

Weekly Notes

More Funds for Coal

AT a meeting in Delhi last week, the Coal Council railed for a larger allocation of funds to the coal mining industry to enable it to achieve the targets set for it in the Third Plan. The Council, which is an advisory body consisting mainly of officials" but includes representatives of the private sector also, pointed out that the funds allocated to the industry were inadequate to achieve the target. The target for additional production of coal is 37 million tons of which the public sector's share is 20 million tons. Three million tons of the additional production in the public sector are to be obtained by the expansion of the Singaraii collieries, which leaves 17 million tons to be achieved by the NCDC. The NCDC has formulated a programme, for creating additional production capacity of 18.5 million tons by 1965-66 which will enable it to raise actual production by 17 million tons.

It has been estimated in the Plan that the production of 20 million tons of coal in the public sector, out of the total additional production of 37 million tons targeted for the last year of the Third Plan, will require a capital outlay of Rs 103 crores against the Plan provision of Rs 57 crores for NCDC and Rs 20 crores for Singareni. Even allowing for the additional funds that will be available for coal from the provision for the Bokaro Steel Plant the gap between the resources allocated and the funds which will be actually required is quite substantial. No indication is available about the volume of funds that will be available for coal production from the allocation for the Bokaro Steel Plant which is a reflection on the way in which these projects are planned.

To achieve the private sector's target of increase in production of 17 million tons, the Plan has made a provision for expenditure of Rs 60 crores. Though the same figure was mentioned at the meeting of the Coal Council, it is not clear whether this implies that the figure stands after re-examination or whether this means that no such re-examination has been carried out at all. The Plan targets are based on the as-

sumption that production in 1960-61 was 60 million tons so that by increasing production by 37 million tons during the Plan, actual production in 1965-66 will be 97 million tons. But actual production in 1960-61 was only 51.02 million tons so that the gap between present production and the target is 5 million tons larger than has been assumed in the Plan while calculating the resources needed by the industry.

Since the burden of Sardar Swaran Singh's speech at the Coal Council's meeting was that the target of production for the last year of the Third Plan was realistic in terms of the country's coal needs, it is clear that the target cannot be lowered. The Council agreed that to achieve the target of 97 million tons of production in 1965-66, larger resources must be found. From where these resources would be forthcoming is anybody's guess.

Hold Up in Distribution

THE failure of the transport system to distribute coal properly throughout the country has in recent months occasioned more anxiety than the failure of the industry to achieve the Second Plan production target. The weaknesses of distribution have in fact had their repercussions on production of coal itself apart from its impact on production of other commodities. The two-day conference on coal allocation and movement, which preceded the meeting of the Council was, therefore, dealing with equally important problems. Unfortunately, however, the Conference did not make it quite clear that what was necessary was an increase in transport capacity, but had to be content with a discussion of the merits of coal dumps set up at different centres and of movement of coal in full or half rakes instead of in individual wagons.

It is not surprising that there was no unanimity on these questions, representatives of industry being more concerned with the increase in the cost of coal due to the costs of maintenance of coal dumps and the burden of double handling. It must be admitted, that there is considerable scope for an improvement in

the organisation of the transport system, for the movement of coal in particular and of all commodities in general. Time and again, it has been shown that considerable improvement in efficiency can be brought about with relatively small changes in railway organisation and methods. It was surprising that little attention was paid at this meeting to this question which could make all the difference to the coal transport situation.

Attention must also be drawn to the loss of transport capacity that results from the failure of the coal mines to give coal loading the priority that it deserves. Cases of collieries, both in the public and the private sectors, detaining wagons on various pretexts have been reported. Such wastage of transport capacity must be considered criminal at a time when the shortage of coal is causing losses of production throughout the economy and resulting in a fall in employment and income for large numbers of workers. It is for the collieries, no less than the railways, to ensure that the available transport capacity is fully utilised.

Power Shortage Inevitable?

IT is unlikely that anyone will be really surprised by the Sachdev Committee's forecast of impending power shortage in the eastern States. Since the acute and widespread power famine earlier this year, people are prepared to believe the won about electricity supply.

The Third Plan frankly admits the failure of its predecessor on the power front. Thus, against the target of 3.48 million kW, generating capacity increased by only 2.28 million kW from 3.42 million kW to 5.7 million kW in the Second Plan period. The shortfall occurred, it is well known, mainly because of the foreign exchange difficulties that arose during the early years of the Plan and also because of delays in the execution of some of the major projects like Bhakra-Nangal, Koyna, Rihand and Hirakud.

The Third Plan proposes to raise aggregate generating capacity by over 120 per cent from 5.70 million kW in 1960-61 to 12.7 million kW in 1965,66. Though, this is