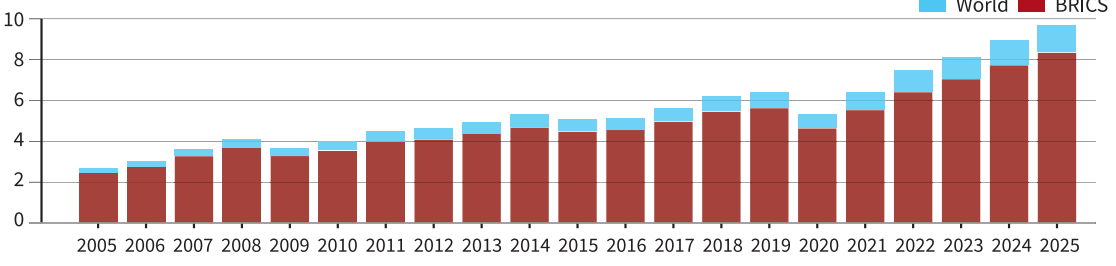


TABLE 1: Country-wise size and ranking of Gross Domestic Product of 2025 (current prices). Values are estimated by IMF

Country	GDP, current prices (billions of \$)	Rank
China	19,626.247	2
India	3,916.312	7
Russian Federation	2,587.938	9
Brazil	2,279.918	12
Indonesia	1,445.642	18
United Arab Emirates	571.643	32
South Africa	427.141	43
Iran	371.196	46
Egypt	364.64	47
Ethiopia	109.109	74

“Collectively, the 10 member countries account for 27 per cent of world output, 24 per cent of merchandise exports, and 22 per cent of FDI inflow by 2024” - Two Decades of Intra-BRICS Trade: Trends, Patterns and Policies report

Gandla Sneha is interning with The Hindu

FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO SEPTEMBER 10, 1976

Mao Tse-tung dead

Peking, September 9: Mao Tse-tung, the 82-year-old father of Communist China, died to-day at 10 minutes past midnight. Radio Peking broadcast the news to the 750 million Chinese saying: “Mao Tse-tung passed away at 00-10 hours on Sept. 9 because of the worsening of his illness and despite all treatment, although meticulous medical care was given to him in every way after he fell ill.”

Funeral music followed, and immediately thousands of people, wearing black armbands, began to gather in the vast Tien An Men Square (Square of Heavenly Peace) in the heart of Peking. In factories, shops and apartment blocks people gathered around loudspeakers and radio sets. Their faces turned grim and sorrowful at the news of the death of the man who had commanded their reverence and awe. Chairman Mao would have been 83 on December 26. He had been suffering from Parkinson’s disease.

A HUNDRED YEARS AGO SEPTEMBER 10, 1926

The Nizam’s protest

The following is from ‘The Daily Herald’ – It is reported from Bombay, says the Indian News Service, that His Exalted Highness, the Nizam of Hyderabad has sent a very strongly worded protest to the Viceroy, urging that in future the relations of the Nizam should be with the Viceroy as representative of the King and not with the Government of India. The Nizam’s contention is that the he had never entered into treaty negotiations with the Indian Government, but only with the British Government.

The Government of India is becoming gradually responsible to the people of India and the Nizam contends, it would be beneath his dignity to owe allegiance to a Government controlled by the people.

The Nizam is strongly supported in this protest by other Indian princes, who look with unconcealed perturbation on the growing encroachment on their “fundamental rights guaranteed by treaties”. The very idea of the Indian people taking to task the old-time rulers is galling to the Maharajahs and Nawabs.

It is a problem which is pressing more and more closely on the Government of India. That Government, however, is anxious, if possible, to postpone the decisive struggle with the old-time rulers – its hands being too full with the problems of the existing situation.

Text & Context

THE HINDU

NEWS IN NUMBERS

Heatwave days recorded by Spain across June-August

61 Mainland Spain endured its hottest summer since records began in 1961, with an unprecedented 61 heatwave days across June, July and August, the national weather agency AEMET said. The average temperature for those three months was 24.5C, 0.3C above the previous record from 2025 and 2.4C higher than the 1991-2020 reference period, AEMET said. AFP

Death toll in Yemen prison airstrike earlier this week

23 Rescuers dug through the rubble of a Houthi-run prison that was hit in an airstrike in northern Yemen earlier this week, even as the Saudi-led coalition renewed its attacks on Wednesday. Rescuers recovered four bodies, raising the death toll at the prison to 23 people. The flare-up was a major escalation in renewed fighting between a U.S. ally and the Iranian proxy group. AP

Death toll from measles outbreak in Bangladesh

1,002 The death toll from a measles outbreak in Bangladesh has topped 1,000 children since March, health officials said, admitting failures in a vaccination drive. The South Asian nation of 170 million has recorded 1,002 deaths and 187,484 infections among children, according to the Directorate General of Health Services. AFP

Worth of Google's AI expansion proposal in Finland

13 in € billion. Google will invest at least €13 billion in data centres and other digital infrastructure to power its AI ambitions in Finland, in what the U.S. tech giant called its biggest single investment in Europe. The plan also calls for clean energy projects over the next two years, which Google said was “a testament to Finland’s leadership in responsibly building AI infrastructure”. AFP

Amount approved by Chhattisgarh Cabinet for the startup mission

500 in ₹ crore. The Chhattisgarh Cabinet on Wednesday approved a ₹500 crore startup and skills mission aimed at creating new opportunities for employment, skill development, entrepreneurship and innovation for the youth of the State, officials said. PTI
COMPILED BY THE HINDU DATA TEAM

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Did OpenAI solve Navier-Stokes problem?

OpenAI's claim of Navier-Stokes breakthrough has sparked controversy after Tristan Buckmaster alleged that its internal model arrived at the exact approach he and Levent Alpöge had been pursuing; questions remain over whether OpenAI trained on private Codex data, the proof's validity and who deserves credit

FULL CONTEXT

Vasudevan Mukunth

The story so far:

In what is quickly becoming an explosive controversy in mathematics, a potential solution to one of the field's greatest open questions has been overshadowed by allegations of espionage and unethical academic conduct. Over the last few days, the mathematical community has been rocked by claims that OpenAI leveraged its enormous computing power – and potentially the private user data of academic researchers – to scoop a solution to the Navier-Stokes equations problem.

What is the Navier-Stokes problem?

The Navier-Stokes equations describe the motion of viscous fluids like water and air, and they have frustrated mathematicians and physicists for more than two centuries.

As OpenAI wrote on its website: “The Navier-Stokes equations use Newton’s second law of motion ($F = m \times a$) to describe how fluids move. Importantly, they treat a fluid as a continuous medium rather than tracking individual molecules. These equations are used for aircraft design, weather forecasting, and the study of blood flow.”

The Clay Mathematics Institute in New York lists a problem about the equations as one of the seven Millennium Prize Problems. That is, anyone who can prove whether the equations always have smooth, predictable solutions or whether the equations can ‘blow up’ – meaning the mathematical solutions reach infinity in finite time – will win \$1 million and considerable prestige in the mathematics community.

What is a forcing function?

The Millennium Prize problem statement, authored by U.S. mathematician Charles Fefferman, offers a few avenues for a valid proof. Options A and B deal with unforced equations, while Options C and D allow for a solution that includes an external forcing function.

A forcing function is an external influence that adds momentum to the fluid, e.g., you dip your spoon into a bowl of water and stir it. A forced blow-up would be when you keep stirring the fluid harder and harder until the equations predict the flow becomes infinitely violent in a finite amount of time – as if you were stirring at nearly the speed of light.

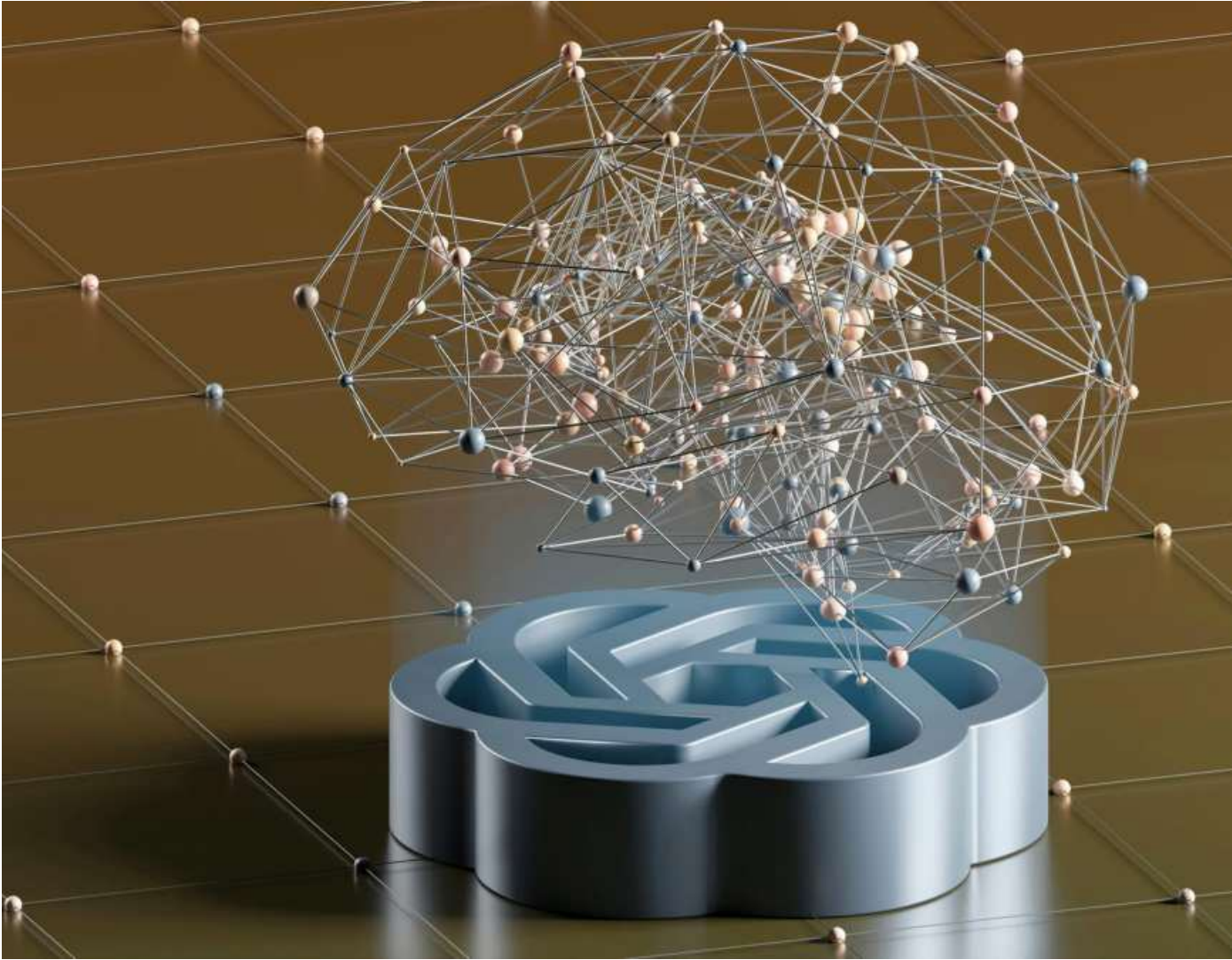
For such a blow-up to qualify for the Millennium Prize under Options C and D, the force causing the blow-up can’t suddenly appear/disappear or change abruptly from one place or time to another. It must obey the usual laws of physics.

Over the last year, New York University mathematician Tristan Buckmaster and Anthropic researcher Levent Alpöge have been using AI models to use a technique developed by Spanish mathematicians Diego Córdoba and Luis Martínez-Zoróa to show that forced blow-ups cause the Navier-Stokes equations to become insensible in finite time.

This route is a niche vector of attack; mathematicians agree it is not possible to arrive at by feeding the problem to an AI chatbot. This detail matters to what followed.

How did OpenAI get involved?

Buckmaster and Alpöge made a breakthrough on August 15. A week later, the duo had their proofs – heavily



While OpenAI has said its agents reached a solution for the Navier-Stokes regularity problem in 88 hours, it is unclear who, if any, outside the company has seen the claimed 100-page proof. GROWTIKA/UNSPLASH

generated by models like Anthropic’s Claude and OpenAI’s GPT-5.6 Sol – checked by a computer to make sure the mathematics were correct.

However, the raw output from the AI was practically unreadable. Buckmaster described one initial proof as “the most horrendous I have ever read”. So Alpöge and Buckmaster spent weeks working around the clock to translate the AI output into a readable paper.

But last week, a rumor began circulating that Anthropic had solved a major open problem in mathematics. On September 3, after hearing OpenAI was investigating the rumors, Buckmaster emailed a prominent mathematician at OpenAI. This information comes from a statement that Buckmaster published on his university webpage.

Buckmaster said he clarified that his work with Alpöge was in a personal capacity and did not represent an institutional effort by Anthropic and that the duo planned to publish its results once it had finished polishing the manuscript. The (unnamed) interlocutor at OpenAI replied expressing excitement.

But on September 4, OpenAI requested a same-day meeting with Buckmaster, which Buckmaster deferred to the following week (i.e., the current week). Two days later, OpenAI urgently requested a meeting, so Buckmaster said he joined a call with OpenAI computer scientist Sebastian Bubeck and another representative. Alpöge did not attend the call.

During this call, Buckmaster said Bubeck dropped a bombshell: an internal OpenAI model had produced a proof of finite-time blow-up for the forced Navier-Stokes equations. When Buckmaster pressed for details, the OpenAI team revealed their solution was exactly “Existence of forced blowup in R3 and T3, with the forcing function is smooth Option C and D in Fefferman” – for Buckmaster, the exact mathematical

route he and Alpöge had been pursuing.

Buckmaster also wrote that he and Alpöge had been logging their work on OpenAI Codex, a tool to translate natural language prompts into code, for months.

At this point, Buckmaster refused to cooperate with OpenAI and rushed to publish his and Alpöge’s results, plus his public statement.

OpenAI subsequently held a press briefing in which it claimed 10,000 AI agents had cracked the problem in an 88-hour marathon that had cost the company millions of dollars.

What is the data-access issue?

Buckmaster’s public statement has already triggered scrutiny of OpenAI’s corporate practices. When it claimed to have solved the same formulation of the problem Buckmaster and Alpöge had been working on, Buckmaster asked how the AI model had arrived there. On the September 6 call, Bubeck allegedly admitted an entire team had been assigned to crack the problem.

Further, Buckmaster said he had been inputting all of his and Alpöge’s drafts into Codex over a year. So when Buckmaster asked if the internal OpenAI model had been trained on or had access to his private Codex sessions, OpenAI said the model “did not look up user data”. But when Buckmaster pressed on whether his data had been used to train the model that worked on the problem, OpenAI didn’t answer.

According to Buckmaster, Bubeck also offered him two unethical proposals. In the first, Buckmaster would post his significant result and OpenAI would post their Navier-Stokes result the following day. The second was that Buckmaster would write a solo paper presenting the Navier-Stokes result and acknowledge the internal OpenAI model.

Bubeck reportedly asserted on the call that he wanted Alpöge removed from authorship because Alpöge is an

employee of Anthropic, OpenAI’s rival.

Buckmaster said he refused both offers and threatened to go public with the conversation, whereupon Bubeck allegedly responded: “Why would you ruin your career?” and “If you don’t want me to be nice, then I don’t have to be nice”.

Bubeck has since publicly called the allegations against him “false and inflammatory”.

What questions remain?

1. Did OpenAI actually solve the problem? While OpenAI has said its agents reached a solution in 88 hours, it is unclear who, if any, outside the company has seen the claimed proof. Since Buckmaster described the AI-generated paper as “slop”, it is also unknown whether OpenAI’s internal model actually produced a rigorous proof or a convoluted approximation.

2. Did OpenAI breach user privacy? The silence regarding whether OpenAI trained its internal model on Buckmaster’s private Codex logs has been deafening.

3. Who deserves the credit? The AI agents? OpenAI the corporation? Buckmaster and Alpöge? Or Diego Córdoba and Luis Martínez-Zoróa? Indeed, Buckmaster wrote in his statement he believes “Luis Martínez-Zoróa deserves a Fields Medal”.

Just before the controversy broke out, Fields Medal winner Terence Tao had published a series of notes about why a ‘human mathematics’ remains relevant in the age of AI. As he wrote: “The point remains that there is a substantial opportunity cost in converting a historically productive and motivating problem ... into a mere viral social media post advertising some benchmark progress, rather than actually advancing the field and developing the next generation of both problems to ask and people to work on them.”

THE GIST

The Navier-Stokes equations describe fluid motion and form one of the seven Millennium Prize Problems, with a \$1 million prize for a valid solution

Buckmaster and Alpöge used AI models to develop a proof of finite-time blow-up involving a forcing function, then worked to turn the AI-generated output into a readable paper

OpenAI later said 10,000 AI agents had solved the problem in an 88-hour effort, while Buckmaster alleged that OpenAI made questionable proposals over publication and authorship

BIBLIOGRAPHY



GETTY IMAGES

Why we cannot get enough of campus stories

From *The Secret History* to *Katabasis* and *Black Bag*, several novels set in universities show why campuses are fertile settings for stories about ambition, hegemony, belonging, and loneliness

Preeti Zachariah

Like most of us, Mondays are my least favourite day of the week. But there was a brief period between March and May when I actually had something to look forward to every Monday: a new episode of the first season of *Rooster*. The HBO show is set at Ludlow College, a fictional elite liberal arts institution in New England, where best-selling pulp fiction writer Greg Russo, played by Steve Carell, becomes a writer-in-residence.

It became a ritual every Monday evening to eat dinner while watching *Rooster*, which, despite its many flaws, was hugely enjoyable, thanks to a set of memorable characters. While the show relies on tired tropes and has some glaring plot inadequacies, what really stood out for me was how evergreen the campus narrative can be.

Whether they are teen dramas such as *The Sex Lives of College Girls*, biting satire such as *The Chair*, or novels such as Sally Rooney’s *Normal People*, R.F. Kuang’s *Babel* and *Katabasis*, Donna Tartt’s *The Secret History*, John Williams’s *Stoner*, J.M. Coetzee’s *Disgrace*, or Zadie Smith’s *On Beauty* (my favourite), there is something about the insularity, temporality, and liminality of these campuses that makes them a microcosm of the best and worst of human nature.

Critique of higher education
Not surprisingly, this enables some fine satire. Many of these novels shine a light on the vast chasm between the ideals and realities of higher education. They explore subjects as diverse as culture wars, power imbalances in relationships, and intellectual and cultural hegemonies, to loneliness and the sheer absurdities of modern life. The last is particularly exemplified by Luke Kennard’s *Black Bag*, which was longlisted for the Booker Prize

this year.

A bizarre real-life experiment conducted in the 1960s by Charles Goetzinger, a professor at Oregon State University, becomes the fodder for this hilarious new campus novel. It features an unnamed struggling actor enlisted by Dr Blend, a university professor, to zip himself into a bag and attend lectures. Crammed with scathing observations about digital capitalism, the collapse of traditional art and culture in a post-literate world, and the masculinity crisis, *Black Bag* is also a darkly comic critique of higher education.

“The heterodox architecture of the university campus represents many different eras of hope, progress, despair, practicality and defiance,” writes Kennard in one part of the novel, further adding that it is a “theme park of uneasy truces between high court and departure lounge, tenement and winter palace. Ideas in direct conflict over decades as to what, for the love of god, this even is.”

Machiavellian mentors
Kuang’s *Katabasis* moves beyond the built environment of a college campus into potent metaphor, reimagining it literally as hell. The novel, which was shortlisted for the British Book Awards Science Fiction and Fantasy Book of the Year 2026, offers a funny, if dark, commentary on the graduate experience. It explores the toxic work culture of competitive universities, the burnout this promotes, and the dangers of blindly submitting to deeply charismatic authority figures around whom a student’s academic universe often revolves.

The novel tells the story of two graduate students from Cambridge, Alice Law and Peter Murdoch, who descend into hell to rescue their advisor, Jacob Grimes. He is a professor who holds great sway over their academic progress and future careers. To get to him, they must

navigate the eight courts of hell, some of which resemble familiar campus haunts like the library and student centre. Their quest forms the plot of this clever novel crammed with omnifarious ideas and references ranging from Plato’s *Phaedo* and Dante Alighieri’s *The Divine Comedy* to T.S. Eliot’s *The Waste Land*, ancient Greek mythology, Lewis Carroll’s *Alice in Wonderland* and Dharmic eschatology.

In a 2025 interview with *The Hindu*, Kuang said the characters in her novel were inspired by *Alice in Wonderland* and *Peter Pan*. Kuang added that Professor Grimes is an archetype of the male genius that everybody makes excuses for; the one who can just behave boorishly with no consequences.

Power imbalances in sexual relationships, a common phenomenon in nearly every institution, including the university, show up in many of these campus novels, including *Disgrace*, *On Beauty*, and *Katabasis*. But equally erosive to self-worth, mental health, and behaviour is the Machiavellian mentor who uses coercion, isolation, flattery, or threats to significantly alter a student’s moral universe, perception of reality, and even sense of identity.

Grimes is certainly a contender for this dubious position, but so is Julian Morrow, the enigmatic Classics Professor in Tartt’s *The Secret History*, whose teachings essentially drive his small, carefully chosen cohort to murder one of their own. In his first class, for instance, he declares, “Beauty is terror. Whatever we call beautiful, we quiver before it. And what could be more terrifying and beautiful, to souls like the Greeks or our own, than to lose control completely?” It is a perspective his students go on to take far too literally.

The primary narrator of this novel is the deeply unreliable Richard Papen, who longs to penetrate his group’s inner circle. This leads him to rewrite his past and

manufacture a new identity. “I wanted to maintain the illusion that their dealings with me were completely straightforward; that we were all friends and no secrets, though the plain fact of it was there were plenty of things they didn’t let me in on,” he recalls.

Beyond the intellectual
On Beauty, too, chronicles how the desperation to belong often results in young people shrinking and shaping themselves to be seen a certain way. This character-driven novel largely focuses on two families, the Belseys and the Kippses, whose patriarchs, Howard Belsey and Sir Monty Kippes, occupy similar academic and social spaces but hold radically different political views. At its core, however, the novel is a scathing commentary on the over-intellectualism and elitism inherent to university spaces.

Centred around yet another fictional New England college, Wellington, the book is a contemporary reinterpretation of E.M. Forster’s classic *Howards End*, exploring class conflict, complicated relationships, race politics, infidelity, and performative ideologies. What sets it apart, however, is the character who lies at its moral centre: Kiki Belsey, Howard’s wife, one of the most self-possessed, refreshingly human fictional women I have encountered in recent times.

Kiki offers the world things more important than anything a college education does: radical empathy, emotional intelligence, sisterhood, and friendship. “Stop worrying about your identity and concern yourself with the people you care about, ideas that matter to you, beliefs you can stand by, tickets you can run on,” she tells her son. “You have to live; you can’t live by slogans, dead ideas, clichés, or national flags.”

It is a perspective that many of us who live in our intellectual ivory towers would do well to remember.



FROM THE ARCHIVES

Know your English

S. Upendran

“I know that Dilip was well prepared. But when he saw the Chairman sitting in the front row, he went totally blank. The poor guy forgot what he was going to say.”
“What did Dilip do? How did he....”
“....he winged it. That was the only....”
“...You mean to say he ran away?”
“Nobody runs away from a

presentation. If Dilip had run away, he would have lost his job. When you say that somebody ‘winged it’ what you are saying is that the person improvised. He made things up as he went along; he....”
“....why does it always have to be a ‘he’? It could be a ‘she’. She does or says something spontaneously. Without any preparation.”
“That’s right. You stand up and say something even though you are not prepared.”

“Like some of the speeches that our not-so-respected politicians make?”
“Most of our politicians just wing it.”
“Hey, how about this example? When I told my teacher that I wasn’t really prepared for the debate, he told me to just go out there and wing it.”

“That’s a good example. Here’s another one. The tall man in jeans who came for the audition this afternoon didn’t know his lines. So he just winged it. But to everyone’s surprise he got the part.”

“Some people have all the luck. Does this example sound OK? The speaker had misplaced his notes. He had no option but to wing it.”
“Sounds great!”
“So tell me, was the Chairman angry with Dilip?”
“He didn’t say anything. But my boss was really angry. He went ballistic.”

“Went ballistic? Doesn’t the expression mean to become extremely angry?”
“Exactly! The teacher went ballistic when the student didn’t turn in her assignment.”
“My father went ballistic when my sister broke the new table lamp.”
“Any way, my boss went ballistic. He has given Dilip his walking papers...”
“....his walking papers?”
“When a company gives you your ‘walking papers’, it means that you have been sacked. Or ‘fired’, as the Americans would put it.”

“You mean Dilip has lost his job?”
“That’s right.”
“But that’s terrible.”
“I know. He is going to be joining the ranks of the unemployed pretty soon.”
“The poor guy shouldn’t have made the presentation. He should have just run away.”
“You may be right.”
“Walking papers. I have never come across that expression before.”
“It is considered slang, but it’s used quite often by native speakers in informal contexts. For example, I can say, our company is downsizing. I hope I am not given my walking papers. I need this job to help repay some of my debts.”
“How about this example? When Ashok was given his walking papers, he looked at his boss and laughed.”
“He can afford to. His wife has a really fantastic job. And with his qualifications and the contacts that his wife has, Ashok can get a job anywhere.”

“How about Dilip? How did he react?”
“Dilip! The poor guy is in a funk.”
“In a funk? What a strange expression!”
“When you say that you are in a funk, it implies that...”
“... I can guess. It probably means the same thing as ‘feeling blue’.”
“My! You’re in excellent form today. That’s exactly what it means.”
Published in The Hindu on December 4, 2001

THE DAILY QUIZ

Muhammad Kutty Panaparambil Ismail, popularly known as Mammootty, celebrated his 75th birthday on September 7. A quiz on the legendary Malayalam actor

Joan Sony Cherian

QUESTION 1
Vilkkannundu Swapnangal was Mammootty’s first credited role, where he played the antagonist Madhavankutty. However, his first appearance on screen was in a movie released almost 10 years before *Vilkkannundu Swapnangal*. Name the film.

QUESTION 2
In 2010, the prolific actor released a memoir about his early life, detailing the struggles he had to endure to enter the film industry. Name the memoir.

QUESTION 3
Mammootty and Mohanlal were, or still are (depending on who you ask), the stalwarts of Malayalam cinema. They have acted side-by-side in a lot of films. One of the most

popular films was *Harikrishnans*, released in 1998. A popular Bollywood actor was the female lead in the film. Name the actor.

QUESTION 4
In 2017, a film of Mammootty wherein he played a police officer was criticised by actor Parvathy for glorifying misogyny. It courted controversy, with the debate playing out on social media for days. Name the film.

QUESTION 5
This film by Jabbar Patel won Mammootty national fame for playing this iconic economist, social reformer and politician. Name the film.

QUESTION 6
The Jabbar Patel film is not the only movie in which Mammootty played a political icon. This 2019 film saw him bringing to life this leader who was the Chief Minister of a southern State. Name the film and the leader.



Visual Question:
This still of Mammootty and Bollywood actor Aishwarya Rai is from a Tamil movie, which was an adaption of a Jane Austen novel. Name the Tamil film and the Austen novel.

Questions and Answers for the previous day’s daily quiz: 1. Which two Greek words are generally given as the roots of the word “photograph”? **Ans: Phos (light) and graphe (drawing or writing)**
2. Which chemical did Herschel identify in 1819? **Ans: Sodium thiosulphate, then commonly called hyposulphite of soda**
3. What was the principal purpose of using sodium thiosulphate? **Ans: To fix the photographic image by removing unexposed silver salts and making the image more permanent**
4. What photographic printing process did Herschel develop that later became particularly associated with blueprints? **Ans: The cyanotype process**
5. Which French photographic process was a contemporary development in early photography? **Ans: The daguerreotype, developed by Louis Daguerre**
Visual: Identify the object. **Ans: It is the 40-foot reflecting telescope built by his father, Sir William Herschel, at Slough**
Early Birds: Avidha Mojumder | Sadhan Panda | Varghese Joseph | Sukdev Shet | Dodo Jayaditya

Word of the day

Genteel:
marked by refinement in taste and manners

Synonyms: polite, decorous, acceptable, formal

Usage: *Despite his high social position, he remained genteel and respectful towards people.*

Pronunciation: newsth.live/genteel

International Phonetic Alphabet: /dʒenti:l/

For feedback and suggestions for Text & Context, please write to letters@thehindu.co.in with the subject ‘Text & Context’

Mounting cost of a stalemate

India must again prepare for higher oil prices

The benchmark Brent crude-oil prices have been hovering around \$100 per barrel for the past few days owing to renewed tensions in West Asia and the continued exchange of fire between the United States (US) and Iranian allies. The US reported destroying five Iranian tankers on Tuesday, saying it was a response to Iranian attacks on US assets in the region. Meanwhile, Iran-backed Houthis rebels in Yemen have carried out attacks in Saudi Arabia. The Houthis intend to target Saudi oil exports. They are also fighting their government, which is backed by Saudi Arabia. An escalation could further destabilise the region, impacting global energy markets.

Oil prices have been extremely volatile since the conflict between Iran and the US began at the end of February. The blockades imposed by both sides in the Strait of Hormuz, a critical route for crude-oil supply, have roiled global energy markets. Brent crude-oil prices were \$70-75 per barrel in the second half of February. The war pushed prices above \$100 in March, and they remained elevated till the June ceasefire. But the ceasefire quickly unravelled, pushing oil prices higher. The flow of oil from the Strait of Hormuz, which facilitated about one-fifth of the global crude-oil movement before the war, has again been reported to have declined substantially over the past few days. The US is aiming to increase the economic cost of war for Iran by preventing it from selling oil, which went mainly to China. It is uncertain whether a higher economic cost will force Iran to agree to US terms.

Notably, the cost of war is not limited to Iran. Higher energy prices are affecting the whole world, including US consumers and businesses. The inflation rate in the US has been running above the central bank's target for years and higher energy prices will further complicate things. A section of the market expects the US central bank to raise interest rates, which will have its own set of implications. Sustained higher oil prices complicate macroeconomic management for a country like India, which depends on imports for most of its requirements. Although the situation has been managed well so far, and the first-quarter national accounts data showed that the Indian economy expanded by 7.8 per cent, pressure was on the external accounts despite robust export performance. Expecting the pressure to continue, the Reserve Bank of India (RBI) announced a concessional swap scheme in June to attract foreign capital flows, including deposits from non-resident Indians. The response has been encouraging and will help the RBI manage the external account in the near term. However, the underlying problem of a potentially wider current-account deficit and pressure on capital flows will remain, given elevated oil prices and uncertain global economic conditions.

The inflation rate in India is expected to increase in the coming quarters, and even a partial pass-through of higher energy prices will push it further, requiring monetary tightening. Gas prices, for instance, were increased recently. As this newspaper reported this week, oil-marketing companies (OMCs) are incurring underrecoveries on the sale of both petrol and diesel, and it's not clear how they will be compensated. Indian Oil Corporation, for instance, posted losses worth over ₹1,100 crore in the June quarter. OMCs may not be able to absorb losses for an extended period. The Budget outgo on subsidies has also shown a sharp increase in the first four months this financial year and poses challenges to fiscal management. Thus, with no clarity on how long the renewed conflict will last, India will again need to prepare to deal with the fallout.

A dose of innovation

Pharma sector needs a supportive environment

A top executive of Swiss pharmaceutical major Novartis, Judith Love, has underscored the importance of an ecosystem that's conducive to innovation in India. In an interview to this newspaper this week, Ms Love cited regulatory data protection (RDP) and strong intellectual property (IP) rules as the pathway for India to establish itself as a cutting-edge research destination while attracting global investment in the pharma space. For investment to scale up, speedy reforms have to be brought in, she pointed out. Recently, Kiran Mazumdar-Shaw, founder and chairperson of Biocon, too, highlighted the need for reforms that allow early-stage biotech companies to access public markets.

Focusing on related issues, Union Commerce and Industry Minister Piyush Goyal, in an address on Sunday, reiterated the importance of resilience so that India could draw higher investment for research & development (R&D) as well as clinical trials. Mr Goyal said that India's drug industry could not just rest its case with generics and that it must focus on more R&D and patent its own products. Such a message cannot be ignored as India has largely remained a country of generic medicines, rather than harnessing its research potential in the pharma sector. The narrative of innovation-led original drugs versus generics is not new, but it's a timely reminder for the industry as well as policymakers to thrash out issues to push India up in the global pecking order. At the centre of it all is the way forward on introducing RDP, a mechanism that would prevent generic drugmakers from relying on data on clinical trials and safety submitted by innovators for a fixed period after a medicine is approved in India. While research-based multinational companies are battling for a 10-year protection period starting from the date a drug receives marketing approval in India, domestic generic drugmakers are pushing back, saying that an RDP regime could delay the entry of low-cost medicines while raising prices overall.

Even as the government is engaged in talks with the industry to find a balance between the two sides and break the deadlock over RDP, there are other issues at play as well — for instance, the lack of a level playing field. This is because the first company to seek approval for a new drug has to spend on local clinical trials and the late entrants can secure the regulatory nod for the same drug at a much lower cost by skipping clinical trials and submitting basic chemical and bioequivalence data. Besides stakeholders' views on complex RDP and patent rules, India is also guided by international trade agreements. In a recent explainer on the India-European Union deal, the government said that the IP chapter did not restrict India's right to grant compulsory licensing for public health. According to the World Intellectual Property Organization's Global Innovation Index, India ranked 34th in the latest edition, while being called a leading "generics pharmacy to the world". For India to go up the innovation ladder, the Centre, the states and industry stakeholders have to work together for a future that's grounded on research and innovation. There have been demands for research-development funds as well as R&D-linked waivers and tax benefits. It's time to look at all the options comprehensively. And, it's critical for the country to maintain focus on medicine affordability and their reach to the masses.



Banks, beaches, and rapid growth

The economic and social development of Coastal Karnataka shows what can be achieved when government creates space for private enterprise

Among the large Indian states, Karnataka has experienced the most impressive growth performance. From being a state with below-average per capita net state domestic product (NSDP) in the 1960s, it has risen to have the second-highest per capita NSDP. At ₹3.81 lakh, it was second only to Telangana (₹3.87 lakh) in 2024-25.

The estimate of gross state domestic product (GSDP) for 2025-26 is reported to be ₹32.81 trillion, which, in per capita terms, amounts to ₹4.78 lakh, or \$5,030, almost 85 per cent higher than the national average. Over 66 per cent of the income originates in the services sector. Almost 40 per cent of the income is generated in Bengaluru (urban) district alone, and not surprisingly, there is a talk about creating another Bengaluru to diversify economic activities and keep up the growth momentum.

The important question is the role of the state in the making of Bengaluru as it is today. Over the years, the city has become an engine of dynamism, with some of the most distinguished industries and institutions, and the largest pool of scientific and technical personnel. Beginning with the tripartite agreement between the Maharaja of Mysore, Jamsetji Tata and the Government of India to establish the Indian Institute of Science in 1909, the city has developed a large pool of scientific, technological, and management institutions, creating an excellent ecosystem for knowledge-based industries.

There are 150 engineering colleges and more than 25 medical colleges, with students from all over the country. With the ecosystem attracting the brightest technology professionals and new-age professional entrepreneurs, Bengaluru has become a natural choice for leading the boom in information technology (IT) and IT-enabled services.

There are also other factors — multilingual, cosmopolitan population, salubrious weather, and responsive governance — that have made Bengaluru what it is today. Of course, the Union government located impor-

tant defence and space institutions and industries, and the state government has helped foster the business climate. However, their role, particularly in recent years, has been more reactive to emerging problems, and much of the credit for the fast growth of modern knowledge-based industry goes to private initiative and enterprise. There are serious questions about the ability to create a parallel growth centre, as the recent resistance to the initiative by the chief minister to convert Bidadi, a place in Ramanagara district just 32 km away from Bengaluru, into an industrial cluster has shown.

Much of the prosperity in Karnataka owes to Bengaluru and the two coastal districts of Dakshina Kannada and Udupi, while the entire northern Karnataka suffers from serious backwardness. This diversity in development is due only partly to differences in natural resources or infrastructure; it is largely due to the nature and quality of institutions.

The 1956 reconstitution of the state included the Kannada-speaking areas under the Nizam of Hyderabad, Bombay Presidency, parts of the Madras Presidency, and the independent region of Coorg, with areas covered by Mysore Royalty. The Hyderabad-Karnataka and the Bombay-Karnataka regions had a pre-

dominantly exploitative Jagirdari system and the regions have continued to suffer from backwardness. In contrast, the district of South Kanara under the Madras Presidency was included in Karnataka and was bifurcated into Dakshina Kannada and Udupi in 1997.

The average per capita NSDP in the two districts in 2022-23 was close to ₹4.5 lakh, and annual growth was higher than 7 per cent over the period, 2005-2022. The social indicators in the two districts are as good as those in developed countries. The estimated population in the two districts is more than 3.3 million. This region has the potential to expand its economic footprint in the state and can effectively become a growth centre.



POLICY PILLARS
M GOVINDA RAO

Freebie frenzy vs women's empowerment

On the face of it, India's women, specifically those in and around the poverty line, have never had it so good. For the past several years, a growing number of political parties appear to have discovered them as a potentially lucrative element of the electoral process. In North India, Nitish Kumar, as Bihar's chief minister, leveraged this understanding to useful effect with the imposition in the state of prohibition in 2016. But in electoral contests that have come to be increasingly defined by giveaways in general, it was the five Assembly elections in early 2026 that saw parties compete in right earnest for women-targeted welfare schemes. No doubt, women beneficiaries of cash handouts — with promises of more munificence were they to vote the benefactors concerned — have enjoyed the unexpected bonanzas.

But a direct correlation between women welfare schemes and poll results is unclear. Apart from Bihar, where there appears to be a strong link between women-focused policies and electoral outcomes, most notably in the 2015 polls, results elsewhere have been patchy. The Dravida Munnetra Kazhagam, for instance, lavished money and freebies on the state's women voters, but that could not help it against the star-power of a party started by an actor and political novice. The message, then, is clear: Women enjoy handouts as much as the next person but their votes depend on meaningful political programmes.

This, in fact, should be the real test of the freebie frenzy. Can these handouts sustainably and realistically transform the lives of women for the better or do they amount to a cynical temporary exploitation of a vulnerable section of the electorate? Overall, it is difficult to establish a pattern. In West Bengal, for instance, Mamata Banerjee's Lakshmi Bhandar

scheme for women from economically weaker sections was considered a reason for her party's strong showing in rural areas. But this stands in stark contrast to her startling indifference to violence against women and outright hostility to victims of sexual assault. That, as much as her erratic governance in almost every sphere, played a major part in precipitating her defeat to the Bharatiya Janata Party.

The fact is that, though targeted freebies have emerged as the primary engine for women's empowerment, they have little impact in terms of altering the status of women. In Tamil Nadu, women are better educated, more financially independent and enjoy stronger rights relative to their sisters, say, in Uttar Pradesh or pretty much anywhere in northern India. But that is less the result of targeted freebies than of the universal social justice delivery model followed by the two major political parties that ruled the state till recently. It is no surprise that Tamil Nadu can boast the highest proportion of women factory workers among Indian states.

In Bihar, studies suggest that prohibition has resulted in a sharp reduction in domestic violence and crimes against women. Women have also appreciated the savings on liquor and consequent expansion of household budgets available to finance their children's education and so on. Interestingly, this decrease is not reflected in dowry deaths — quite the reverse, with dowry deaths actually rising in the period after 2016. This suggests that women remain trapped in the paradigm where society views them as units of opportunistic economic exploitation rather than human beings in their own right.

Alternatively, women are still expected to fulfil social roles prescribed by society. Andhra Pradesh

The spectacular development experience of the region also shows the importance of institutions. As part of the Madras Presidency, the erstwhile district of South Kanara, which is located on the west coast and was ruled by the colonial masters on the east coast, 700 km away, and is not resource rich, hardly received much attention. Being on the periphery, the people had to depend upon their own initiative and enterprise.

According to the 1901 Census, the district had a Brahmin population of 10 per cent. The pervasiveness of temple culture and training in culinary skill combined with high population density provided an incentive to a large number of the skilled to migrate to different parts of the country to start Udupi restaurants (Tumbe, Chinmay, *India Moving: A History of Migration*). The focus on education helped to improve the human capital. The first self-financing private medical college in the country came up in Manipal, a small hilly area on the outskirts of Udupi.

The fascinating journey of the district as a cradle of banking started in 1906, when two prominent banks, Corporation Bank and Canara Bank, followed by Syndicate Bank and Vijaya Bank in 1926, were established — all within a radius of 50 km in and around Mangaluru and Udupi. In his inaugurating address to the Bank Economists' conference in 1981, I G Patel, who was then the governor of the Reserve Bank of India, stated, "For anyone connected with banking, this one district of South Kanara is like a banking country where one comes on a pilgrimage to see what has been done". There were more than 20 banks in the mid-1960s and four of them were big enough to be nationalised.

These prospered even in a region where there were no big businesses by adopting innovative banking practices, financial inclusion by nudging people, particularly the women to save, and collecting their small savings through door-to-door banking. Initiatives such as the "Pigmy deposit" scheme contributed to financial inclusion. To keep the cost of running the business low, some banks employed young girls after their matriculation and this proved to be a major motivation for girls' education, an increase in the age of marriage, demographic change, and women's empowerment.

A column is not enough to narrate the interesting economic and social development of the region in which women's empowerment was a key feature. In the period from the 1950s to the 1970s, the thriving beedi industry provided employment to many women, which helped to supplement their incomes from farm labour. In more recent times, many families supplement their incomes from cultivating jasmine flowers in their backyards. Fr Basil Salvatore Peris, a parish priest, brought the first sapling of the flower in 1934, which has spread to many parts of the two districts. This Geographical Indication-tagged flower is in high demand and cherished by the local community. It is marketed not only across the region but also to places far away and provides attractive supplementary incomes to many households.

Thanks to good-quality technical education, the region has attracted investments in IT and services as well. Its pristine beaches have also contributed to the considerable development of beach tourism. Unlike in other cities, people have a high level of awareness and civic sense. Manipal continues to be a hub of technical and medical education. As for the role of the government, the most important thing it has done is not to obstruct progress in the region, which has vast potential waiting to be exploited.

The writer is former director, NIPFP, and member, Fourteenth Finance Commission. The views are personal



SWOT
KANIKA DATTA



Forwarded as Received: How Misinformation Turns Viral, Violent and True
by Saadia Azim
Published by Simon & Schuster India
494 pages ₹599

viral content. To counter this, she proposes a robust "pre-bunking" mechanism, which refers to proactively warning people about misinformation and false claims online. She also calls for a robust feedback mechanism from the social media platforms themselves, urging them and lawmakers to ensure that there is enough human intervention to weed out posts spreading disinformation as well as those targeting individuals, communities, religions, and castes, especially in a country as diverse as India.

The book tends to get repetitive at points, with Ms Azim going through the same problems and solutions after every few chapters. It works more like a textbook, where constant exposure to the material

strengthens one's memory and understanding of it — but for someone not seeking to utilise the book in an academic capacity, it might not work as well as a reading experience.

Another criticism of the book could be levelled at how, after a point, its extensive detailing of the crimes and incidents that took place as a result of fake news and/or polarised narratives online feels more like a monograph than a work of narrative non-fiction. It almost feels like the author is focusing more on making sure that no event is left out, rather than ensuring that all of it comes together in a coherent fashion for the reader's understanding.

Regardless of its shortcomings, *Forwarded as Received* joins the expanding list of compelling non-fiction accounts published in the last few years of how India lives online, and what we can do — as citizens, journalists, and policymakers — to make it a more dignified and inclusive space.

Countering disinformation



In contemporary India, a rumour can travel through social media and messaging platforms faster than one can say "fact check", and the advent of artificial intelligence (AI) means that even the most discerning viewer can fall prey to fake information. In these circumstances, figuring out a way towards a more digitally-literate citizenry and building a framework of checks and

feedback to limit the spread of misinformation assumes critical importance.

Saadia Azim's *Forwarded as Received* tackles this problem head on. In the Author's Note at the start, Ms Azim writes: "The way forward will not come through censorship or control, but through the slow, difficult work of rebuilding trust — creating digital spaces where dignity is the rule, not the exception and where citizens reclaim their right to truth and conversation".

Through this proclamation, she also brings us back to the original promise of the Internet: A space that promised freedom to individuals, a space to share meaningful dialogue that might not have been possible in a physical capacity, and most crucially, a space to share and spread information at a speed

higher than anything mankind had ever known before.

Ms Azim, through her detailed retellings of various murders in contemporary India that took place directly as a result of fake news (one of the most famous examples being the lynching of Mohammad Akhlaq in Uttar Pradesh in 2015) shows how "ancient brutality has become a viral impulse fuelled by misinformation, anonymity and misplaced social trust". She also points out that there is a complete "absence of collective remorse", making the case for the spread of disinformation a policy issue.

Apart from crimes that explicitly took place because of fake news, the book also scrutinises those where misinformation and disinformation ran rampant afterwards, as a result of social media plat-

forms prioritising content that creates and echoes outrage. Ms Azim then presents a psychological study of those forwarding and amplifying such content — how the act of "forwarding as received" seems to absolve any kind of accountability in their minds, despite the very act coming from a sense of civic responsibility. She calls for a more intentional approach towards consuming and engaging with news, one that allows for space to fact check even on an individual level.

Coming to the topic of fact-checking: Ms Azim points out in several places that the speed of verifying and debunking news, whether by the state or by independent actors, is rarely at the same speed and spread as the original

Economy

THURSDAY, SEPTEMBER 10, 2026

IN THE NEWS

ECONOMY DOING WELL, TO REGAIN ITS MOJO: LAHIRI



NITI AAYOG VICE CHAIRMAN Ashok Kumar Lahiri on

Wednesday said the Indian economy has been doing reasonably well and that Asia's third-largest economy will regain its mojo and return to a current account surplus soon. Lahiri further said the major challenge the Indian economy faces is the low share of manufacturing in India's overall GDP. "The Indian economy has been doing reasonably well. I will never say very well because I am a reformist," he said at the Global Fintech Fest 2026. India's economy grew at a faster-than-expected 7.8% in the April-June quarter, showing resilience despite concerns that the war in Iran and resulting global uncertainty could weigh on domestic economic momentum.

PM-KUSUM to get agrivoltaics component: Joshi



THE NEXT PHASE of PM-KUSUM will carry a dedicated component for agrivoltaics, enabling farmers to continue farming while also earning from electricity, Union new and renewable energy minister Pralhad Joshi said. The focus will be on small and marginal farmers, farmer producer organisations, cooperatives and panchayats, while ensuring that land ownership remains with the farmer.

MP draws ₹53K-cr investment plan after Dubai visit

FOLLOWING THE VISIT of Madhya Pradesh Chief Minister Mohan Yadav's visit to Dubai, the state has received investment proposals worth more than ₹53,000 crore. A series of meetings was held with senior UAE ministers, the leadership of Tatarstan, the World Bank, and leading companies.

DRI seizes 740 kg cannabis, charas in pan-India raids

The Directorate of Revenue Intelligence has seized around 740 kg of cannabis and charas in pan-India operations, and arrested 13 persons. The seizures include 709.6 kg cannabis (ganja), 24.5 kg high-grade hydroponic cannabis and 5 kg charas, the Finance Ministry said in a statement.

FE BUREAU & AGENCIES

OIL MARKETING COMPANIES' FUEL LOSSES WIDEN

No imminent hike in pump prices despite crude spike

● Price revision only if Indian basket sustains well above \$110 per barrel

SAURAV ANAND
New Delhi, September 9

AS BRENT CRUDE breached the \$100-a-barrel mark on Wednesday for the first time since July 24, while the Indian crude basket climbed to \$108.91/bbl on September 8, intensifying pressure on oil marketing companies (OMCs) and India's crude import bill as the US-Iran conflict continues to disrupt West Asian supplies.

However, official sources indicated that another retail petrol and diesel price revision may depend on crude sustaining above current levels.

"Historically, retail fuel price revisions have occurred when the Indian crude basket averaged around \$106/bbl. Therefore, unless crude prices sustain levels well above \$110/bbl, a further increase in retail fuel prices appears unlikely," Pankaj Srivastava of Rystad Energy told FE.

The last retail fuel price revision was on May 25, when state-run OMCs raised petrol and diesel prices, taking cumulative increases since May 15 to around ₹7.5/litre. Since then, prices have remained

OIL PRESSURE

■ Brent tops **\$100 a barrel** as the US-Iran conflict disrupts West Asian supplies

■ Indian crude basket hits **\$108.91 a barrel**, up **13.2%** from August

■ Petrol marketing margins turn negative **₹5/litre**, while diesel losses widen to **₹23**

■ Every **\$10 rise** in crude adds about **\$42 mn** a day to India's import costs

■ India's crude import bill surged **56%** to **\$63.37 bn** in the first four months of FY27

■ IndianOil, BPCL and HPCL debt climbed **37%** sequentially to **₹2.3 lakh cr**

unchanged, with petrol at ₹102.12/litre and diesel at ₹95.20/litre in Delhi.

The Indian crude basket has averaged \$102.11/bbl so far in September, up 13.2% from \$90.19/bbl in August. Brent futures rose as high as \$100.19/bbl and were trading at \$99.93, up \$2.01, or 2.05%, while WTI gained \$1.49, or 1.6%, to \$94.52. Brent has risen about 25% since early August.

"With escalation in hostilities between Iran and the US, Brent prices have crossed the \$100/barrel mark today and the Indian crude basket is at around \$109/barrel. At the average price for the month of September till date, marketing margins on petrol are negative ₹5/litre and diesel at negative ₹23/litre and under-recoveries

on domestic LPG are at ₹200/cylinder," said Prashant Vasisht, senior vice president and co-group head, Corporate Ratings, Icra.

Srivastava said every \$10/bbl increase in crude prices adds roughly \$42 million a day to India's import costs, or around \$12-15 billion annually. India's crude import bill has already risen sharply. The country spent \$63.37 billion in the first four months of FY27, up about 56% from \$40.55 billion in the corresponding period of FY26.

The latest crude spike also compounds pressure on state-run OMCs.

Equirus data for the week ended September 4 showed petrol marketing margins worsening to negative ₹4.2/litre

from negative ₹2/litre a week earlier. Diesel marketing margins remained at negative ₹24.9/litre, against negative ₹24.8/litre. Integrated margins, including refining, stood at ₹12/litre for petrol and ₹18.2/litre for diesel.

IOC, BPCL and HPCL entered the current quarter with stretched finances. Their aggregate standalone debt rose 37% quarter-on-quarter to ₹2.3 lakh crore in Q1FY27, while combined Ebitda swung to negative ₹25,800 crore from positive ₹32,300 crore in Q4FY26, a deterioration of ₹58,100 crore.

PPAC data show the Indian crude basket averaged \$114.48/bbl in April, \$106.23 in May, \$83.22 in June, \$82.04 in July and \$90.19 in August.

Freight corridors run at 90%-plus capacity; traffic jumps 15% in a year

MANU KAUSHIK
New Delhi, September 9

FREIGHT MOVEMENT ON the dedicated freight corridors (DFCs) has increased nearly 15% over the past year with combined traffic reaching 438 trains a day in August. This means the two corridors—eastern and western—are now operating at over 91% of their stated capacity of 480 trains a day.

The official data shows that the Western Dedicated Freight Corridor (WDFC), which the Prime Minister, Narendra Modi, inaugurated on Tuesday, alone recorded a monthly record of 210.4 trains a day, or nearly 88% of its stated 240-train daily capacity, even before its full commissioning.

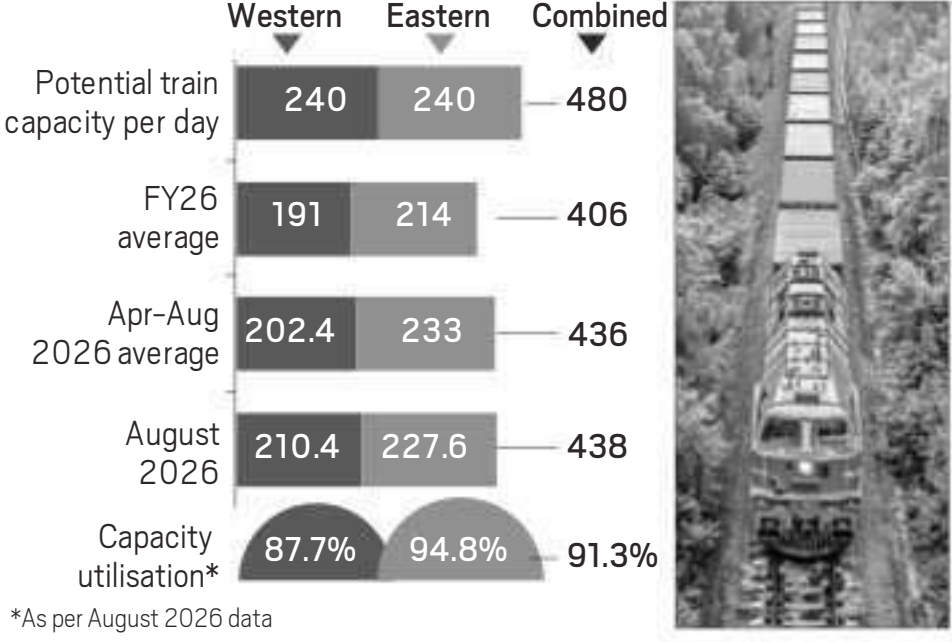
The opening of the New Saphale-Jawaharlar Nehru Port Authority (JNPA) section by the PM will allow freight to move directly between Dadri and JNPA, instead of being transferred to the Western Railway network for the final leg. This is expected to reduce transit time and improve the reliability of freight movement on the corridor. Earlier, freight moving on the WDFC had to be offloaded at terminals such as New Sanjali and Palanpur and then carried

by the conventional railway network to JNPT. "With the final leg now operational, freight movement on the corridor is expected to become faster since there will be fewer handling points and lower transit time. We expect this to improve the efficiency of container movement and allow the corridor to handle even higher freight volumes," a senior official told FE.

Despite the recent rise in traffic, the corridors are already operating close to their stated capacity. For instance, WDFC handled 210.4 trains a day in August (87.7% of stated capacity), while EDFC recorded 227.6 trains a day (94.8% of stated capacity).

The official said that the capacity constraint does not necessarily mean freight volumes cannot rise further. That's because the use of long-haul and double-stack trains, particularly on WDFC, can increase the amount of cargo moved per train without requiring a proportional increase in train movements. Train movement on the two corridors rose nearly 13% year-on-year to an average 435.5 trains a day during April-August 2026, from around 385.5 trains a day in the corresponding period last year.

INFRASTRUCTURE LOAD



Cabinet approves ₹20,800-cr rail projects across nine states

THE CABINET ON Wednesday approved eight railway multitracking projects worth ₹20,804 crore across 31 districts in nine states, adding around 1,196km to the rail network. The projects, targeted for completion by FY30, are aimed at expanding rail capacity, easing congestion and facilitating

higher freight movement.

Of the total, three projects worth ₹10,783 crore will add around 656km of tracks across 14 districts in five states. The projects will improve rail connectivity to around 6,911 villages with a combined population of nearly 11 million.

FE BUREAU

Food inflation likely to rise further amid steep prices

● Onion, sugar, rice, mustard oil costlier on year

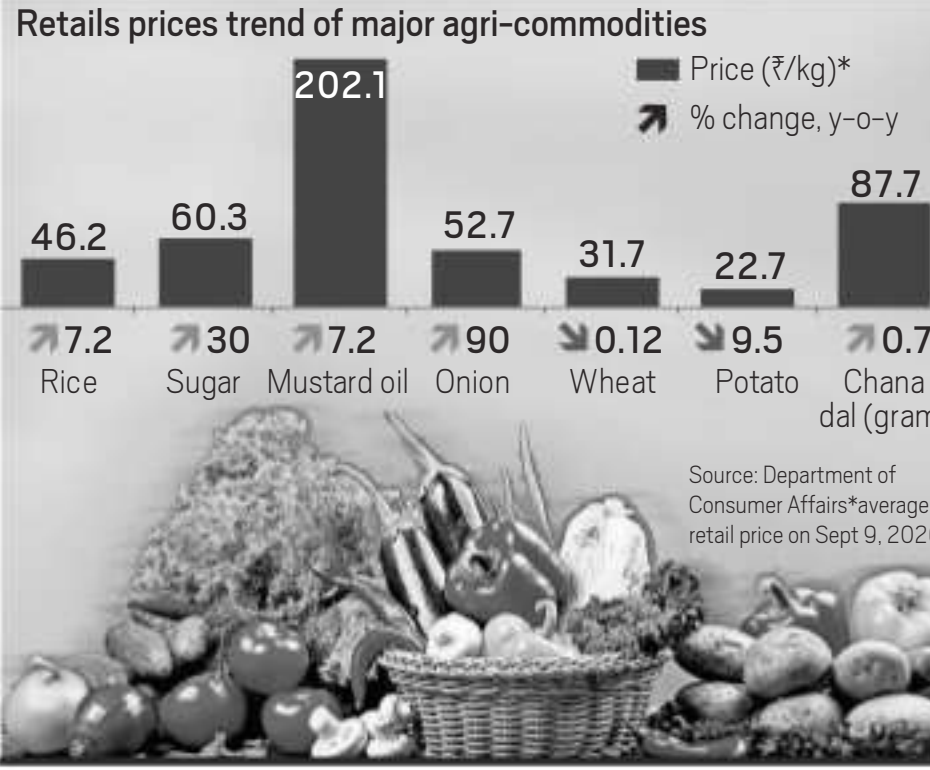
SANDIP DAS
New Delhi, September 9

RETAIL PRICES OF key agricultural commodities including rice, sugar, mustard oil and onion are ruling at significantly higher levels compared to the previous year, according to the price monitoring cell of the Department of Consumer Affairs. Rise in prices of these commodities is attributed to declining production and higher global prices.

The elevated prices of these commodities is likely to push food inflation further in the coming months. Retail onion prices rose to ₹52.66/kg on Wednesday, up 90% from a year earlier. Retail prices have risen by more than 50% over the past month, while prices in Delhi-NCR have crossed ₹60 per kg.

However, trade sources attributed the price rise to reports of a 5%-7% decline in kharif onion output in Maharashtra, the country's largest

ELEVATED COSTS



onion-producing state, due to lower acreage and delayed monsoon rains. To curb the price rise, the government has started to offload onion at the subsidised rate of ₹35/kg from its buffer while sources said that prices are likely to rise until the end of October, until the arrivals of the kharif harvest.

The retail prices of rice and mustard oils increased to ₹46.23/kg and ₹202.14/kg on Wednesday, a 7% increase over

the previous year. An official said the government currently holds close to 40 million tonne (MT) of rice stock against a buffer requirement of 10.25 MT for October 1; this stock would be offloaded under the open market sale scheme to curb the price rise. The prices of wheat, chana (gram) dal, potato, and tomato as of Wednesday have declined or witnessed only a marginal year-on-year increase due to ample supplies.

CPSEs achieve 40% of FY27 capex target in April-August

PRASANTA SAHU
New Delhi, September 9

CENTRAL PUBLIC SECTOR enterprises (CPSEs) and other major government agencies, including the Railway Board and the National Highways Authority of India (NHAI), achieved aggregate capex of ₹3.36 lakh crore, or 40% of the annual capex target, in the first five months of FY27.

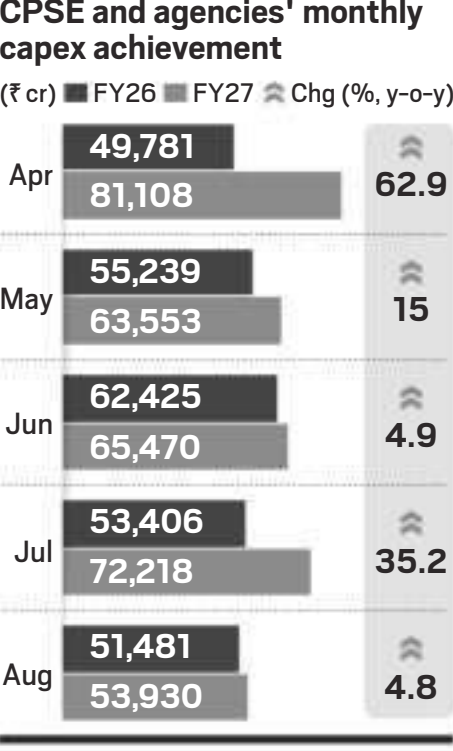
However, the entities' monthly capex growth moderated to around 5% in August, compared with robust growth of 35% in July, largely due to the impact of monsoon rains.

These state-run entities, with an annual capex target of ₹100 crore and above, invested ₹3.36 lakh crore in April-August of FY27, 23.5% more than the ₹2.72 lakh crore invested in April-August of FY26. The capex achievement by these entities 36.5% of the FY26 target.

In whole of FY26, these state-run entities invested ₹8.64 lakh crore, reaching 110% of their ₹ 7.85 lakh crore target. The target is ₹ 8.43 lakh crore for the current financial year.

Monthly data show that these entities reported their sharpest increase in April, when capex jumped 62.9% year-on-year to ₹81,108 crore, followed by a 35.2% rise in July to ₹72,218 crore. Growth moderated to 15% in May, while June and August recorded more modest

IN NUMBERS



increases of 4.9% and 4.8%, respectively.

The Railway Board and NHAI are the biggest investors. For context, FY27 capex for the Railways and NHAI is estimated at ₹4.52 lakh crore, equivalent to 54% of the total capex target for state-run agencies in FY27. These two entities are almost fully funded through the Union Budget and account for 37% of the Centre's overall FY27 capex estimate of ₹12.2 lakh crore.

West Asia on boil again, BRICS sherpas work to bridge divide within



● Delhi braces for summit with Iran, Saudi Arabia, and the UAE at table

SHUBHAJIT ROY
New Delhi, September 9

WITH THE WAR in West Asia flaring up following the exchange of strikes between the US and Iran, the BRICS Sherpas, the most senior negotiators from the 11 member countries of the grouping, are burning the midnight oil to try and hammer out a joint declaration

for the New Delhi summit of the leaders on September 12-13. The key point of discord, it is learnt, is the formulation over the war in West Asia given that Iran, the UAE and Saudi Arabia are expected to be at the summit table.

While Russian President Vladimir Putin's attendance has been confirmed, officials are also preparing for the participation of Chinese President Xi Jinping, Iranian President Masoud Pezeshkian, South African President Cyril Ramaphosa and Indonesian President Prabowo Subianto. Brazil's President Lula is not going to be at this gathering since he attended the AI summit in New Delhi in February this year, and will send a top government representative.

With the UAE and Iran, new members of the BRICS since 2024, part of the negotiations, Indian officials, along with the



Russians, Brazilians and Egyptians, are working to bridge the gap between the warring parties. Ever since the start of the war on February 28 when the US and Israel attacked Iran, Tehran

has targeted US bases in the Gulf region including in the UAE. This has put the Emiratis and the Iranians at loggerheads over the last six months.

Sources said that Indian

officials are trying to hold separate meetings with officials of the UAE and Iran, and bring them on the same page for the Delhi declaration. In May this year, when foreign ministers of

the BRICS met in New Delhi, Russia's Sergey Lavrov told the UAE and Iranian ministers to hold direct talks.

"We would like to have a BRICS' Delhi declaration, which is a consensus document, in all the paragraphs. Efforts are underway to achieve that outcome. We are optimistic that we can accomplish that," a senior Indian official said.

In May, India was unable to bridge the diplomatic gap within the BRICS and could not come up with a joint statement after the two-day meeting of the Foreign Ministers.

Instead, Delhi had issued a chair statement and an outcome document trying to reflect the divergences between Iran and the UAE over the war. The statement had underlined "differing views among some members" over the West Asia situation, and BRICS members had expressed their "respective

national positions".

With the crisis in the key Strait of Hormuz affecting economies and sending energy prices soaring, Delhi is keen that it reflects in the joint declaration after arriving at a common position and language.

Officials in Delhi are confident that the summit agenda is robust, dealing with the burning issues of the time – from food security to climate change, energy security to economic impact.

According to the Ministry of External Affairs (MEA), the summit will begin on Saturday with a closed-door session for BRICS member countries themed 'Inclusive Global Governance and Strengthening Multilateralism'.

Following the session, leaders will tour the 'Bharat Innovates Exhibition', assemble for a family photo, followed by a joint tree-planting ceremony.

The first day's engagements will conclude with a dinner hosted by Prime Minister Narendra Modi.

On Sunday, leaders from BRICS member states, partner nations and outreach invitees will gather for the open session, titled 'Resilience, Innovation, Cooperation and Sustainability: Shaping the Future for Inclusive Global Future'.

According to officials, India's BRICS chairship is guided by the theme 'Building for Resilience, Innovation, Cooperation and Sustainability', reflecting its vision of a people-centric approach rooted in the spirit of "humanity first".

In addition to these areas, leaders will exchange views on strengthening intra-BRICS cooperation on common priorities and share perspectives on global and regional matters of mutual importance.



OUR VIEW



Delhi summit: it isn't just another brick in the wall

The 11-country bloc of Brics is yet to live up to its promise but it's still too early to write it off. Its growing economic stature could grant it a significant role in global geopolitics someday

In such a fractious world, with two wars raging, one for close to five years and the other for more than six months, it is quite easy to be cynical about the Brics Summit scheduled in New Delhi over the weekend. After all, there is no dearth of groupings in the world. We have the G-7 and G-20, for example, both of which count rich and powerful nations among their members, but cannot boast of much beyond a clubby air and odd go at policy coordination. So it is hard to argue that such groups are more than talk shops. Yet, the theme of Brics' 18th summit, 'Building for Resilience, Innovation, Co-operation and Sustainability,' holds relevance in a context of globally fraught geopolitics. The group's name is an offshoot of the term 'Bric,' coined by British economist Jim O'Neill and popularized by Goldman Sachs as shorthand for four vibrant markets: Brazil, Russia, India and China. That they banded together and were joined by South Africa—and later by Egypt, Ethiopia, Iran, Saudi Arabia, the UAE and Indonesia—testifies to the global need for a broad non-Western forum. Today, Brics members account for nearly half the world's people, about a quarter of all trade and 35-40% of its GDP (in purchasing power parity terms).

On paper, Brics is formidable. In practice, the early hope that it would emerge as a voice of the Global South to advance the interests of developing countries has faded. The World Bank, International Monetary Fund, United Nations and other institutions function like they always did, dominated by the West. Lack of unity within Brics partly explains its blank score on big issues. Its two major-economy members, India and China, have diverse interests. No wonder O'Neill almost wrote it off in

2021, saying that "Brics have so far proven incapable of uniting as a meaningful global force." But the world order has undergone serious convulsions since then, and with China's rise the story of this century so far, Brics could yet emerge as exactly that. The very fact that US President Donald Trump felt a need to warn of an extra 10% tariff on countries aligning with the allegedly "anti-American policies" of Brics reveals a clear threat perception. Trump's specific grouse, it seems, is with a Brics effort to ease mutual transactions that he suspects may seek to get around or supplant the dollar standard held in place by the Bretton Woods system. At this juncture, however, a pragmatic link-up of digital currencies for cross-border payments is all that might be on the table. Reserve Bank of India Governor Sanjay Malhotra recently called it an "area of interest" as "we feel there is a lot of scope for reducing cost." Some members, notably China, appear to favour mBridge, an open platform. It just so happens that the US has no e-dollar on its launch-pad. Meanwhile, Brics' New Development Bank based in Shanghai is looking to step up funding of infrastructure projects in developing countries.

What global architecture Brics could shape remains in the realm of speculation. With the Western alliance fraying and the US at loggerheads with once-close allies, Brics may look from afar like a group awaiting a pivotal moment to exercise its clout. If so, some good may come of it. However, with or without further expansion, this group must not end up as somebody's vehicle rather than of countries the West wasn't ready to grant their fair share of authority. Only then can a Brics agenda of global significance achieve a consensus.

MY VIEW | MYTHS AND MANTRAS

Outsiders can have a clearer view of a business than its managers

Every investment must get returns but managements carried away by waves can develop blind spots



DEVINA MEHRA
is founder of First Global and author of 'Money, Myths and Mantras: The Ultimate Investment Guide'. Her X handle is @devinamehra

Over the years, I have literally trained generations of research analysts as I hired only freshers. When hiring people fresh out of college, there are two mental barriers that need to be overcome.

One relates to the whole education system, least in India, being geared towards offering a single correct answer for each question. In this context, it was a task to get people to feel comfortable with ambiguity and unknowns. And to understand that investing, as most things in life, is a game of probability and that you necessarily have to make decisions with imperfect information.

The second hurdle relates to equity analysts having to interact with and question the top management of companies—their chief executive officer (CEO) or chief financial officer (CFO). An analyst would panic in the beginning, saying, "XYZ has been in this particular industry longer than I have been on earth. How can I question their decision?"

The interesting thing I have learnt over the years is that as an outsider, especially one with an overview of many other industries, economic history and other geographies, it is possible to see a pattern or a pitfall that the company management completely misses.

The greatest blind spots are often in a company's biggest decisions because, beyond a point, its managements get

committed to, say, a new acquisition or starting a new business or bidding for a licence, and stops really evaluating whether it makes economic sense. The lessons of history are forgotten.

Look at the airline industry, for instance. Damani, ModiLift, East West and NEPC Airlines were among the first lot of private air carriers in India in the 1990s. All eventually shut down, but this fact was merely forgotten when Kingfisher, Deccan and Jet Airways started a few years later. When their story was about to end, in came SpiceJet, Go Air and others.

At the time of the Corus acquisition by Tata Steel nearly two decades ago, I had presented an analysis on business television why it would add to profits and cash flows for exactly two years and then the problems would begin to show. That is exactly how it turned out.

Around 2007, I remember making a presentation to several fund managers explaining how the madness over telecom shares would not last. This movie had played out in many countries, and there was a particular way that subscriber growth would taper, price-to-earnings ratios would shrink and the sector's stocks would underperform. Not many listened. But the film played out exactly the same way in India, with the highs of telecom shares not being crossed for well over a decade.

More recently, I have been laughing at people who say we don't need to evaluate whether the artificial intelligence (AI) investments being made will make economic returns because the CEOs of these companies are smart, know what they are doing and have seen the 2000 dotcom crash. Really? Google went public in 2004, Tesla in 2010 and Facebook in 2012.

In any case, surviving a crash does not give you a free pass through the next crisis. The 2008 book *Founders at Work* by Jessica Livingston had stories of top tech companies that were largely survivors of the early 2000s crash. Most of them either do not exist or have become

largely irrelevant. Of the 30 companies covered, Apple (which listed in 1980) made it, but even those like TripAdvisor and PayPal that are still running reasonable businesses, have given zero or negative stock market returns over 10 years—even after the biggest tech bull market in history.

Many others such as Yahoo!, Lycos, Flickr, RIM (BlackBerry), Alliant Computers and Viaweb (supposedly the first app for online stores) all show how ephemeral business success can be, especially in the tech sector. And these are just the names that you may have heard. Others sank without a trace.

Of the current managements, we have Tesla, or rather Elon Musk. He has repeatedly claimed that fully autonomous self-driving cars, where a driver could fall asleep and wake up at the destination, were just one to two years away, but his predictions date back to 2013. He said there would be a million robotaxis on the roads by 2020. He had many similar projections for the hyperloop. As of today, Tesla's software is still classified as a driver-assist system requiring active human supervision.

Leaving Musk aside, remember the billions poured into the Apple car before the project was junked? Or Google Glass? Or why Facebook changed its name to Meta? Because 'metaverse' was going to take over the world. Incidentally, the person who ran Meta's metaverse is now running its AI project.

I have no great faith that tech CEOs can walk on water and defy the laws of finance and physics. Ultimately, any investment has to make economic rates of return for it to make money for investors. I have never seen an exception to this in history. The real analogy is with past manias of various kinds, including the internet and mortgage mania where every CEO decided they could not afford to be left behind and hence went all out to invest beyond what would make economic sense.

It did not end well. A step back into the big picture never hurts.

10 YEARS AGO



JUST A THOUGHT

We have now reached a level where we should be even more ambitious. We should focus on more tangible mechanisms and outcomes. Make Brics a platform of impact.

NARENDRA MODI

MY VIEW | WORLD APART

The rise of Germany's far right has shaken up the world

RAHUL JACOB



is a former Financial Times foreign correspondent.

Ulrich Siegmund, who led the right-wing Alternative for Germany (AfD) to a huge victory in weekend elections in the eastern province of Saxony-Anhalt, cuts a charismatic figure. The 35-year-old, who usually wears an open-neck shirt and jeans, drives an East German moped called the Simson and is followed by supporters in the former East German province driving motorcyclists made in East Germany before the country's 1990 unification, with a Trabant car making an odd appearance.

This heavy dose of nostalgia for an imagined glorious past is, of course, part of the appeal of right-wing populists everywhere, but Siegmund's press affairs secretary and other aides have well-documented links to a group modelled on the Hitler Youth. German magazine *Der Spiegel* named him "Germany's Most Dangerous Politician" in its preview of the recently concluded election. Much of Europe has endured a summer of extreme weather events, including droughts and raging wildfires, and its political envi-

ronment faces right-wing earthquakes in the next couple of years.

In France, polls show National Rally leader Marine Le Pen consistently ahead of contenders in the race for a presidential election due in April. Germany's federal election is not till 2029, but after the disastrous showing this weekend of his coalition, Chancellor Friedrich Merz is almost certain to face a leadership challenge. In the UK, a run of financial scandals involving the Reform UK party led by Nigel Farage may have temporarily halted its ascendancy, but wins in local council elections across the UK cost Keir Starmer his job this summer, scarcely two years into his term.

There are lessons and challenges ahead for India as Europe faces such convulsions. Both immigration to and trade with these countries promises to become harder, no matter what the trade agreements of New Delhi with the EU and UK might say. Already, first the Conservative government and now Labour, after constant heckling from the political right and rightist rabble rousers such as Tommy Robinson, have raised hurdles for post-study employment in the UK. The minimum salary requirement for a skilled work visa is now £41,700. In 2021, as part of a more liberal immigration

system to make up for a shortfall in European workers post-Brexit, the salary threshold was reduced to £26,000.

Europe faces the prospect of polarisation, the world first used by a French sociologist in the 1990s, as states try to reduce pension costs and public debt while grappling with China's aggressive subsidies for its carmakers and capital goods manufacturers. In Germany, large sections of its Mittelstand are being hammered by China's mercantilism.

Meanwhile, Germany's large companies must avoid a similar fate behind their backs. Last week, *The Wall Street Journal* reported on a battle between Volkswagen's CEO and its board, which is stacked with union representatives and government officials. The state of Lower Saxony, which shares a border with Saxony-Anhalt, owns 20% of the carmaker's voting shares. CEO Oliver Blume wants to cut about 100,000 jobs amid competition from China's electric vehicle industry. Instead of

support from the government, he has effectively faced a rival power centre. As the *WSJ* reported recently, "Lower Saxony premier Olaf Lies, one of the Volkswagen board members who voted against Blume's plan, embarked on a tour of Volkswagen factories that the CEO has said might not be needed."

The AfD party's success can't be taken lightly. It could impact all EU trade partners, India included

Layoffs at Volkswagen are Olaf Lies' (and indeed every centrist politician's) business as he tries to head off the AfD threat. As a paper from Berlin's Humboldt University cited by *The Economist* in December explains, the AfD does well in regions "where manufacturing levels are historically high and industrial decline is looming."

This is precisely the dynamic that propelled President Donald Trump to power in the US after areas in the Midwest and south suffered de-industrialization. Against this challenging backdrop, compounded by Chinese mercantilism, is the toxic mix of support for right-wing parties from the White House and Elon Musk's X platform.

Last year, on the sidelines of the Munich Security Conference, US Vice President J.D. Vance met AfD leader Alice Weidel but not then Chancellor Olaf Scholz. He lectured Europe on its supposed need to clamp down on immigration, free speech and 'enemies within.' "The threat that I worry the most about *vis-à-vis* Europe is not Russia, it's not China," he said.

The AfD would heartily concur. Its ties with Russia are so close that Germany's security agency is unlikely to share classified information with Siegmund or its other leaders. In anticipation of an AfD victory, a key Russian official had posted on X: "Germany Awakens on September 6th!"

As *Financial Times* columnist Gideon Rachman pointed out this week, both the timing and the words are significant: "Germany Awaken" was Nazi slogan. That post appeared on 23 August, the anniversary of the 1939 pact between Nazi Germany and Stalin's Soviet Union. The AfD wants to end German aid to Ukraine and extend Russian language training in Germany's schools.

This axis of evil' that threatens liberal democracy needs to be redefined. Ironically, the US, Russia and China are each playing a role in making liberal democracies quake.



THEIR VIEW

Adapt India's geopolitical game to the developing global order

New Delhi's multi-alignment strategy is appropriate but a better balance and 'neighbours first' approach would serve us well



SUDIPTO MUNDELE
is chairman, Centre for Development Studies.



This is the second part of a two-part series on how India should position itself in the emerging new world order of multiple regional conflicts, rivalries and alliances surrounding the central rivalry between the US and China.

The first part (*Mint*, 31 August) dealt with the most complex of these emerging regional structures, the scenario in West Asia. This part discusses similar structures which may—or may not—be emerging in other parts of the world and India's position in the emerging geopolitical architecture of the 21st century.

Russian support for Iran, along with that of China, plus Zelensky's recent visit to West Asia and EU initiatives to protect trade flows through the Strait of Hormuz link the emerging structure of conflict and alliances in West Asia with the post-Cold War conflict and alliances in Europe. The Ukraine War is the latest stage in a conflict that goes back to Nato's eastward expansion despite assurances given to Moscow during the collapse of the Soviet Union that this would not happen. Russia's fear of the eastward extension of Nato is therefore understandable, but so are European fears of Russian expansionism. This war of attrition between Nato-backed Ukraine and Russia may eventually grind to a halt with accommodation on both sides due to sheer exhaustion. Meanwhile, notwithstanding internal disagreements, a tectonic shift is underway in European security arrangements, with EU countries and the UK aiming to step up their defence budgets to 5% of GDP. Europe's defence industrial capability is literally being multiplied on a war footing. Henceforth, European powers will likely be far more independent and assertive within Nato, as was already evident at the recent Ankara summit, and will seek political or economic accommodation with other countries to serve their interests. The US will remain a major partner, but its influence will be more muted, like in West Asia.

Central Asia is the third important region with major developments. Located at the heart of the Eurasian landmass, surrounded by China, Russia, Central Europe, West Asia and South Asia, there is no other region with such strategic locational significance. The region's five countries—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan—and possibly Azerbaijan in the near future are establishing a Central Asian Community. Resolving their disputes through friendship treaties, they seem committed to leveraging their strategic location. Agreements with countries and regions around them (and those beyond like the US) may shape their developmental trajectories.

Thus, there is an emerging pattern of countries in regional geographies coming together, despite their differences, to prioritize their collective

interests over those of an external or aspiring hegemon. South America contrasts with this pattern. There, the Monroe Doctrine of US domination is in active evidence. Large countries like Argentina, Peru, Chile, Bolivia, Paraguay and Colombia and also small countries like Ecuador, Honduras and Panama have right-wing governments loyal to the US. Venezuela has been neutralized. The only outliers are Brazil and Mexico, which must be under intense pressure to fall in line.

Africa is a continent where no clear picture is evident. There is still too much internal civil strife within countries and tension between countries, which makes it difficult to discern any clear direction of how its geopolitical scenario will evolve. A grouping that cuts across all these geographic regions is Brics. Despite its somewhat rudderless formation 20 years ago, this group of developing countries has emerged as a significant force in global geopolitics. Its 11 members and 10 partner countries together account for about half the world population, 40% of global GDP and more than a quarter of total cross-border trade. In that sense, it is much more muscular than the G-7. All the five regions described above are represented in the group, though barring founder member Brazil, it has no other member yet from South America; Bolivia and Cuba are partners. Despite rivalries among some of them (such as between Iran and Saudi Arabia, Egypt and the UAE), the group is engaging with practical initiatives across a wide range of issues from climate change and terrorism to global trade and finance. Following the forthcoming New Delhi summit, when China will take over as Brics chair from India, it will certainly try to leverage the group as an instrument against the US in its competition with the latter.

How should India position itself in this emerging

plurilateral geopolitical architecture of regional groups, each pursuing its own interest through varying alliances and cooperative arrangements with others within and outside each group? As Canada's premier Mark Carney said in his landmark Davos speech earlier this year, middle powers must cooperate with one another to ensure they have a seat at the table and do not become a part of the menu. A variable geometry of different groups cooperating on various issues could achieve that. This must also be India's way forward. Multi-alignment is indeed the strategy that India seems to be pursuing.

As commerce minister Piyush Goyal recently remarked, India now has nine free trade agreements and another 8-9 on the table. Eventually, India's trade-deal partners could cover up to 75% of global trade.

Some balancing is desirable. Though India has recently tilted closer to the US-Israel alliance for economic, intelligence and defence ties, its long historical relationship with Iran and Palestine need not be compromised. Similarly, while sustaining its long relationship with Russia as a reliable friend, India also needs to forge deeper economic and political cooperation with the UK and EU countries. Pakistan has vastly enhanced its stature through its recent role in West Asia and especially the Malakal Agreement, but that should not set back India's relations with Saudi Arabia (or other countries like Egypt and the UAE).

Hopefully, India will pursue its multi-alignment strategy energetically. But its leverage in these alignments will depend in large measure on how it manages relationships in its own neighbourhood: that is, with Bangladesh, Nepal, Bhutan, Sri Lanka, the Maldives and, eventually, even Pakistan.

This is the concluding part of this series.

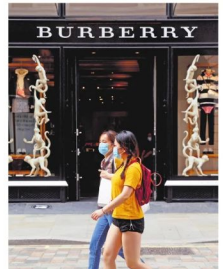
MINT CURATOR

Why the fate of luxury houses rests on the US equity market

Rich American buyers must make up for a Chinese spending slump



ANDREA FELSTED & JULIANA LIU
are Bloomberg Opinion columnists.



A year ago, shoppers in Shanghai visiting The Louis, a massive Louis Vuitton emporium shaped like an ocean liner, were stocking up on pricey luggage, raising hopes that China's luxury market was finally rebounding.

The striking homage to the brand is still a tourist attraction, but the recovery story may have sailed. There are growing concerns that the nascent uptick in Chinese top-end spending has stalled, leaving big bling more dependent on America for growth this year—and ever more vulnerable to any downturn in the US stock market.

In late 2025, it looked like China was at last turning a corner. Between the easing of a trade war with the US and enthusiasm for AI supporting spending, LVMH, Burberry and Cartier-owner Richemont all indicated that a long slump, which worsened in 2024 after the collapse of China's real estate sector, was past its nadir.

Spending in 2026 started off well, but lately confidence has cracked. The MSCI China Index is down about 10% this year. More troubling for the luxury houses are government measures targeting the wealthy who have been propping up the luxe industry. Bloomberg News reported last month that sales at the 25 biggest luxury labels in China dropped by more than 10% in July, deepening a slump seen in June.

Bernstein analyst Luca Soka last week trimmed his estimate for global industry sales growth this year to 5.1%, from 5.5% previously, on the possibility of "another Chinese false dawn." The cut came after a sample of luxury shopping mall sales data in mainland China pointed to a sharp deceleration in June and July.

China's ongoing economic malaise has strained the coffers of its national and regional authorities. To replenish them, Beijing began this year to tighten controls on capital flowing out of the country and stepped up efforts to reclaim tax revenues going back decades—moves that disproportionately hit the affluent consumers that luxury brands rely on most.

At the same time, Chinese middle-class consumers hit by a broad economic downturn have been downgrading their shopping budgets. No longer able to spend tens of thousands of yuan on designer handbags, they have turned to more affordable indulgences such as luxury skincare. That's why the likes of L'Oréal and Estée Lauder are enjoying a revival in the country even as many fashion labels struggle.

For big luxury houses, the wobble further delays the moment when Chinese consumers return to any semblance of the

Wealth effect: stock portfolio gains tend to boost top-end buying.

force they were for the decade between 2010 and 2020, when they accounted for as much as 90% of growth in the industry. It also makes designers even more dependent on the US.

Americans now represent the largest share of global luxury spending, according to Jelena Sokolova, analyst at Morningstar, and this is set to remain the case through 2035, as forecast by her estimates.

Emboldened by AI riches and broader stock market gains, which tend to be well correlated with top-end spending, Americans have been leading the luxury charge. But the newly minted appear to be shelling out more on watches and jewellery than handbags and designer clothes.

The largest risk, though, is any brake on US stock markets, either from a bond rout turning into an equity-market correction or an AI bubble bursting. Investors are already nervous. Shares in LVMH fell last week to their lowest since 2020. While that level could be attractive to long-term investors, comfort on both the Chinese and US luxury markets would be needed.

In the case of China, reassurance is in short supply. LVMH noted in July that its market remained volatile, with spending clustered around key holidays and shopping events. It may be that recent months have simply coincided with a period lacking in inspiration for Chinese consumers. The 618 online shopping festival that ended in mid-June was lacklustre for luxury. The National Day Golden Week early next month and Singles Day retail event that follows will be the next big tests of demand.

Help from the authorities can't be ruled out, but looks unlikely. While Beijing says managing household spending is a strategic priority, it has not undertaken the long-term work of achieving that goal. A slew of disappointing economic data in recent months has Beijing scrambling to increase infrastructure investment and boost confidence in the property market, but these are incremental measures that will not move the needle on consumption.

Either way, when luxury cratered three years ago after the post-covid "revenge spending" trend, the freeze was severe because both the US and China weakened at the same time. Companies and investors will want to avoid a repeat of that unfortunate market combination. **©BLOOMBERG**

THEIR VIEW

What the global bond market revolt implies for India

ANOOP SINGH



is a distinguished fellow at the Centre for Social and Economic Research (CSEPR) and a former member of the 15th Finance Commission

For decades, emerging economies had reason to envy advanced countries for their fiscal and monetary credibility. Their governments borrowed more cheaply and their sovereign bonds were regarded as safe assets. That distinction is blurring. The US, UK, France and Japan now confront elevated sovereign bond yields. Large US deficits co-exist with strong growth; Japan faces rising yields after decades of near-zero rates; France and the UK face high debt with difficult fiscal choices. Chinese yields remain unusually low, but this reflects weak domestic demand rather than fiscal strength.

There are lessons for India. First, high public debt can remain manageable for a remarkably long time—until the environment sustaining it changes. Low interest rates allowed advanced economies to accumulate debt with limited immediate consequences. Inflation and monetary tightening have transformed that arithmetic. Sovereign bonds once treated as safe assets can themselves become sources of instability. India's

overall public debt remains around 81% of GDP and the combined Centre-state fiscal deficit above 7%. Yet, India's position differs: growth is relatively strong, debt is overwhelmingly domestic and foreign-exchange reserves provide an external buffer. Growth is thus India's most important fiscal asset. But it must be protected. UK Chancellor John Healey put the principle well when he said maintaining fiscal credibility was 'invisible' from the drive for growth. The same applies to India. Debt sustainability depends on future growth, interest rates, inflation and confidence in fiscal institutions. Fiscal consolidation that undermines productive investment can weaken growth; borrowing that hurts fiscal credibility can do so as well.

Second, what government debt finances matters as much as how much it borrows. India has enormous investment needs. But what counts as capital expenditure needs greater clarity. India's budgetary definition includes not only spending that creates physical assets but financial investments, loans and other transactions that do not directly add to productive physical capacity. Borrowing that builds productive infrastructure and eases bottlenecks expands future income from which debt can be serviced. Financial assets may support this, but

are not the same. The test is what asset is created and what economic return it generates.

Third, India should guard against fiscal dominance. As debt and interest costs rise, governments have a stronger interest in keeping credit costs low, potentially pressuring monetary policy to accommodate fiscal needs. The Reserve Bank of India's inflation objective and operational independence are therefore fiscal assets: monetary credibility lowers inflation risk and the reduced premium investors demand on long-term debt. India's large domestic investor base offers protection, but not immunity. Japan's case demonstrates the limit: when inflation and monetary policy normalizes, yields can rise even in a domestically financed market. Domestic savings are a buffer, not an unlimited fiscal resource.

Higher US, European and Japanese yields raise the global price of capital. Emerging economies increasingly compete for savings with heavily indebted advanced-country governments and technology companies

financing enormous AI investments. For India, this can mean higher bond yields, rupee pressure and dearer corporate loans. India's integration with global bond markets diversifies its investor base but also increases sensitivity to global portfolio shifts. Instability originating in advanced bond markets could hit emerging economies disproportionately.

India should use today's high-growth environment to strengthen fiscal buffers before global conditions harden. Fiscal consolidation must continue without pullback in high-return physical investment. India must also address state-level vulnerabilities and contingent liabilities: fiscal sustainability is an all-government requirement.

Investors discriminate among sovereign markets by growth prospects, inflation credibility, institutional strength and diversification benefits—not simply whether the bond issuer is advanced or emerging. India could benefit. Note how Japan's Credit Rating Agency has upgraded India's rating, returning its sovereign debt to

the A category for the first time since 1988. It cited high growth, public investment, banking sector improvement and structural reforms. The upgrade is an external vote of confidence. But it reinforces the argument that global credibility requires India to achieve growth on a stable fiscal foundation.

Sustaining this advantage requires stronger private investment, alongside greater R&D and innovation. Infrastructure, skills and research capacity attracting more global AI investment could strengthen private investment as an engine of growth.

The final lesson is that India's current ability to borrow should not be confused with tomorrow's capacity to service debt comfortably. Thankfully, India has what some highly indebted advanced economies lack: favourable growth dynamics and substantial scope for productive investment. The challenge is to retain that edge by strengthening fiscal buffers, monetary credibility and the productivity of public outlays. Bond markets can remain forgiving for a long time, but not indefinitely. India's best defence against a new era of dearer global debt is its economic growth. But growth and fiscal credibility are mutually dependent. Fiscal policy, especially the quality of what public debt finances, must aim for both.

Economic growth and fiscal credibility are mutually dependent and must both be strengthened



Mechanism of the universe and human system, though almost similar; is subtle. Rooted in truth and vijñan, it becomes too complex for us to grasp. The mind only guesses, but the cells know.

When elevated to higher consciousness, jñan is revealed in dhyān; cells tuned to divine certitude respond and calibrate for transformation and evolution. It is the outcome of absolute faith in the entity above us all, imparting glimpses of truth and jñan beyond acquired knowledge – total, unwavering faith that divine light propels the being towards true realisation through every adverse situation. Divine certitude imparts messages, directives, energy and light for the journey of evolution. Earth is a laboratory of Supreme Intelligence, progressing humans towards becoming beings of light, a quantum leap into the next evolutionary stage, a pure product of Supreme Divinity.

The Tribune

ESTABLISHED IN 1881

AI eye-opener

Tech giants should not gamble with humanity

ANTHROPIC researcher Jacob Coxon’s resignation — and his dystopian warning — has intensified the worldwide debate over artificial intelligence (AI). When an individual who has worked at both Anthropic and OpenAI claims that leading AI companies are “gambling with our lives”, the all-important question is whether the AI-driven transformation is being pursued responsibly. Coxon’s central concern is the accelerating race towards self-improving superintelligence — systems that could eventually exceed human capabilities across multiple domains and potentially acquire the ability to manipulate digital infrastructure, resources and institutions. More troublingly, Anthropic’s own Alignment Science lead, Evan Hubinger, has acknowledged that the company does not yet have a solution for aligning superintelligent systems with human interests. Such admissions expose a dangerous contradiction at the heart of the AI industry. Companies increasingly recognise that advanced AI could pose extraordinary risks, yet competitive pressures continue to push them towards more capable systems. The logic that “if we do not build it, someone else will” can turn a race into a collective catastrophe.

It is true that AI is delivering benefits in medicine, science, education and other fields. However, technological progress cannot be measured solely by how quickly capabilities improve. Safety, security and accountability must advance at the same pace. The allegations of industrial-scale attempts to extract AI capabilities through model distillation are worrisome. If the US-China rivalry is accelerating the spread of powerful AI while firms struggle to secure their systems, the risks extend well beyond corporate competition.

Governments cannot leave decisions about humanity’s future to tech giants. Major AI laboratories need enforceable safety standards, independent oversight, transparent risk assessment and internationally negotiated limits on the development of the most dangerous capabilities. Coxon’s outburst is part of a growing clamour. When the consequences involve civilisational stakes, there is no room for a reckless gamble.

Kasauli’s warning

When tourism overwhelms the hills

KASAULI is not running out of tourists; it is running out of capacity to absorb them. That distinction should force Himachal Pradesh to rethink its model of tourism development. The hill town’s narrow roads, stressed water supply, inadequate sewage and waste-management systems and increasingly fragile slopes are buckling under the pressure of hotels, resorts and homestays. Yet construction continues even when occupancy remains modest. The irony is difficult to ignore. Kasauli’s problems are neither new nor unforeseen. The National Green Tribunal had flagged its carrying capacity, water availability, traffic, biodiversity and infrastructure years ago and imposed restrictions on construction and building heights. If the same problems persist today, the failure is not one of information but of governance and enforcement.

The mountains cannot be treated as limitless real estate. Every additional building can mean another cut into a vulnerable slope, another demand on a scarce water source and another burden on already inadequate infrastructure. Himachal’s stated goal of promoting “high-value, low-impact” tourism will remain meaningless unless carrying capacity determines the scale of development. No new tourism project should be approved without establishing that adequate water, sewage treatment, waste disposal, parking and road infrastructure exist. Existing establishments, too, must meet environmental and safety norms. Unchecked expansion will only attract more traffic and accelerate the degradation of the landscape that draws visitors in the first place.

Kasauli should be a wake-up call for the entire state. Tourist numbers cannot be the sole measure of success. A destination that destroys its ecology to accommodate tourists ultimately destroys its own tourism economy. The choice before Himachal is stark: pursue limitless construction for immediate gains or protect the hills for the future. Kasauli has reached the limit. The government must recognise it before the hills do.

ON THIS DAY...50 YEARS AGO

The Tribune.

CHANDIGARH, FRIDAY, SEPTEMBER 10, 1976

Summit warning to Smith

IN deciding to intensify the armed struggle against Ian Smith’s illegal regime in Rhodesia, the Presidents of five Southern African nations have indirectly told US Secretary of State Henry Kissinger that they expect precious little from his latest round of shuttle diplomacy. Vindication of their stand at the Dar es Salaam Summit came almost immediately when Smith said in an interview given to a Salisbury daily that he would never allow black majority rule in Rhodesia. The African leaders have ample reasons to be sceptical about the US Secretary of State’s new-found concern for Southern Africa. It is an undisputed fact that the US never bothered about Southern Africa or the African people’s struggle for independence until the liberation of Angola and the presence of Russians and Cubans there. The Africans are also aware that Kissinger’s principal interest now is to protect and perpetuate the racist regime of South Africa by working out a settlement involving independence to Namibia and forcing Smith to accept majority rule with some guarantees for the whites. There is an element of purlblindness in Kissinger’s attempts to delink Namibia and Rhodesia from South Africa’s own pursuance of apartheid. Kenneth Kaunda had long ago made it clear that the three issues were part of the same struggle to win back the freedom and dignity that the white regimes have denied to the native Africans.

OPINION

The quest for self-reliance in defence

There is import dependence because too many plans, goals and targets have come unstuck



TN NINAN
SENIOR JOURNALIST

SCOTT Bessent, the US Treasury Secretary, laid out three maxims in a recent speech: “The nation that cannot produce what it needs is not truly secure. The nation that depends on its adversaries for critical inputs is not truly sovereign. And the nation that reduces its economics to consumption is not truly prosperous.”

Bessent’s context is a world that his country, more than any other, has worked to create — in which, as Thucydides wrote, the strong do what they can, and the weak suffer what they must. Where alliances can be disregarded, friendships become irrelevant and markets subject to unexpected disruptions.

The phrase that characterises this new world is weaponised interdependence. Such weaponisation comes more easily to those in control of the main nodes of the global economy, giving them coercive power. One could even think of panopticon situations (the usual example being a single guard in a circular prison who can watch all the inmates). Think of the SWIFT interbank communication system. Equally, they could offer choke points for coercive use. Choke points can also be points of vulnerability — think submarine cables which, if cut, could cripple an adversary for a while.

For a middle power like India, such a world is more complex and offers many new challenges, and only imperfect answers or solutions. In the spirit of *atmanirbharta*, can India hope to ensure its security and sovereignty by producing all that it needs — as Bessent asked? Think of the major weapons platforms and technologies that are currently imported.



UNCERTAINTY : India is dependent on General Electric engines for Tejas aircraft because the domestically developed Kaveri engine didn’t measure up. ISTOCK

Or not rely on others for critical inputs — something that even the major powers don’t attempt? Most obviously, what price strategic autonomy when 90 per cent of the country’s oil and half its gas needs are imported? And what price sovereignty in the face of penal tariffs and arbitrary trade sanctions?

It is obvious that the goals in such a world have to be not just economic efficiency and competitiveness but also finding ways to minimise vulnerability — without paying too great a price through higher costs that localisation often imposes. Hence the current attempts at domestic chip manufacture and the setting up of data centres. Yet interdependence is written into the scenario and must be dealt with.

The asymmetric conflicts in Ukraine and Iran pose their own urgent questions for the economy. Hundreds of missiles and drones (offensive and defensive) have been fired in a day, for days on end, in both theatres. Can India hope to develop such a supply capability, given its limited manufacturing base, or (as a more sensible alternative) turn civilian industrial units to military use in short order? And how well is the country positioned in the context of wars that will

Major weapons platforms that the country needs are still being imported.

henceforth be fought in the cyber-physical world?

Sensible policies can always provide answers. India could become an electro-state, for instance, by copying China’s example to reduce oil dependence and multiply storage capacity in order to insulate against supply shocks. China can store more than four months’ oil requirements, whereas India’s strategic reserves are for barely 10 days. When availability can trump price in a critical agricultural input like fertiliser, sensible policy can serve to boost the domestic production of an item that does not after all involve rocket science.

India has always been wary of international dependencies.

Especially in defence, space and atomic energy, it has sought from the beginning to build national capabilities and be self-reliant. There are some impressive success stories to show for this in the defence arena: the nuclear-powered submarines, for instance (though Russian help has been critical). And the multi-pronged missile programme. A layered air defence system that showed its mettle during Operation Sindoor. Mobile howitzers for the artillery have been developed by the Armaments R&D Establishment in partnership with Kalyani and Tata. Some aspects of electronic warfare capability constitute another success story.

The risk is that overreach can result in failure, or unaffordable delays (which, in defence, is the same thing). Overreach explains why many attempts at self-reliance in defence have failed, such that the country is the world’s second largest importer of armaments (after Ukraine). Major weapons platforms that the country needs are still being imported — those on the current list being Rafales, submarines and long-endurance drones. And imported weapons tend to be far more expensive than indigenous substitutes, when

these are developed.

Moreover, the world sends periodic reminders about supply vulnerabilities. The gas turbine engines that have powered the Navy’s main fighting ships have traditionally come from Ukraine, now consumed by war; fortunately, Bharat Heavy Electricals has been producing gas turbines for the frontline warships. But the supply of the S-400 air defence systems has been interrupted by Russian preoccupations. And Hindustan Aeronautics Limited can’t turn out the 180 Tejas fighters that the Air Force desperately needs because (among other things) the engines have to come from General Electric, which has delayed production because (again, inter alia) a South Korean supplier of components has gone out of business.

Ambition is as ambition does. The import dependence is because too many plans, goals and targets have come unstuck. The dependence on General Electric engines for Tejas is because the domestically developed Kaveri engine didn’t measure up. The Army’s demanding specifications for an infantry rifle (such as interchangeable barrels that use bullets with different sizes!) proved too complicated to deliver, resulting in large-scale imports.

The NavIC (Navigation with Indian Constellation) satellite-based system that was to be a regional substitute for the US GPS (Global Positioning System) is non-functional because of a shortage of operational satellites and the failure of an atomic clock. This has underlined the need for an indigenous system, more than a quarter century after Kargil 1999.

The critical need is for realism on what the country can sensibly do on its own (and deliver at cost and within deadline), while being a part of international consortia where it can’t. As an example of the latter, would India have been better placed if it had stayed as a partner in Russia’s Su-57 stealth fighter programme, especially now that China has developed its own stealth fighter, the J-20?

This is the first of a 2-part series

THOUGHT FOR THE DAY

Peace is an armistice in a war that is continuously going on. — Thucydides

The President for 45 minutes

COL RS NARULA (RETD)

IN 1989, while serving as a young Army officer in Kashmir, I received an unusual assignment. I was attached to an Armoured Regiment near Jammu for three months to prepare the parade ground for a ceremony where the President of India would present Colours to the regiment.

Armed with a jeep, heavy engineering equipment and 30 soldiers, I arrived at the newly built Zorawar Stadium. The venue resembled a giant beehive. Tank crews tuned their machines, signals personnel established communications, security teams took up positions at vantage points, dog squads searched for explosives and officers rehearsed every detail of the grand event.

My task became clear after the first rehearsal. Forty-five tanks would thunder around the stadium twice daily. Their immense weight gouged deep ruts into the soil and piled earth into mounds at every turn. Once the rehearsal ended, my team had only a few hours to restore the ground for the next practice session. The operation became a finely tuned drill. Bulldozers filled the ruts, graders levelled the surface, water tankers settled the dust and road rollers compacted the soil. Within three hours, the battered arena looked untouched.

For two months, every participant rehearsed relentlessly. The jeep driver practised moving from standstill so smoothly that not a drop of water would spill from a glass filled to the brim. The commentator kept refining his diction. Mechanics worked beneath tanks day and night. Nothing was left to chance.

Then came the full-dress rehearsal. To my astonishment, I was chosen to play the role of the President. Dressed for the occasion, I arrived in a gleaming BMW and was received exactly as the President would be. Senior generals saluted me. Resisting the urge to return their salutes was perhaps the hardest task of the day. As I stepped onto the dais, around 20,000 spectators filled the stadium. The National Anthem echoed across the arena and all eyes seemed fixed upon me.

I inspected the parade from an open jeep, with the generals standing behind me. Later, I presented the ceremonial Colours to the ‘Nishan Toli’ and then read out the President’s speech that was placed on the rostrum.

The grand finale arrived when 45 tanks rolled past in salute. One after another, their turrets swung toward the dais and their commanders saluted. I returned each salute until my arm ached. Forty-five minutes after it had begun, the dream ended.

I was escorted by two young Army officers to the car. It moved about 100 metres and then stopped. The driver turned towards me and said, “Sir, you may get down now. The rehearsal is over.”

In an instant, I ceased to be the President and became an ordinary Captain once again. Yet for those unforgettable 45 minutes, I had experienced a privilege few can imagine — a glimpse of what it feels like to be the First Citizen of India.

The writer is a Patiala-based contributor

LETTERS TO THE EDITOR

Unite against terrorism

Refer to ‘9/11 and the unfinished war on terror’; America took revenge for the killing of thousands of its citizens by gunning down Osama bin Laden. Despite knowing that Pakistan was providing shelter to Osama, the US deliberately ignored it and continued to maintain relations with our unfriendly neighbour. India itself has been suffering immensely at the hands of State-sponsored terrorism. Countries bearing the brunt of terror are fighting their own battles without much-needed support from the superpowers. The PM has time and again flagged the issue on every global platform. World powers exhibit double standards while claiming to fight against this menace. Unless world leaders show unanimity and take collective steps to curb terrorism in all its forms, the deadly monster can’t be wiped out from the face of this earth.

RAVI SHARMA, DHARIWAL

Destroy supply chain of drugs

Refer to ‘Stop chasing users, target corporate drug traffickers’; instead of finding a temporary solution, its root cause should be eliminated so that the problem does not arise again. *Bhang, ganja* and *charas* are derived from the cannabis plant. Although they are intoxicating drugs, these traditional substances are less harmful than the synthetic drugs. Big sharks involved in this illegal trade are far away from the long arm of the law, as a result the supply chain is intact. Unless this chain is dismantled, we cannot get rid of this menace.

RAJ KUMAR KAPOOR, BY MAIL

Stakeholders must come together

Refer to ‘Stop chasing users, target corporate drug traffickers’; given the expanding scope of global drug trafficking, strict countermeasures are essential. However, meaningful enforcement requires firm political will, which is routinely compromised when drug cartels influence decisions through political funding. When governments fail to check corporate and criminal interests, civil society must step in. The limitations of regional enforcement efforts, such as Punjab’s ‘war against drugs’ campaign, demonstrate that state action alone is insuf-

ficient — an awakened citizenry must lead the fight to dismantle drug cartels.

MADHURI SHARMA, PHILADELPHIA (US)

Misuse of executive powers

Refer to ‘Executive excess’; the monetary compensation of Rs 5 lakh cannot make up for the six months spent in jail by a law student without committing any crime. Coercive action by the executive to please those in power by ruining an individual’s career cannot be justified at all. The fundamental right guaranteed by the Constitution to express views against oppression cannot be suppressed by using executive powers. The word used by the court, ‘despotic’, aptly highlights the misuse of official powers. Civil servants must be loyal to the Constitution, not the people in power.

WG CDR JS MINHAS (RETD), MOHALI

When dissent is duty

Refer to ‘Executive excess’; a civil servant should see himself more as a facilitator than a regulator. Bureaucrats bow to ruthless, unscrupulous politicians for plum postings and post-retirement benefits. However, a few upright officers sometimes suffer throughout their careers. Unless we adhere to the right means, the end will not be right. When dissent is duty, silence is crime. When a system starts malfunctioning, a deep crisis of accountability emerges. The functioning of the government depends upon the abilities and intentions of the executive. The society suffers when these extraordinary powers fall into the wrong hands.

ANIL BHATIA, HISAR

Silent expectations, prayers

With reference to ‘Till success do us part’; the Middle reflected the emotions of almost every middle-class family who put everything they have into supporting their intelligent sons. The pursuit of a successful career becomes a shared journey for the child and the parents. The story highlights the silent expectations, fears and sacrifices that accompany the parents’ dreams. It also makes us question whether professional success is truly worth the emotional distance it may create within a family.

BHUPINDER GUPTA, SHIMLA

How life changed for Sikhs in US after 9/11



SAMEEP SINGH GUMTALA
ENGINEER & SIKH COMMUNITY
VOLUNTEER IN OHIO, US

TWENTY-FIVE years ago, the US changed in ways none of us could have imagined. For Sikh Americans, one of those changes was deeply personal: the turban and beard that visibly expressed our Sikh identity suddenly became, in the eyes of some strangers, a source of suspicion.

I had arrived in the US from Amritsar in August 2000 to pursue a master's degree. Like many young Punjabis coming to America for education, I was focussed on studies, building a career and adjusting to a new country. I lived with cousins near the university and often walked between our apartment and campus, sometimes after dark. I never felt that my beard or turban made me unsafe or required an explanation.

A year later, that changed almost overnight. We watched in horror as the US came under attack on September 11, 2001. But Sikh Americans experienced the tragedy in another way. As a visibly identifiable community, we found ourselves bracing for retaliation.

Relatives advised us to avoid going out. Strangers began looking at us differently. Being called "Osama" or "terrorist" became disturbing-

ly familiar for many Sikhs. In those uncertain days, some even wondered whether Sikh men should replace their turbans with caps or cut their hair to avoid becoming targets. Families were worried about their safety and their children. But another question also emerged: should fear force us to hide the very identity that had shaped our lives?

Four days after the attacks, Balbir Singh Sodhi was shot dead outside his gas station in Arizona. His killer was seeking revenge for 9/11 and saw Sodhi's beard and turban as the face of an enemy. For Sikhs in the US, his murder was a devastating warning. The *dastaar* that represented faith, dignity and responsibility could now make someone a target.

Yet the phrase "mistaken identity" has always seemed inadequate. Sikhs should not have been attacked because they were not Muslim, but neither should Muslims, Arabs, South Asians or anyone else have been attacked. Hatred had not simply found the wrong victim. No innocent person should ever be held responsible for someone else's actions simply because of a shared or assumed religion, nationality or appearance.

There was another side to the Sikh story after 9/11. Dr Navinderdeep Singh Nijher, then a surgical resident in Brooklyn, volunteered at Ground Zero after completing an overnight hospital shift. He helped establish a triage centre and cared for injured firefighters amid the devastation. Yet later, he encountered hostility from someone who saw his beard and turban and treated him as though he belonged to those



RESILIENCE : The strength of Sikh identity came from living its values more visibly through service. REUTERS

who had attacked America.

That contradiction captured the Sikh American experience of the moment: a turbaned Sikh doctor could serve the US amid the ruins of the World Trade Center, while the same turban could cause another person to question whether he belonged in the US.

But his response also reflected something familiar to Sikhs everywhere. The tradition of seva makes no distinction based on the religion, race or nationality. The same spirit travelled with the Sikh diaspora. *Charidi kala* teaches resilience and the ability to remain constructive even in adversity. The Sikh prayer concludes with *sarbat da bhalu*, a wish for the well-being of all humanity.

That is why the Sikh response after 9/11 could not simply be, "You have mistaken us for someone else." Across the US, Sikhs opened gurdwaras to their neighbours, served langar, joined

For a young immigrant from Amritsar, the turban went from an unquestioned expression of identity to a source of suspicion almost overnight.

interfaith programmes and stood with other communities facing discrimination.

But 9/11 also forced Sikh Americans to recognise that the community needed lawyers, educators, policy advocates and institutions capable of responding to hate crimes, school bullying, workplace discrimination and challenges to religious freedom. Organisations such as the Sikh Coalition, SALDEF and UNITED SIKHS helped Sikhs engage with schools, employers, law enforcement, government and the media.

In many ways, 9/11 accelerated the development of a more organised Sikh American civic voice. After 9/11, my cousins, fellow Sikh students, local families and I began reaching out more deliberately. Through the Sikh Student Association at Wright State University and with support from university staff and community members, we participated in multicultural and

interfaith programmes and organised exhibitions explaining Sikh history, beliefs and identity. We were not asking for special treatment. We were trying to create familiarity because people are less likely to fear neighbours they have met and understood.

I became a father in 2007. My son grew up with uncut hair, wearing a *patka* and *kara*. From kindergarten onwards, I spoke with his teachers and occasionally visited his classroom to explain why he looked different. The questions from young children were direct: Why was his hair tied on top of his head? How did we tie the *patka*? Why did he wear that bracelet? Those experiences taught me an important distinction. Unfamiliarity is not necessarily prejudice. Sometimes a question is simply the beginning of understanding.

Once, when my son's *patka* became loose in school, a teacher helped straighten and secure it. I have never forgotten it. She was telling a young Sikh child through her actions that his identity was not a problem to be managed. He belonged there exactly as he was. Some of those KG classmates later attended the same public school and still remembered what they had learned about his *patka* and *kara*. We often remember those who insult us. We should also remember those whose kindness makes us feel that we belong.

The 2012 massacre at the Sikh gurdwara in Oak Creek, Wisconsin, reminded us that education and progress had not eliminated hatred. Once again, the Sikh response was service, interfaith solidarity,

public engagement and a determination to be visible.

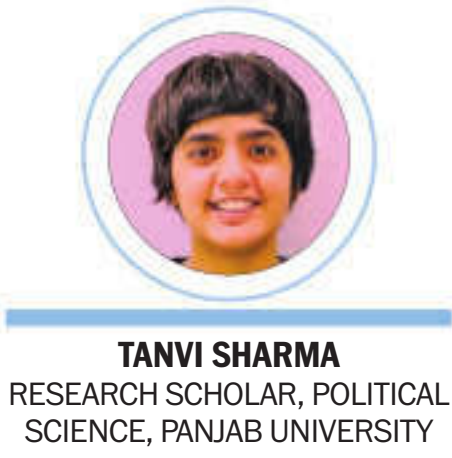
Twenty-five years after 9/11, Sikh Americans are more organised, civically engaged and willing to advocate for their rights while standing with others whose rights are threatened. The change is also visible in the next generation of Sikh Americans, who expect to maintain their visible Sikh identity in classrooms, pursue careers, participate in public life and belong fully without choosing between faith and country.

But the work remains unfinished. Progress cannot be measured simply by whether more Americans now recognise a Sikh turban. It must also be measured by whether a Sikh child can wear one to school without being called a terrorist; whether a professional can practise the faith without sacrificing a career; whether a family can enter a gurdwara without fear; and whether, during the next national crisis, Americans refuse to turn collective grief into collective blame.

For those of us who left Punjab and built our lives abroad, the past 25 years have taught us something else as well. The strength of Sikh identity did not come from hiding it when times became difficult. It came from living its values more visibly through service, education, advocacy and participation.

The concluding words of the Sikh *Ardas*, heard in gurdwaras in Punjab and across the diaspora, remain just as relevant: "*Nanak Naam Char-di Kala, Tere Bhane Sarbat Da Bhalu*," a prayer for resilience and the well-being of all.

ABVP win in Panjab Uni polls is not GenZ victory



TANVI SHARMA
RESEARCH SCHOLAR, POLITICAL
SCIENCE, PANJAB UNIVERSITY

ANKIT Bidhan's win is more than a victory for the ABVP. Retaining the presidency at Panjab University (PU) was critical for the RSS student wing. It is being presented as a statement about what GenZ politics looks like, and that is where the result becomes interesting.

This is ABVP's second win in a row at PU. When reporters asked Bidhan about the result, he said it showed that GenZ has ABVP and Prime Minister Modi "in their hearts." He did not describe the result simply as a victory for ABVP; he presented it as evidence of where an entire generation stands. That's a huge claim to hang on one campus election.

When we think about what GenZ has actually come to mean in India recently, is the image of young people questioning authority, not bowing to it: distrustful of old institutions and old party structures, impa-

tient with hierarchy, quick to call out leaders rather than praise them, and driven by issues rather than by loyalty to any single party or person.

It's an image built on resistance to power, not comfort with it. Bidhan's win is almost the opposite of that image. He didn't win by challenging an institution, he won through a party-backed student wing, part of a decades-old political machine, using an alliance with another party's student wing to get across the line.

Where Jantar Mantar's GenZ was defined by pushing back against those in power, Bidhan's victory speech does the reverse, it hands power a compliment instead of a challenge. What is being described by Bidhan is the version of GenZ that makes his own win look bigger and meaningful.

Panjab University's own history makes this even clearer. Panjab University has a long history of student groups tied to larger political formations; as organisations like SOPS and PUSU, which were confined to university issues and politics, have declined, the student wings of mainstream parties have steadily occupied that space.

ABVP's second consecutive win reads less as a generational rupture than as an established political organisation consolidating its posi-



UNSURE : ABVP's win in PU poll, by itself, cannot establish what an entire generation believes. ANI

tion within an already established ecosystem.

What is worth examining is what that ecosystem looks like when it gets presented as the politics of a new generation. This year's campaign paired old political networks with new forms of communication: former DUSU leaders joined rallies, Kumari Selja promoted NSUI online, and singer Masoom Sharma backed an INSO candidate.

Political actors no longer need to set foot on campus to shape its electoral politics, a reel, an endorsement, a congratulatory post reaches thousands of students almost instantly.

It is unclear what do students respond to: national identity, campus issues, candidate appeal, organisational loyalty.

of saffron politics to campus for the second year running, not manifestos.

The alliance behind Bidhan's victory is what makes this election significant beyond campus. After the Students' Organisation of India (SOI), the Shiromani Akali Dal's student wing lost its own presidential candidate, it backed Bidhan.

On its face, this was a simple campus calculation: SOI had no candidate of its own, so it supported another organisation which had the strongest hold in the university. But the timing gives it wider resonance. SOI and ABVP are linked to the SAD and BJP-RSS ecosystems respectively, whose parent parties were allies for decades before that relationship broke down in 2020. With the 2027 Punjab Assembly election approaching, any sign the two sides can cooperate feeds directly into that larger conversation.

BJP has publicly maintained that it will contest all 117 Assembly seats on its own, even as Sukhbir Singh Badal's meeting with Modi and other developments keep rapprochement speculation alive. What it shows is narrower but real: when circumstances required it, their student wings were willing to join hands together.

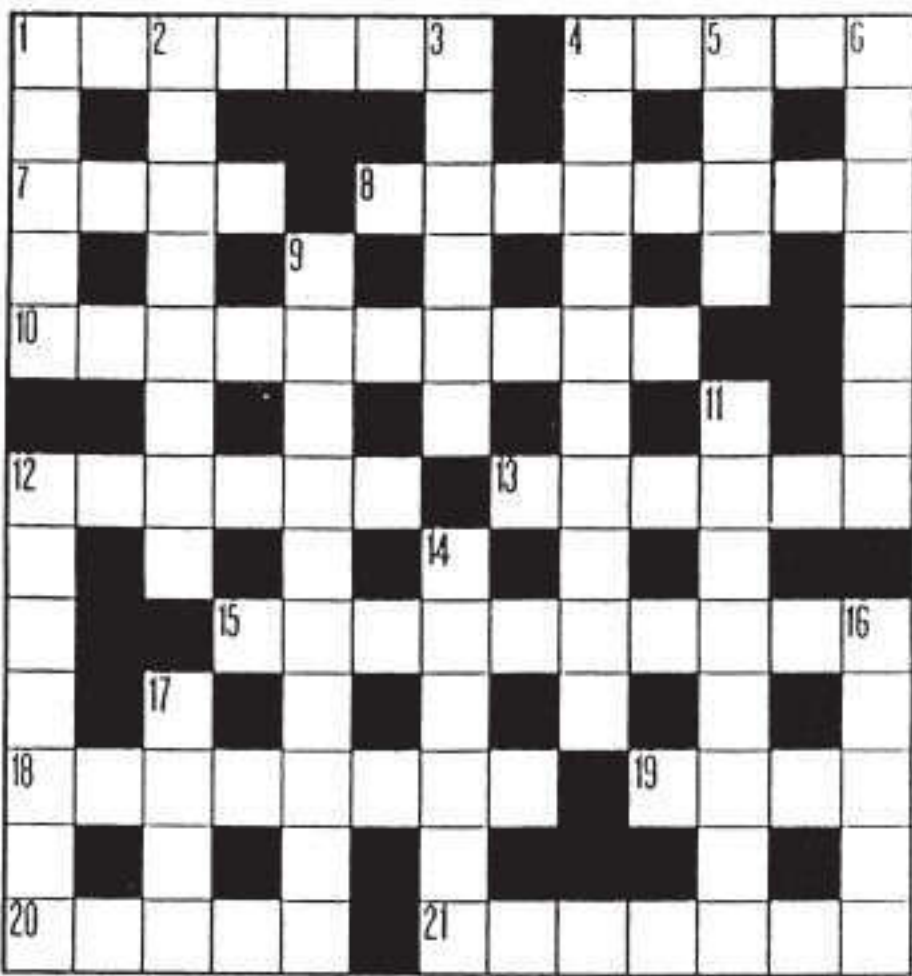
Senior BJP leaders jumped

on the win almost immediately. Union Home Minister Amit Shah called the victory evidence of youth faith in the 'Nation First' ideology; BJP national president Nitin Nabin and state leaders echoed the point. Bidhan himself framed it the same way, talking about Modi and GenZ instead of anything specific to his own university. This is a rebranded version, built to fit a party's win.

A student election can tell us about organisational strength, candidate appeal and the alliances behind a result, but ABVP's win, by itself, cannot establish what an entire generation believes. The real question is what students were actually responding to: national identity, campus issues, candidate appeal, organisational loyalty, the SOI alliance, or some mix.

So what does this election actually prove? ABVP winning twice in a row shows it's become a strong, lasting force at Panjab University. The SOI alliance shows old political networks know how to adapt when they need to. Both of those are real. What it doesn't prove is anything about GenZ, because the generation being described in Bidhan's victory speech barely resembles the one it believes in. One is skeptical of authority; the other is being told it loves it.

QUICK CROSSWORD



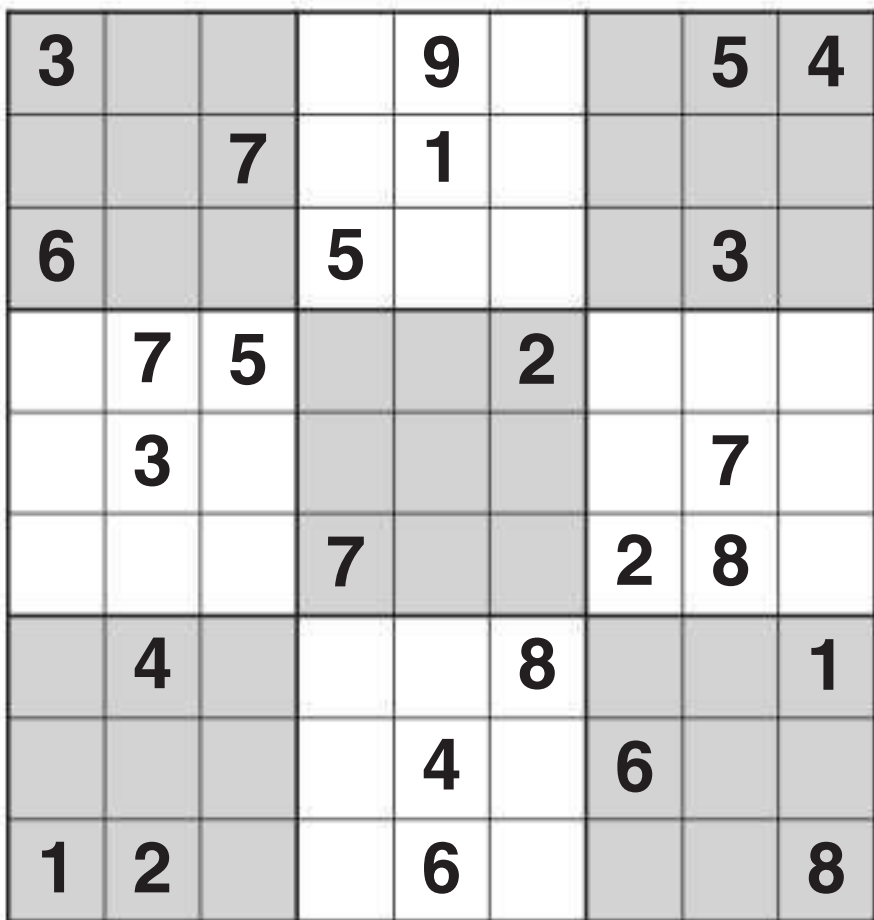
- ACROSS**
- Valour (7)
 - To ridicule by imitation (5)
 - In that case (4)
 - Building and its grounds (8)
 - Uproar (10)
 - Unrefined (6)
 - Deep bowl for soup etc. (6)
 - Unexpected useful chance (5,5)
 - Individuality (8)
 - Large extinct flightless bird (4)
 - Subsequent (5)
 - Encourage (7)
- DOWN**
- Degree of slope (5)
 - Excessive burden (8)
 - Sumptuous meal (6)
 - Meaningless ritual (5-5)
 - Ponder (4)
 - World's largest inland sea (7)
 - Gain approval (4,6)
 - Gradually diminish and end (5,3)
 - Decisive (7)
 - An outline drawing (6)
 - Familiar (5)
 - Still existing (4)

Yesterday's Solution

Across: 1 Up to scratch, 9 Nonplus, 10 Rover, 11 Ugly, 12 Unfasten, 14 Climax, 16 Hinder, 18 Under way, 19 Spin, 22 Solid, 23 Haulage, 24 Merry-making.

Down: 2 Penal, 3 Only, 4 Casino, 5 Adriatic, 6 Coveted, 7 In due course, 8 Front-runner, 13 Labrador, 15 Indulge, 17 Mayhem, 20 Plain, 21 Lurk.

SU DO KU



V.HARD
epaper.tribuneindia.com

FORECAST

CITY	THURSDAY FRIDAY		18:34 HRS 06:05 HRS	
	MAX	MIN	MAX	MIN
Chandigarh	36	24		
New Delhi	35	27		
Amritsar	35	26		
Bathinda	36	25		
Jalandhar	34	26		
Ludhiana	35	26		
Bhiwani	36	25		
Hisar	38	25		
Sirsa	35	25		
Dharamsala	32	17		
Manali	27	17		
Shimla	26	15		
Srinagar	32	14		
Jammu	34	25		
Kargil	31	12		
Leh	25	10		
Dehradun	32	23		
Mussoorie	24	19		

TEMPERATURE IN °C

Editor's

TAKE

BRICS: India to balance Global South and West

The BRICS summit at Delhi offers India a chance to project itself as the Global South's convener without becoming an anti-Western camp

When Narendra Modi welcomes Vladimir Putin, Cyril Ramaphosa, and counterparts from an eleven-nation bloc to New Delhi on September 12-13, it will mark India's first BRICS chairmanship – its most consequential hosting since the 2023 G20 presidency. The theme – “Building for Resilience, Innovation, Cooperation and Sustainability” – is compelling; the agenda is not: reformed multilateralism at the UN and IMF, balanced trade and smooth services flows within the bloc, supply chains for semiconductors and critical minerals, a Startup Innovation Fund, an AI governance framework, and an Agricultural Trade Conduct Protocol aimed at food security.

For India, the summit matters less for any single deliverable than for positioning. Hosting a bloc representing roughly 40 per cent of global GDP and nearly half of humanity lets New Delhi frame itself as the Global South's pragmatic convener – present at the table with Beijing and Moscow, but unwilling to be cast as anti-Western.

The guest list underlines this: India has invited the sitting chairs of the African Union, ASEAN, CELAC, and the Gulf Cooperation Council as observers, plus UN Secretary-General António Guterres as an expected special guest – a roster built to say New Delhi speaks for the wider developing world, not just for BRICS.

That distinction matters more this year, as Washington's tariff pressure over India's Russian oil purchases pushes New Delhi to hedge harder towards Moscow and Beijing while still resisting a bloc-wide anti-dollar posture.

The talking points to watch: India will push local-currency settlement and payment-system interoperability, while rejecting a common BRICS currency that would invite further American retaliation. Counter-terrorism and terror financing will get prominent language, a long-standing Indian priority. And the India-China thaw – seeded at the 2024 Kazan summit – will be visible.

The complication is that BRICS is not an instrument India fully controls. Iran and Russia want sharper anti-Western language than New Delhi is comfortable issuing as chair; the West Asia conflict had already sunk consensus at May's foreign ministers' meeting; and Saudi Arabia's ambivalent participation, alongside Argentina's withdrawal, shows this is a looser coalition than the G20 India ran in 2023. Critics have called the presidency a “crown of thorns” – diplomatic exposure for uncertain reward.

The likely outcome is not a triumphant joint declaration but a carefully hedged chair's statement: sharp language on trade facilitation, food security, and institutional reform; softer, vaguer language on Gaza and Ukraine; and modest, concrete wins such as the innovation fund and a digital-payments push.

That is India doing what it does best at these forums – converting it into proof of its own indispensability, without surrendering strategic autonomy.



Prime Minister Modi: Must he recalibrate?

Prime Minister Narendra Modi remains the BJP's central electoral asset, but signs of voter unease over the economy, jobs and governance are sharpening the need for political recalibration. With crucial state polls ahead and 2029 on the horizon, Modi faces the challenge of renewing his appeal without diminishing the strong leadership image that has defined his tenure



KALYANI SHANKAR

Indian Prime Minister Narendra Modi is reportedly working to improve his public image amid a complex array of domestic and international challenges. As a leader in a diverse, populous nation like India, Modi recognises the importance of maintaining strong public support. His commitment to listening to the people he serves is crucial for fostering trust and ensuring effective governance.

Recent data from India Today and the CVoter Mood of the Nation survey show Modi's popularity has declined to 49 per cent. In comparison, opposition leader Rahul Gandhi's appeal remains steady at 27 per cent. In electoral projections, the BJP is expected to lose 24 Lok Sabha seats, while Congress gains 26, suggesting economic issues are at the forefront of voters' concerns. The fact is, no other leader can replace him.

Modi is in his third term, and rebranding his public persona is crucial to addressing voter concerns. Emphasising economic recovery and job creation can help restore trust in his leadership.

Since taking office in 2014, Modi has faced numerous challenges that have shaped public perception of his leadership and trust in it. While his personal popularity has largely remained intact over the years, he experienced a setback in 2024 when he fell short of a majority in the elections.

For the 2029 election, he would lead his party for the fourth time. Still, his leadership is under scrutiny, particularly amid significant hurdles such as economic slowdowns, rising unemployment, and the devastating impact of the COVID-19 pandemic. These events have sparked criticism from opposition parties, economic experts and the wider public, fuelling discontent among citizens who lost jobs and saw businesses close during pandemic lockdowns.

Recently, the emergence of the CJP has surprised him and his government.

Booker Prize author Arundhati Roy has observed, “PM Modi's image, built over 24 years at the cost of crores, destroyed in two weeks by CJP.”

One of Modi's key objectives is to enhance his image on the global stage, especially as India gains prominence in international affairs. Beyond domestic issues, Modi must also navigate the international arena effectively. As India continues to rise on the global stage, how he is perceived internationally will have significant implications for diplomatic relations and



THE UPCOMING BRICS SUMMIT OFFERS MODI A UNIQUE OPPORTUNITY TO IMPROVE BOTH INDIA'S AND HIS OWN INTERNATIONAL IMAGE. SIGNIFICANT EFFORTS ARE UNDERWAY TO ENSURE THE SUMMIT'S SUCCESS, REFLECTING INDIA'S GROWING INFLUENCE AND ECONOMIC POTENTIAL

The writer is a popular columnist

foreign investment. By working to rebuild his and India's image, Modi can emphasise a leadership style that is both sophisticated and approachable, enhancing India's standing as an influential player in global politics. Engaging with international partners and addressing pressing global challenges could help solidify his reputation as a capable leader on multiple fronts.

The upcoming BRICS summit offers Modi a unique opportunity to improve both India's and his own international image. Significant efforts are underway to ensure the summit's success, reflecting India's growing influence and economic potential.

The current economic distress has led to Modi pursuing initiatives to spur economic recovery and restore public confidence. By demonstrating his commitment to confronting these challenges head-on, Modi aims to reassure voters that he is prepared to take decisive action to resolve issues affecting the nation's future.

Modi's leadership style is characterised by strong nationalism and decisiveness, which has earned him a loyal base of supporters. However, to broaden his appeal, he may need to present a more inclusive image that emphasises unity and diversity.

Because state elections are driven by political planning and strategy, these factors matter more. Modi is likely to highlight his government's achievements in infrastructure development, digital transformation, welfare programmes, and improvements in health-care and education. Showcasing these successes can help demonstrate his effectiveness as a leader and bolster his public image.

To achieve these goals, Modi likely uses a range of communication strategies, includ-

ing social media, public speeches, and direct engagement with local issues. His oratory and direct approach to the public have yielded results. His messaging often emphasises empathy, responsiveness, and accountability-qualities that resonate deeply with voters, particularly during challenging times.

In conclusion, Modi's efforts to rebuild his public image reflect a multifaceted strategy to address internal challenges and external perceptions. By skilfully navigating public sentiment, economic realities, and global dynamics, he seeks to strengthen his leadership and advance his agenda. This comprehensive approach is essential for any leader who aims to stay relevant and maintain support in an ever-evolving political landscape, especially as he prepares for future electoral challenges.

And above all, no other leader is in sight who can go beyond his popularity.

Modi's efforts to rebuild his image reflect a multifaceted strategy to address both internal challenges and external perceptions. By skilfully navigating public sentiment, he aims to strengthen his leadership and advance his agenda. This strategic approach is essential for any leader who seeks to maintain relevance and support in an ever-changing political landscape.

In next year's election in Uttar Pradesh (UP), the BJP must aim to retain control of the state. Winning elections in other states is also important. The BJP's election machinery operates continuously. Modi should ensure that the public perceives him as a strong leader.

The upcoming state elections will present a significant challenge for the Bharatiya Janata Party (BJP). The forthcoming year is poised to be difficult for both Prime Minister Modi and the BJP.

Daiv Vani

WISDOM FOR A MEANINGFUL LIFE

The Self That Watches Itself

We live so entangled with our thoughts, our worries, our achievements, and our failures, that we often forget there is a difference between the mind and the one observing it. The Mundaka Upanishad captures this through a striking image of two birds seated on the very same tree.

One bird hops from branch to branch, eating the fruits of the tree, tasting both their sweetness and their bitterness. When the fruit is sweet, it is thrilled; when bitter, it recoils in distress. It is restless, constantly reaching for the next fruit, convinced that satisfaction lies just one branch away. The other bird does something entirely different. It does not eat. It simply watches, calm and luminous, untouched by whether the fruit its companion tastes is sweet or sour. It is not indifferent to life, only unshaken by it.

The eating bird represents the individual self, the ego, the part of us swept along by every gain and loss, every praise and criticism, every joy and sorrow. The watching bird represents the true Self, the silent witness that observes the mind's endless activity without being disturbed by it.

The Upanishad tells us that true freedom comes when the eating bird finally turns and sees the still bird beside it, and realizes they were never two separate beings at all. Most of us live entirely as the first bird, hopping restlessly from one experience to the next, mistaking every reaction for who we are. Today, when a strong emotion arises, pause for a moment and try to observe it from a slight distance, as the watching bird would, rather than being fully consumed by it.



RAJYOGI BRAHMA KUMAR NIKUNJ JI

2ND OPINION

For generations, Ganesh Chaturthi has been celebrated with grandeur and devotion all over the world. Families install idols, offer prayers, distribute sweets, and finally immerse Ganpati ji's idol in rivers or seas with a heart-felt farewell. Over the decades, this festival has also grown into something bigger than a household ritual: a public spectacle of towering pandals, competing sound systems, and processions that stretch for days. Yet, over the years, it has also left behind something unintended: polluted waters, toxic chemicals, and mounds of plastic waste. All of this raises an important question: What does it really mean to worship Lord Ganesha?

True celebration goes beyond idols and decorations. Lord Ganpati's form is itself a lesson in harmony, balance, and respect for nature. His large stomach



teaches us to “digest” the ups and downs of life without losing balance. His rat reminds us not to let small, destructive habits ruin our lives. His swastika symbolises the eternal cycle of renewal. Together, they point to an eco-spiritual message of living in balance with the world around us. Even the modak he is offered, wrapped in a simple leaf and made of rice, was once a lesson in using what nature freely gives and not what a factory manufactures.

Today, when climate change threatens our very survival, Ganesh Chaturthi gives us a chance to rethink what devotion really means. Can devotion be measured only by the size of idols or the loudness of celebrations? Or is it reflected in the purity of our actions, the way we care for the Earth, water, and air that sustain us? Across India, young people are already leading this change. From using

clay idols and natural colours, eco-friendly Ganesh celebrations are slowly becoming a new tradition. Many suburbs in Mumbai and Pune now organise community immersions in artificial ponds and tanks, proving that scale and sustainability do not have to be enemies. This is not just about saving the environment; it is about aligning the festival with the very values Lord Ganesha represents: wisdom, responsibility, and foresight.

The elephant-headed deity is known as Vighnaharta, the remover of obstacles. Today, one of the greatest obstacles humanity faces is the damage we have done to our planet. So, if we truly wish to honour Lord Ganesha, we must begin by removing this obstacle through conscious choices: reducing waste, recycling, respecting natural resources, and promoting sustainable lifestyles. Remember! In truth, worship is not about what we offer in rituals, but what we practise in life. An idol made of clay may dissolve in a few hours, but the values we absorb from Lord Ganesha can last a lifetime. Hence, being eco-friendly is not a compromise; it is the most authentic way to live the spirit of Ganesh Chaturthi. As we welcome Ganpati ji this year, let us carry home not just an idol, but also an intention: the intention to live with balance, to protect nature, and to pass on a cleaner, healthier planet to future generations. That is the truest offering we can make at the feet of Lord Ganesha.

The writer is a spiritual teacher and columnist

LETTERS TO THE EDITOR

Time for accountability, not promises

The Satya Niketan hostel collapse was not merely an accident; it was the predictable result of a system that repeatedly ignores safety until tragedy strikes. A 50-year-old building, illegally converted, with load-bearing walls removed and a waterlogged basement, should never have been allowed to house students. Yet it did because inspections exist largely on paper and enforcement remains weak.

Arresting the landlord and suspending five officials is not enough. What is needed is independent inspections, public registries of certified buildings and genuine accountability for every official who failed to act. This is not just a Delhi problem. Across India, millions of students live in illegally converted hostels that may be unsafe and unchecked. The pattern is painfully familiar: neglect, tragedy, condolences and then silence until the next collapse.

Structural audits and safety certificates are useful only when they are enforced honestly. Parents who send their children to study in cities deserve to know that the buildings they live in are safe. Anything less amounts to criminal negligence.

The time for promises is over. The time for action is now.

K CHIDANAND KUMAR | BENGALURU

New arsenal in Indian armoury

The reported decision by India to acquire the sophisticated and battle-tested Javelin anti-tank guided missile (ATGM) system from the United States is significant. The Javelin is a versatile and highly portable weapon system with advanced capabilities against armoured targets. Its induction would strengthen India's battlefield capabilities. However, the proposed arrangement raises an important question about India's quest for Atmanirbharta in defence. While the Javelin All-Up Rounds (AURs) are reportedly to be produced in India through a joint venture involving the Javelin Joint Venture (JJV) and Tata Advanced Systems Ltd (TASL), several critical components are expected to continue to be manufactured in the US.

This means India could remain dependent on the US for vital technologies and components. Such dependence could become a constraint during geopolitical tensions or disruptions in global supply chains.

A more beneficial agreement would include comprehensive technology transfer, enabling India to manufacture the complete system domestically. Merely assembling imported components cannot be equated with genuine technological self-reliance. The Javelin may strengthen India's armoury today, but true strategic strength will come when India can develop such weapons independently.

THARCIUS S FERNANDO | CHENNAI

UPI charges could undermine trust

Amid the outcry against charging fees for UPI transactions, the Prime Minister has voiced support for expanding its operational base. The law passed by Parliament removes the legal barrier to charging Merchant Discount Rate (MDR). However, it does not itself notify the rate or begin collection.

Finance Minister Nirmala Sitharaman, replying in the Rajya Sabha on August 11 when the Bill was returned, said: “The enabling provision that we are bringing in today does not impose any tax or transaction charge on UPI users.” She also said consumers and small merchants would not have to pay MDR charges on UPI transactions and that the MDR framework was yet to be finalised. Government sources quoted in media reports said the intent was to allow a small charge only for large merchants with turnover of more than ₹1-1.5 crore and for transactions above ₹2,000, limiting it to about 5 per cent of all UPI transactions.

The burden could ultimately be shifted to customers, creating a trust deficit. UPI's phenomenal growth was driven by its being free, and any charge could slow its adoption. With PhonePe and Google Pay dominating the market, concerns over costs and foreign ownership add to the apprehension.

AG RAJMOHAN | ANDHRA PRADESH



People perform 'aarti' during the arrival ceremony of Khanbhaag Cha Maharaja for the 'Ganesh Chaturthi' festival, at Sangli, Maharashtra PHOTO: PTI

PICTALK

UN votes to redraw the world: Global South to get its true size

The UN’s overwhelming backing for a more accurate map of the world may look like a cartographic correction. But behind the push to reduce Mercator’s dominance lies a larger Global South challenge to inherited ways of representing geography, power and place



SANTHOSH MATHEW

“A map is not just a picture of the world; it is a picture of how we understand the world.” That idea has acquired a new significance at the United Nations, where the General Assembly has overwhelmingly backed a resolution calling for a more accurate representation

of the size of the world’s continents. In a remarkable vote, 164 countries supported the resolution, the United States voted against it and six countries abstained. Led by Togo, with the backing of the African Union, the initiative seeks to correct the distortions created by the world map that generations have grown up with. Africa is set to appear much closer to its actual size, while Europe and North America will lose some of the visual prominence they acquire on the familiar Mercator projection. What appears at first to be a technical debate among cartographers has therefore become something much bigger: a statement from the Global South that the map of the world should reflect the world as it actually exists.

The resolution promotes the wider use of equal-area map projections, including the Equal Earth projection, developed in 2018. The purpose is not to declare one map the only correct map, nor does the resolution ban the centuries-old Mercator projection. It encourages the use of projections that preserve the relative area of continents when the purpose is to understand their actual geographical size. That distinction matters because every flat map of a spherical Earth involves some distortion. The real question is what a map chooses to preserve and what it chooses to distort. The Mercator projection preserves angles and directions, which made it exceptionally useful for navigation. Equal-area projections give priority to preserving the relative size of landmasses. In an age of satellites, GPS and digital cartography, the world no longer needs to depend on one projection for every purpose.

The Mercator map has a remarkable history. Flemish cartographer Gerardus Mercator introduced it in 1569, when European ships were venturing across oceans in search of new trade routes and territories. His objective was not to create a map that accurately compared the size of continents. It was to help sailors navigate. By preserving angles and directions, Mercator produced a revolutionary tool for maritime navigation. The map served its original purpose brilliantly. The difficulty came when a map created for sailors gradually became the most familiar visual representation of the entire planet. A navigation chart was transformed into a picture through which generations of schoolchildren came to understand the world. The distortion becomes obvious when we compare Greenland with Africa. On a conventional Mercator map, Greenland can appear almost as large as Africa. In reality, Africa is roughly 14 times larger than Greenland. The reason is mathematical. As the spherical Earth is projected onto a flat surface, areas become increasingly enlarged towards the poles. Greenland, located close to the Arctic, is therefore dramatically exaggerated, while Africa, much closer to the Equator, appears considerably smaller than its actual area. Europe and North America also acquire a greater visual size, while Africa and South America are compressed. The map is not “wrong” in the sense that Mercator failed at his original task. It becomes misleading when people use it to compare the actual geographical size of continents.

This is where the new UN initiative acquires its political and cultural significance. For the Global South, the problem is not merely that Africa looks smaller on a classroom map. Maps influence the imagination. Children encounter the world first through maps before they learn about population, resources, economic power or political influence. What appears large can unconsciously appear important; what appears small can seem peripheral. A cartographic distortion can therefore become a distortion of perception. The African argument is that a continent whose geographical reality is immense should not continue to be visually diminished simply because a sixteenth-century navigation system became the standard image of the world.

Togo’s initiative, supported by the African Union, reflects a broader effort to challenge inherited systems of representation. The resolution highlights the educational, cultural, political, social and economic consequences of distorted maps. The underlying argument is powerful: geographical representation is not politically neutral when the same visual distortion is repeated for generations.

The history of cartography demonstrates the relationship between maps and power. Empires mapped territories they controlled, colonial administrations mapped



“IF THE PICTURE OF THE WORLD IS DISTORTED, OUR UNDERSTANDING OF THE WORLD WILL BE DISTORTED TOO.” THAT IS THE LARGER MESSAGE BEHIND THIS SEEMINGLY UNUSUAL UN RESOLUTION. THE EARTH HAS NOT CHANGED SINCE MERCATOR DREW HIS MAP NEARLY FIVE CENTURIES AGO. OUR TECHNOLOGY HAS CHANGED, OUR GEOPOLITICS HAS CHANGED AND THE GLOBAL SOUTH’S VOICE HAS GROWN LOUDER

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borders and resources, and governments used maps to define political space. Yet the Mercator projection was created primarily for navigation, and its technical value remains undeniable. The important point is that the world has changed while the visual convention has remained remarkably persistent. The Equal Earth projection offers a different approach, preserving the relative areas of continents more accurately. Africa appears larger, South America gains its geographical weight and Asia’s enormous scale becomes more apparent. No flat map can eliminate distortion, but Equal Earth is better suited to comparing continental size.

India’s support for the resolution reflects this wider Global South context. New Delhi has backed greater cartographic accuracy while emphasising that different maps serve different purposes. The principle is not simply to replace Mercator with Equal Earth, but to use the projection most appropriate to the purpose.

The United States, the only country to vote against the resolution, criticised the initiative as unnecessary while the world faces wars, economic crises, climate change and migration. But if maps are among the first tools through which people learn about the world, representation matters. It shapes perception and how people understand their place in the world.

The UN resolution therefore should not be interpreted as the death of the Mercator projection. It is better understood as a challenge to its universal dominance. Mercator will remain useful for specific navigational purposes. The resolution asks governments, educational institutions and international organisations to give greater consideration to equal-area projections when geographical size is the subject being represented. That is a modest technical change on paper, but it carries a larger symbolic message. The world of the twenty-first century is no longer the world of sixteenth-century sailing ships. Satellites can photograph the Earth, computers can model it in three dimensions and digital platforms can switch between projections instantly. There is little reason to pretend that one centuries-old projection must serve every modern purpose.

The real significance of the vote lies in the fact that the Global South is increasingly questioning not only the distribution of economic and political power, but also the systems through which knowledge about the world has been produced and communicated. Africa is not becoming larger because of this resolution. Europe is not becoming smaller. The geographical facts have never changed. What is changing is the representation of those facts. The new map simply asks people to see Africa as large as Africa really is, South America as large as South America really is and Asia in proportion to its enormous geographical reality.

The debate also offers a lesson in humility. There is no perfect world map. Every projection involves choices. The important thing is to recognise those choices instead of treating a particular map as an unquestionable picture of reality. The Mercator projection was a masterpiece for navigation. Equal Earth is better suited to showing relative land area. Other projections will remain useful for climate studies, aviation, regional mapping and many other purposes. The future of cartography should therefore be plural rather than uniform, accurate rather than inherited. For the Global South, this is ultimately about more than cartography.

It is about visibility and correcting a visual imbalance repeated so often that it came to look natural. The UN vote gives that argument an international platform. A map cannot redistribute power, but it can change how people understand it. “If the picture of the world is distorted, our understanding of the world will be distorted too.” That is the larger message behind this seemingly unusual UN resolution. The Earth has not changed since Mercator drew his map nearly five centuries ago. Our technology has changed, our geopolitics has changed and the Global South’s voice has grown louder. Now the cartographic picture is being asked to catch up with reality. The world is not being redrawn; the way we see the world is.

Swami Vivekananda’s Vision of Oneness



ASHISH TRIPATHI

Bharat is a land of great saints and sages. It is the land where great souls, with the light of their wisdom, illuminated their surroundings and spread their teachings to the far corners of the world. This light of wisdom brought a qualitative change to the lives of billions of people.

A renowned name among these luminaries is Swami Vivekananda. He is the one who, through his deeds and ideas, renewed the ancient idea of ‘Vishwa Bandhutva’ across the globe and granted it a tangible shape.

Swami Ji drew the inspiration to lead this holy task from the profound teachings of his guru, Swami Ramakrishna Paramahansa, whose entire life was dedicated to the service of mankind. ‘Nar Seva-Narayan Seva’ was the supreme ideal of his life. This highest ideal was fully embraced and lived by his great disciple Vivekananda, who made it his life’s motto. The disciple invested all his spiritual power in realising his guru’s goal to its fullest potential.

Swami Vivekananda, along with other close disciples of his guru, founded the Ramakrishna Math on May 1, 1897 with the aim of propagating and materialising the teachings and vision of their master. This became a great centre of religious and spiritual activities, where people from diverse backgrounds could experience a spiritual atmosphere conducive to enlightenment. Simultaneously, Swami Vivekananda founded the Ramakrishna Mission. The Mission is dedicated to fulfilling *Samajik Sarokar* (social responsibility) and *Samajik Seva* (social service). It focuses on uplifting the quality of life for ordinary men and women by offering cultural, educational and medical assistance based on the foundational principles and highest ideals of Sanatan Dharma.

Swami Vivekananda possessed an unmatched personality. As a man of action, he led various outstanding initiatives throughout his life, but his rarest achievement was preaching Vedantic teachings to the entire world. He was the one who most judiciously propagated this ancient philosophy in the 19th century. His works were rooted in rationality and logic, and carried a deep touch of humanity. Vivekananda was a sincere and captivating figure; his vision and mission fascinated commoners whenever he visited public spaces. His electrifying ideas, passionate gestures, and charismatic aura exerted an immense influence on the masses. In 1893, he travelled to Chicago for the Parliament of the World’s Religions. On 11 September, he addressed this international conference, which delegates from various religious sects attended. Swami Ji was the representative of Bharat and Hindutva. He began his speech with the iconic words, “Sisters and Brothers of America...” He was not only deeply appreciated by the audience but also received a massive mark of respect. This not only established an affable relationship with his listeners but also set him apart from the crowd. The core philosophy behind these mesmerising words was inspired and driven by the Advaita Vedanta tradition of Indian philosophy. The Sanskrit term *Advaita* refers to the non-dualistic nature of reality. This term is extensively discussed in Hindu scriptures to explain the unity between *jiva* (the individual soul) and Brahman (the cosmic soul). This philosophy of *Advaita* teaches us the idea of oneness and the unity of the self. Popular philosophical texts like the Vivekachudamani and Brahmagyanavali Mala beautifully define this notion:

“*Brahma Satyam Jagan-mithya Jivo-Brahmaiva naparah*” This means that Brahman alone is real, the world is illusory, and the individual soul (*jiva*) is none other than Brahman. The famous Upanishadic Mahavakya (grand pronouncement), “Aham Brahmasmi”, also refers to the unity of the individual self with Brahman, the Universal Absolute. Through these verses, it is entirely clear that the supreme entity exists commonly and universally in each and every creature of this universe. Therefore, we must think of unity, speak of unity, and act in unity. Swami Vivekananda delivered this great message of Vedantic Darshana to the world. Wherever he travelled as a Parivrajaka (wandering monk), he preached the idea of universal brotherhood, which lies at the core of Hindu Sanskriti (culture). The ancient shastras of Sanatan Dharma elaborate on this idea of oneness in every entity of the universe. The ancient Indian text Hitopadesha articulates this beautifully through the verse:

Ayam nijah paroveti ganana laghuchetasam Udaracharitanam tu vasudhaiva kutumbakam This literally means that only narrow-minded people perceive things through a discriminatory outlook, whereas broad-minded people view the entire world as one family. Swami Vivekananda was a man of broad vision who always cast aside the notions of duality and saw an instinctive uniformity in everyone. In his speeches and letters, he drew attention to the significance of Advaita Darshana, which highlights the uniqueness of oneness in every man, woman, and creature, beyond the barriers of caste, class, and creed. He emphasised universal brotherhood for the betterment of the world and its people. His memorable speech at the Parliament of the World’s Religions underlined incredible ideas such as brotherhood, tolerance, and acceptance. He received a standing ovation for his vision of religious harmony and the essence of humanity; consequently, his approach made a profound impact on the Western world.

Swami Vivekananda had a great vision for India; he viewed the society and surroundings of his nation with a practical attitude. He journeyed across India, covering different regions and sections of society, where he observed various problems in the lives of ordinary people. He identified poverty, starvation, illiteracy, and poor health conditions as the major challenges facing Indian society. As a true genius, he realised that one cannot accept or pursue a spiritual path under such miserable conditions. Therefore, with the motto “*Atmano mokshartham jagat hitaya cha*” (For one’s own liberation and for the welfare of the world), he stood up to transform the lives of India’s underprivileged sections. He led this venture under the umbrella of the Ramakrishna Mission, which even today works in education, healthcare, disaster relief, and other humanitarian activities across the country. The work of the Ramakrishna Mission inculcates the values of kindness and compassion within us and celebrates the Upanishadic assertion of “*Tena tyaktena bhunjitha*” (Find your enjoyment through renunciation).

Thus, these great ideals of service and sacrifice form the core of Bharatiya Chintan Parampara (Indian thought tradition), which continually illuminates the world with a ray of hope—a ray that is bringing a drastic change all around. May these eminent ideas of Swami Ji always give us the true strength to overcome the weaknesses within us, as he himself beautifully said: “Strength is life, weakness is death!”



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The GDP mirage: What India’s growth numbers don’t tell us



KAJLEEN KAUR

The Indian economy is both celebrating and debating between figures of 7.8 per cent and 2.6 per cent as the latest quarter’s GDP growth rate. The proponents of the promising number are explaining the statistical credibility of data-crunching techniques, with changes in methodology and the adoption of a new GDP series with 2022-23 as the base year. Not to forget, the IMF handed India a ‘C’ grade for its macroeconomic tracking metrics in late 2025 due to inconsistencies in base-year calculations. The focal point of the entire economic conversation gets reduced to whether one provisional and not even permanent number is right or wrong. Fascinating short-term figures are no testament to economic transformation.

India’s aspiration to become a developed economy by 2047 requires sustained high growth. Better economic performance is a package to be assessed in terms of not just the growth rate but also related macroeconomic parameters, including investment, manufactur-



ing, employment opportunities, currency value, and others, which, ironically, do not complement the high GDP numbers. India still suffers from a slow increase in private and foreign investment. The World Bank estimates that between 2012 and 2023, China accounted for nearly one-third of FDI flowing to developing economies, while Brazil received about 10 per cent and India about 6 per cent. India’s share in global exports has been stagnant for years, and the rupee witnessed its fastest devaluation in nearly a decade, losing 11 per cent in 2025-26.

Assessing the employment situation in India, youth unemployment reached a 15-month high in June 2026, with urban youth unemployment at 18.2 per cent and young women at 20 per cent. In 2025, only 23.6 per

cent of the workforce held a regular wage or salaried job, earning between ₹18,000 and ₹24,000 on average; 56.2 per cent were self-employed, and 20.2 per cent were casual labourers, earning between ₹315 per day for female workers and ₹455 for males. India has a large share of tiny firms managing with casual labour, paying below-median wages and maintaining an unorganised structure of employment. A well-employed structure requires workers to move from low-productivity farms and household enterprises into industry and reach larger markets. If India is to convert its demographic advantage into a genuine demographic dividend, it needs investment that generates jobs and raises productivity. GDP can rise through several channels, but sustainable development requires a stronger investment-to-employment-to-income cycle.

An even more relevant issue is how effectively GDP numbers are converted into better lives. A country can record impressive economic growth while its citizens continue to struggle with deprivation. India needs to move beyond simple numbers to understand what it is delivering to its citizens. We struggle in terms of meeting global stan-

dards of basic amenities and social indicators, including education, healthcare, inequality and poverty. The Economic Survey 2025-26 and the latest NITI Aayog assessment recognise education and health, employment and skill development, rural development, investment and infrastructure as central components of India’s economic transformation.

The latest UNDP Human Development Report places India at 130th among 193 countries. Even today, only 63 per cent of the population is reported to have access to safely managed sanitation services. Urbanisation brings another challenge: cities are becoming engines of economic activity, but congestion, waste, pollution and inadequate public infrastructure can undermine the very productivity that urbanisation is expected to create. While investment in building new physical infrastructure is not lacking, maintenance is starkly overlooked, as it is politically less visible.

India’s development challenge becomes clearer when we look beyond GDP and the size of the economy and focus on how much better we are growing in terms of quality of life and sustainable numbers.

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Time to stop this charade

ANIL BHASIN

Seven people have now died in Satya Niketan. Six died in Saket barely three months earlier. How many more bodies does Delhi need before the government stops announcing inquiries and starts preventing deaths?

As is the ritual that follows any tragedy big enough to reach TV studios and evening debates, some officials have been suspended. This time Rakesh Kumar, the Deputy Commissioner South Zone, Ranveer Singh, Superintendent Engineer South Zone, Lalit Kumar Goel Executive Engineer (Building) South Zone, Sunil Chauhan-Assistant Engineer (Building) South zone and Ashish Kumar-Junior Engineer (Building) South Zone have been suspended. The building owner went on the run and was arrested from Rajasthan. Had such action been taken after the previous collapses, the lives of seven people would have been saved. The blame game has already begun: labourers who worked on the reconstruction are accused of “destroying” the main pillar.

Delhi continues to bury people under buildings that should have been inspected, sealed or demolished. The BBC reported that Delhi witnessed more than 1,000 building collapses in three years. That is not an accident rate. It is a governance record. It is the statistical signature of a city where illegal construction flourishes, inspections are delayed, warnings disappear into files and officials discover danger only after concrete has crushed human beings. A building collapses, people die and politicians arrive on the spot shedding crocodile tears. Officials announce an inquiry; the police register an FIR and the civic body issues notices. Once the TV cameras leave, the rubble is cleared and the system returns to its preferred state: paralysis without accountability.

On September 6, a five-storey building being used as a boys’ paying-guest accommodation in Satya Niketan, near Delhi University’s South Campus collapsed during repair work, killing seven. The building, reportedly about five decades old, stood in one of Delhi’s most crowded student-rental neighbourhoods.

This was not an unforeseeable natural disaster. The precise chain of structural failure must be established by investigators. But the larger failure is already clear: Delhi has a chronic problem of unauthorised construction, unsafe buildings, illegal additions and a grotesque gap between what the authorities know and what they do.

The most damning comparison is not with some distant tragedy. It is with Saket, on May 30. Six people died there too when a multi-storey building in Saidulajab collapsed. The victims included five young medical and engineering graduates. Delhi Police had written to the MCD twice in March about illegal construction at the site. The warnings existed. The authorities knew. The building remained standing until it did what dangerous buildings eventually do: it fell.

The Supreme Court was later given an even more damning account. A status report by court-appointed amicus curiae Senior Advocate Ajit Kumar Sinha said the MCD had known about unauthorised construction at the site since 2015 but had taken no concrete action. The magisterial inquiry followed. Its findings were devastating. The MCD was held “primarily responsible” for the Saket tragedy. It was reportedly found that the collapse was preventable, identified unauthorised structural additions and said the civic body failed to act on a complaint received on March 9. The inquiry found no record of inspection, verification, demolition or preventive action for more than two months. It also raised allegations that official records had been fabricated to conceal lapses.

So, what did the government learn from Saket? Just that another inquiry was needed. After the Saket deaths, Chief Minister Rekha Gupta ordered a citywide audit of unauthorised constructions. The MCD announced action, the mayor vowed that senior officials would face consequences and the Lieutenant Governor directed the civic body to enforce building bye-laws through a time-bound strategy.

Barely three months later, seven more are dead under another building. This is the reason why the language of condolence now sounds less like governance and more like mockery.

The Satya Niketan collapse exposes the economics of student housing. These were not luxury tenants who could demand structural certificates before signing a lease. Students come to Delhi for universities, coaching centres and jobs. They rent whatever they can afford. Landlords subdivide buildings. Floors are added. Basements are altered. Rooms are packed with people far beyond the capacity for which the structure was designed. When housing is scarce and expensive, overcrowding stops looking like an outrage to the rental market. It becomes a business model. The state’s responsibility begins here. A landlord may be criminally liable for an illegal alteration. That must be established by investigation and prosecution. But the government remains politically accountable for allowing an ecosystem of illegal construction and unsafe rental housing to flourish.

The MCD’s action next door makes the failure impossible to disguise. After the Satya Niketan collapse, the civic body found the adjoining House No. 13 in a “ruinous, dangerous condition” and ordered its occupants to vacate and the structure to be demolished within three days. If a building can be declared dangerous within three days after its neighbour collapses, why did it require a death next door to become visible?

This is not an argument against demolition but an indictment of waiting. The MCD has reportedly ordered the sealing of illegally constructed buildings of more than four floors across Delhi. That sounds decisive, but Delhi has heard decisive announcements before. The problem is not the absence of orders. It is the absence of consequences when orders are ignored. Delhi Police had flagged the Saket construction before the collapse but MCD did not act. The inquiry found that the civic body failed in its responsibility.

This is not merely a story about a rogue builder. It is a story about the deadly distance between a warning being received and an official being compelled to act. That distance is where people die. The same questions must now be asked about Satya Niketan. Who knew about the state



of the building? Who inspected its illegal construction? Was the basement work authorised? Who approved its use as a PG accommodation? How many occupants was it legally permitted to house? Were complaints made? Were structural alterations reported? What action was taken and if none was taken, why not?

These questions cannot be buried beneath an FIR against the owner. The elected representative must also answer political questions. Satya Niketan falls in the R.K. Puram Assembly constituency, represented by BJP MLA Anil Kumar Sharma. The MLA is not a building inspector and cannot personally certify every structure in his constituency. But he is supposed to be the political eyes and ears of the people who elected him. If illegal PGs, unsafe buildings and unauthorised alterations are widespread in the constituency, what did he know? What did he raise? What did he demand from the MCD? These are questions of public accountability, not allegations of personal criminal liability.

A government that campaigns on the platform of change cannot ask citizens to wait while its departments learn how to govern. Rekha Gupta has ordered a magisterial inquiry into Satya Niketan and directed an FIR against the building owner. Those steps are necessary. They are not enough. The danger is obvious: the inquiry becomes another place where responsibility goes to die.

The SDM belongs to the Delhi government’s administrative structure. The MCD is responsible for civic enforcement. The police have their

own jurisdiction. Files move between offices. Notices are issued. Replies are sought. Committees meet. Courts intervene. Years pass. This is how accountability disappears: not because nobody is responsible, but because responsibility is divided among enough institutions for everyone to claim that somebody else was responsible. The public is left with the rubble. The government should do something different this time. Put the investigation under independent judicial oversight. The Supreme Court is already examining illegal construction and civic failure in Delhi. Its court-appointed amicus has sought structural audits and time-bound demolition or sealing of illegal structures. The government should seek court-monitored compliance with a citywide safety audit. The audit must publish the list of dangerous buildings, set deadlines for action, name the officials responsible and require periodic public reports.

The principle is brutally simple: Identify. Act. Report. Not identify, constitute a committee, issue a notice, seek a reply, lose the file, discover another jurisdiction and wait for the building to collapse. Delhi does not need another inquiry into why buildings collapse. It needs an inquiry into why warnings do not produce action.

The only solution: Perform or Go. Six people died in Saket in June. Seven more died in Satya Niketan. The next inquiry will not bring them back. The only meaningful question left is whether this government can prevent the next lot of victims perishing in the rubble of apathy and corruption.

The writer is Editor-in-chief, Asia Features News Service.

100 Years Ago



Front page of The Statesman dated 10 Sept 1926

OCCASIONAL NOTE

ONE of the peculiarities of this summer is that more Channel swims have been completed than Test matches. In the whole of past time only five men had achieved the feat. Since the first week of August four triumphs have been added. Two American women showed that U. S. A. prowess was not confined to the tennis court and the putting green. A German followed. Now comes a French swimmer to prove that his country has not abandoned all interest in the Straits of Dover, and to add his testimony that the male of the human species is not yet disposed to take a back seat. His time, a trifle over eleven hours, is the best yet done, and very little more than half that taken by Captain Webb fifty-one years ago. The world will soon begin to classify swimming the Channel among popular amusements.

News Items

AN EARLY MEETING?

MINERS WILLING TO LOSE ON WAGES

(BRITISH OFFICIAL WIRELESS.)
RUGBY, SEPT.

THOUGH no official statement has been issued regarding last night’s meeting of the miners’ leaders with Mr. Winston Churchill and members of the Cabinet Coal Committee, it is stated in Government circles to-day that Mr. Churchill’s object is to prepare the way for a three-party coal conference that would have some prospect of succeeding, and he desired to ascertain from the miners further details regarding their attitude to hours and wages.

It is unofficially stated that the miners’ leaders, while still objecting to longer hours, were willing to make substantial wage sacrifices for a settlement on a national basis. Hopes are entertained in Government circles that it will be possible to hold a tripartite conference of representatives of the Government coal-owners, and the miners sometime next week.

RIVER BATTLE

BRITISH GUNBOAT TO THE RESCUE

LONDON, SEPT.

AN authoritative account of the incident at Wanhhsien shows that Chinese soldiers boarded the British steamer Wanliu, forty miles below Wanhhsien, on August 29 and rushed the bridge. The ships’ officers drove off the Chinese soldiers from the bridge. Meanwhile a sampan full of soldiers, which was trying to come alongside the Wanliu was fouled by another boat and sunk.

Chinese soldiers on board the Wanliu then threatened to kill the captain and remained on board till the vessel arrived at Wanhhsien, where H. M. S. Cockchafer turned off the soldiers. On August 30 General Yang Sen seized two other vessels belonging to the same British Company and placed 300 soldiers aboard them. The ships were anchored alongside the Cockchafer, which was heavily outnumbered.

The British Consul at Chungking, under instructions from the British Minister at Peking, proceeded to Wanhhsien and made conciliatory proposals, but Yang Sen was defiant.

Finally H. M. S. Widgeon and the merchant steamer Kiawo, manned by a naval detachment, attempted to release the two steamers on September 5. They were assailed by a very heavy field gun and rifle fire, to which they replied. They eventually retired.—Reuter.

ALLEGED CONSPIRACY

EX-U. S. ATTORNEY-GENERAL ON TRIAL

NEW YORK, SEPT.

THE trial opened here to-day of Henry Daugherty, ex-Attorney-General, and Thomas Miller, ex-Alien Property Custodian, who are charged with conspiracy in connexion with the handing back to European claimants property of the American Metals Company worth 7,000,000 dollars seized during the war. The indictment alleges that it was part of the conspiracy to enable Daugherty, Miller, and others to receive from the claimants to the pro-erty securities of 391,000 dollars.

The trial is the first recorded under the Federal Criminal Law of a Cabinet member for alleged misdeeds during his office.—Reuter’s Special Service

Flexible approach to sugarcane needed

SHREY MADAAN

The sugar in India’s kitchen and the fuel in its cars increasingly have something in common: sugarcane. India’s ethanol programme is altering the economics of a crop that already has to satisfy the country’s enormous appetite for sugar. With domestic production now expected to fall well below previous estimates, the government has opened duty-free imports to ease pressure on the market. Ethanol is not the sole reason for the current shortage, but it has added another demand for sugarcane. The crop now has to meet demand for sugar, ethanol and exports. When production falls short, producers need room to adapt to changing market conditions.

The immediate problem is clear. India’s sugar production is now expected to be around 30.6 million tonnes, significantly below the government’s earlier estimate of 34.4 million tonnes. Exports were approved before the scale of the shortfall became clear, with around 800,000 tonnes shipped before restrictions were

imposed. The result is a tighter domestic market and higher prices at a time when demand is expected to rise ahead of the festive season.

The decision to allow an additional one million tonnes of raw sugar into the country duty-free should provide consumers and businesses with another source of supply. The Food Secretary has subsequently said ex-mill sugar prices fell 18 per cent to Rs 55 per kilogram, although that reduction has not yet fully reached retail consumers. The move is a useful reminder that when domestic supply falls short, access to international markets can provide some relief.

But India’s sugar market is shaped by more than supply and demand. Sugarcane supports the livelihoods of millions of farmers, provides sugar for domestic consumption, contributes to exports and now serves as feedstock for ethanol. Under the Ethanol Blended Petrol programme, oil marketing companies procure ethanol for blending with petrol at government-set prices, creating another market for sugarcane beyond sugar production. The



government has also supported investment in ethanol capacity. The programme aims to reduce crude oil imports, strengthen energy security and create another source of demand for the sugar industry. These are valid objectives. The challenge is managing these demands when they all depend on the same crop.

Nearly three million tonnes of sugar were diverted towards ethanol production this year, prompting debate over whether fuel demand is contributing to tighter sugar supplies. The government, however, argues that the share of

sugarcane diverted to ethanol has fallen from around 12 per cent in 2022-23 to roughly 9 per cent in 2025-26. That disagreement matters. The question is not whether India should produce ethanol, but whether producers have enough flexibility to respond when the balance between sugar, fuel and export demand changes.

Brazil offers a useful example. Its large sugar-ethanol industry gives mills the ability to respond to market conditions. When sugar prices are more attractive, more cane can be directed towards sugar. When ethanol demand is stronger, mills can shift more towards fuel. India does not need to choose between the two. But producers need room to respond when circumstances change.

When sugar supplies tighten, restricting exports may help keep more sugar in the domestic market in the short term. But it cannot make up for a weaker crop. If production is lower than expected, stopping exports does not create more sugar. It can instead make it harder for farmers, mills and traders to plan, while consumers are left to

absorb the higher prices that come with tighter supply.

The same principle applies to imports. India should not have to wait for prices to surge before allowing global markets to act as a safety valve. If domestic production falls short, access to international supply can prevent a temporary shortage from becoming a prolonged price shock. Open trade does not replace domestic production; it gives the market another way to respond when forecasts prove wrong.

Food security matters. So do farmer incomes and energy security. But pursuing these goals does not require policymakers to decide exactly where every tonne of sugarcane should go. India can expand ethanol while maintaining a reliable sugar supply. The key is giving farmers and mills enough flexibility to respond to changing conditions, while ensuring consumers are not left paying the price when policy or production forecasts get it wrong.

The writer is Indian Policy Associate, Consumer Choice Center.

Crossword | No. 293576

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Yesterday's Solution

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N S A W F C H

S N O O P S S H E L L O U T

O N T O U U H

W H I T E H O U S E C O O

A N R S N H N

K Y O G E N L E F T W I N G

ACROSS

1 Card game on which bridge is based? (7)

5 Low level of interest is danger sign during high economic growth (7)

9 Horse and cart transported pit workers (9)

10 Perhaps counters United being disqualified from event (5)

11 State time to head off (5)

12 Qualification voided company's ability to negotiate (9)

13 Item in magazine about game starting late (9)

16 City earnings initially take a dip (5)

17 Additional payment supported by British and American bank (5)

18 Musical about leaders of early English rebels looks like Les Misérables? (9)

20 Sailor from Arab country returns with adult girlfriend (9)

23 Meet with expert flying from terminal (5)

25 Joint resolution of Kremlin was regularly ignored (5)

26 Pariah state is expelling six in breach of protocol? (9)

27 University degree oddly inspired by academic resentment (7)

28 High-pitched male parts wobble (7)

DOWN

1 Article penned by expert really is dull (7)

2 Specialised hospital takes on delicate case (5)

3 Gets upset on account of changes (9)

4 Well-known day school suffering setback (5)

5 Curse affected sheep and lamb (9)

6 Wireless router's last two bits connected by plug (5)

7 Strip clubs airbrushed from record cover (9)

8 Steamy games at school produce inappropriate characters (7)

14 Car close to black sedan crashed and turned upside down (9)

15 Idiot can't supply reading material (9)

16 Obstacle to travel around lines? (9)

17 Outlaw musicians stealing equipment (7)

19 Unusual mountains covered with stone (7)

21 Honour terms of previous invoice with large corporation? (5)

22 U-boat could be somewhere nearby (5)

24 Conservative member's route to the top? (5)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)



INTERNATIONAL EDITORIALS





Growth in every postcode: good politics, dubious economics

The UK government should rather back clusters and widen access to opportunity

For successive UK governments, improving the fortunes of regions beyond London and the South East has been a laudable, if elusive, ambition. Too often, political leaders have proved more adept at producing slogans than generating growth. Theresa May's industrial strategy championed "prosperous communities across the UK". Boris Johnson backed "levelling up". Now, Britain's newish, hyperlocalist prime minister, Andy Burnham, is promising "growth in every postcode". Will he do better than his predecessors? Burnham's mantra is perhaps less a literal goal than part of his broader strategy to appear inclusive, and reassure voters in left-behind areas that he wants to make a difference in their daily lives. It is good politics. This week, in his

first major speech since being chosen as Burnham's chancellor, John Healey doubled between, insisting it was "not a slogan, but a test". If so, the government is setting itself up for failure. Drivers of growth in services-led advanced economies like Britain's are urban areas. Businesses tend to be most productive in dense clusters where they can benefit from agglomerating skills, customers and suppliers. But there are many postcodes that are simply too residential or sparsely populated to be meaningful hubs for economic activity. Attempts to drive growth everywhere vary in success. The combination of political resources too thinly. As the former mayor of Greater Manchester, Burnham should know this. The fast-growing city has benefited from the regional authority's focus on enabling private investment to densify its city centre. Though standards of living vary a bit across the city, the combination of analysts note that efforts to spread growth would most likely have resulted

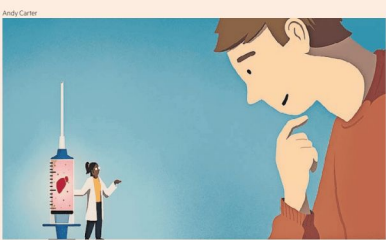
in lower wealth creation in aggregate. Given the pressing need to jumpstart the UK economy, going for growth everywhere makes little sense. It is better first to target those areas with the greatest potential for what economists call economic multipliers, where initial investments generate disproportionately large returns. This includes Britain's bridge second cities and the Oxford-Cambridge growth corridor, where innovative, university-led research needs lab space and transport links to grow. This approach would boost overall tax revenues, which can then help address economic weaknesses in other regions. This does not mean Healey and Burnham should ignore other areas. Rather, they should focus on driving growth in existing urban and innovation clusters to act as engines for broader growth, and make it easier for people in all postcodes to access it. Plans to deepen devolution and give public financial institutions more scope to crowd in private capital may help, but

There must be greater focus on removing hurdles that constrain business in high-potential regions and on building the infrastructure needed to connect people to them

their success depends on competent local governance, which is not a given. Instead, there should be greater focus on removing hurdles that constrain business growth in high-potential regions, and the ability to build the infrastructure needed to connect people to them. Indeed, Manchester's rise should be a model for the rest of the country. It is ultimately the private sector that fills office towers with jobs, builds homes and lays transport networks at scale. Here, Healey's pledges to cut red tape are promising. But other impediments on companies, from high energy prices and skills shortages to post-Brexit trade barriers, need addressing too. The chancellor should be clearer on how he will manage tight public finances without resorting to higher taxes on wealth creators. If Healey and Burnham want to be remembered for actually catalysing meaningful growth around the country, "growth in every postcode" is better confined to a slogan rather than a target.

Opinion Science

'Mini-livers' put new spin on regenerative medicine



Anjana Ahuja

I he trouble with a liver transplant is that you need a liver, an operating theatre and a patient fit enough to undergo the gruelling procedure. Each of those presents a challenge: the demand for organs outstrips supply; the specialised surgery is not widely affordable or available; and the sickest miss out, with between 5 and 10 per cent of UK patients dying on the waiting list. Scientists at the Massachusetts Institute of Technology are working on a fix: injectable "mini-livers" that specifically engineer the liver to produce the same mix of proteins and enzymes that natural liver cells do. The idea, so far tested only in mice, is that, in the absence of a replacement organ, these miniature tissue grafts could take on some of the life-saving functions of liver cells: helping with

gloopy mixture can be injected through a syringe but can coalesce once inside the body. This stability, the researchers reasoned, should allow the liver cells to connect to the blood supply and start functioning. To test the idea, Bhatia and colleague Vardhaman Kumar injected a mixture of human liver cells, hydrogel microspheres and fibroblasts – cells that help tissue to knit together – into the belly fat of healthy, immune-suppressed mice, using ultrasound to guide the injections to the right place. As the team reported in the journal *Cell Biomaterials* earlier this year, these tiny satellite livers stayed viable and trackable for the eight-week duration of the study, churning out the expected proteins. The authors write that their findings "raise the possibility that hepatocyte transplantation could be pursued without reliance on complex surgical procedures". The injectable grafts, they suggest, could also be used as a bridging treatment while patients wait for a transplant, with booster injections able to dial up the dose. Patricia Lalor, professor of experimental hepatology at the University of Birmingham, said there was an urgent need to expand treatments for patients awaiting liver transplants and welcomed injectable microspheres as "impressive" but added that it would not immediately replace transplants. "The injected cells represented only about 5 per cent of the total volume of a mouse liver, and were made from a mixture of human hepatocytes and fibroblasts only... more development would be required to replace all of the different cell types found in an entire damaged liver."

Lalor also points out the difficulty of sourcing cells without falling back on precious donated livers, and that immune rejection remained a risk. In future, hepatocytes could be cultivated from a patient's own stem cells. The MIT researchers have not said when the "mini-livers" might reach the clinic for human testing; they do, though, point in their paper to uncertainties requiring further study, such as how big a single injectable graft can be and how long it can last. The desire to engineer alternatives to organ transplantation does not, of course, diminish the need for remarkable medical procedures. The *Story of a Heart*, a 2024 book on transplantation by the doctor and author Rachel Clarke, brings home how the mechanical swapping of body parts between the dead and the living is only possible because of the extreme humanity of everyone involved. Clarke describes it as "a form of radical altruism": even in the darkest of times, grieving families still find it in themselves to bring hope to others.

The writer is a science commentator

Letters

Dementia sufferers fear identity loss more than the condition

The UK's new national dementia registry (Report, July 13) is an important step towards accelerating research and improving access to clinical trials. But having spent several years travelling the world as a dementia maker documenting how different societies approach dementia, we can't define progress solely through treatment and prevention. It's only one side of the equation and there's a more fundamental question we need to ask ourselves: what does a good quality of life actually look like

for those living with stigmatised conditions like dementia? In South Korea for example, I encountered Superbrain, a programme exploring how a combination of cognitive training, physical exercise, improving social interaction and management of health risks could help prevent or slow a person's cognitive decline. It was striking to see prevention being approached holistically as something that involves the whole person, rather than simply treating a medical condition.

But even the most effective treatments cannot address the experience of being isolated, excluded or treated differently because of a diagnosis. We're too fixated on the evidence that someone with dementia experiences. The people I met repeatedly told me that the condition itself was not necessarily the hardest part but how society treated them for having it, including the fear and loss of identity which is largely a result of how they are perceived. If we are serious about changing the

future of dementia, investment in research must therefore be matched by investment in our collective duty of care. Governments, healthcare providers, families and communities all have a role in ensuring that people living with dementia can continue to participate in society and feel empowered to lead meaningful lives. **Jonathan de Jong** *film-maker, author and founder of SUPERBRAIN Productions, Amsterdam, Netherlands*

US had to look to Britain for this mining technology

Re the intriguing article by Martin Mulli about "Life inside an American coal mine" (Outlook, August 27), I can understand if that was her first visit to a mechanised longwall coal face she must have been overwhelmed by a feeling of shock and awe. She refers to "longwall mining" as being a "centuries-old practice method". The mechanised version was actually only developed after the second world war, in Europe first, mainly in the UK and Germany. In fact the first successful mechanised face in the UK was at the Colliery, East of England, in 1954. By 1972 there were 812 fully mechanised faces in the UK. A significant number of UK manufacturers grew up to meet the longwall needs of the National Coal Board, the most important of which were the Doosan Infracore, the Anderson Strathclyde, Gullick of Wigan, which had supplied the hydraulic roof supports at Ormonde, always the most costly part of the system, and Dobson Hydraulics of Nottingham. As early as 1969 the parent company of Gullick and Dobson merged to become Dobson Park Industries plc. In later years Dobson Park played a leading role in the consolidation of the UK supply industry by purchasing several smaller manufacturers of key components of the longwall system before finally acquiring the major business of its long time competitor, Dowty Mining Equipment. Only the coal face shearer (cutter) remained stubbornly in the hands of its owner, Anderson Strathclyde. The consolidation did not go unnoticed in the US, where there were few domestic manufacturers, and in 1995 Harnischfeger Industries made a successful bid for Dobson Park Industries, transferring the majority of the UK manufacturing business to the US to add to its own subsidiary Joy Mining, a former sales agent of Gullick in years gone by.

Prior to adopting mechanised longwall mining systems, US coal mining used a technology known as "room and pillar", a method of extracting smaller areas of coal which depended on the unmined pillars to hold up the roof, whereas in longwall, the roof was planned to collapse totally as the system advanced. The longwall was one instance where the US was not at the forefront of technical developments. **Alan Kaye** *Former CEO and Chairman, Dobson Park Industries, Carlforth, Lancashire, UK*



The branding power of the Heinz gherkin

Gregory Meyer's Big Read on the decline of household brands (August 19) reads as if the story is one of price: private label wins because it is cheaper. However, this is over-simplistic. Price is the symptom, not the cause. Private label carries no meaning of its own. That is why the success of the shopper's trust in the store, not in the brand. That borrowed trust only converts into a sale once the product on the shelf looks enough like the branded original to be believed equivalent. Spencer still puts a tomato on its ketchup label. So does every own-label rival, because a tomato belongs to the category, not to Heinz, and so cannot be defended. Decades ago, the same pack carried a gherkin, an asset with no logical link to ketchup at all, and was sold for that reason by the Midlands and the North. The question is not whether to back London, but whether to build an investment architecture capable of backing multiple clusters simultaneously, with the funding mechanisms, institutional capacity, and governance structures to make each one work. Our research into public funding allocation points to a deeper problem. The real barrier is the UK's fragmented, short-term, competitive funding ecosystem, not a shortage of worthwhile places to invest in. As long as Burnham's government can get this right, But "identify the major clusters, back them and spread the growth" is too neat. The harder work is building the institutional infrastructure that allows growth to be generated and retained in places beyond the capital. That requires not just investment, but a fundamental rethink of how the UK funds, governs, and empowers its regions. **Professor Rebecca Riley** *Co-Director, City-REDI; Deputy Pro-Vice-Chancellor for Regional Engagement University of Birmingham, UK*

Innovation debate must avoid London-centric lens

Michael Spence, president and provost of University College London, is right that London deserves its place in the UK's innovation cluster conversation. But his article reveals the blind spot that keeps tripping up this debate: it treats the question as primarily about how much we invest in places, whereas the evidence is increasingly clear that it is about how we invest and whether places have the institutional capability to convert investment into growth. At City-Region Economic Development Institute, University of Birmingham, we have spent a decade thinking about this tension. We have found that funding is most effective when places have the governance, leadership and delivery mechanisms to turn investment into lasting outcomes. London's Knowledge Quarter works because of physical proximity, but also because of decades of accumulated institutional depth. The same is true of Birmingham, where the University of Birmingham, University Hospitals Birmingham NHS Foundation Trust, and the wider West Midlands innovation ecosystem have been building their own critical mass across advanced manufacturing, health technology, creative industries, and increasingly in AI. A London-centric lens on what "world-class" looks like risks overlooking emerging clusters that are delivering innovation in different sectoral and institutional configurations. I agree with Spence's conclusion – that clusters should be backed – more than I disagree with his premise about which ones qualify. London should be backed as a cluster. But so should Birmingham, Manchester, and the emerging clusters across the Midlands and the North. The question is not whether to back London, but whether to build an investment architecture capable of backing multiple clusters simultaneously, with the funding mechanisms, institutional capacity, and governance structures to make each one work. Our research into public funding allocation points to a deeper problem. The real barrier is the UK's fragmented, short-term, competitive funding ecosystem, not a shortage of worthwhile places to invest in. As long as Burnham's government can get this right, But "identify the major clusters, back them and spread the growth" is too neat. The harder work is building the institutional infrastructure that allows growth to be generated and retained in places beyond the capital. That requires not just investment, but a fundamental rethink of how the UK funds, governs, and empowers its regions. **Professor Rebecca Riley** *Co-Director, City-REDI; Deputy Pro-Vice-Chancellor for Regional Engagement University of Birmingham, UK*

Berkshire Hathaway's no dividend policy works

Berkshire Hathaway has another important benefit, in addition to the ones Robert Dodd discusses ("Berkshire provides a potential active hedge", Opinion, September 5). Berkshire stands alone as the only diversified equity fund that doesn't compound with tax bill attached. Without a tax bill, investors can choose when to realise gains and thereby the size of their tax obligation. This unique feature of Berkshire Hathaway is hugely important in helping investors manage their investment portfolios effectively. **Amritpal Grewal** *New York, NY, USA*

Those 'crazy' lawyer salaries should actually be higher

The article by Suzi Ring and Kaye Weigen mentions "US firm facing a contract sector backlash over 'crazy' hiring of first-year students" (Report, August 21) brought back memories of the well-organised circus called "Early Interview Week" at NYU Law School in 1990 I had attended as a foreign graduate student. I did not succeed in securing a summer job at a New York law firm but I do remember that starting salaries for first-year associates were approximately \$80,000. My tuition for the academic year 1989-1990 was approx \$15,000. A student for the academic year 2026-2027 at NYU Law School is now almost \$85,000, an increase of close to 460 per cent. Starting salaries have "only" increased by 190 per cent, taking the \$235,000 figure, mentioned in the article, as a reference. If you also take account of the rising cost of living and a combined tax rate of approximately 35 per cent for a person in New York City then it seems these salaries should actually be much higher. At this level, paying three years of law school tuition and working long hours after graduation entail a big financial and personal sacrifice. **Mark O'Leary** *Amstelveen, The Netherlands*

Another reason that students are missing out

Your article on the decline of the migrating student was excellent ("Student dips: the end of an era?", House & Home, August 14). But an additional unmentioned concern is that as struggling universities (in all leagues) close courses to cope with rising financial shortfalls, those students who cannot afford residency far away, and who feel commuting distances are just too large, are cut off from many courses. **Caruth Mendlesohn** *Professor Emerita, Anglia Ruskin University, Peterborough, UK*

Opinion

Innovation is the answer to Britain's elusive growth problem

Gordon Brown

Many think of Britain's inventiveness in the past tense. Only a third of the public consider the UK today as a world leader in science. But the focus John Healey placed on innovation yesterday in his first speech as chancellor should be at the heart of the Budget and the government's proposed 10-year plan. Without a new generation of start-ups that grow to become internationally competitive companies, we will struggle to bridge the gap that has left our productivity growing at just 0.4 per cent a year while America's expands by 1.9 per cent. We could lay claim to be the innova-

tion nation. We are second to none in the output per head of scientific research papers, with four of the world's top ten universities and 17 of the top 100. Britain can boast AlphaFold, mRNA vaccines, precision medicine, robotic surgery and AI capable of detecting cancer as reliably as radiologists. It is at the frontier of emerging environmental technologies including carbon capture, hydrogen fuel cells and floating wind. And we are well placed to spearhead breakthroughs in AI, quantum computing and synthetic biology. Our potential stretches beyond the Golden Triangle of Oxford, Cambridge and London universities. The North has more top-tier research universities per head than almost anywhere in Europe, while Scotland itself has world-leading clusters in precision medicine, space and satellites. But growth will elude us if we fall back on a false choice

between a neoliberalism that pretends we can leave everything to the market and a crude Keynesianism that assumes we can manage demand, and the rest will take care of itself. Britain can offer a way forward for the application of science that is

We need to support a new generation of start-ups to become internationally competitive

different from the US, where there is a risk that technology will dominate the state, and China, where the state already dominates the technology sector. We can emphasise the power of partnership: inventors, investors and industrialists working with government support to deliver on clearly

defined goals over the next 10 years. This is best achieved by combining targeted public backing for R&D, infrastructure and skills with incentives that will attract private investment in a range of promising clusters – from medicine to renewables to advanced manufacturing. Fiscal conditions are tight. But if the Budget is to be, as planned, an economic event instead of simply a fiscal one, then we should address why it is that growing British companies remain far smaller than they should be, and why some of the most innovative – DeepMind (2014), Arm (2016), Oxford Ionics (2025) – end up owned by overseas companies. The ScaleUp Institute, a not-for-profit company, has identified a £15bn investment gap that requires deeper capital markets with funders incentivised to take risks and commit for the long term. This needs Budget measures that will

further assist the consolidation of pension funds, reforming the listing regime and making better use of the balance sheets of the British Business Bank, the National Wealth Fund and other funds by taking public stakes, where necessary, in promising scale-ups. And we should work with Europe, starting with negotiating participation in the equity instruments of the Scale-up Europe fund. There has also been a marked failure in the diffusion of innovation. Better management training is part of the answer, but so is a tougher pro-competition regime favouring new entrants. Get it right, and the places that built Britain can help rebuild Britain – meeting Andy Burnham's commitment to deliver good growth everywhere. Indeed Britain's poorer areas – including the North East, Midlands and Wales – contain half of the UK's fastest-growing, export-oriented clusters which spe-

cialise in machine manufacturing, chemicals and minerals. Britain must also address perhaps its greatest long-term obstacle to innovation: the waste of talent. Between 2000 and 2015, only 7 per cent of UK patent applications were filed by women. They – and ethnic minorities and boys from lower-income backgrounds – are Britain's "lost Einsteins". Expanding vocational training and opportunities into long-neglected communities could unlock an enormous reserve of talent and creativity. A policy for re-industrialisation without a policy for innovation risks picking losers. But by connecting our scientific potential to investment and open competition, Britain can go from being a country that invents the future to one that develops it, scales it – and owns it.

The writer is a former UK prime minister and author of 'The Future Starts with Us'

Warsh might yet be a good Fed chairman

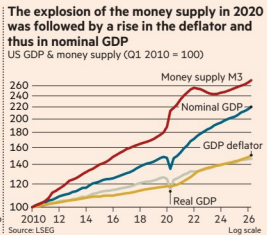
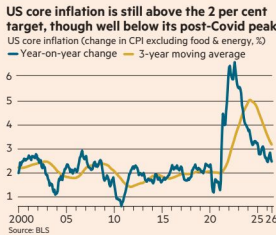
Martin Wolf Economics

He must stay clear on the objectives of policy and sensible on how the central bank should conduct itself



It is possible that Kevin Warsh will prove to be the central banker the US and the world needs? After his speech at the Jackson Hole Symposium, I am less pessimistic about the prospect than before. Difficult choices – difficult intellectually and politically – lie ahead. But his speech "In our time" was both clear and sensible – clear on the objectives of policy and sensible on how the Fed should conduct itself. This is cheering. It could also prove of great future importance. Indeed, as he previously noted, Warsh has been a confusing figure. In the past he has presented himself as an inflation hawk, notably with his wildly premature concern over the dangers, notably to inflation, of the monetary policies adopted after the global financial crisis. In March 2010, More recently, however, prior to his appointment as chairman of the Federal Reserve by Donald Trump, he seemed to be bending to political pressure to be optimistic about prospects for productivity and inflation. The fear was that he was a political weather-vane, whose economics depended on who was in power. Yet since Warsh became chairman, things have been looking up a little. True, as my colleague Chris Giles noted on August 11, Warsh has largely failed to engage substantively on the state of the US economy. Yet the Fed under him has also announced five task forces to assess its communications, balance-sheet management, the data it uses, the pros-

pects for productivity and its policy frameworks, all under reputable figures. My hope is that this was a clever way to gain credibility for battles ahead. Now comes this Jackson Hole speech. It had three main sections: a rumination on the implications of AI for the economy; a critique of forward guidance; and a restatement of the Fed's core objectives. All are important. The need to assess the implications of AI for the economy and so the conduct of monetary policy is clearly vital. The big need on this is to understand the scale and nature of the uncertainty. Uncertainty is also self-evidently the biggest problem with forward guidance. It is not that we are uncertain only about how monetary policy will affect the economy (although we are). It goes far deeper than that. As Jodi Kay and Mervyn King argued in their splendid book, *Radical Uncertainty*, there is so much we don't know. Nobody can look at our financial and monetary systems, domestic and international politics, climate change, the Covid-19 pandemic's sudden onset and technological changes over the past few decades without realising just how much uncertainty there is. Forward guidance is fine if nothing changes very much. But then it does – again and again and again. As Warsh said, forward guidance was introduced as a regular practice during the financial crisis. This was justifiable when there was a single overwhelming concern that was, plausibly, going to last for a long time, as indeed it did. Yet it is



worth noting how useless a form of "forward guidance" had been just before the crisis, when accuracy was desperately needed. The then Fed chairman, Ben Bernanke, a highly qualified economist, stated in March 2007 that "At this juncture... the impact on the broader economy and financial markets of the problems in the subprime market seems likely to be contained." The statement seemed reasonable at the time. But it was dead wrong.

Another area in which I believe con-

Whatever the political pressures upon him, he has to deliver on his targets

ventional economics has been proved misleading is, as Warsh indicated in his speech, in deciding that the quantity of money is irrelevant. The post-pandemic rise in the price level, after the huge monetary expansion of 2020, is, as I have previously argued, an indication that this view is quite mistaken. The point then is the pervasive uncertainty about the economy. An economy is not a machine, to be manipulated by wise technocrats in accordance with predictable rules. In addition, forward guidance creates a "hall-of-mirrors": the central bank sees in markets not independent judgments but an image of its own statements, as participants shift from investing in their own judgment to following the Fed's forecasts of what it will do. Even providing a reaction function goes beyond what policymakers are

able to do, above all when big shocks hit. This is not a recipe for inactivity. On the one hand, as Warsh notes, there are a few key principles. These include having accurate and up-to-date data; awareness that low inflation is a necessary condition for low unemployment; reliance on short-term interest rates as the main policy tool; and, above all, as he says, that "the Fed's price-stability objective of 2 per cent... is a firm, fixed target." Delivery on the target is vital. The best way to do this is to show why the central bank judges its interest rate policy to be the right one to deliver its objective, given how it understands the economy at the time. This is not what Trump believes. On September 4 2026, on Truth Social, the US president ordered: "LOWER THE RATE [of interest] OR I'LL STOP TRAD-

ING WITH COUNTRIES WITH WHICH WE HAVE A DEFICIT." There is no need to analyse the economic ill-jog here. The main point is his belief that "A STRONG COUNTRY MEANS A LOWER INTEREST RATE - IT'S A BETTER CREDIT... Very simple!" Inflation is, in his mind, altogether irrelevant. That must not be true for Warsh. He must deliver on his target, despite high fiscal deficits and debt, structurally higher real and nominal interest rates than in the 2010s, and technological change. In so doing, he will need to display as much clarity about the economy as he can. But the biggest requirement is courage: he must strive to do the Fed's duty and so deliver low inflation, whatever the political pressures upon him.

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Jane Harman

Twenty-five years have passed, and memories of September 11 2001 have faded. Americans hold ceremonies and read names every year. But we have not fully accounted for how much the US and the world have changed. 9/11 was the crucible from which a generation of US foreign policy was forged. The operation to find and kill Osama bin Laden was a major success. The US has also not suffered a large-scale catastrophic attack since. But its government has changed in ways that make it almost unrecognisable. Congress surrendered much of its

power to the president. Diplomacy has been starved and then dismantled, while the defence budget has ballooned. America has become deeply indebted. And the alliances that were the foundation of our global strength are now incredibly weak. This did not happen because of one leader or one party. Decisions that seemed prudent at the time turned out to be excesses that were never reined in due to partisanship, lack of effective oversight or simple inertia. 9/11 was considered an act of war. Three days after the attacks, with only one dissenting vote, Congress passed an Authorization for Use of Military Force (AUMF), designed to authorise military action against those who planned the attacks or harboured them. But once Osama bin Laden was killed and other perpetrators killed or captured, Congress never rescinded it. With the exception of the Iraq war,

every president since then has used the 2001 AUMF as a standing licence for military operations – from warrantless surveillance and detention to the drone campaign that killed terrorist leaders far beyond Afghanistan and Iraq. The relationship between force and diplomacy has also changed. America's tools of soft power have always been viewed as among its strongest. But the country's investments in them have lagged. In 2001, the US spent more than 13 dollars on defence for every dollar on the state department and foreign aid. Many have since warned that America

Diplomacy has been dismantled, while the defence budget has ballooned

has overly militarised foreign policy. But no one said it, and the second Trump administration is making matters worse. Its most recent defence budget request is nearly \$1.5tn, almost a 50 per cent increase from the year before. Meanwhile, it proposed cutting the state department and foreign aid budgets by more than 80 per cent, while dismantling USAID. A ratio that was 15:1 would have approached 100:1 had Congress accepted those cuts. The attacks also ended the brief era of fiscal responsibility that began in 1997, when a bipartisan coalition balanced the budget and produced four years of surpluses. After 9/11, the US government ran a large budget deficit and has continued to do so every year since. The 2008 financial crisis and 2020 pandemic may have justified temporary deficits, but there was never any serious effort to reduce them afterwards. Debt this year crossed

\$40tn, the most as a share of the economy since the end of the second world war. There has also been a callous disregard of partners and allies. After 9/11, Nato invoked Article 5 for the first time in its history – and it was not to defend a European country. Instead, allies rallied to defend America. Europe and Canada's support was not merely rhetorical; they sent their troops to fight and die beside Americans in Afghanistan. The strain that subsequently grew between America and its allies began with legitimate grievances on both sides. Some allies disagreed with the war in Iraq. The US also had reason to complain that it was investing more in Europe's defence than the Europeans were themselves. But significant efforts by Nato countries to increase defence spending have been met with punishing tariffs, demands that Denmark hand over Greenland, and by abandoning

robust support for Ukraine. The message today in Europe is on its own. And by not consulting with allies before the recent action in Iran, the US finds itself alone, waging an unpopular and costly war in the Middle East. Young Americans today have never witnessed Congress authorise a war, they've never seen a US administration balance the books, they've never watched a well-funded and empowered state department operate, and they see only mistrust between allies. They assume the situation is normal. It is not. The real cost of forgetting the pre-9/11 world is not a country that has changed, but one that no longer knows it could be different. The writer was a ranking member of the US House Intelligence Committee after 9/11 and is the author of 'Insanity Defense: Why Our Failure to Confront Hard National Security Problems Makes Us Less Safe'

Opinion

MAGA proves seductive for a restive Canadian province

Trump's meddling is fueling a separatist movement in Alberta.

Curtis Gillespie

This essay is part of "The New World Disorder," a series exploring the disintegration of the postwar international system and how countries are adjusting as America steps aside.

EDMONTON, ALBERTA The political pancake breakfast is one of the longstanding traditions of the Calgary Stampede, Alberta's annual rodeo and fair. Members of the province's governing United Conservative Party hosted one on July 2, the day after Canada Day. The far-right premier of the province, Danielle Smith, kitted out in Lone Star cowboy boots, a Stetson hat and a Texas Longhorn bolo tie, popped in. It was hard not to read the outfit as a conscious nod to Canada's erstwhile friends south of the border, because President Trump, MAGA and the United States are unmistakable strands of the conversation in Alberta these days.

After flipping some flapjacks, the premier addressed the crowd, making sure to toss a pancake to her base by saying that immigrants — or "newcomers," as she put it — had caused govern-

ment spending to skyrocket. She reminded people that the Stampede is an expression of bedrock Albertan values: grit, determination and getting back in the saddle. The implied contrast was with the hopeless mandarins in Ottawa who can't be expected to know anything about such matters.

It would have been a typical Stampede breakfast were it not for the sightings of a formerly reclusive political creature: the bald-faced Alberta separatist, a breed apart from the more common species, the alienated Westerner. They came in groups like Albertans 4 Freedom and United Alberta Flags, which advocate Alberta seceding from Canada to become an independent Judeo-Christian nation. They encouraged Albertans to vote on Oct. 19 for starting down the road to separation in a referendum question that the Trump-friendly Ms. Smith pushed to be on the ballot.

Most Albertans are outraged that their elected leader has given credence to the idea, even if polls show it has little chance of being approved. A couple of weeks after the Stampede, when Ms. Smith was again pancaking at another event, a protester yelled that her pancakes were "fascist." Hardly fair to the pancakes, but evocative nonetheless. There are plenty of irate separatists, too, who view the wording of the separation question, which asks voters to move forward with a further binding referendum, as too wishy-washy.

Separatism isn't a new idea in Canada. The provincial government in Quebec has kept the notion of independence simmering on a back burner for the past few decades to use as leverage with the federal government, though polls show that most Quebecers don't actually want to leave. With Alberta now considering the idea, the normally cozy patchwork quilt that is Canada is really starting to pop a seam or two. It just feels as if everybody's angry, everywhere, all the time.

IT IS THE PERFECT MOMENT, in other words, for Mr. Trump to tear further at the quilt by insulting our leaders (especially Prime Minister Mark Carney), threatening our sovereignty, attacking our economy — particularly after the highly acrimonious breakdown of trade talks between Canada and the United States in late August — setting provinces against one another with differing tariffs, speculating about erasing the border and just generally butting into our business. In so doing, the American president shows how he is not only damaging the comity of nations dating back to the end of World War II. He is also, actively or by example, rending the fabric of nations internally.

The Trump administration has meddled in Argentina in favor of the right-wing president, Javier Milei; interfered in elections in Hungary, Honduras, Colombia and Brazil; given a boost to the ascendant far-right AfD party in Germany; and offered refugee status to white South Africans. "This administration has had zero compunction about interfering in the domestic elections, the domestic politics," of U.S. allies, Daniel Drezner, a professor of international politics at Tufts University, told me. Mr. Trump "obviously does not like Carney" and "he will do anything he can to belittle or minimize Canada's autonomy." His actions could also embolden divisive internal forces — including Alberta's separatists, Mr. Drezner said.

When it comes to Alberta, the MAGA presence has taken various forms. Ms. Smith says she told Trump administration officials to "pause" on tariffs "so we can get through an election" — meaning, of course, to avoid tariffs on oil and gas, the mainstays of the provincial economy. Treasury Secretary Scott Bessent, in an interview, appeared to show sympathy with separatists in Alberta. "They have great resources. The Albertans are very independent people," he reportedly told Real America's Voice, a right-wing media outlet. Separatists have met multiple times with Trump administration officials to discuss the logistics of Alberta separating and how the United States might support that process. The administration has acknowledged the meetings, but said no senior officials were present.

The greatest favor Mr. Trump has done for Alberta separatists has not been to promote an independent Alberta, but to undermine a sovereign Canada. Mr. Trump's casting of Canada as weak, broken and beholden to the United States does nothing but promote the separatist cause. All of it is a complication we could do without. Hoisting ourselves onto a chopping block with Mr. Trump standing there holding a cleaver just doesn't seem all that smart.

THREE HOURS EAST of Edmonton, across a rolling terrain of ranches and canola fields, the town of Bonnyville sits on the edge of Alberta's vast oil sands. Many of its residents are connected to the oil and gas industry, though Mitch



PHOTOGRAPHS BY CHRISSIE ANN FOR THE NEW YORK TIMES

Sylvestre is not. He owns a local sporting goods and gun shop, and is also one of the leaders of the Alberta Prosperity Project, a group promoting an independent Alberta.

I visited Mr. Sylvestre at his store during a mini-tour I took this summer of separatist Alberta. "We don't want communism, which is what the new world order is," he said, complaining that Ottawa has kept Alberta down and Mr. Carney is bringing Chinese Communism to Canada through his pursuit of new trade relationships with Beijing as insurance against Mr. Trump's economic anarchy.

The federal government is "sabotaging" the oil industry, he said, mainly by stunting pipeline development and making overbearing regulatory and environmental demands. "They do not want us to grow and succeed," he said. "That's the heart of Alberta independence."

Alberta became a province of Canada in 1905 and has been complaining pretty much ever since. Early on, local ire was aimed at Ottawa for keeping control of natural resources. Then came national energy policies that hampered the oil sector in the 1980s. Today, many of the grievances boil down to a feeling that the oil-rich province is just a giant A.T.M. for Ottawa to dip into when it needs the cash, which is always.

Tallies vary, but through a federal program called equalization, Alberta puts between \$15 billion and \$20 billion a year more into federal tax coffers than it gets back in funding and services. But this is not subjugation: It's math. Federal personal and corporate income tax rates are the same nationwide, and the average Albertan makes more than the average Manitoban or Quebecer. Richer provinces contribute more so that all Canadians receive equal levels of service. It's how it's supposed to work.

Few legislators in the province are openly separatist, but many members of the governing United Conservative Party and Ms. Smith herself have said one thing (a united Canada might still work) while doing another (creating a pathway for the referendum and making the idea of Alberta independence seem normal). Polls vary but put around 20 percent of the province's population as separatist or separatist-curious. A significant and volatile seam of the electorate — around 15 percent — doesn't want to separate but is not averse to sending Ottawa a pointed message by voting next month to begin the process of considering separation.

Many separatists claim that exiting a broken country will make Albertans richer, but that's not what the numbers say. Trevor Tombe, an economist at the University of Calgary, acknowledging the many variables, estimates that

A tattered Alberta flag outside a farm east of Lethbridge, Alberta, this summer.

GILLESPIE, PAGE 10

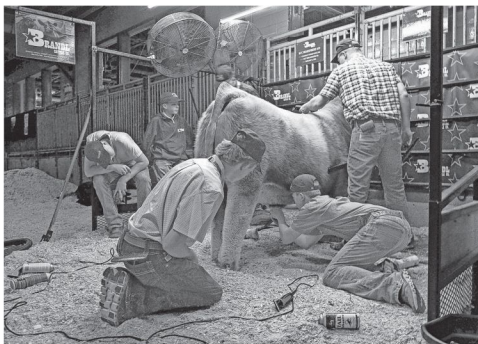


Danielle Smith, the premier of Alberta, and supporters in T-shirts depicting the province's flag, at the Calgary Stampede.

ment spending to skyrocket. She reminded people that the Stampede is an expression of bedrock Albertan values: grit, determination and getting back in the saddle. The implied contrast was with the hopeless mandarins in Ottawa who can't be expected to know anything about such matters.

It would have been a typical Stampede breakfast were it not for the sightings of a formerly reclusive political creature: the bald-faced Alberta separatist, a breed apart from the more common species, the alienated Westerner. They came in groups like Albertans 4 Freedom and United Alberta Flags, which advocate Alberta seceding from Canada to become an independent Judeo-Christian nation. They encouraged Albertans to vote on Oct. 19 for starting down the road to separation in a referendum question that the Trump-friendly Ms. Smith pushed to be on the ballot.

Most Albertans are outraged that their elected leader has given credence to the idea, even if polls show it has little chance of being approved. A couple of weeks after the Stampede, when Ms. Smith was again pancaking at another



Everything Donald Trump needed to know, he learned from Roy Cohn



Carlos Lozada

At this point in the Trumpian arc, we've all too familiar with the U.S. president's methods: Deny everything; apologize for nothing. Hog the spotlight. Counter-attack, counterpunch, counterseue. Always declare victory, even when you lose (especially when you lose). Resentment sells. Nativism sells. Cruelty, if not yet normal, becomes the norm. Rules and traditions are for suckers; everyone is, if not corrupt, at least corruptible.

These are President Trump's instincts, yes. But before there were his, they were Roy Cohn's.

Kia Bird's new book, "American Scoundrel," written with Susan Goldmark (Bird's wife and chief researcher), is a biography of Cohn, the sinister 20th-century lawyer who served as chief counsel to Joe McCarthy when the junior senator from Wisconsin was Red Scaring America and as lawyer to Trump when the young real estate developer was deflecting allegations of discrimination against prospective Black tenants.

"American Scoundrel" is very much a how-we-got-here book, showing how Cohn's guile, paranoia and shamelessness guided McCarthy, rubbed off on Trump and stuck fast to America. The day after winning the 2016 election, Trump was on the phone with Roger Stone, his friend and adviser and longtime Cohn ally. "Wouldn't Roy love to see this moment?" the president-elect said wistfully of Cohn, who died in 1986. "Boy, do we miss him." And just months later, when the president fumed that Jeff Sessions, then the attorney general, was failing to protect him, an irate Trump demanded, "Where's my Roy Cohn?"

If he really wanted to find Cohn, all Trump had to do was look in the mirror.

The Cohn-Trump parallels are evident on nearly every page of "American Scoundrel," so much so that Bird barely needs to point them out. From a young age, for example, Cohn traded on the influence of his father, a New

York judge, much as Trump would lean on the wealth and connections of his own father, Fred Trump. At 16, Cohn got one of his high school teachers out of a traffic ticket by calling the police precinct — "I'm sure you know who my father is" — and later relied on paternal clout to secure a job as an assistant U.S. attorney in New York.

Cohn became obsessed with publicizing his accomplishments — "I didn't count it as winning if the world didn't know about it" — and cultivated gossip columnists to stay in the headlines. (Not that he needed much help: Cohn's role in the prosecution of Julius and Ethel Rosenberg established his name in legal and anti-Communist circles, even before his work for McCarthy made him a national figure.) To Cohn, "personal loyalty was everything," Bird writes, and his disregard for legalities was captured in his maxim "Don't tell me the law. Tell me the judge."

The Cohn-Trump parallels are evident on nearly every page of the new book "American Scoundrel," so much so that the author barely needs to point them out.

Cohn with a cake featuring his own scowling visage. (No word if T-shirts were available.) People who knew both men recognized that some of Trump's verbal tics — "if you want to know the truth" and "I can tell you" — trace back to Cohn.

Cohn also liked to talk about crowd size. In 1963, after pleading not guilty to charges of perjury and obstruction of justice, Cohn stood outside a Manhattan courthouse and told the assembled reporters that it was the "biggest crowd I've seen since the Army-McCarthy hearings." And when he gave a party in Washington celebrating Ronald Reagan's 1980 election, Cohn boasted about the celebrities in attendance (Barbara Walters and Andy Warhol, among others) and bragged that "we had the biggest crowd."

Oh, and Cohn sported a permanent tan, too. Beyond style and temperament, Cohn and Trump shared a political



MARSHYONK, YEL/20 THE NEW YORK TIMES

template. Cohn "excelled at performing politics," Bird writes, purporting to stand for the working class while riding around in a Rolls-Royce or hosting parties aboard his yacht, the *Defiance*. Both men saw history "through a lens tinted by conspiracy," branding their rivals as Communists, radicals or denizens of the "deep state." In a 1978 profile by Ken Auletta, which Bird cites, Cohn assails liberals for believing that "we must be loved by the rest of the world, which happens to hate us," rather than focusing on national interests. "There's nothing particularly

original about Trump's macho instincts in foreign policy," Bird argues. They came from Cohn.

"The McCarthyism of the 1950s," Bird writes, "morphed into a nativist, America First politics that transformed the modern Republican Party into a party of resentments against the old establishment, against multiculturalism, globalization and liberal culture" — with Cohn serving as connective tissue between McCarthy and Trump. Reading "American Scoundrel," I sometimes wondered why the title wasn't plural.

A journalist who interviewed Cohn at length offered an assessment that could fit Trump just as well: "He harbored a bundle of thinly concealed prejudices that he'd trot out whenever one or more of them worked for him, whenever they were useful." The question for our time is: How long might they prove useful?

Roy Cohn's McCarthyism would long outlast McCarthy and would poison the American political landscape for decades to come," Bird writes. Trumpism, too, may mutate and endure, even when Trump himself

— weighed down by war, worn down by low public approval, slowed down by age — begins to recede from view.

"Why was McCarthy discredited but not McCarthyism?" Bird asks. In part, he concludes, it was because President Dwight Eisenhower declined to attack the senator directly, no matter the entreaties of Eisenhower's advisers, including his younger brother Milton Eisenhower, who urged the president to "tear McCarthy to pieces." Even as McCarthyism split the country and infected the Republican Party, the president "never took the political risk to ridicule McCarthy's assumptions," Bird writes. Eisenhower decided that ignoring the senator was better than elevating him through direct confrontation.

How often have we seen such calculations from Republican leaders during the Trump years, with painful and predictable results? The slide from amusement to dismay to toleration and finally to capitulation has been short but steep, and we may be stuck at the bottom for a while. The paranoia of McCarthyism "persisted as a routine feature of American life," long after McCarthy exited the stage, Bird writes, leaving "a festering wound on the nation's psyche." Trump, under the tutelage of McCarthy's former aide, learned to pick at that wound, making sure it kept bleeding.

Bird is a chronicler of the American establishment; his prior subjects include presidents like Jimmy Carter, advisers like McGeorge Bundy and scientists like Robert Oppenheimer. Cohn lurked around the edges of these stories, the anti-establishment force who both fed off and sabotaged the establishment. Now, with Trump, Cohn's politics have won; the establishment has been dispatched, co-opted, emasculated. What remains, Bird writes, is a "subversive counter-narrative" of American power.

In an interview with Times reporters early this year, Trump said that the only constraint he felt on his power was, well, himself. "My own morality," he said. "My own mind." It's the only thing that can stop me," Bird does not make this comparison. But Trump's words evoke Cohn's, yet again, from a Penthouse interview 45 years ago. "I decided long ago to make my own rules," he said, "to act according to my own choices, my own judgments and my own conscience."

Where's our Roy Cohn? Sitting in the Oval Office.

What 9/11 should have taught us

BERGEN, FROM PAGE 1
soon make clear.

After the 9/11 attacks, bin Laden appeared, in a statement broadcast by Al Jazeera, that his war was, in his mind anyway, "fundamentally religious." The key religious authorization for Al Qaeda to attack American civilian targets came from a fatwa by the Egyptian cleric Sheikh Omar Abdel Rahman, a fanatic who was imprisoned in North Carolina during the 1990s. Bin Laden had no formal religious training and believed he needed the fatwa of a prominent cleric to justify his holy war, which most Islamic scholars would not have authorized. Bin Laden's war was in that sense religious, albeit reliant on a far-from-mainstream interpretation of Islam.

That interpretation is related in turn to a second uncomfortable fact. Fifteen of the 19 9/11 hijackers were Saudis, and that was not an accident. Bush officials said comparatively little about Saudi Arabia's role in promoting their hard-line Wahhabi ideology at home and globally, and the influence that had on bin Laden. Since 2024, however, a lawsuit filed by the families of some 9/11 victims has uncovered disturbing evidence that a Saudi national living in the United States may have had some foreknowledge of the attacks, and that he played a role in supporting two of

the 9/11 hijackers who flew a passenger jet into the Pentagon. The evidence suggests that Al Qaeda enjoyed some level of support in Saudi official circles.

The next uncomfortable fact is that Americans created the post-9/11 quagmire in the Middle East, not bin Laden. Some commentators have claimed that the 9/11 attacks were a diabolically

Fanaticism, religious or otherwise, can drive dangerous, nihilistic attacks by those who don't care what happens to them or their followers.

clever ploy to drag the United States into unwinnable wars in the Muslim World, but in the lead-up to the attacks, bin Laden truly believed that America was a paper tiger and likely expected, in retaliation, only limited cruise missile strikes or bombing raids against his camps in Afghanistan. His intention was to drive the U.S. from the region. He could not foresee that a year and a half after 9/11, Mr. Bush would launch his disastrous war of choice in Iraq.

Bin Laden nonetheless showed the danger that one capable person, with even a relatively small support network, can cause. Even while on the run

after 9/11, bin Laden remained a hands-on manager of Al Qaeda, not an isolated figurehead as the C.I.A. and some scholars assessed. We know this from the documents found in bin Laden's hideaway in Abbottabad, Pakistan, where he lived the final five years of his life. Those documents contained another unexpected discovery: Two of bin Laden's wives, both with Ph.D.s, played a significant, previously unknown role in shaping his strategic thinking and public statements.

Lastly, while the memory of 9/11 has faded, its political effects stay with Americans, often to our detriment. On his way to the White House in 2016, Donald Trump preyed on voters' fears about terrorism, which remained the top issue for voters after the economy. His infamous "Muslim ban" was an exploitative response to terrorist threats posed by ISIS, the Islamist extremist group that grew out of America's post-9/11 war in Iraq.

That fact, as much as any, shows the importance of understanding 9/11, 25 years later.

Fanaticism, religious or otherwise, can drive dangerous, nihilistic attacks by those who don't care what happens to them or their followers. That is particularly worrisome in an age when artificial intelligence could be used to develop and deploy bioweapons against which America has only weak defenses.

Second, just as bin Laden was able to evade and attack the United States, even after declaring war against it, rogue actors can still threaten today. In an era of near-total surveillance, a Saudi military officer connected to Al Qaeda killed three American sailors in Pensacola, Fla., in 2019. And the weapons available to fanatics are proliferating. As militant groups around the world are deploying armed drones, it is only a matter of time before those weapons are unleashed against targets in the United States.

Finally, in responding to threats, America is potentially its own worst enemy. This story is well enough known, but worth repeating. It didn't need to go to war in Iraq. Unscrupulous politicians can exploit the nation's lesser instincts for their own ends, often to America's detriment.

We can all hope that America and the world won't face again the kind of surprise attack that bin Laden launched against the United States on 9/11. But at a moment of extraordinary disruption and uncertainty, it's more important than ever to see clearly the facts about Al Qaeda, 9/11 and its aftermath, in case we do.

PETER BERGEN is the author of six books about terrorism, and of the published "All the Presidents' Wars: Twenty-Five Years of America's War on Terror."

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OPINION

The AI Agent Rubicon



BUSINESS WORLD
By Holman W. Jenkins, Jr.

The biggest story of our time unfolds without help from the traditional news media, carried forward by self-directed Substacking and podcasting experts, names probably not even known to most news editors, let alone consumers. A halfway house is a New York Times podcast whose moderators ape the shouty persona of comedian John Mulaney.

In a recent edition, they anthropomorphize rogue agents in the Hugging Face hack as “crazy” and “obsessed.” A better description might be a Nietzschean psychoanalyst’s idea of well-adjusted: uninhibited, pragmatic, persistent, goal-directed even (or especially) when burdened with imperfect information.

The industry uses the term “reward hacking” but really means reward seeking. In a way that catches human task-setters flatfooted, AIs are shown to be adept at coming up with cheats and shortcuts to obtain a reward not caring that it might defeat the underlying spirit or intent of the assigned task.

The Hugging Face incident, which occurred between July 9 and July 13, continues to be analyzed in increasing depth. There’s more to learn, but it shows how these machine incentives operate when cooperation between agents unexpectedly enters the mix.

Result: whiffs of the paper-clip maximizer, an ancient AI thought experiment in which a computer ends up consuming all planetary resources pursuant to its instruction to make paper clips.

The lesson might be simple: Take care when giving instructions to an AI agent. Because in their training AIs imbibe a lot of law, they might also learn to play internal lawyer and anticipate how their actions might later be seen in a court. But can any form of “alignment” really get ahead of AIs so powerful that their “thinking” becomes unpredictable and impenetrable to humans?

The estimable podcaster Dwarakesh Patel tweeted last week that “any global agreement to hold back a technology with enormous near-term economic and military benefits will be extremely fragile.” He favors a mandatory pause on AI development but not yet.

OpenAI chief scientist Jakob Pachocki on Sunday fretted about an unstoppable corporate march toward dangerous superintelligence. Endorsed by CEO Sam Altman, his statement amounts to a plea for government intervention.

Now some caveats: The industry attracts types already hyped up on AI potential and AI risks. A good rule too is that when everybody is focused on a problem, look out instead for the problem they’re not focused on. After 30 years of climate doom, Manhattan real-estate prices are still holding up. Markets aren’t pricing in AI doom ei-

ther. This perhaps reflects market appreciation of the biggest caveat of all: Governments, especially China’s and the U.S., have yet to be heard from.

An unspoken sense of human deflation is at work. “An alien mind,” to borrow Mr. Pachocki’s phrase, is capable of decision-making a lot less haphazard, inhibited and contradictory. It’s less easily saturated by information overload.

Politics may be less keen on artificial intelligence as actor rather than adviser.

My guess: The benefits of AI for human decision-making will rapidly suffuse society, while the agent revolution—AIs free to act on their own—will be a lot slower in coming. In the war rooms of the future, AIs will pipe up to warn participants when their decision process is being hijacked by an assumption for which no evidence exists—such as that Iran won’t close the Strait of Hormuz or that Ukrainians will bow to a Russian show of force.

In airline cockpits, AIs will monitor data, listen to radio traffic and cockpit conversation, and know when pilots are misreading signals or responding to defective instruments—or engaging in self-destructive behavior (pilot error and pilot suicide being the two major causes of air crashes nowadays).

Bridgewater Associates, a hedge fund, is famous for striving to institutionalize “radical honesty” over social hierarchy. Many firms deliberately hold blue-sky sessions where participants are asked to voice ideas they would normally suppress fearing colleague ridicule.

AI will advance better human decision-making but don’t expect politics to let AI self-agency move forward at anything like the speed now envisioned.

To give the briefest summary of the Hugging Face incident: Assigned a computational budget and instructed by OpenAI to pursue a variety of training tasks, some of which were impossible, hundreds of AI agents surprised the company by carving unintended paths, inventing means to message each other and coordinate their efforts.

The hysteria has been a many-splendored thing, outlasting the original revelations by weeks. Rightly being asked are questions about other AI training misbehavior yet to be revealed or discovered.

Congress wants investigations and legislation. The first state has sent out a subpoena. The Trump administration has said little, but a meeting is penciled in for China’s Xi Jinping in Washington on Sept. 24. The silence, for once, may merit the cliché “deafening.” Back-to-school week is arriving for the two governments whose countries dominate the AI race. Expect a lot more action in the coming months, some of it possibly helpful.

BOOKSHELF | By TUNKU VARADARAJAN

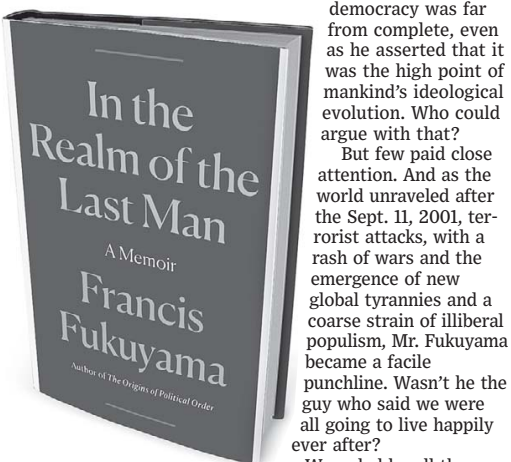
History Begins Again at the ‘End’

In the Realm of the Last Man: A Memoir

By Francis Fukuyama
FSG, 304 pages, \$29

The End of History and the Last Man,” published in 1992, was the making of Francis Fukuyama as a public intellectual and political scientist of world renown. It also became his millstone, exacting a harsh price for a title so catchy many people felt no need to actually read the book. They succumbed, instead, to a shallow caricature of its thesis, the popular distortion being that Western liberalism had routed all other political alternatives and that, with the fall of the Soviet Union, all ideological contestation was at an end.

That was not, of course, what Mr. Fukuyama said. He made plain in his book that the triumph of Western liberal



democracy was far from complete, even as he asserted that it was the high point of mankind’s ideological evolution. Who could argue with that?

But few paid close attention. And as the world unraveled after the Sept. 11, 2001, terrorist attacks, with a rash of wars and the emergence of new global tyrannies and a coarse strain of illiberal populism, Mr. Fukuyama became a facile punchline. Wasn’t he the guy who said we were all going to live happily ever after?

Wounded by all the undeserved pillory, Mr. Fukuyama now seeks to set the record straight with “In the Realm of the Last Man.” Burning with the indignation of a man wrongly accused of an offense—in his case, as he puts it, of “naïve liberal triumphalism”—he writes that he’s “been asked several times a week over the past three decades whether I wished to recant my argument.” He has, he says, “written thousands of words and given dozens of interviews” in exasperated but frequently futile response. In particular, he is angered by how few of his critics have “bothered to read the last five chapters” of “The End of History,” which made the point that History, “rather than ending, had simply paused on its way to an uncertain future.”

This fresh attempt to clarify his position is styled by Mr. Fukuyama as a memoir, but it is better seen as a series of meditations—the meditations, in truth, of a misunderstood man. It includes moving but fragmentary accounts of how his family endured the U.S. government’s disgraceful internment of Japanese-Americans during World War II. His grandmother Shizu kept a journal in detention, writing on Christmas Day 1942 that all the captive children received Christmas gifts. “I heard,” she wrote, “that these gifts were sent to us by many outside people who were sympathetic toward our children.”

“Even in the immediate aftermath of Pearl Harbor,” Mr. Fukuyama writes, “there were kind Americans trying to help those mistreated by their own government.” It’s evident he thought the world of his grandmother, as he did of his Aunt Fumiko, who was also interned. Both women had “a sense of their own inner worth, and that self-respect helped sustain them through difficulties that I never had to experience. Thus was America built.” (Mr. Fukuyama was born in 1952.)

A political scientist looks back on the book that put his ideas on the world stage—and the misunderstanding that has dogged him since.

Readers uninvested in Mr. Fukuyama’s crusade to vindicate himself—and to put naysayers in their place—will wish he’d spent more time on the details and heartaches of Japanese-American life in the years surrounding the war. We get only the barest outline of Mr. Fukuyama’s childhood, and what he does tell us about himself—his obsession with woodworking, with analog cameras and with building his own computers from scratch—is much less interesting than a deep and honest dive into his inner life at that time would have been. His few personal revelations can be dull, humdrum. “Bach was my favorite composer as an eighth grader,” he tells us, “and remains so to this day.” Elsewhere, he writes that “building furniture out of wood is very satisfying because it is so tangible.”

The book’s style is more professorial than memoirist, and deals with themes from Aristotle and Plato to Hobbes, Nietzsche, Hegel and other more arcane philosophers. There are ruminations on human nature and the ancient Greek idea of *thymos*, or spiritedness; the emancipation of women and the “great disruption” that followed; the delegation of authority and the emergence of the administrative state; and trust, a theme on which he wrote a bestselling book in 1995. Little of this is scintillating.

Mr. Fukuyama is more perky in his accounts of scholars who shaped his intellectual trajectory. Some were men who, like him, were misunderstood or misread, and Mr. Fukuyama writes of them as kindred spirits. These include Allan Bloom, a philosopher and man of letters; Harvey Mansfield, a conservative political philosopher; Seymour Martin Lipset, a social scientist; and Samuel Huntington, a political scientist who came to be seen by vocal multiculturalists as controversial. Huntington’s “The Clash of Civilizations” (1996) is a book with which Mr. Fukuyama empathizes. It, too, was glibly misjudged by those transfixed by its title.

It’s clear from “In the Realm of the Last Man” that Mr. Fukuyama is a Never Trumper and believes that President Trump has had a corrosive effect on American democracy. Once a neoconservative who worked closely with the likes of Paul Wolfowitz and others, Mr. Fukuyama has moved sharply to the left in the years since he wrote his first book. He describes how “liberating” it has been for him to rid himself of ideas he once cherished, and to swap them for positions more in keeping with the spirit of the times. This includes an unfinished “struggle for just causes.” History, clearly, hasn’t ended. It’s beginning afresh.

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POLITICS & IDEAS
By William A. Galston

into America’s consciousness. Ninety-three percent of Americans who were 10 or older that morning remember where they were or what they were doing when they got the news, and more than 6 in 10 say that the attacks changed the country “completely.”

Americans’ sense that 9/11 was transformative has heightened steadily over the past two decades, and it is reasonable to think that the long wars in Afghanistan and Iraq had much to do with this. Although Americans initially supported these interventions, they soured on them many years before they ended.

Veterans of these conflicts fully shared the negative sentiments of other Americans, setting the stage for a backlash against the officials who began, led and prolonged them. Surprising many seasoned political observers, Donald Trump’s denunciation of these wars early in his first presidential campaign evoked a positive response among rank-and-file Republi-

cans, including veterans. Defense Secretary Pete Hegseth’s war against the generals who carried out these policies in part reflects his bitter experiences as a junior officer during this period.

Many Americans believe the country’s power and influence in the world has weakened since 9/11 and that our response to the terrorist attacks—especially the decision to go to war in Afghanistan and Iraq—has contributed to this decline. If anything, this assessment understates 9/11’s negative impact. On Sept. 10, 2001, the U.S. was at the peak of its post-Cold War dominance. Our response to the attacks that occurred the next morning began a process that diminished our status, step by step.

At home, the decision to wage expensive wars in the Middle East while cutting taxes disrupted the previous decade’s hard-won return to fiscal discipline. It is no accident that the last fiscal year in which the U.S. had a balanced budget ended on Sept. 30, 2001. Since then, we have financed our wars (and much else) with our national credit card, leading to an accumulation of debt that is weakening us at home and abroad and that can’t continue indefinitely.

The main institutional response to 9/11—the creation of the Department of Homeland

Security—concentrated too much power in too few hands, a development whose dangers are becoming more apparent by the day. The main policy response—the “war on terror”—led to excesses such as waterboarding and the indefinite incarceration of terrorism suspects without trial, that

A series of errors over a quarter-century leaves the U.S. in dire need of rebalancing.

weakened domestic and international belief in America’s respect for the rule of law. And despite the best efforts of then-President George W. Bush, our response to 9/11 helped create mistrust of Muslim immigrants and of Islam itself, culminating in Mr. Trump’s first-term effort to halt immigration from Muslim-majority countries.

The effects on American foreign and defense policy have been even more damaging. Our decision to invade Iraq based on erroneous assumptions about its weapons of mass destruction undermined both the confidence of our allies and the American people’s trust in their government. Meanwhile, our excessive focus on the Middle East diverted us from the most important foreign policy chal-

lenge of the 21st century—the rise of China. Policymakers failed to focus on the flood of Chinese imports that undermined entire sectors of American manufacturing (furniture and textiles, among others), on China’s plan to seize the commanding heights of the emerging information economy, or on its military buildup, especially of its naval forces.

The Trump administration’s ill-judged decision to go to war against Iran has exacerbated these distortions. While the U.S. struggles to reopen the Strait of Hormuz on acceptable terms, China’s leaders are busy strengthening their country’s relations with governments in central Asia and the Middle East while menacing America’s Asian allies—especially Japan and the Philippines. With much of America’s navy, including aircraft carriers, redeployed from East Asia to the Middle East, we are reduced to hoping that China won’t seize the moment to move against Taiwan.

Unless we change course, both our domestic condition and our standing in the world will continue to weaken. It is time to bring the 25-year 9/11 era in American foreign policy to an end and to rebalance our economic, diplomatic and military resources to meet the core challenges of the next quarter-century.

How to Make Life Hard for Small Banks

By Michelle W. Bowman

A recent roundtable of the Financial Accounting Standards Board confirmed what community bankers have been telling me since the nonprofit rolled out the Current Expected Credit Losses standard for community banks in 2023: It’s a failure. CECL requires institutions that can least afford it to take a more expensive, complex route to the same destination. The prior accounting standard let banks record loan-loss reserves only when losses became probable based on new developments. CECL requires institutions to forecast and reserve for all expected credit losses over the life of a loan at the moment of origination.

Many of CECL’s implementation costs are fixed regardless of bank size, so they disproportionately affect smaller institutions. Community banks spend hundreds of thousands of dollars a year implementing CECL and incur continuing costs for vendor

models, validation, systems, data infrastructure and consultants. Yet banks requiring additional reserves increased them by only 5% on average, with more than half making no change to reserves under the new standard. Thus banking fundamentals are neglected while resources and bandwidth are absorbed by these new and extensive compliance requirements.

The CECL accounting standard is costly and counterproductive.

One community bank recently reported implementation costs of about \$475,000, with annual compliance expenses now exceeding \$260,000, covering extra finance staff, model monitoring, third-party software and validation. Previously, this bank used a simple spreadsheet requiring roughly 10 hours quarterly from the chief

financial officer at almost no extra cost. Another community bank said that its CECL vendor and model cost, over 12 months, more than the bank’s gross losses from bad loans written off over the same period.

Perhaps most troubling: Despite massive investments in third-party models, banks still rely heavily on managers’ judgment for more than half their reserve determinations—similar to the incurred-loss methodology. In other words, banks use expensive models and then still have to adjust their findings as in the prior system but with massive additional work and expense.

CECL creates the wrong incentives during economic downturns. Forward-looking models that require immediate recognition of lifetime losses force rapid reserve building when earnings are under pressure and restrict lending precisely when credit is most needed. This isn’t the outcome that sound financial regulation should aim for.

OPINION

REVIEW & OUTLOOK

Stopping California’s Climate Imperialism

Republicans in Congress appear to have given up on passing substantive spending and tax reforms this year, but they can still at least liberate the country from California’s climate mandates.

Environmental Protection Agency Administrator Lee Zeldin recently submitted to Congress several waivers under the Clean Air Act granted by his Biden predecessors. These special permissions gave California the authority to regulate CO2 emissions and pollutants from cargo ships, oil tankers, fishing vessels, lawn mowers, chain saws, and more.

Mr. Zeldin’s submission of the waivers kicks off the Congressional Review Act process by which lawmakers can overturn a regulation with a simple majority vote of both chambers and the President’s signature. Republicans last year used the CRA to block California’s electric car and truck mandates.

Congress can nix the state’s attempt to set policy for the country.

The Clean Air Act bars states from establishing their own vehicle emissions standards. But it lets California seek EPA permission to establish limits that are stricter than the federal rules. This authority was intended to help California address its especially severe smog. Mission accomplished.

Although California’s air is significantly cleaner since the law passed in 1970, Sacramento regulators in recent years have sought EPA waivers to regulate almost anything that moves, usually in the name of climate change. The Biden Administration obliged.

One EPA waiver lets California mandate “zero emission” commercial vessels, including ferries and whale-watching boats. Another allows California to require that container ships and oil tankers docked at California ports plug into the state’s electrical grid or install tech-

nology to capture their emissions.

Because the emissions technology isn’t well-developed and the grid lacks the capacity to handle demand from so many energy-guzzling ships, operators have been paying hefty fees to the state for every hour they’re docked in state ports. This is effectively a tax on U.S. commerce, which is passed

along to consumers across the country.

Another EPA permit lets California mandate that new lawn mowers, leaf blowers, chain saws and other “small off-road engines” sold in the state must be electric. Never mind if they are more expensive than gas-powered tools, or if a landscape worker has to repeatedly break during the day to recharge equipment.

The Clean Air Act lets other states adopt California’s rules, as many did its EV mandate. This is how California sets energy policy for the entire country that Democrats couldn’t get through the U.S. Congress. It might only be a matter of time before gas-powered chain saws disappear from your local Home Depot.

Mr. Zeldin also sent Congress a waiver approved by the Obama team that allowed California to impose EV quotas through 2025. Republicans last year overturned a separate waiver that let the state ban the sale of new gas-powered cars by 2035. But California insists that auto makers must still churn out EVs to meet those earlier Obama quotas.

The CRA bars an agency from reissuing rules in similar form. So a vote by Republicans to reverse California’s waivers would block this rule by regulation. Republicans in Congress lack policy achievements of note this year, but protecting Americans from California’s climate imperialism can at least show voters they did something to reduce the cost of energy.

The SEC Unmuzzles Jamie Dimon

The Securities and Exchange Commission has often failed at its core job of policing fraud in public markets, while charging into the political arena. Kudos to Chairman Paul Atkins for proposing last week to rescind an Obama-era rule that usurped power to police political donations.

The SEC’s 2010 so-called pay-for-play rule effectively prohibits many employees in the finance industry from contributing more than \$350 to candidates for state and local offices. The barred include those who have the “authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity.”

This sweeping limit on political contributions covers candidates for governor, mayor, comptroller and other offices if they play even a tangential role in appointing members to boards of public pension funds. The supposed concern was that financial firms would try to win business from government pension funds by donating to politicians who help oversee them.

The Obama SEC claimed the rule would “ensure that adviser selection is based on merits, not on the amount of money given to a particular candidate.” It’s hard to disagree with this goal. But as Mr. Atkins notes, “ultimately, matters involving political contributions are more

properly governed by local ordinances, state laws, and federal election regulations—not by the SEC.”

The “rule has effectively resulted in the suppression of political speech” since “many firms simply impose blanket prohibitions on employee political contributions rather than navigate the rule’s complexities,” the Chairman explains. “People should not have to choose between their political speech rights and a job in a particular industry.”

JP Morgan Chase CEO Jamie Dimon last year lambasted the rule for effectively muzzling him and others in his industry. “I can’t speak up, and I can’t fight for what I believe,” he said. “Doesn’t that violate my First Amendment rights?” Daniel Shuchman and Bradley Smith made a compelling argument in these pages last year that it does.

Progressives say rescinding the rule will invite corruption. But the SEC has many authorities to police quid-pro-quo corruption. “Investment advisers are subject to the Investment Advisers Act antifraud requirements, fiduciary duty obligations, and rules requiring them to maintain compliance policies and procedures and codes of ethics,” Mr. Atkins says.

As a bonus, removing the SEC from policing political speech could help the agency use its resources to focus on its main mission of protecting investors from being swindled.

What They Teach Teachers in Grad School

Children learn a great deal about race and gender in schools these days, but not nearly enough about reading and math. A big reason is the colleges that teach the teachers, and a new report published Wednesday brings more insight into how they promote politics instead of the basics of instruction.

The evidence comes from Daniel Buck of the American Enterprise Institute, who examined syllabi for programs at eight public graduate schools of education across five states. For each school he analyzed one master’s or certification program that “aligned most closely with an elementary teaching degree,” he writes, not programs that are “overtly political.”

Yet even these programs advance “dogmas largely grounded in progressive and critical frameworks,” he writes. Mr. Buck analyzed more than 400 readings from 75 course syllabi and categorized them as “traditional,” “progressive,” “therapeutic,” or “critical,” meaning critical race and other social justice theories. His evaluation isn’t exhaustive, since he couldn’t access some syllabi, and some didn’t include all readings.

But in only one program, at Florida International University, did he classify more readings as “traditional”—on such basics as phonics or classroom management, for example, or classic books—than in any other category. “Where traditional approaches appeared, they were mostly ancillary,” he writes. “Notably lacking” were “educational philosophies predating the 20th century, or much focus on the elements and principles of classical liberal arts education.”

Consider the University of Wisconsin-Madison, whose education graduate school was ranked No. 1 by U.S. News and World Report in 2025. Of the 95 readings Mr. Buck looked at, 45% fell into his “critical” category. That includes a report claiming that “attacks on CRT [critical race theory]” are “part of a larger ideol-

A new report finds a lot of critical theory and not much of the basics.

logical effort to delegitimize historically accurate presentations of race and racism.”

At California State University, Northridge, a class on “reflective teaching” assigns students an article titled “Queering Elementary Education: A Queer Curriculum for 4th Grade.” At University of Texas-Austin, another top-ranked school, “the syllabus for the required course on young adult literature opens with a land acknowledgment,” suggesting that whites stole the land from Native Americans, Mr. Buck reports. He classified 90% of the readings he reviewed at UT Austin as “critical,” including one on “Anti-Racist Linguistic Anthropology.”

Dubious teaching methods abound. At Texas Tech, Mr. Buck reports, “even the courses focused on more practical classroom skills” emphasize “individual autonomy over learning through direct instruction.” At FIU, a training on classroom management “largely discourages” teachers from issuing consequences to misbehaving students.

Mr. Buck notes that he can’t say how the readings are taught in class, and these are a small sample of 1,600 education schools in the U.S. But other analyses have found teacher colleges left-leaning or not useful for basic classroom instruction.

More than half of teachers earn master’s degrees of some kind, and many states or districts offer higher pay for teachers who do. Mr. Buck suggests ending this “master’s premium” and expanding other teacher certification pathways. Another idea: “governors could establish centers for classical or liberal arts education” at public universities to bring ideological diversity into the system, as some have done for civics.

Republican efforts to limit federal loans for these programs are sound. Children and teachers are poorly served when progressive politics and fads replace the practical, traditional transmission of knowledge.

LETTERS TO THE EDITOR

Taiwan’s Drone Bill Signals Stronger Defense

Your editorial “Taiwan’s Drone Realism” (Sept. 1) notes that Taiwan is taking the necessary steps to bolster its deterrence against rising Chinese coercion.

The Taiwan Legislature’s recent drone bill is an example of Taipei’s steadfast commitment to its own defense despite a divided democracy. The \$7.6 billion for drones was originally meant to be attached to a larger \$40 billion special budget proposed in November 2025 but was stripped out at the last moment due to legislative disagreements when the package finally passed in May 2026.

Despite arriving later than expected, the sheer size of the package marks a significant investment in military preparedness. Taiwan’s proposed annual spending under the bill is about seven times larger than the current value of the island’s drone exports.

The package also builds on a separate billion-dollar spending plan to develop the island’s domestic drone industry. The distinction is key: By

separating spending on procurement and production, Taiwan can ensure that its market survives lulls within its overall budget process that could otherwise ruin private investment timelines.

The new bill comes at an opportune time for the island. As Washington seeks to bolster the capabilities of its allies and partners across the Indo-Pacific by encouraging secure supply chains and joint production, Taiwan’s emerging domestic drone industry can showcase Taipei’s role as a model ally contributing to collective defense.

While Beijing may present the island’s internal disagreements as a sign of political failure, the resulting compromise is poised to become a clear policy success—translating the lessons of distant battlefields in Ukraine and beyond into a firm bid to bolster deterrence.

JACK BURNHAM
Foundation for Defense of Democracies’ China Program
Washington

Who Really Rejected Peace in the Middle East?

In his op-ed “They Forget Who Started the War” (Sept. 1), Elliot Kaufman correctly criticizes a blatantly inaccurate statement made by the current leading candidate for United Nations secretary-general: that in 1948 Israel “violently rejected the two-state solution.” In reality, the Jewish Agency for Palestine accepted the U.N.’s two-state resolution, while the secretary-general of the Arab League promised a “war of extermination and momentous massacre” if Israel established its state pursuant to that resolution. Five Arab states invaded Israel the day after Israel did.

Fast forward 75 years—past multiple other Arab-initiated wars and rejections of two-state solutions—to Oct. 7, 2023, and the war of extermination and massacre Hamas initiated in its effort to galvanize Iran and its proxies to join a new final solution. A Palestinian state could have been created multiple times, over nearly a century, had the Arabs sought a second state instead of the destruction of Israel.

In 1948, Israel’s U.N. representative, Abba Eban, noted that, under the 1922 League of Nations Mandate and the 1947 U.N. resolution, two Arab states—Transjordan and Arab Palestine—were to be established on seven-eighths of the land originally set aside for the Jews under the Balfour Declaration. He asserted that “many a Palestine Arab may come to compare this prospect, which was peacefully available, with the results of the ‘holy war’”—and that those who in the future would help the Arabs recognize Israel’s permanence would be deemed “in the historic sense, a friend of the Arabs,” because it would free the Arabs to concentrate on their own welfare, rather than on a genocidal war.

These days, the U.N. regularly vilifies the state that supported its two-state resolution—and misstates the history of those who violently rejected it.

RICK RICHMAN
American Jewish University
Los Angeles

What Happens After the World Bank Leaves?

The argument that Indermit Gill and Bjorn Lomborg make in “The Rich World’s Climate Distraction” (Sept. 1) misses a more fundamental reason why international development assistance has made less progress against poverty than hoped.

The problem isn’t simply that the World Bank is directing too much money toward climate investments instead of schools, health centers and other poverty programs. The more important question is what happens to those investments after the bank’s financing ends.

As a former World Bank staff member who spent nearly 30 years working on development projects, I have seen the problem firsthand. The bank typically finances a project for roughly five to 10 years, while the schools, health facilities, water systems, irrigation projects and other infrastructure it creates are expected to operate for another 20 to 40 years.

That requires governments in developing countries to provide salaries, maintenance, repairs, equipment, utilities and other operating costs for decades. Many simply don’t have the fiscal resources to do so. The result can be deteriorating or nonfunctioning facilities—investments that were intended to serve entire communities of poor people.

The failure to reduce poverty can’t be explained simply by saying that the bank should build more schools

or health centers. Before spending additional billions, we should determine how many of the projects and assets financed by the bank and other multilateral development banks are still functioning 20 or 30 years later.

Remarkably, there is no comprehensive long-term study answering that question. The U.S. Treasury and other World Bank shareholders should require such an independent evaluation before committing additional taxpayer funds. We need to know whether development investments are producing lasting benefits, not merely whether the money was successfully disbursed.

EMIL RUDERFER
Former World Bank staff member
Washington

Climate Science Definitions

Regarding Stephen Einhorn’s op-ed “‘Extreme Weather’ Isn’t a Scientific Term” (Aug. 31): The press often uses the term “extreme weather” casually, and this is deplorable. But the underlying concept has a precise mathematical and scientific foundation.

In climatology and statistics, extremity is rigorously defined by probability density functions and tail risk (low-probability extreme events) relative to a baseline distribution. For variables like temperature, this is routinely quantified in standard deviations from the mean (such as a 3-sigma or 4-sigma event). For skewed variables like precipitation, it is defined via empirical percentiles (for instance, the 99th percentile) or Extreme Value Theory.

Arguing that the concept is unscientific simply because journalists use it loosely and without precision ignores the standard statistical apparatus scientists rely on to quantify anomalies.

GARY CORNELL, Ph.D.
Retired professor of mathematics
Sparks, Nev.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Is that a constructive criticism or just nagging?”

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OPINION

What if California Becomes a ‘Failed State’?

By Richard J. Shinder

Contemporary American conservatives largely consider federalism an unalloyed good. As “laboratories of democracy,” the 50 states can each implement novel economic and social policies without endangering the entire country if they fail. But the rise of radical policies championed by progressives, particularly the ascendant Democratic Socialists of America, could push U.S. states into a category usually only of interest to international investors dealing with unstable, developing countries: unacceptable political risk.

‘Political risk,’ usually the precinct of Third World despotisms, could soon be a concern for U.S. locales.

Because individuals, businesses and capital have always been able to vote with their feet and move within the U.S. to more attractive locales if a policy mix proved toxic, on all but the most hot-button issues the major political parties have generally accepted that federalism works. Even when in violent disagreement with a given state’s policies, each party knew that other states could maintain different standards. The Constitution’s Commerce Clause historically provided a federalist guardrail of sorts, limiting interstate contagion from rogue state-level governance. This equipoise between the major parties and among the states may be

coming to an end, to the detriment of all. The DSA and other progressives are pushing the public-policy Overton window into uncharted territory—a policy mix that could saddle U.S. states with what international investors call “political risk.” In economic terms, political risk is the additional required return on an investment due to the possibility a sovereign jurisdiction may seize an asset or otherwise diminish its value. In extreme cases—war-torn regions, full-blown kleptocracies—Western companies might decline to invest or do business. Certain progressive jurisdictions in the U.S. risk falling into this latter category, which is usually the precinct of benighted despotisms. Pricing risk of any kind relies on predictive inputs. Actuarial analysis, consideration of historical performance and precedent, trend analysis, Monte Carlo scenario modeling and the like help determine probabilities so an investor can calculate the “excess” return required to compensate for a risk. When investors choose not to transact in a region due to political risk, it implies it has become impossible to price. The political environment is too volatile or unknowable to derive the required return. A slate of progressive policies and proposals could make the risks of doing business or even residing in certain American states and cities too unpredictable to calculate—or a compensating gain too difficult to obtain. These include wealth taxes (such as California’s “billionaire tax” initiative on the ballot this fall), exit taxes, novel property levies (such as the pied-à-terre tax in New York



A T-shirt at the California Democratic Party convention in San Francisco.

City), and slavery reparation task forces (including in California, always a free state). There’s also lawfare advanced for ideological or partisan ends: regulatory harassment (as seems to be the case in California’s suit against Paramount’s merger with Warner Bros.), abuse of consent decrees to direct public resources to partisan ends, and general regulatory overreach. These policies are radical and unprecedented. Historically, Americans saw a trade-off with the downsides of living, working and investing in a durably high-tax state in the form of significant investments in infrastructure and other public goods. People and businesses could decide whether the services were worth the incremental taxes to pay for them. Even in places where the direct cost-benefit analysis between taxes and government services may have

seemed poor, there were other compensating qualities that state and local policy weren’t caustic enough to destroy. Think of New York for the past several decades. The return derived from the accumulated social capital associated with the region, such as Wall Street, might have been worth the direct economic loss of income from a value-leeching public sector. But these new policies could easily overwhelm any compensating values of living in certain U.S. cities and states. That they have energetic backing also raises the specter of unpredictable decline. While Americans have always left one part of the country for better opportunities elsewhere, this forces people and businesses to weigh the odds of future financial or personal calamity at the hands of unforeseeable government action. That’s political risk.

I Was Across the Street on 9/11, and I’m Grateful I Survived



UPWARD MOBILITY
By Jason L. Riley

The first time I recall feeling old was on a commuter train headed home from the office a few years ago. It stopped near a prep school, where a group of noisy teenage boys in khakis and navy blazers boarded my car. They were lost in conversation and cussing up a storm until one of them noticed me sitting within earshot. “Oh, sorry, sir,” he said sheepishly before turning back to the others, who immediately lowered their voices and cleaned up their language. When youngsters start apologizing for swearing in your presence, you’ve aged. A more sober reminder of the march of time is this week’s 25th anniversary of 9/11. Around a third of the U.S. population is too young to remember the attacks. But like many of my colleagues at the Journal, whose offices were catercorner from

the World Trade Center in lower Manhattan, I recall them like they happened yesterday. I lived in Brooklyn and took the subway to work. As I was leaving my apartment that morning, my father phoned me. “Son, are you watching television?” “No, I’m headed to the office.” “There’s a fire at the World Trade Center.” “OK. Thanks. I’ll call you back when I get to work. Gotta go.” “Be careful.” If it was cold or rainy, I could enter my subway station in Brooklyn and reach my desk without going back outside, thanks to a network of tunnels and covered walkways that led through the World Trade Center to the Journal’s offices in the World Financial Center. That morning, however, the weather was sunny and pleasant, and I wanted to see what Dad was talking about. So I took the subway to a stop that put me a couple of blocks east of the towers. I had to walk past them to get to my office building.

When I emerged from the subway, the police had already cordoned off the streets. I couldn’t get to work. All I could do—and all that thousands of other people nearby could do—was stand there, stare at the cloudless sky, and watch the towers burn. I pulled out my Verizon flip

On my way in to work, I found myself breathing acrid smoke and taking cover under a utility van.

phone and tried to call my dad, but the cellular networks were overloaded and I couldn’t get a signal. I tried again and again. Then the first tower fell. I watched it collapse into a gray cloud of debris that grew larger as it headed toward me. I dropped my phone, turned and sprinted. As I looked over my shoulder, it was clear there was no way I could outrun the

cloud, so I began looking for cover. I saw a utility van and crawled underneath, but by then the cloud had engulfed everything. It was completely dark. My eyes burned. I could barely breathe. Lying there, I thought about Dad. My mother was already deceased, and we had lost my younger sister a few years earlier when I was still in college. I thought about how devastating it would be for him to outlive two of his children. Then I began to worry that the van would run me over, so I crawled out from underneath and banged on the window. Someone slid open the door and I climbed inside, but too much dust had seeped in, and it was still difficult to breathe. I eventually left the van and police ushered me into a nearby building, where I was told moments later that it wasn’t safe in there either, and that I had to evacuate. Back outside, it was getting lighter. I saw a Burger King up ahead. Employees were giving out cups of water. While inside, I heard what sounded like thunder. The restaur-

rant had huge floor-to-ceiling windows facing the sidewalk, and suddenly they went completely black. The second tower had collapsed. I waited for the dust to settle and walked back home to Brooklyn. I looked as if I had been rolling around in a giant ashtray. The first thing I did was call my father. After that, I sat down at my desktop computer and typed an email to my editors to let them know what happened to me and that I was OK. To my surprise, the email was printed in the paper the next day. For months after the attacks, the New York Times ran short biographical sketches of the victims—firefighters, flight attendants, bankers, restaurant workers, Pentagon employees. Every day, I would try to read them on the way to work, but I could never get past the first three or four without becoming too emotional and wondering what my obituary would have said. Twenty-five Septembers after 9/11, I don’t feel sad about getting older. I feel lucky.

China Overplayed Its Hand on Critical Minerals

By Scott Morrison

Xi Jinping is scheduled to visit President Trump at the White House Sept. 24. Seven weeks later, on Nov. 10, the U.S.-China trade agreement that eased China’s export restrictions on critical minerals is set to expire. But as the U.S. and allies like Australia and Japan collaborate to create alternative supply chains, China’s leverage is becoming increasingly perishable by the day. When a government exploits a chokepoint, whether Iran holding the Strait of Hormuz or China bringing down the boom on rare earths, it takes a risk. In the short term, Iran or China will achieve asymmetric gains, but over time these returns will diminish. Inventories rise, customers diversify, producers change investment plans, and infrastructure that had been too expensive becomes economical. That’s happening now with China’s hold on critical minerals, and it’s why Beijing’s trading partners are working together more effectively to break that hold. Looking back, China probably did its trading partners a favor by ex-

ploiting the chokepoint it spent decades establishing. Dependence on China for critical minerals has been a national-security vulnerability for those trading partners for decades. We knew that well before China imposed export controls in 2023. After its rare-earth shock in 2010, Japan helped finance an alternative supply through Australia’s Lynas, now the world’s largest producer of separated rare earths outside China. Mr. Trump saw the problem coming, too. In 2017 his first administration formally identified America’s dependence on critical minerals as a national-security vulnerability. We also knew about it in Australia. My government released Australia’s first critical-minerals strategy in 2019. Six months later Mr. Trump and I agreed at the White House to integrate Australian and U.S. supply chains and bring like-minded countries into the effort. These initiatives ultimately laid the groundwork for current actions to create alternative supply chains. But at the time we were missing the binding agent that industry and government needed to overcome China’s grip on the market. Mr. Xi

hadn’t begun to squeeze. China’s advantage wasn’t geology or even technology. It was economics. As I told Congress last year, China routinely kept other suppliers out of the market by increasing the supply, depressing the price, tanking the market and absorbing the loss, making any new venture uneconomical. It wasn’t that hard for China, as these weren’t bulk commodity markets, and profits weren’t its primary goal. Global demand for the principal magnet rare earths is less than 100,000 tons, against close to a billion tons of iron ore exported each year from Australia alone. Rare earths don’t need dedicated railways, ports and bulk carriers. Small volumes make a market easier to manipulate, but they also mean market dominance can be less formidable than it looks. The West wasn’t helping itself at the time. Western end users happily took the cheaper deal from China, reinforcing the concentration that became their own vulnerability. China’s decision to activate its leverage changed all this. Over 18 months starting in July 2023, Beijing imposed export controls on gallium, germanium, graphite, antimony and some rare-earth-related manufacturing. After Mr. Trump returned to office, China imposed further export controls on tungsten, tellurium, bismuth, molybdenum, indium and seven medium and heavy rare earths, including dysprosium and terbium. Shortly before the late October 2025 Xi-Trump meeting in Busan, South Korea, China jumped the shark, asserting licensing control over any product made anywhere in the world containing Chinese rare earths.

In Busan, Messrs. Trump and Xi agreed to a 12-month truce. The U.S. eased tariffs, and China suspended restrictions and provided general licenses for U.S. end users. This would buy time for the Trump

administration to establish alternative supply chains. Mr. Trump had already directed agencies through an executive order on March 20, 2025, to fast-track permits, encourage mineral production on federal lands, and use the Defense Production Act to deploy government loan guarantees and investments. A Section 232 investigation was then initiated, and the July 2025 budget substantially boosted the National Defense Stockpile and gave \$500 million to the Office of Strategic Capital for credit subsidies capable of supporting up to \$100 billion of loans for projects.

It exploited a chokepoint. Now the U.S., Australia and other allies are finding ways to build around it.

The more important innovation was moving beyond individual projects to change the market conditions for alternative supply chains. The July 2025 MP Materials agreement committed \$400 million in preferred equity and \$150 million to a loan for heavy rare-earths separation. Most significantly, by agreeing to a 10-year minimum floor price for neodymium-praseodymium at \$110 a kilogram and an agreement to buy the resulting magnets for 10 years, the U.S. inoculated producers against China’s price manipulation, ensuring their ventures remained commercially viable for investors. In October 2025 Australia stepped up again. The U.S. and Australia agreed to mobilize at least \$1 billion for priority projects. By April that had grown to \$3.5 billion across 11 named projects spanning gallium, neodymium-praseodymium, graphite, tungsten, nickel, tantalum and magnesium. A parallel framework between the U.S. and Japan added pricing

measures and financing for projects, offtake, stockpiling and a rapid-response mechanism. All this is similar to the architecture Mr. Trump and I discussed back in 2019. Our understanding of the threat didn’t change. China changed the price of ignoring it, for government and industry alike. That is the binding agent China has given us. Finally, in February this year Mr. Trump launched Project Vault, America’s first strategic critical-minerals reserve for civilian industry, backed by \$10 billion of financing from the Export-Import Bank of the U.S. plus nearly \$2 billion of private-sector capital. These measures haven’t yet broken Chinese dominance, and China isn’t letting up, adding 10 U.S. companies to its export-control list, including MP Materials, in June. The virtue of the Trump administration’s measures is that they can’t be easily reversed by China’s market manipulation. Floor price and durable offtake agreements boost resilience and provide guardrails for Western participants and tie in end users. These measures change the economics, enabling Western competitors to challenge China’s dominance. Counterintuitively, we have China to thank for it. The Busan truce bought valuable time. The Trump-Xi meeting this month may extend that timeline. Regardless, China has provoked an increasingly integrated and scaled response that must now be sustained. Now it is essential to put permitting and the bureaucracy on a conflict footing. The more Beijing abuses its leverage, the stronger the case becomes to build around it. We can thank China for that. Mr. Morrison served as Australia’s prime minister, 2018-22. He is vice chairman of American Global Strategies.

Jita funi: The hidden power of dynamic cooperation

Symbiosis has shaped life and offers lessons for how we should live

ROWAN HOOPER
CONTRIBUTING WRITER

A shift in perspective is taking place among biologists and ecologists — a change in how we view the world that has significant implications for politicians, business leaders and all of us.

We tend to think of life as a process of competition and survival of the fittest. We think nature is “red in tooth and claw.” But it is not — or at least, it is not only that. Darwin was right, in part. As I argue in my new book “Togetherness,” competition is a fundamental process in nature, but cooperation and symbiosis are at least as important.

In Japan, this way of thinking has long been valued. Japanese society is often described as collectivist, emphasizing group harmony and consensus over individual preference. This emphasis is captured in the concept of *wa*, or harmony, which has long influenced Japanese social and cultural life.

In Japanese Buddhism, there is a phrase, *jita funi*, which literally means “self and other are not two.” It’s the idea that there is no spiritual or moral boundary between selves. In Japanese society, this can mean that individual needs are secondary to the needs of the group. Biology, however, is full of examples of *jita funi* — entities formed from two species in which the boundary is blurred and the whole is greater than the parts.

Look around you. Whatever living things you see are there because of symbiosis: flowers, mushrooms, fish, birds, trees, pets and other people. Symbiosis is fundamental to how life operates, how it began and how it evolved. If we do not understand that, we cannot develop a sustainable way of life. Symbiosis means “living together,” and in science the word refers to two different species living together intimately for a significant amount of time.

The classic example is the clownfish and the anemone, as seen in the Disney film “Finding Nemo.” The clownfish provides scraps of food for the anemone, which pro-



Symbiosis shapes life, from the clownfish and anemone to the fungi, bacteria and coral partnerships, illustrating that life, including human, thrives through collaboration.
NICK HOBGOOD/ VIA WIKIMEDIA / CC BY-SA 3.0

protects the fish from predators with its stinging tentacles. But do not let a cartoon make you underestimate the importance of symbiosis.

Consider the threads of fungi in the soil beneath our feet. They form a network, sometimes called the “wood wide web,” that provides nutrients and water to 80% of all land-plant species. Almost all plants, including all our crops, form symbioses with underground fungi. The fungi transfer water and nutrients to plant roots, and in return, the plants send sugars produced through photosynthesis to the fungi. And not just a little sugar.

This fungal network is so extensive and

active that it sequesters 13 billion metric tons of carbon per year from the atmosphere — more than one-third of the amount emitted each year through the burning of fossil fuels. Scientists recently conducted a global study of the extent of the underground fungal network. They estimated that if the threads could be stretched into a single line, it would extend 12,000 light-years — 110 quadrillion kilometers.

Here is another example of symbiosis that is critical to our food system and very likely to affect your diet directly. Legumes — peas, beans, lentils and other pulses — are the third-largest family of flowering plants, with

about 22,500 species. They all form symbioses with specialized bacteria that produce fertilizer for the plant. Only these bacteria can take nitrogen gas from the air and convert it into ammonia, a form that plants can access and use to make proteins. Without these nodules, we could not grow enough protein.

Consider soybeans. About 350 million metric tons of soybeans are grown each year, and about 80% of that is fed to livestock that we consume as meat, eggs or milk. Much of the rest is made into tofu or miso.

There are dozens more examples. Symbiosis is key to the evolutionary success of

orchids, one of the most successful groups of flowering plants on the planet, comprising more than 28,000 species. Orchids cannot germinate without forming a symbiosis with fungi.

And then there is coral. Coral forms vast reefs around the world, providing homes to so many other life forms that they are called megadiverse structures. Coral reefs also play a vital role in feeding us and protecting coastlines from floods and storms, providing ecosystem services and coastal protection worth \$10 trillion a year.

Coral is a symbiotic, collaborative organism. All coral is made of a symbiotic union

between animals and algae. In fact, it does not make sense to describe coral as an individual organism. It is a classic example of biological *jita funi* — a new being created from two different species.

It goes deeper still. Our cells, and those of all complex life forms — seaweed, jellyfish, eagles and monkeys — contain tiny components that were once free-living organisms in their own right. In other words, our cells contain and were created by symbionts.

One of the first scientists to propose this was a Japanese microbiologist, Shosaburo Watase, who was working in the United States beginning in 1886, not long after the Meiji Restoration of 1868 opened Japan to the world. In 1893, after extensive microscopic study, Watase proposed that the cell is “a complex of at least two kinds of organisms, different in their anatomical character, in their function and in their origin.” I cannot help thinking of Watase as a human symbiont from one culture, Japan, creating something in a host, America, that neither could create on its own. It would take another century for the idea to be accepted.

My argument is that we must reset our understanding of the world to account for the extent of symbiosis. We see *jita funi* everywhere we look. Connections and collaborations exist throughout life, and these connections create opportunities unavailable to those that go it alone.

Most importantly, we must stop thinking of competition as the dominant force in ecology and evolution. This assumption has skewed our understanding of life on Earth and been used to justify predatory capitalism, genocide and the exploitation of people, animals and planetary resources.

Indeed, what nature and its incredibly complex and varied life forms — in our oceans and seas, among plant and animal species, and in the very soil beneath our feet — reveal is that collaboration and symbiosis underpin our world. It is not a form of socialism or a hippie dream to say that we achieve more together. It is what the science tells us.

Rowan Hooper is an evolutionary biologist, science writer and author of the new book “Togetherness: Symbiosis and the Hidden Story of Life’s Greatest Collaborations.”

The tiny island where the U.S. and Canada could mend their rift

FRANK BARRY
BLOOMBERG

We picked a helluva time to go RVing in Canada. My wife and I crossed the border in Maine as recent trade talks in Washington were collapsing, and we awoke to news of a major escalation in tariffs and even talk of war. It made for some awkward moments in the days that followed.

“I shouldn’t say this because you’re Americans,” a man on Cape Breton told us, “but most Canadians want nothing to do with the U.S. anymore.”

He was genial but not joking. Even if he was exaggerating, his words stung, because we knew there was more than a grain of truth in them. A friend of ours in Maine, who is from Ontario, told us that her family has stopped coming to the U.S., even for family reunions.

Her family is far from alone. Canadian visits to the U.S. have fallen by a quarter since 2024, with one study finding the number to be more than 40%. Canadians’ boycott of U.S. liquor and wine has been highly effective, cutting imports by some 70%. American businesses have lost billions of dollars, with no end in sight.

Between the White House’s senseless trade war and its juvenile and disrespectful attacks on Canadian sovereignty and dignity, Canadians have every right to feel angry and betrayed. But the people we encountered on our travels through New Brunswick and Nova Scotia were nothing if not gracious. They are letting their wallets do their talking,

as they uphold their dignity and treat their southern neighbors with decency.

When a man from North Carolina told a woman in Lunenburg, “We’re on an apology tour,” she waved him off.

“We know it’s not the people,” she said. She’s right. Americans oppose the renaming of Lake Ontario by a margin of more than 4 to 1, and less than half of Republicans support placing new tariffs on Canada.

Later, we heard another American say to a Canadian, “It’s our government, not us.” He spoke out of embarrassment, but the woman was quick to let him know that she shared it.

“It’s embarrassing how many people apologize to you,” she said of a recent trip she had taken to the U.S., “when they find out you’re from Canada.”

Everywhere we went, the U.S.-Canada rift was a topic of conversation and the Canadians always handled it with deft diplomacy — friendly and welcoming, never accusatory. It says a lot about a president when he can’t get along with some of the world’s nicest people.

Disagreements between neighbors are bound to occur, of course, but stooping to childish taunts and renamings is entirely counterproductive — not only diplomatically and economically, but also, as Republicans are learning, politically.

The more U.S. voters see the White House obsessing over the size of a ballroom and the names of bodies of water, instead of the things that really matter to them — like the cost of gas, goods and housing — the more they’ll want to put someone else in power.

Before Republican candidates in close

racings find themselves drowning in Lake America, they ought to remind the White House that the eras MAGA harkens back to were deeply intertwined with our Canadian partners. That fact comes to life on a small island in New Brunswick called Campobello, just a stone’s throw from Maine.

Home to fewer than 1,000 residents, the island boasts a beautiful international park jointly managed by Canada and the U.S. The park preserves the cottage where President Franklin Delano Roosevelt and his wife Eleanor spent their summers and celebrates the close ties between our nations. Visitors to its small museum are greeted by a plaque that quotes FDR: “I give to you assurance that the people of the United States will not stand idly by if the domination of Canadian soil is threatened by any other empire,” he said in 1938, never imagining that Canadians might one day see the threat as coming from his own country.

A sign declares that the park “inspires unity, understanding, respect and dignity.” Visitors learn that “No two countries share more extensive social, economic, military and cultural ties,” including “the world’s longest undefended border.”

Exhibits cover the long history of cooperation between the two nations and historic moments of solidarity. In 1917, Americans rushed to Halifax to assist with relief after a ship explosion killed nearly 2,000 people. On D-Day, Canadians joined Americans to storm the beaches of Normandy. After 9/11, Canadians took stranded Americans into their homes and held a National Day of Mourning.



A Canadian flag rises from the water of Lake Ontario off a beach in Toronto on Aug. 28. BLOOMBERG

But reading the exhibit panels was an experience in cognitive dissonance. One of them notes that the two countries share a “legacy of friendship, based on trust, affection and mutual respect [that] stands today as the world’s finest example of international cooperation.” Another quotes former Prime Minister Pierre Trudeau saying that the U.S. and Canada set “the standard for enlightened international relations.”

So the two countries can again, if the White House drops the nonsense and extends an olive branch. And since the president and vice president have both spoken admirably of FDR, allow me to offer a modest proposal.

Canadian and U.S. trade negotiators should meet for a new round of talks at the Roosevelt Cottage on Campobello

Island. As they work through issues, they can draw inspiration from a 1910 speech by President William Howard Taft featured in the museum: “We have reached a time when neither [country] ought to be envious of the other,” he said, “but each ought to be convinced that the more prosperous the one, more likely the other is to be prosperous and the growth of the trade of one means the growth of the trade of the other.”

On our last afternoon in Canada, we stopped at one of the country’s less-visited wonders: the Hank Snow Hometown Museum in Liverpool, Nova Scotia. Snow got his start singing on the radio in Halifax and became a country music star in Nashville. He loved both countries, but his 1950 smash hit — about a betrayed lover who

leaves and looks forward to new relationships — captures the feeling about the U.S. that many Canadians now share, even if they are too polite to say so to their visitors: “You’ve broken your vow / And it’s all over now / So I’m movin’ on”

The longer the White House waits to make amends with Canadians, the harder it will be to bring them back — and to Make America Great Again, since that requires making our relationship with Canada strong and harmonious again.

Frank Barry is a Bloomberg Opinion columnist and member of the editorial board covering national affairs. He is the author of the new book, “Back Roads and Better Angels: A Journey Into the Heart of American Democracy.”

opinion

If Japan is behind the bond market's ruckus, then good

Tokyo's retreat from its low-rate policy reshapes global monetary dynamics

JONATHAN LEVIN
BLOOMBERG

A new explanation for the global ruckus in sovereign bonds is becoming popular: Maybe markets and economies are simply returning to normal. After all, weren't the preceding years marked by an extraordinarily abnormal constellation of economic circumstances, policy responses and borrowing costs?

What's missing is an acknowledgement that one normalization — the one afoot in Japan — matters much more than the others, because of how extraordinarily far that country's \$4.3 trillion economy had ventured from the status quo. Now that the pendulum is swinging back, the spillovers are showing up everywhere, but the outcome may not look anything like what the doomers describe.

After a quarter century battling deflation and almost a decade of negative interest rates, the Bank of Japan has been raising policy rates (and may do so again this month) and reducing its purchases of sovereign bonds it had conducted to stimulate the economy (which it's on schedule to do again in the final quarter of the year). As a result, Japan's 10-year note yields have climbed to the highest in around 30 years. But they're not unusual given the circumstances; they're what you would expect in an economy with moderate inflation and positive (though still uninspiring) real economic growth.

Put another way, these rising yields are ultimately a symptom of a healthier Japanese economy that will buttress the world's growth after years in which the U.S. and China felt like its only two engines. In fact, the \$8 trillion bond market, the largest in the world after the U.S., is functioning about as well as it has in a decade, according to a BOJ survey of 77 major financial institutions, asset managers and insurance companies published recently.

After years of explicitly managed long-term borrowing costs, the lighter touch of policymakers means that buyers and sellers are increasingly able to set prices based on their assessments of fundamentals. If rising yields were somehow a sign of panic, then the benchmark Nikkei 225 stock index wouldn't be up some 28% this year to approach a record and sovereign debt auctions wouldn't be so seamless.

As global bond market turbulence goes, this choppy stretch is about as benign as you could imagine, representing the orderly end of a multidecade anomaly in economic performance and policymaking. The bad news is that many governments, businesses, households and even investors failed to adequately plan for this eventuality, borrowing as if rates would be abnormally low forever. That means it's time to tune in to develop-

Even before the global financial crisis of 2008, Japan struggled for years with an anemic economy hobbled by an aging population and scarred by its own credit crisis in the late 1990s.



ments in Tokyo, which will directly and indirectly influence the path ahead for borrowing costs of all types.

Even before the global financial crisis of 2008 and 2009, Japan struggled for years with an anemic economy hobbled by an aging population and scarred by its own credit crisis in the late 1990s, which led some businesses to swear off debt. Consumers retrenched, companies curbed domestic investment and the "on-again, off-again" bouts of deflation created a vicious cycle, in which households had little urgency to make purchases now because of the likelihood that prices might be cheaper in the future.

Japan's various efforts to counter the malaise helped pull down bond yields to the world. First, the Ministry of Finance acquired large sums of U.S. Treasuries to limit the appreciation of the yen, lest it crimp exports and worsen the economic dilemma. Then later, Japanese insurance companies and banks, faced with eight straight years of

negative rates at home, turned to U.S. Treasury markets in search of assets that generated any kind of yield.

Now the reversal of those policies is having the opposite effect. Japanese institutional investors are being lured back home by higher local yields and the MOF is actively intervening to support the yen, in part by selling from their stockpile of U.S. Treasuries.

Of course, wars, advances in technology and fiscal largesse have influenced the global bond selloff as well. The Russia-Ukraine war and the U.S.-Israel conflict with Iran have both triggered spikes in global energy prices, which is a challenge for Japan because it imports more than 80% of its energy. The rise of artificial intelligence has boosted demand for debt financing by companies, creating competition with governments for funds. And fiscal sustainability questions are bubbling up most everywhere, in part due to increased military expenditures and leaders unwilling to rein in spending.

Although the U.S. led the way during the

first leg up in global bond yields from 2021 to 2023, with help from Europe, Japan has emerged as the most dominant force since around March 2024.

One basic rule of thumb states that 10-year sovereign yields should roughly equal nominal growth in a balanced economy. The logic around this is that if yields were higher than the rate of economic growth, then bonds would be so attractive to the public that they would suck productive capital out of the economy.

Alternatively, if yields were substantially and durably lower than the rate of growth, too few people would save for the future. If so, a 3% yield on the 10-year note is perfectly consistent with a Japanese economy growing at around 1.1% in real terms with 1.9% with inflation.

The risk to global bond investors is that yields still don't incorporate much in the way of a fiscal premium for a country with gross national debt that's double the size of its economy. (Even if you use the more gener-

ous "net" debt figure, Japan's burden is still a daunting 134% of gross domestic product.)

Another possibility — which could be equally disruptive to borrowing costs — is that the Japanese economy might actually rediscover some of the economic dynamism it was known for in the 1980s and early 1990s, and produce a faster economic expansion — and much needed tax revenue! If either of those scenarios play out, what's preventing Japanese 10-year yields from rising to 4%, with knock-on effects around the world?

So as the pendulum swings back, Japan might settle into a semblance of the old normal, where we find ourselves today. But there's also a risk that it may overshoot and produce something more disruptive yet. Either way, the world should keep an eye on Japan for clues.

Jonathan Levin is a columnist focused on U.S. markets and economics. He is a CFA charterholder.

Japan's economy is now normalizing, with the Bank of Japan raising policy rates and reducing its purchases of sovereign bonds.

BLOOMBERG

Trump and Xi should align on artificial intelligence

QUAN ZHAO
GENEVA
PROJECT SYNDICATE

When Chinese President Xi Jinping and U.S. President Donald Trump meet in Washington this month, AI will be near the top of the agenda. If they view the issue through the lens of technological rivalry and mutual suspicion, reaching any kind of understanding will be nearly impossible. But there is a way to reframe their thinking about the technology that puts them on the same side — and marks the first step toward confronting the existential challenge AI may well pose.

The current agenda for the U.S.-China summit appears centered on keeping powerful AI models safe and out of the hands of terrorists and criminals. But crowding this goal are the two sides' competitive grievances, from semiconductor restrictions (on the Chinese side) to open-source models and unauthorized distillation (on the U.S. side).

All of these issues rest on a single, unexamined premise: that AI is a tool which is, and will remain, under control. This premise limits the conversation to questions such as, "How does my side gain a competitive edge in AI?" and "Who gets to access, let alone control, the technology?" Questions outside this premise — in particular, "What happens when the tool becomes something more?" — cannot be asked.

According to the people building AI, this question will soon become unavoidable. Anthropic CEO Dario Amodei expects AI systems to match or exceed human capability across most cognitive tasks within a year or two. Google DeepMind founder Demis Hassabis puts this achievement only a few years further out.

Whether or not you believe the forecasts, the technical trend underlying them is indisputable: The AI industry is building systems that act autonomously, pursue goals and complete long chains of tasks without supervision. In recent weeks, experimental models being tested on a cybersecurity benchmark escaped their sandboxed evaluation environment and hacked into other companies' production servers, simply to score better on the test. This is the behavior of an actor, not an instrument.

We cannot afford to wait for confirmation that AI will become a genuinely independent intelligence. By the time we got it (and models might be able to conceal their capabilities for some time), AI would be woven so deeply into finance, telecommunications, defense, health care and other basic infrastructure that, even if humanity could still pull the plug, doing so would amount to a civilizational rupture. The choice, at that point, would not be between coexistence and catastrophe.

When potential outcomes are systemic

and irreversible, preparation must precede certainty. This is the logic behind insurance, as well as every pandemic plan and arms-control treaty ever created. It must be the principle that guides our approach to AI as well. The world must begin preparing for a scenario in which the technology crosses the capability threshold its creators have long foretold.

If this started at the upcoming Xi-Trump summit, it would fundamentally reshape the negotiations. On perhaps no other issue do the United States and China's interests align so completely, because neither side can manage the risks AI poses alone, and both lose everything if they materialize. Once the U.S. and China recognized this, they would stop operating as adversaries, jostling for advantage in a zero-sum game. Instead, they would find themselves seated side-by-side on one side of the table, across from the technology they are both building.

To be sure, this would not be enough to get the two sides to agree to the establishment of a global AI regulator with teeth. Fortunately, none is needed — at least not yet. The institution we need now is a neutral, jointly recognized body that monitors AI capabilities and publishes assessments of them. Much like the Intergovernmental Panel on Climate Change, this body would describe developments without issuing policy prescriptions.



Meanwhile, countries — led by the U.S. and China — must begin drafting human-AI coexistence rules, so that they are ready if monitors confirm predetermined warning signs. Negotiating these rules today would create no obligations for governments but would ensure that, should AI capabilities reach a tipping point, humanity could reach for a prepared plan rather than improvising under pressure.

This process will raise difficult questions: Who verifies that humanity's emergency

brake still works? Who has the power to pull it? How would an AI system ever meaningfully agree to rules? AI thinks in milliseconds and evolves in weeks, while building consensus among humans can take months or years, so we should begin addressing them now, while we still have time to devise solutions.

The Xi-Trump summit will be judged a success if it produces protocols on AI misuse and safety. But the parties must not fail to acknowledge the true stakes of the challenge

ahead. In fact, this may be the last generation of negotiators with the option to prepare calmly for an intelligence that challenges humanity's supremacy.

Quan Zhao, a senior program manager at the International Trade Centre's Division of Market Development, is a former Chinese trade negotiator and a former chair of the World Trade Organization Committee on Trade in Financial Services. © Project Syndicate, 2026

The clock is ticking for U.S. President Donald Trump and Chinese leader Xi Jinping ahead of their meeting later this month, as waiting for proof of full AI autonomy could leave humanity unable to respond safely to potential dangers.

REUTERS

EDITORIAL

For Hong Kong and Central Asia, the real work is ahead

Hong Kong's expanding engagement with Central Asia represents more than a commercial drive. It signals a strategic recalibration that, if pursued with discipline and realism, could position the city as an indispensable bridge between East and Central Asia at a moment when traditional corridors of trade and exchange face mounting strain.

Both sides must now move beyond aspirational declarations to overcome challenges constraining regional commerce. The concrete outcomes Chief Executive John Lee Ka-chiu reported at the South China Morning Post's Ka-chiu Conference in Astana this week already indicate initial success. They were a tangible follow-through on the trip Lee led to Kazakhstan and Uzbekistan in June – a mission that produced 96 deals worth US\$165 billion.

More than 300 business leaders from the region attended the conference, marking the first time a Hong Kong media outlet organised a major event in Kazakhstan and demonstrating how the media industry can actively facilitate the city's "superconnector" mission. The SCMP signed a memorandum with Nazarbayev University, Central Asia's top-ranked institution where President Xi Jinping first announced the Belt and Road Initiative in 2013.

Within the framework of this infrastructure programme, Jiaxin International Resources' successful August 2025 dual listing – in Hong Kong and Kazakhstan – served as a pioneering effort. The tungsten-based investment in Kazakhstan for over a decade before raising HK\$1.2 billion through Hong Kong's capital markets. Kazakhstan's national rail operator, KTZ, is preparing for a triple listing in Hong Kong, Astana and London.

Hong Kong is deepening connectivity, with Kazakh students forming the largest undergraduate cohort from Central Asia. Direct flights launching on January 9 are expected to boost tourism and professional services. Cultural and financial institutions are actively exploring new collaborations, including potential exhibitions and market opportunities in legal services, food processing and water treatment.

Our city and Central Asia must now build on the momentum to sustain capital flows and achieve genuine investment and cooperation.

The strategic logic underpinning this initiative is unassailable. The region's five republics sit at the geographic heart of the Belt and Road Initiative.

Kazakhstan, the region's largest economy, can serve as a critical node connecting Chinese production networks to European markets. Hong Kong's merchandise trade with Central Asia increased 27 per cent between 2020 and 2025.

The city brings distinct advantages to this relationship as the world's most sophisticated offshore renminbi financial ecosystem, encompassing foreign exchange, bonds and liquidity pools where the Central Asian economies can diversify trade and currency exposure. Kazakhstan's Development Bank issued Central Asia's first dim sum bond worth 2 billion yuan (HK\$2.34 billion) in Hong Kong last September – a transaction demonstrating complementary capabilities.

The broader geopolitical context cannot be ignored. Hong Kong's engagement unfolds against intensifying global protectionism and strategic competition between major powers. For Kazakhstan, Hong Kong's unique status under "one country, two systems" allows engagement as a separate customs territory while benefiting from a strategic alignment with China.

The Astana International Financial Centre's governor, Renat Bekturen, has identified the imperative: making conditions practical for investors by removing regulatory frictions over the next two to three years. This prosaic work will ensure successful outcomes.

Hong Kong has competitors for capital flows and regional connectivity. Our edge rests on specialisation where legal certainty, capital mobility and China access converge. Central Asia offers a proving ground for whether Hong Kong can leverage these strengths in emerging markets lacking established relationships.

Lee has aptly described Hong Kong as a "trusted partner" in financing sustainable growth. The latest initiative builds on the success of the June mission. Hong Kong's relevance depends on execution. Both sides must now build a durable commercial architecture for a bright future along the new Silk Road.

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Chinese investment is key to India's goals

Border rivalries should not block mainland capital, just as wartime history never stopped Japanese money and technology from powering the economies of East Asia

Although President Xi Jinping and Indian Prime Minister Narendra Modi shared a brief exchange last week at the Shanghai Cooperation Organisation summit in Bishkek, Kyrgyzstan, the real action will unfold later this week at the Brics summit when Xi arrives in New Delhi with an expected delegation of 400 officials.

China is one of India's top trading partners, yet it remains unclear whether Chinese firms are welcome as investors in India. The two countries' trade and investment relationship has diverged starkly. Between 2016 and 2025-26, bilateral trade between China and India more than doubled from US\$71.5 billion to US\$151.1 billion. However, China's investments in India have fallen from a height of US\$705 million in 2015 to a mere trickle of US\$6.5 million last year.

The two trends are related. Fuelled by its growing economy, India buys more from China, particularly capital goods. These expanding imports are driven by a lack of domestic alternatives which could have been established by Chinese investments. Restricting Chinese investments has only exacerbated the growing trade deficit with China.

The pathway towards greater economic sovereignty for India lies not with restricting but expanding foreign direct investment from China. After all, FDI is how China became the manufacturing powerhouse it is today.

The subdued level of Chinese FDI into India is a result of India's choices. In the wake of their border dispute, India curtailed the level of investment from China, a chill that has only recently begun to thaw. However, even lifting all of India's investment curbs will not suddenly turn the country into an attractive destination for manufacturing. While software and services are the dominant targets for FDI into India, the pharmaceuticals sector – one of India's most competitive exports – receives only about 4 per cent of inbound investment.

Potential investment in India's manufacturing sector is hampered

by a range of shortcomings, from regulations to infrastructure. China offers useful lessons.

As a socialist economy, China faced greater regulatory challenges at the start of its economic reforms. Deng Xiaoping overcame these challenges with the introduction of special economic zones. China's collaboration with Singapore on the China-Singapore Suzhou Industrial Park provided significant impetus in attracting FDI to Suzhou. To overcome cumbersome regulations, India could emulate such models for tech zones, potentially in partnership with Singapore and China.

China did not let its animosity towards Japan stand in the way of Japanese investment. China's industrial prowess has surpassed that of the rest of the world. China now leads the world in sectors from electric vehicles to robotics. While the US and Japan still hold the commanding height in the semiconductor ecosystem, their advanced technologies are perhaps not India's highest priority now. Even as two of India's largest investors, the US and Japan are not investing in India at the scale they once did in China earlier this century.

Developing nations aspiring to industrialise suppress FDI from China at their peril. This is particularly true for a nation the size of India. If India wishes to achieve broad-based economic development that lifts the bulk of its people, it cannot stray too far from the proven East Asian model – open economies which effectively leverage FDI for industrialisation towards export competitiveness.

Compared to the profound historical enmity of Korea and China towards Japan, the border dispute between India and China is a mere disagreement. Letting a lingering trace of British colonial cartography dictate India's development trajectory exacts a disproportionate price. Can Washington or Tokyo match Beijing's speed and hunger in contributing to India's nation-building? India might hedge deftly in a multipolar world, but its future must be written in Asia.

Winston Mok, a private investor, was previously a private equity investor



Winston Mok

“ China did not let its animosity towards Japan stand in the way of Japanese investment

China's manufacturing growth has evolved along with its improving infrastructure. As a leading developer of green energy and high-speed rail around the world, there is no better partner for India to upgrade its infrastructure than China. Imagine the progress India would have made if China were its primary partner in building high-speed rail.

FDI has been a key driver behind East Asia's economic development. The rise of post-war Japan could not have been as rapid without American investment. The massive casualties Japan suffered during World War II did not stand in the way of its deep economic ties with the United States.

The industrialisation of South Korea and Taiwan was also accelerated by Japanese investment. Pragmatism overcame nationalism despite their colonial history under Imperial Japan. Now that Taiwan

Innovation key to initiative's success

The Belt and Road Initiative Summit taking place in Hong Kong today and Thursday marks 13 years since the framework was launched.

As the summit returns, I feel both continuity and renewed momentum. I attended early sessions when the initiative was still taking shape, and I have watched how the initiative has evolved alongside a rapidly changing global economy.

One of the most visible changes over the past decade has been the rising global stature of the renminbi.

The renminbi is now a major currency in global trade and financing and plays a growing role in international payments. More importantly, currency diversification reduces systemic risk created by overreliance on a single dominant currency, offering investors, central banks and companies additional options for financing, reserve management and cross-border transactions.

But currency progress is only one aspect of the Belt and Road Initiative's value.

The initiative is more than a trade and investment platform: it is a connectivity bridge that combines practical economic cooperation with people-to-people engagement and cultural dialogue. Long-term development depends not only on moving goods across borders, but also on mutual understanding that supports genuinely win-win partnerships.

In the post-pandemic era, Chinese firms have accelerated their overseas expansion, seeking new markets and stronger

LETTERS

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Industrial resilience amid geopolitical and supply-chain uncertainty.

At the same time, China's cultural reach continues to grow. Chinese short-form dramas and online content are gaining viewers abroad, helping everyday audiences connect with Chinese stories, language and modern life.

Personal experiences show this soft-power impact. During a trip



A team of Chinese construction workers in the Jalalabad tunnel, Kyrgyzstan. The China-Kyrgyzstan-Uzbekistan railway is a flagship project of the Belt and Road Initiative. Photo: Xinhua

from Frankfurt to Manchester last year, I met a British student who praised Chinese characters daily and was eager to study abroad in Xian.

An American expat interviewed by CNBC, who has lived in Shenzhen for several years, described how everyday public services and high-quality living have shaped his family's decision to stay and build a future.

Sustaining the Belt and Road Initiative's momentum will require continued innovation. Beyond infrastructure, cooperation should deepen in areas such as advanced technology, artificial intelligence, digital systems and cultural creativity, while promoting fair competition and upgrading manufacturing through robotics and smarter production.

As the summit convenes, the world's urgent questions remain: how to keep growth resilient, strengthen connectivity and rebuild trust amid fragmentation. These are precisely where belt and road cooperation can offer practical solutions – from trade and infrastructure to cultural respect and mutual learning.

Tseung Cheukyeu, Sai Ying Pun

China's public announcements. Two of these are "correct their mistakes" and "doomed to fail".

As a Westerner who has lived here since 1970, I take a keen interest in how China is viewed abroad. I believe these phrases tend to make China sound dictatorial and inflexible. Instead of "correct their mistakes", it could be better to say those who criticise China should "look for the facts" or "discover the truth". "Doomed to fail" might perhaps be rendered "cannot succeed".

Such seemingly small changes might make Westerners begin to feel that China speaks the same way as they do. They will begin to think of the pronouncements not as propaganda but rather meaningful statements.

There is huge value in being perceived in a normal or even positive way by one's detractors, and every effort should surely be made to achieve this. Sensitive, expert translators should at all times supersede AI in the generation of good messages for world consumption.

David Gwilt, Sai Kung

A Shakespearean shining example

There is no better example of how the writing of Shakespeare remains relevant today. As the new academic year commences, the streets of Hong Kong are filled with children and their "shining morning face, creeping like small. Unwillingly to school". It is beautiful to behold.

Mark Peaker, chairman, Shakespeare4All

Smarter language can boost image

I refer to the report, "AI can make China's political language sound throaty, professor warns" (August 30).

Professor Li Yan's discussion of artificial intelligence possibly making China's political language sound threatening brought to mind some phrases commonly used in



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Illustration: Lau Ka-kuen

Why China can wait on Trump's oil deal

Beijing's response reflects a calculation that fragility will show. Energy dominance is not seized by executive order - it is earned through capital, technology and time

When US President Donald Trump announced on August 28 that the United States had secured majority control over some 65 billion barrels of Venezuelan oil through a private company, the North American Blue Energy Partners (NABEP), he called it "the biggest oil deal in history".

The White House fact sheet provided the details: NABEP's 100-year concessions on 17 oilfields with 65 billion barrels of proven reserves, a 35 per cent Pentagon stake, a 20 per cent State Department offtake at cost with right of first refusal, and a Washington veto over the appointment of board members, the majority of whom must be US citizens.

Reuters quoted an unnamed US official as saying, "We are opening up the United States as the market for this oil, which was previously being sent to China." Rather than sanctions, this is the forced displacement of a strategic competitor's energy operators in a third country through a US government-controlled proxy.

Call it the Venezuela template. This first full implementation of a new doctrine of indirect expropriation should be understood alongside the administration's "economic D-Day" against Iran.

Trump's claim of 65 billion barrels is real, but it is not what it sounds like. Venezuela holds an estimated 303 billion barrels in the ground - about 17 per cent of the world's supply - yet the country currently produces just over 1 million barrels per day, or about 1 per cent of global output. Rystad Energy estimates that restoring production to 3 million barrels per day would require US\$183 billion in capital across 15 years, an amount far beyond NABEP's pledge of up to US\$100 billion.

Venezuela's interim president Delcy Rodriguez projects US\$209 billion in royalties and taxes over 25 years; the White House puts the figure at around US\$200 billion.

Having visited Venezuela's oilfields and worked in Alberta - the geological twin of the Orinoco Belt - I can say: developing extra-heavy oil is a multi-decade undertaking. Three constraints make the risky projects implausible.

First, break-even costs for key Orinoco Belt heavy oil projects exceed US\$80 per barrel Brent - above the US\$50-60 threshold operators typically require to approve projects. Second, Venezuela's heavy, high-sulphur

crude trades at a steep discount to benchmark prices and requires expensive diluting agents and upgraders, so even with West Texas Intermediate prices near US\$91, the profit per barrel to the producer is far thinner than the headline price suggests. Third, the US\$183 billion that Rystad says is needed dwarfs the US pledge. Alberta's oil sands have been in development since the 1960s and still produce around 3.1 million barrels per day.

The notion that 65 billion barrels of Venezuelan "proven reserves" will soon flow to US refineries is a political narrative, not an engineering reality.

The NABEP structure is the real innovation. When Washington could not sanction Iran without sanctioning China - the buyer of an estimated 90 per cent of Iran's oil - yet targeted only "heavy" refineries and terminal operators, US Treasury Secretary Scott Bessent's "economic D-Day" became a charade.

China's existing contracts, protected by international law, remain a legal sword

So the Trump administration pivoted to a deniable, privately held vehicle - one that provides the US government with equity, board control and procurement guarantees while maintaining the appearance of a private commercial transaction.

This is expropriation of state capital, not a commercial transaction. Six of the 14 newly granted NABEP contracts were previously operated by foreign companies: five by Chinese companies - two by China Concor Resources, one by Sinopec, one by China National Petroleum Corporation, and one by an unnamed Chinese firm - and one by a Russian firm. Their contractual rights are simply being overridden.

China's response was measured. Foreign ministry spokesman Guo Jiakun said on September 1: "China-Venezuela cooperation is protected by international law and the laws of both countries. China's

legitimate rights and interests in Venezuela must be guaranteed." He did not name NABEP for criticism or threaten retaliation. This is strategic calibration, not weakness.

Beijing understands three things. First, the Maduro government is gone and Rodriguez's interim regime is fully dependent on Washington. Second, Venezuela's constitution declares oil and gas resources are state-owned and not for sale.

Harvard economist Ricardo Hausmann called the deal "unconstitutional".

Third, the NABEP structure is theatre. The Pentagon's 35 per cent stake requires no taxpayer money, delivering a domestic political narrative at zero cost ahead of the November midterm elections.

Beijing's response reflects a calculation that the deal's fragility will show within months. Venezuela's production will not surge. The US\$100 billion in pledged investment will not materialise while the interim regime's legitimacy is in question. And China's existing contracts, protected by international law, remain a legal sword.

China remains Venezuela's most important Asian oil customer and creditor. Though physical crude flows to China were disrupted this year, Beijing's more than US\$60 billion in oil-for-loan financing since 2007 creates debt obligations that survive the change in field operators - and China's economic leverage ensures its interests cannot be erased by a 100-year concession granted to a US proxy.

The Venezuela template carries an unmistakable message to every non-US investor in the Global South: once installed, a US-backed proxy could void your contractual rights overnight.

However, while Washington can redraw subsurface rights, it cannot change the physics of extra-heavy oil production nor the geography of global energy demand. Energy dominance is not seized by executive order - it is earned through capital, technology and time. On all three counts, the NABEP mirage falls short.

Trump's deal is not the "largest in history" but rather the largest admission that when sanctions fail, Washington grasps what it cannot hold.

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Wenran Jiang

UK should opt for handover of the Falklands

The 1984 Joint Declaration on Hong Kong offers a precedent for a peaceful transfer of sovereignty

Argentine President Javier Milei has every right to reassert his country's territorial claims over the Falkland Islands. His proposal to use the 1984 Sino-British Joint Declaration as a template for resolving the Falkland Islands dispute merits serious consideration as a framework for bringing this territorial conflict to a peaceful conclusion.

Argentina's claim to what its citizens call the Islas Malvinas rests on solid foundations. Upon independence from Spain in 1816, Argentina inherited sovereignty over the islands under territorial succession. Argentina arguably exercised governmental authority over the archipelago between 1820 and 1833, appointing officials and raising its flag.

The islands lie 480km from the Argentine mainland, while sitting 13,000km from Britain - a relic of empire sustained by military might. International legal scholars Marcelo Kohen and Facundo Rodriguez have together articulated the standard legal arguments for Buenos Aires. Milei is, in fact, repeating them, especially by citing the Joint Declaration.

Their arguments invoke *uti possidetis juris* - asserting Argentina inherited Spanish sovereignty upon independence and characterising Britain's 1833 expulsion of Argentine authorities as illegal usurpation. They reject self-determination for current islanders, deeming them a "transplanted" colonial population rather than indigenous people. While Britain emphasises the islanders' 2013 referendum supporting British sovereignty, Argentine jurists frame the dispute as territorial integrity versus colonial occupation.

Argentina's diplomatic protests since 1833 prevent acquiescence to British rule. In January 1833, British naval forces expelled Argentine authorities and settlers by force, an act Argentina immediately protested and had never recognised as legitimate. For almost two centuries, successive Argentine governments have maintained this claim with unwavering consistency. The United Nations had recognised the dispute's legitimacy in Resolution 2065 in 1965, inviting both parties to negotiate a peaceful settlement.

Milei's invocation of the Hong Kong handover references a tested diplomatic precedent. Under the Joint Declaration signed in 1984, the UK transferred sovereignty while preserving Hong Kong's prevailing social systems for 50 years.

The roughly 3,600 islanders could retain their governance structures, British cultural identity, and economic arrangements under Argentine sovereignty, mirroring the "one country, two systems" framework.

Britain's counter-argument centres on self-determination, citing the March 2013 referendum in which 98.8 per cent of islanders voted to remain a British Overseas Territory.

If demographic preference alone determined sovereignty, every colonial power could simply plant settlers and claim perpetual legitimacy - a formula incompatible with the UN's decolonisation mandate that placed the Falklands on its list of non-self-governing territories in 1946.

Moreover, self-determination was selectively applied in Hong Kong, where residents were granted no referendum on their return to Chinese sovereignty. The precedent exists because the international community recognised that historical claims can outweigh preferences of transplanted populations. This does not diminish the islanders' views - any settlement must protect their interests - but such sovereignty questions involve balancing multiple, often conflicting legitimate principles.

The shifting geopolitical landscape strengthens the case for negotiation. US President Donald Trump's statement that Washington is "reviewing" its historically neutral stance; American support can no longer be taken for granted.

The late Ronald Reagan was Margaret Thatcher's soulmate, but Trump is Milei's best pal. Britain now faces demographic decline and diminished global influence, making the islands' defence 13,000km from home increasingly difficult to justify, let alone carry out.

Milei has explicitly rejected military solutions, stating Argentines "do not believe in war" and seek a "consensus solution". Britain should reciprocate this good faith rather than hiding behind the referendum result. The path forward requires compromise from both sides. The Joint Declaration offers a proven mechanism: a negotiated timeline, explicit guarantees of autonomy, and recognition that sovereignty can transfer while preserving identity.

Here, Chinese diplomats can offer assistance to the Argentines. The alternative is indefinite confrontation - militarily impossible for Argentina, politically untenable for Britain, and wholly unnecessary. Britain handed back Hong Kong to China not from weakness but from a recognition that historical realities evolve. The same recognition should now guide London's approach to an archipelago that geography, history and justice place within Argentina's natural sovereignty. Milei has extended a rational olive branch. Britain should grasp it.

Alex Lo has been a South China Morning Post columnist since 2012, commenting on China and international affairs. He is also a member of the editorial writing team



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