

(though still not available in the market) is quoted at Rs 70 per kilo, whereas the imported price is Rs 22 per kilo. The price of locally-manufactured vitamin B12 is Ks 220 per gram whereas the international price is £5 per gram. The reason is that the processes involved in the manufacture of these items require basic chemicals and intermediates which are not manufactured in India and have to be imported from abroad, paying a high rate of duty (varying from 15 per cent to 30 per cent).

Another reason for the soaring prices of pharmaceutical raw materials is the 50 per cent cut in the import quota of established importers in the last licensing period. Consequently, the materials have become scarce in the market and dealers are charging fancy prices for whatever quantities are available. Further, the Government has not declared its import policy for the current period from October 1962 to March 1963. There have been all sorts of wild rumours in the market about impending cuts in licenses which have made the dealers apprehensive. Consequently, whatever material was in the market has gone underground.

The present situation is extremely disturbing. The small manufacturers (of whom there are more than 700 in Maharashtra alone) will be the worst hit and may even have to stop production because they can not compete with the large-scale manufacturers, who are registered with the Development Wing and get actual user's licenses from the C C I on the recommendation of the Development Wing. The small manufacturers depend mainly on the local market and the periodic release of raw materials from the State Trading Corporation.

The Maharashtra Health Minister had called a meeting at the end of November to discuss this grave problem. The meeting was attended by representatives of various manufacturers' associations like the Indian Chemical Manufacturers' Association, the All-India Manufacturers' Organisation, etc., representatives of dealers' associations like the JRetail Chemists' Association, the Wholesale Chemists' Association, etc., and Government officials including the Drugs Controller and the Secretary to the Minis-

try of Health. There were lengthy deliberations but till now no effective steps appear to have been taken to check the soaring prices.

Coal Transport

WITH The decision to "postpone" the implementation of the new scheme for distribution of coal, it is clear that yet another half-hearted attempt to change the present wasteful system of moving coal by bits on the railways has come to grief for want of co-operation between the Government and The railways. It is wrong to say, as the Union Minister for Mines and Fuel said, that the new scheme was only "under consideration". A definite announcement had been made that the scheme would come into effect from January 1. In fact, only the other day it was reported that the Gujerat Government was preparing to set up three coal dumps in the State at Ahmedabad, Baroda and Surat.

The announcement that the new scheme would come into effect from January next was accompanied by details of the proposed scheme. It was stated that separate arrangements would be made for supplying coal to large and small consumers. The present system of direct supplies by rail is proposed to be retained in the case of consumers whose demand for coal exceeds 1,500 tonnes per month. This is subject to the condition that coal will be supplied to these consumers in block rakes. Consumers using less than 1,500 tonnes per month will have to get their supplies from coal dumps. The railways will move coal in block rakes to these dumps from where they will have to be transported to individual consumers by road. It is, of course, permissible for a number of consumers to pool their requirements and obtain them directly by rail, provided the total requirements are large enough to be moved by block rakes.

The main criticism of the coal dumps scheme is that it will raise the cost of coal to industry - under the present scheme to those consuming less than 1,500 tonnes per month — because coal would have to be transported by road from the dumps to the factories. This is clearly too narrow a view to take when the alternative to some such

arrangement is non-availability of coal due to shortage of railway transport and consequent wastage of industrial capacity. Besides, it needs to be borne in mind that the present railway freight for coal has no relation to the cost of moving coal. Under a more rational freight structure, transport of coal would in any case cost more to the consumers. Finally, the system of moving coal by rail all the way to the innumerable points of consumption is wasteful, particularly in view of the overall shortage of railway capacity in relation to the transport requirements of the economy. Movement of coal by block rakes is intended to achieve better utilisation and speed up the turn-about of wagons.

This is not to say that the setting up of coal dumps will not create any difficulty for the consumers who are long used to the present arrangements. The change-over to the new system will certainly necessitate technical and administrative adjustments which may take time to make. Nor is it denied that the dumps scheme requires adequate preparation by way of nominal ion of stockists, selection of dump sites, creation of the necessary facilities at these sites, etc.

These problems are not, however, insoluble provided there is co-operation between the railways and the Union and State Governments. It is precisely the lack of such co-operation which has brought to nought all attempts to change the existing system of coal transport. It is not that the Government does not recognise the need for change. Apparently it is as much convinced as the railways that the present system is wasteful. Shri Malaviya, for instance, admitted that "after all, the railways cannot be expected to move our goods on our count and in every direction, according to the unbounded wishes of every one of us". Yet, this uneconomic system has been allowed to continue.

There was a move by the Government about a year ago to curtail direct supplies of coal by rail to industries by setting up coal dumps. Some dumps were actually set up in a few of the States but the scheme was not pursued. It now appears that the latest more is not backed up by any more careful preparation than last year's infertuous attempt.