

about \$ 89 million and exports to the U S \$ 39 million. In the case of Yugoslavia the impact of the imposition of discriminatory tariffs on her exports to the U S is likely to be particularly severe since her exports to Common Market countries like Italy and West Germany, both very important markets for her, are bound to suffer from the discriminatory external tariffs of the E C M .

It is interesting that in its treatment of Yugoslavia and Poland, the trade bill is actually more restrictive on the initiative of the Administration than the foreign aid bill. The foreign aid bill permits the President to extend economic or financial assistance to Communist countries, including Yugoslavia and Poland, if he determines that (a) it is vital to U S security; (b) the recipient country is independent of the Sino-Soviet "conspiracy"; and (c) it promotes the recipient country's independence. The trade bill, however, leaves nothing to the President's discretion. Thus we have the curious position that the Congress considers that U S interests may be furthered by economic assistance to Yugoslavia and Poland, and yet believes at the same time that normal trade relations between the U S and these countries would be contrary to U S interests.

Judged from the standpoint of the objective of expanding world trade the discrimination against Yugoslavia and Poland is a retrograde step. But even on the pure cold war logic which governs the U S Congress's approach to trade and aid, this is difficult to understand since, along with the discriminatory policies of the E C M , it can only compel these countries to have closer ties with the Soviet Union and other Communist countries and, therefore, prove invaluable to the Soviet Prime Minister in his efforts to build up the Comecon as a counterblast to the Common Market.

Expansion of Trombay

THE anile shortage of power in different parts of the country notwithstanding, the Government has so far successfully resisted pressures to permit power plants in the private sector. In fact, the Plan mentions only one private sector project — the expansion of the Ahmedabad thermal station in

Gujarat — in the list of principal power generation schemes included in the Plan. The expansion of the Tata power complex through the installation of a fourth generating unit at Trombay was not included in the Plan though the Chairman of the Tata group of power companies had informed the shareholders of the companies in August 1961 that "as a result of certain meetings held at the highest level with the State Government, the companies have been informed that the Government would like them to proceed with the project for expansion at Trombay". It is possible that at the time the Third Plan was finalised (May-June 1961) the decision to permit the expansion of the Trombay power station had not been taken, but it is clear from the estimate of investment on private sector power projects mentioned in the Plan (Rs 50 crores) that some private schemes other than the expansion of the Ahmedabad thermal station were anticipated.

The decision to install a fourth unit at Trombay was taken after a comparison of the projected capacity of the Tata-Koyna-Railway grid with the load forecasts had clearly established that unless capacity was expanded, power shortage would be inevitable in the Bombay industrial region by the end of the Third Plan. The Government accepted Tatas' contention that to expand capacity, from a technical standpoint the installation of a fourth unit at Trombay was the simplest to plan and quickest to execute and that with the existing facilities at Trombay, the new unit should be of 125 mW rated capacity. The project was included in Maharashtra's Third Plan for power which envisages increasing the total installed capacity in the State from 764 mW to 1,774 mW. The installation of the 125 mW unit at Trombay will bring the total capacity of the Tata power complex to about 600 mW. Even this will not, however, be adequate to meet the demands on the Tata complex in 1955-56 and so the Tatas will have to purchase some 100 mW from the Maharashtra Government.

The expansion of the Trombay station proposed is the installation of a single generating unit of 125 mW. The only other generators of comparable capacity in India will

be at the Chandrapura power station of the DVC which is also being financed by the U S Agency for International Development. The cost of the project is expected to be Rs 12.5 crores. The entire foreign exchange cost will be met by the loan of \$ 17.9 million from the U S Agency for International Development which was announced by the U S Ambassador, Mr J K Galbraith, on Friday last. The A I D will make the loan to the Government of India which will re-lend the amount to the Tatas. The loan would be repayable by the Government over 40 years with no payments due in the first ten years. The loan will be interest-free and will carry only a service charge of three-fourths of one per cent as in I D A loans. However, the Tatas will repay the loan to the Government of India over a period of 20 years with an interest charge of 3.5 per cent per annum. The engineering consultants on the Trombay project are Ebasco, the New York firm with whom the Tatas have recently entered into a partnership to form a firm of consulting engineers in this country,

Letter to Editor

Slaughterhouses

IT has been a great shock to read your editorial "Modernising Slaughterhouses" (October 6, 1962).

How painful it will be to the many readers of your paper I do not know. You have struck at a very delicate part of the "Hindu Sanskrit!"

If money is the only "God" in the world and if India is to inherit all the evils of the so-called advanced nations, let her remain poor and not lose her spiritual riches.

K C JAIN

Honorary Secretary,
Federation of Associations
of Small Industries,
New Delhi.

[If "Hindu Sanskriti" can accept and tolerate slaughterhouses which are cesspools of dirt and filth as it has done all these years and decades, why should it revolt against modernising these slaughterhouses and making them conform to modern standards of sanitation and public health and, in the process utilising the by-products which are now wasted? — Ed.]