

advantage of this system of accounting would be to give a clear comparison of the freight differential between carrying coal by rail and by sea. After such a change is made, "it may show that it is, in fact, cheaper for long distances to carry coal by sea than by rail.

Meanwhile, it is unlikely and doubtful that one million tons of coal will move by sea. Unless the Railways are prepared to move this large quantity of coal quickly and efficiently, and unless there is adequate co-operation between Railways and shipowners, no solution is possible. The alternative is for the Railways to take over coastal shipping. There is no point in allowing this chronic discord to continue and risk India's industrial future.

Expansion of Power Programme

THE power programme in the Draft Third Plan was based on estimates of potential demand for power made from a preliminary power load survey carried out by the Central Water and Power Commission. In the course of a more detailed survey which followed the preliminary one, the estimates of demand are known to have been raised by almost 40 to 50 per cent. The results of the latter survey were not made public but overmuch reliance on either the preliminary or the comprehensive survey is ruled out by the very 'narrow basis of the estimates. For example, while assessing the demand of small and medium industries, the demand of the new units that may be started was not taken into account; only the conversion to electric drive of the units now driven by diesel or steam engines was considered. In the case of large and heavy industries, similarly, the demand of only those new units was taken into account whose plans for expansion or installation were complete, or nearly so, at the time of the survey. The bulk provision for unseen loans included in the estimates cannot be expected to adequately make up for these omissions.

Basing themselves on the results of the detailed survey, the Irrigation and Power Ministry had suggested a target of 14 million kW of installed capacity in the Third Plan which was substantially higher than the target set in the Draft Plan of 11.8 million kW. With power shortage appearing manifesting with

increasing severity in the main industrial centres, especially in the eastern industrial belt, and the World Bank Mission's warning of an early aggravation of the position, the Planning Commission has been compelled to move nearer the Power Ministry's estimate of demand. At the last meeting of the National Development Council the allocation for power was consequently increased by Rs 75 crores. It is proposed to increase it by another Rs 30 crores so that the aggregate outlay on power will now be Rs 1,030 crores compared to Rs 925 crores in the Draft Outline. Corresponding to the increased financial outlay, the target of installed capacity has been raised to 13.5 million kW. With regard to implementation also, power schemes will be accorded a much higher priority than originally proposed. The execution of the power programme will be immensely facilitated by the fact that almost two thirds of the projects included in the Third Plan are assured of foreign assistance.

While the increase in the allocation for power was inevitable, the estimates of the States call for further scrutiny. In the light of past experience it needs to be particularly emphasised that the large programme for expansion of rural electrification which is proposed to be undertaken will yield the expected benefit only if attention is given to the industrial and agricultural programmes for utilising the power which will become available and raising the load through effective and coordinated development at the district and block level.

The enormous investment in power generation may also be frustrated by the inadequacy of distribution facilities. It is not often adequately realised that an increase in power generating capacity does not guarantee a proportionate expansion in power supply. Power projects involving more than one State will require arrangements for inter-State exchange of power and the development of regional grids. The decision to earmark special funds for inter-linking State power systems and developing regional grids in the Third Plan is therefore timely, it is abundantly clear to set up a cell in the Central Water and Power Commission to study planning of zonal super-grids, the ultimate objective being to develop an all-India grid

system. Power development transcending State boundaries is essential to correct the tendency of State Governments to conceive of power projects as isolated projects, concentrating on installing power stations within their own boundaries.

Congress Differences Settled ?

CONGRESSMEN and others in Andhra are gratified that the ten-month old feud in the State Congress has been settled — permanently, it is hoped. The feud began with the dismissal of Shri A C Subba Reddi from the State Ministry for contesting a seat on the Pradesh Congress Election Committee disregarding the Chief Minister's injunction. A 'Unity Front of dissidents was then formed which claimed a majority in the Pradesh Congress Committee and the Legislature Congress Party. The Front demanded that the Pradesh Congress President should quit office and that the State Ministry should be reconstituted.

The first demand was satisfied with the resignation of Shri Narottam Reddi but the second one was successfully resisted till now. In fact angry with the Unity Front's demand, the Chief Minister had dissolved the Party Executive and nominated one of his own choice, deliberately excluding all representatives of the rebel group. This became the focus of fresh and even more furious squabbling and, for the first time, the Chief Minister himself began to be accused of partisanship and of abetting the ministerialist group.

The settlement now arrived at provides for equal representation of the two groups in the Party Executive. The new Executive was constituted unanimously from an agreed list of candidates. The other part of the agreement was that four new ministers, three from the Unity Front and one from among the ministerialists, should be appointed to the State Cabinet.

The settlement has been welcomed for what it is worth. But in so far as its basic condition is that the rival groups should have equal representation in the Party executive and the Ministry, it does not remove the group spirit in the Congress Party, but in fact keeps it very much alive. The facade of unity may survive till the elections are over, but no longer.

An aspect of the settlement which has not received public attention is