

State mainly for the benefit of West Bengal. Moreover, in a heavily populated country land cannot be flooded without people being displaced. In the area of 27 square miles destined to be submerged, some 14,000 people lived in more than 100 villages. Many of these were an aboriginal folk called Santhals, whose forebears had occupied the valley at a time immemorial even in the historic land of India. As might be expected, they faced the prospect of being uprooted from their ancestral lands to meet an unknown future without enthusiasm.

The question of the dam site was settled by the good sense and goodwill of the Governments of West Bengal and Bihar. After a series of conferences they arrived at an agreement in the spring of 1949. Under this agreement, people displaced from the catchment area were given the choice of taking compensation for their land in cash or moving to well-planned and reclaimed areas with irrigation facilities. Although this choice was given at a cost of more than double the amount which would have been involved if the land in the reservoir area had simply been requisitioned, it had the happy and worthwhile result of enabling the valley to be vacated with the co-operation of all concerned. Another element of the agreement ensured that in Bihar the dam would be regarded as something other than an unwanted engine affixed to its soil. Provision was made for water to be drawn direct from the dam into a canal dug to serve the irrigation needs of Bihar farmers.

Financing the Undertaking

The second problem was the familiar one of financing the undertaking. River valley projects are not bargain-basement propositions. However, the Indian Government was about to embark on its first Five-Year Plan to develop the economy of the nation and in that Plan it gave pride of place to schemes calculated primarily to enhance agricultural production. Satisfied with the merits of the Mayurakshi project, it agreed to lend to West Bengal the money it needed to complete the enterprise. In June 1951 Dr. Rajendra Prasad, President of India, laid the foundation stone of the dam. Eight months later the first bucket of foundation concrete was poured. Work on the project has continued ever since.

The temporary transfer to the federal authority of responsibility for financing only solved the problem as far as West Bengal was concerned. It added another to those with which the Indian Government had to cope. While the Government was determined to make the maximum use of the country's resources to improve the standard of living, these resources fell short of enabling the Government to accomplish everything it planned. Thus, if the Government provided the Mayurakshi project with all the funds it needed it would have to pare its aid to other deserving projects. It so happened that during a food emergency Canada had provided India, under the Colombo Plan, with wheat worth \$15 million. According to the agreement between the two countries India sold this wheat for rupees and credited the sum realized to a special account called a counterpart fund. This fund could then be used to finance the local costs of some economic development project mutually acceptable to both Governments. Mayurakshi clearly was such a deserving project and hence it was agreed that the money should be allocated to pay part of the costs of the local labour and materials needed in the construction of the dam. Subsequently the fund was further swollen by the addition of the counterpart rupees generated by the Canadian gift to India of about \$2 million worth of locomotive boilers.