

in obtaining foreign assistance, must have been feeling too. Hitherto mild hints, and hints not so mild, have come from these quarters that India was not doing nearly enough to push her exports. To this has now been added, and more perhaps would be heard in future from these quarters, that India should do something to mobilise her idle gold reserves instead of maintaining a flourishing free market, in gold which hardly helps her economy in any way.

Free imports of gold to stop smuggling and heavy losses of foreign exchange on that score could only be a last resort when all other means of preventing smuggling had been tried and demonstrably failed. But has every other means been tried for stopping smuggling? What action has been taken to prevent the inflow, through official and approved channels, of Indian currency notes which, it is common knowledge, largely pay for smuggled gold?

Official Rate for Mysore Gold

FAR from showing any indication that the Government of India may be any more inclined than in the past to resort to unorthodox measures like allowing free imports of gold, even for the laudable object of weaning away gold hoarders from their profitless pastime, it has taken a step in the opposite direction. It may not be of much importance in itself, but it is still of considerable significance. This it has done by deciding to acquire at the official rate the entire production of the Mysore gold mines which had hitherto been allowed to be sold in the free market, in violation of the spirit, if not the letter, of our obligations as member of the International Monetary Fund. The reason why the Mysore gold mines were allowed to sell their production in the open market was that this was the only way in which they could continue the production. The cost of mining gold was too high to enable the mines to operate at all, if the gold was to be sold at the official price.

The budget provisions for acquiring gold, however, disclose a compromise. Provision has been made in the revised and the next budget for Rs 245.59 lakhs and Rs 290.69 lakhs respectively for the purchase of gold produced in the Kolar and Hatti gold mines, Mysore, at the official rate of \$ 35 per ounce or

Rs 62.50 per tola. At the same time, provision has also been made for payment of a subsidy to Mysore Government, amounting to Rs 1,93 lakhs in the revised estimates and Rs 2,49 lakhs in the next budget to compensate the latter for the loss suffered "on the sale to the Government of India of gold produced at the Kolar and Hatti gold mines at the official rate of Rs 62.50 per tola' What part of the price difference is covered by the subsidy has not been stated but it may be assumed that the subsidy would be adequate to maintain production at the current level.

Thus gold production will now be directly subsidised from Government funds - for what earthly good, one may still wonder- while the Government of India will maintain a correct form by sternly refusing to countenance non-monetary transactions in gold !

Unutilized Water

FROM the debate in Lok Sabha on the Demand for Grants of the Ministry of Irrigation and Power, it appears that members of the Lok Sabha are keen on regional development and are sensitive to a degree when they feel that their State or region had not been treated on a par with the others. Those whose States or constituencies had not benefitted as much as the others, were eloquent in their criticism that the generation of power had been 'absolutely lopsided' and that vast areas and districts' had been completely left out. The progress of rural electrification and differences in the rates charged for power in different States and for different purposes also received attention and brought out from the Deputy Minister for Irrigation and Power, the following information regarding the rates charged in various States:

"The rates for domestic purposes, small-scale industries and agricultural purposes respectively are ; Andhra 5 annas, 2.25 annas and 1.50 annas and Assam 6.40, 2.8 and 2.8; Bengal 6. 3.5 and 2.8 and downwards (as more power is used, the rate is lesser); Bihar 4, 2 and 2; Madhya Pradesh 5, 2 and 2; Mysore 4, 1 and 0.75; Orissa 4, 1.50 and 1.50; Punjab 5.25. 1.75 and 1.50; Rajasthan 6, 3 and 3; U P 5.50, 1.75 and 1.55."

The explanation was that where the cost of power generation is higher, the charges are higher, too.

The Deputy Minister had to answer the criticism that we have been utilising very little of the water resources available and pleaded that during the last ten years, there has been some improvement. "In 1951, the ratio of thermal power to hydro-power was 76:24. At the end of the first Plan, it was 72:28. On 31st March, 1958 it was 70:30. At the end of the Second Plan, it would be 56:44. That means we are increasing the hydro-power generation and we are trying to utilise as much water resources as possible, and going on decreasing thermal generation."

The Deputy Minister could plead, justifiably enough, that we cannot use more of the hydro-electric potential because it means so much more investment and could gel away with that. But what about utilising the water for which the investment has already been incurred? The explanation given would have infuriated any responsible body of men, had they been interested. "The States and the Central Government have been taking active steps to see that the water that is stored is being utilised. With that end In view, we had a number of discussions with the State Governments and the Planning Commission. We also appointed two special officers to

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tour round the country and see actually what were the difficulties that came in the way and how best this could be solved. They have submitted reports' and so on. No one bothered to ask the Minister to place the reports on the table nor did any one interject or explode when the Minister came up with a routine recital: "We must see that the excavation and construction of canals synchronised with the construction of the dam.... The held channels have to be excavated. The cultivators find it difficult to do so. Wherever it was found that it

is difficult, It was decided that the project authorities should do it on behalf of the cultivators, because they may not. Wherever it is possible, if the Gram panchayats or local people come forward, then also the project authorities should give them all co-operation and technical advice, so that they would be ready by the time the canal and the distributories become ready.... Every project should have a Development Committee at the State level. The construction authorities should intimate that committee what will be the quantity

of water released at a particular period of time BO that by that time, they should be ready."

So we are already in the best of all possible worlds, so far as the utilisation of Irrigation water is concerned. Since all the States are in the same boat, and degree of utilisation does not show painful differences as between one State or another to hurt local pride or to arouse any desire to emulate or outstrip others, the members of the Lok Sabha were content to leave the matter at that and spared Shri Hati from any inconvenient probes.



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