

ESTIMATES COMMITTEE

(1965-66)

EIGHTY-EIGHTH REPORT

(THIRD LOK SABHA)

MINISTRY OF STEEL AND MINES

Action taken by Government on the recommendations contained in the Thirty-Third Report of the Estimates Committee (Third Lok Sabha) on the erstwhile Ministry of Mines & Fuel—Coal Controller's Organisation, Coal Movement, Coal Board, Coal Washerries, Coal Council of India, etc.



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CORRIGENDA

to

22nd Report of the Estimates Committee
(Third Lok Sabha) on action-taken by
Government on the recommendations con-
tained in the 33rd Report.

Page 1, footnote, add the following in
the beginning of the footnote:

"At the time of factual verification,
the Ministry of Steel & Mines have
stated:"

Page 19, line 8, for 'kuotas' read 'quotas'
Page 19, line 6 from bottom, for 'Ctal'
read 'coal'

Page 25, line 13 from bottom, for '1962'
read '1963'

Page 26, line 12, for 'experience'
read 'experienced'

Page 45, line 9 from bottom, for
'detciding' read 'deciding'

Page 47, line 12 from bottom, for 'said'
read 'sand'

Page 64, line 2 from bottom, for 'fild-
wise' read 'field-wise'

Page 68, line 9 from bottom, for 'workg'
read 'work'.

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ESTIMATES COMMITTEE

(1965-66)

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Shri G. D. Sharma—Under Secretary.

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this Eighty-eighth Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Thirty-third Report of the Estimates Committee (Third Lok Sabha) on the erstwhile Ministry of Mines and Fuel—Coal Controller's Organisation, Coal Movement, Coal Board, Coal Washeries, Coal Council of India, etc.

2. The Thirty-third Report of the Estimates Committee was presented to the Lok Sabha on the 9th April, 1963, Government furnished their replies indicating the action taken on the recommendations contained in this Report between 11th November, 1963 and 16th April, 1964. These replies were considered by the Study Group 'D' of the Estimates Committee on the 28th March, 1964 and the 28th April, 1964. The Study Group desired that further information in respect of seven recommendations might be called for from Government. Further replies in respect of these seven recommendations were received from Government between the 22nd May, 1964 and 23rd March, 1965, and were considered by the Study Group 'D' on the 28th September, 1964 and the 23rd April, 1965. The draft Report on action taken by Government on the recommendations contained in the Thirty-third Report was considered by the Study Group 'F' on the 12 November, 1965 and adopted by the Committee on the 28th November, 1965.

3. The Report has been divided into the following four Chapters:

- I. Report.
- II. Recommendations that have been accepted by Government.
- III. Recommendations which the Committee do not desire to pursue in view of the Government's reply.
- IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the Thirty-third Report (Third Lok Sabha) of the Estimates Committee is given in Appendix III. It would be observed therefrom that out of 111 recommendations made in the Report, 94 recommendations i.e. 84.7 per cent have been accepted by

(vi)

Government and the Committee do not desire to pursue 10 recommendations i.e. 9·0 per cent in view of the Government's reply. Replies of Government in respect of 7 recommendations i.e. 6·3 per cent have not been accepted by the Committee.

ARUN CHANDRA GUHA,

Chairman,

Estimates Committee.

NEW DELHI;

December 2, 1965.

Agrahayana 11, 1887 (Saka).

CHAPTER I

REPORT

The Committee in paras 82 and 83 of their Thirty-third Assessment of requirements of Siding, Pilot and capacities. Report (Third Lok Sabha) on the erstwhile Ministry of Mines and Fuel—Coal Controller's Organisation, Coal Board, etc. observed that planning in the vital matter of providing the requisite siding, pilot and depot capacities lagged behind, mainly due to the non-availability of a firm production programme for each coalfield and suggested that the assessment of siding, pilot and depot capacities for the Fourth Five Year Plan should be made as soon as the field-wise production programme was settled so that necessary works were taken up and executed in time. The Committee were informed in January, 1963 that two committees, one for Central India Coalfields and the other for West Bengal and Bihar Coalfields, had been appointed by the Ministry of Railways to assess the requirements and that while the former had finalised its report, the work of the latter was stated to have been held up for want of firm forecast of coal production in various collieries at the end of the Third Plan. The Committee were further informed that "the requisite information has lately been supplied by the Ministry of Mines and Fuel." The Committee suggested in this connection that the Report might be expedited so that necessary works might be taken up without delay.

Government have informed the Committee in November, 1963 that "it has become necessary to compile further detailed information regarding colliery-wise, pilot-wise and depot-wise production figures. This work is being expedited so that the report of the committee may not be further delayed."

The Committee are constrained to point out again that planning in this vital matter continues to lag behind. They would urge that the requisite information* may be supplied

*At the time of this Department's reply in the early part of November, 1963, the revised data were being compiled. It was possible to finish the work and furnish the required statements on 19-11-1963. These figures were considered by the Pilot and Depot Capacity Committee, which finally submitted its report on 12-4-1963.

without delay to the Ministry of Railways so that expeditious action can be taken to execute necessary works required to augment the siding, pilot and depot capacities in Bengal-Bihar coalfields.

Voids in Stowing.

2. In para 111 of the Report, the Committee observed that the Coal Board should take necessary steps to see that there were no voids in stowing and that the collieries were paid for the volume of stowing actually done by them.

Government have stated in reply in November, 1963 that "since underground measurements of quantities stowed are verified with reference to the off-set survey plans of the area stowed, the tub or ropeway bucket capacities by which sand is transported on the surface as also the payments made to labourers for stowing, the chance of voids being left in stowing underground and paid for is remote. Voids, if any, escaping detection in spite of such checks as above stated, can only be detected by instruments. Even if 100 per cent accuracy is not possible, an instrument giving a reliable indication of existence of a void of significant size will provide a valuable check. The matter has been referred to the Central Mining Research Station for advice." Asked to indicate the progress made in this regard, Government have stated on the 22nd May, 1964, that "nothing further in the matter has emerged from the Central Mining Research Station. The matter is being pursued with the Central Mining Research Station."

As over rupees two crores are being paid by way of subsidy for stowing by the Coal Board, the Committee would stress that strict check should be exercised to ensure that there are no voids in stowing and that the collieries are paid for the volume of stowing actually done by them. The Committee urge that the matter may be seriously taken up with the Central Mining Research Station and the result communicated to the Committee.

Submission of Reports and Returns by Colliery Managers.

3. In para 141 of their Report, the Committee suggested that there was room for rationalisation in the matter of submission of reports and returns by colliery managers so that they could concentrate more on their main function of production and safety. They further suggested that Government might take early action to simplify the forms and reduce their number and periodicity.

Government have stated in reply in November, 1963 that "O. & M. Division of the Department of Cabinet Affairs undertook the study of the coal industry with a view to suggesting simplification and rationalisation in reporting to the Government by the coal industry. On the basis of the study, a number of proposals suggesting elimination of certain reports and amalgamation and simplification of others, have been made. The matter is now under consideration in consultation with the coal industry."

Asked to indicate the number of forms and returns in respect of coal industry which have been eliminated, amalgamated and simplified as a result of the recommendations of the O. & M. Division of the Department of Cabinet Affairs, the Government have stated in March, 1965 that "O. & M. Division of the Home Ministry has not yet been able to finalise its report in this regard as the concurrence/ comments of the representative of the private sector of the industry have not been received so far."

The Committee note that the question of rationalisation and simplification of forms for submission of reports and returns by colliery managers to diverse Government authorities has been under consideration of Government for a number of years. The Committee regret the delay in finalising the suggestions for simplification and rationalisation of forms and hope that Government would, in conjunction with the industry, try to finalise them without avoidable delay.

4. In para 145 of their Report, the Committee stated Field that they were not quite convinced of the necessity of Organisa-
posting an officer (Deputy Assistant Coal Controller) in tion.
Assam by the Coal Controller merely to look after work relating to allocation and distribution of coal, which in other States was performed by the State Coal Controllers. The Committee, on the other hand, felt that production of coal in Assam needed to be stepped up. This was obviously not possible under the present conditions when the mining industry was more or less functioning on a cottage industry basis. The Committee suggested that Government might consider the question of posting a suitable qualified mining engineer in Assam who might take positive steps, in collaboration with the State Government, to develop the coal mining industry in the region on a scientific basis for boosting up production.

Government have stated in reply as follows:

"The distribution of coal produced in Assam has special problems, which arise from the poor quality of coal, particularly in the Khasi mines. Unless a proper and equitable distribution of the output of all these mines is secured, the whole economy of that backward area may get disturbed. Hence it is necessary to have at the headquarters of the Assam Government a whole time officer of the Coal Controller's Organisation. So far as collieries in the Assam Valley and the Margherita region are concerned, they fall within the purview of the Mines Act, and therefore, their development has to follow the prescribed pattern. The Khasi mines are being worked on a cottage industry basis in accordance with past tradition and in view of the very poor quality of this coal, there is not much scope for large scale development of these mines. However, the Production Wing of the Coal Controller's Organisation has been strengthened and the services of the technical officers of this Wing are available for the State of Assam as for other States. The poor quality of Assam coal and the heavy cost of transportation of this coal to other parts of the country render it uneconomic for consumers outside Assam, and due to these factors it is hardly possible to effect any large scale increase in production of coal in Assam."

The Committee are unable to appreciate why the work relating to allocation and distribution of coal, which in other States is performed by the State Coal Controllers has to be done by a Deputy Assistant Coal Controller of Central Government. It is obvious that there would be a decided advantage in manning this post by a technical officer, as is the case in the other Divisions under the Coal Superintendent, so that he could take positive steps in collaboration with the Government of Assam, to develop the coal mining industry in the region. The Committee, therefore, reiterate their recommendation.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1 Para No. 1)

The Committee consider that as coal reserves are a matter of vital concern for all development plans, it is imperative that they are determined as accurately as possible. In particular, they would urge that the work of prospecting and proving reserves of coking coals which are required for manufacture of iron and steel and several other industrial products may be given high priority.

REPLY OF GOVERNMENT

The Coal Council's Committee on Assessment of Resources has undertaken an assessment of coal reserves in the country. Reserves of coking and blendable coals in Jharia, Raniganj and East Bokaro Coalfields have already been assessed. Priority has been accorded for an assessment of coking coal in the other fields viz., West Bokaro, Ramgarh and Giridih etc.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 2 Para Nos. 2 & 3)

The Committee observe that while the private sector slightly exceeded its target of coal production in the Second Five Year Plan, the shortfall in the public sector was more than 5 million tons.

The Committee hope that so far as the current Plan is concerned, Government would make all efforts to see that the target of coal production laid down for the last year of the Third Five Year Plan is achieved both by the private as well as the public sectors.

REPLY OF GOVERNMENT

So far, coal production has not only proceeded according to schedule but has even exceeded the target, for during 1962-63 the total production was 68.83 million tonnes against the target of 62.03 million tonnes. In the meantime, a reappraisal is being made of the prospects in the remaining period of the Plan. The indications are that due to unavoidable difficulties the targeted production may not be

reached at the end of the Plan. At the same time, the demand for coal also may not come up to earlier expectations owing to delay in commissioning of coal-consuming projects. It is estimated that the total production at the end of the plan will more than fully match the consumer demand.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 3 Para No. 4)

It would appear that during the first two years of the Plan, there has been a certain amount of uncertainty both in respect of the likely demand for coal as well as in the rate of production to be achieved in the last year of the Third Plan.

The Committee trust that the production pattern for the Third Five Year Plan as laid down by the Working Group in its Second Report, indicating a target of 98.3 million tons, would be adhered to and that necessary action would be taken to see that it is achieved.

REPLY OF GOVERNMENT

This point has been covered in the reply given on recommendation No. (2).

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 4 Para No. 7)

The Committee are glad to record their appreciation of the manner in which the Government, industry and colliery labour have worked hand in hand, since the declaration of emergency, to step up coal production. They hope that every endeavour would be made to sustain this tempo.

REPLY OF GOVERNMENT

Noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 5 Para No. 8)

The Committee observe that the revised target of production for 1962-63 is only 1.1 million tons more than the target fixed for the last year (1960-61) of the Second Five Year Plan. They cannot, therefore, resist the conclusion that the revised phasing in fact has been necessitated by the realisation that the original targets which had been set by the Ministry could not be reached.

REPLY OF GOVERNMENT

The target for the year 1962-63 was determined so as to match production with the availability of transport. This target has been slightly exceeded.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 6 Para No. 9)

Another equally significant feature of the revised phasing of coal production is the steep increase in production targets in the latter half of the Third Five Year Plan. The Committee would like to sound a note of caution about the arduous nature of the task involved in stepping up production by 21.8 million tons during the last year of the Plan. Whether there will be a proportionate rise in demand during the year to absorb the increased production of coal in case the target is reached is another problem. Not less will probably be the problem of gearing up transport to move the coal. The Committee are not sure if the Working Group have fully satisfied themselves as to the rationality of the present phasing. They would suggest that Government may closely review the phasing of production with a view to correlate it to demand and transport capacity.

REPLY OF GOVERNMENT

During the last year of the Third Plan, the target of production was expected to increase by 21.8 million tons. Preparatory action for the development of a mine takes considerable time in the initial years but when all these stages are complete and the mine has been opened up for production, a large increase in output is to be expected. The Working Group on Coal Production & Transport had also observed that the increase during the last year of the Plan, particularly in the outlying fields, was very substantial. They had also stated that even if the production of this order does not materialise in 1965-66, it is likely to do so in the following year. The nature of the task involved is no doubt arduous. Government have been watching the trend of production closely. As a result of the mid-term Plan appraisal made recently, it has been assessed that the actual production at the end of the Plan will be about 89 million tonnes. At the same time, the demand for coal has also been re-assessed and according to the re-assessment, the estimated demand in 1965-66 is likely to be about 9 to 10 million tonnes less than what was originally envisaged. Thus the shortfall in production is more or less likely to be matched by a shortfall in demand. All the same, efforts to create capacity of production equivalent to the target are being continued as the additional coal will in any case be needed in the early years of the Fourth Plan.

The progress of the transport plan for coal has also been reviewed in consultation with the Railways and it is expected that rail transport capacity to match the production target in the last year of the Plan will be available.

All these questions will be kept under regular review.

[Ministry of Steel, Mines & Heavy Engg. O.M. No. C7-11(6)/63, dated 9th Jan., 1964.]

Recommendation (Serial No. 7 Para No. 10)

The Committee are glad to note that the Coal Council have taken initiative in assessing the estimated requirements of coal for the Fourth and Fifth Plans.

As planning and development of new mines take anything upto 8 years, the Committee cannot too strongly emphasise the need for drawing up perspective plans for coal. They agree with the Working Group that it is necessary that a long term programme is drawn up, at least in broad terms, of the future requirements of coal in various regions of the country and an assessment is made of transport requirements therefor.

REPLY OF GOVERNMENT

The observations of the Committee have been noted. In fact, as mentioned by them in the recommendations, action towards the preparation of the Fourth and Fifth Plans is being taken.

[Ministry of Steel, Mines & Heavy Engg. O.M. No. C7-11(6)/63, dated 9th Jan., 1964.]

Recommendation (Serial No. 8 Para No. 13)

It is observed that while the actual requirements of coking and blendable coals would be more than what was envisaged in the Third Plan, the availability of selected coal grades A and B would be less than anticipated.

REPLY OF GOVERNMENT

Government agree with the observation that the actual production of coals of Selected Grades will be less than anticipated at the commencement of the Plan. This is because there has been a large-scale revision of grades of collieries by a process of fresh sampling and analysis. Further, the seams containing Selected Grades are now getting exhausted. But then there need be no apprehension that the requirements of coking and blendable coals for steel plants and other metallurgical industries will not be fully met in the Third Plan.

period. As a result of a re-appraisal, the demand for coking and blendable coals in respect of steel plants and other metallurgical industries has now been placed at 21.04 million tonnes against the original estimate of 25 million tonnes. Out of this 21.04 million tonnes, the requirement of blendable coal will be 2.79 million tonnes, leaving a balance of 18.25 million tonnes as straight coking coal. This will comprise not only Selected Grades and Grade I, but also a proportion of Grade II, the latter for the washeries. There seems to be no doubt that by the end of the Third Plan, the production of coking coals of the required grades would be enough to meet the above total demand.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 9 Para 14)

Since the present production of coking and blendable coals is only about 17 million tons, intensified efforts will have to be made to step up their production to 29 million tons by 1965-66.

The Committee would suggest that colliery-wise targets of production of coking and blendable coals may be fixed. They in fact feel that Government should draw up without further delay a grade-wise phased programme of production for each of the remaining years of the Third Five Year Plan. Government should keep a constant watch on the grade-wise production of coal so that there is no shortfall in meeting the requirements of consumers.

REPLY OF GOVERNMENT

The target of production for each colliery producing coking coal has been fixed on the basis of offers received. For the majority of these collieries, a year-wise phased programme of grade-wise production has also been drawn up. The progress of production of coking coal from individual collieries is kept under regular watch. It has not been possible to draw up a grade-wise phased programme for every colliery for each of the remaining years of the Third Plan due to practical difficulties. The main purpose is, however, served by keeping a close watch on the production trends in collieries linked with washeries or steel plants.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 10 Para 16)

Even making allowance for different processes used by the Steel Plants and their age, the Committee feel that the rate of consumption

of coking coal is markedly varied. They suggest that Government may constitute an expert committee to go thoroughly into the matter so that practical measures may be taken early to effect economy in the consumption of coking coals by Steel Plants, as India has none too abundant a reserve of coking coals.

REPLY OF GOVERNMENT

Government are conscious of the fact that the reserves of coking coal in India are limited. In order to reduce the consumption of coke in the blast furnaces of the steel plants, therefore, Government are conducting studies and experiments on:

- (i) the large scale use of non-coking, low coking and semi-coking coals as blends with coking coals;
- (ii) the improvement of the quality of raw materials, such as, iron ore and lime-stone by beneficiation;
- (iii) other techniques such as humidification of the blast accompanied by higher blast temperature; and
- (iv) the injection of oil, naphtha, etc.

These experiments are being conducted by the Central Fuel Research Institute, the National Metallurgical Laboratory, Jamshedpur, and the steel plants.

Besides, the Ministry of Mines & Fuel have set up a Technical Committee for drawing up programmes of coal supplies to steel plants and other metallurgical industries. Among its terms of reference is included the determination of the maximum extent to which blendable coals can be used and practical measures to be taken for reducing use of coking coal by adopting modern techniques. The setting up of another expert Committee is thus not necessary.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 12 Para No. 18)

The Committee suggest that Government may examine the procedure for grant of mining leases in detail so as to eliminate unnecessary steps and reduce to the minimum the time lag between the submission of application and grant of mining lease.

REPLY OF GOVERNMENT

The mining leases in respect of coal are granted by the State Governments with the approval of the Central Government. In granting such approval, the Central Government have to satisfy

themselves regarding the technical possibilities of developing the area. For this purpose, field investigations are carried out by the Coal Controller. As regards the State Governments, they have, in their turn, to make certain investigations and enquiries about the suitability of the applicant in the light of the provisions of the Mineral Concession Rules, 1960, and, for this purpose the applications for mining leases are required to be routed through the District Officials. There is at present no avoidable delay in processing these applications. Further, a provision has been made in the Mineral Concession Rules, 1960, directing the State Government to dispose of these applications within nine months of the receipt thereof.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 13 Para No. 19)

The Committee are glad to note that the Central Government are taking interest in the matter of expediting the process of acquisition of land for minning purposes.

REPLY OF GOVERNMENT

Noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 15 Para No. 21)

The Committee recommended that constant studies should be made of such new techniques as hydraulic mining, so that those which promise results can be profitably adopted in the country to increase the O.M.S.

REPLY OF GOVERNMENT

Studies to improve the O.M.S. in Mining Industry are being made in the Central Mining Research Station, Dhanbad. Besides, attention is also paid towards the improved mining techniques being developed in some of the more advanced countries.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 16 Para No. 21)

The Committee are of the view that vigorous steps are necessary to tackle the evils of drinking and indebtedness which have an adverse effect on O.M.S. They suggest the Central Government may use their good offices with the State Governments to see that the

liquor shops are located away from the collieries and miners' colonies and that the pay day is observed as a "dry day". As regards indebtedness, they feel that it should be possible to reduce substantially its incidence by such positive measures as setting up of co-operative credit societies, co-operative consumers' societies etc. A duty is also cast upon the employers to take positive action to curb the prevalence of these evils and promote actively the establishment of co-operative societies in the coalfields.

REPLY OF GOVERNMENT

The question of removing the evils of drinking and indebtedness among the coal-miners was considered by the Industrial Committee on Coal-Mining in April, 1961. The decision taken was to eliminate the evil of money-lending in colliery areas and to declare days of wage payment as dry days. Both these proposals were taken up with the State Governments concerned. A number of consumer co-operative stores and co-operative credit societies have been set up in different coalfields. There is also a wholesale Central Consumers' Co-operative Store in the Jharia coalfield. All these stores/credit societies have been set up by the Coal Mines Labour Welfare Organisation.

In regard to declaring days of wage payment as dry days, it is learnt that Assam Government has imposed necessary restrictions. But other States have come across practical difficulties in implementing this suggestion. The main difficulty arises from individual collieries following different days as pay days. It is further apprehended that this may expose labourers to consumption of illicit liquor with its evil effects. The State Governments also do not want to lose revenue which will be inevitable if particular days are declared as dry days. In such cases, propaganda and publicity are being resorted to, to reduce the incidence of drinking among the workers.

[Ministry of Mines & Fuel O.M. No. C7-11 (6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 17 Para No. 24)

The Committee would like the area-wise survey to be completed expeditiously and positive action initiated for amalgamation of small and uneconomic collieries particularly those producing coking coal. The good offices of the Joint Working Committee may also be made use of for facilitating the work of amalgamation.

REPLY OF GOVERNMENT

Area-wise survey covering 450 uneconomic collieries into 114 groups has been completed. The good offices of the Joint Working

Committee are being made use of so as to facilitate the work of amalgamation of collieries, especially of those producing coking coal.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 18 Para No. 25)

The Committee would like Government to ensure that the power requirements of collieries, particularly in West Bengal & Bihar Coalfields are properly estimated and finally met from year to year. It would be helpful if their power requirements based on Plan production programme are tied up in advance with electric supply agencies.

As suggested by the Study Team appointed by the Ministry of Irrigation & Power, a certain amount of cushion in the availability of power to the collieries may be desirable to meet unforeseen difficulties so that production does not suffer at any stage.

REPLY OF GOVERNMENT

A Study Team on Power set up by the Ministry of Irrigation & Power made a phased and region-wise assessment of the power requirements of the coal-mining industry for each year of the Third Plan. This assessment took into account the colliery-wise requirements of power communicated to it by the Coal Controller as a result of the latter's own survey of such requirements. The said Study Team made certain recommendations to meet the situation, such as supply of additional power from Rihand and Hirakud hydel systems for distribution to the collieries. This recommendation was duly implemented and additional power made available from these two sources to the extent possible. There is presently no shortage of power in the collieries.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 19 Para No. 26)

The Committee suggest that the Ministries of Mines and Fuel and Irrigation & Power should initiate early action to assess the power requirement of collieries during the Fourth Five Year Plan and draw up suitable power expansion schemes so that the coal production programme is in no way hampered for want of power.

REPLY OF GOVERNMENT

In January 1963, the Ministry of Irrigation & Power constituted two Committees, one for conducting Energy survey and the other for

Power survey in order to draw up suitable expansion schemes in respect of power plants. The Ministry of Mines & Fuel are represented on these Committees, which ensures full co-ordination in respect of power requirements for the coal industry. The Central Water & Power Commission also has conducted detailed load surveys in respect of the various States of India. Thus, through these surveys, it is intended to ensure that the requirements of power for the coal production programme in the Fourth Plan are fully taken into account in the programme of power expansion in the Fourth Plan.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 20 Para No. 27)

The Committee would like Government to make advance arrangements for ensuring supply of Cement to meet the estimated requirements of collieries and keep a careful watch to see that production programme of no colliery suffers for want of supply of cement in time.

REPLY OF GOVERNMENT

The requirements of cement for the coal mining industry are assessed in advance and recommendations are made to the authorities concerned to make allocations on that basis. The actual allocation, however, depends upon the availability of cement, and generally the allocations have fallen short of the assessed demand for the coal mining industry. But this is not peculiar to the Coal Industry alone. Care is taken by the Coal Controller to see that special preference is given where cement is required for either safety or development work only. However a close watch is maintained by the Coal Controller's Organisation over the supplies of cement, and appropriate action is taken to afford relief when necessary.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 21 Para No. 28)

The Committee feel that now that the position of manufacture of steel has considerably improved, it should be possible to give priority for manufacture of steel required by collieries. They suggest that the Coal Controller may furnish the requisite information about the items of steel required for collieries such as rails, material for tub-manufacture etc. from past records, and the Iron & Steel Controller may place bulk quota of steel at the disposal of the Coal Controller for distribution to collieries. The Coal Controller may keep the Iron & Steel Controller informed about the distribution of the quota through monthly or quarterly returns.

REPLY OF GOVERNMENT

Except for certain specified items, iron & steel materials generally required by the coal industry now come under the relaxed categories, i.e. control on distribution thereon has been lifted. The fixation of quotas for those classes of materials which fall under the relaxed categories, will, therefore, be not in consonance with the present policy of relaxing the control on iron and steel materials. It is only black sheets (thinner than 14 gauge), galvanised plain sheets and galvanised corrugated sheets, which come under the controlled items and which are used by the coal industry. For these lumpsum quotas, depending on the availability of such materials having regard to the needs of all other priority consumers, are placed at the disposal of the Coal Controller by the Iron and Steel Controller, for distribution amongst different collieries. The main difficulty is, however, experienced by the coal industry in regard to the procurement of items coming under the relaxed categories, notably for different gauges of rails, and $\frac{1}{2}$ " and $\frac{3}{4}$ " plates and pig iron. Here the colliery undertakings are required to place their orders under different stockists who in turn, place their indents on the Iron & Steel Controller. The Iron and Steel Controller then plans the production on the different steel plants. The Coal Controller maintains liaison with the Iron & Steel Controller in order to watch the availability of these categories. The steel plants are requested to give due priority to the manufacture of these categories of materials subject to the commitments for indents having a still higher priority in public interest.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 22 Para No. 29)

The Committee would like Government to go into the question of shortage of timber experienced by collieries and in the meanwhile, maintain a close liaison with the Railways so that their requirements for movement of timber are expeditiously met.

REPLY OF GOVERNMENT

The priority for movement of timber by rail has been raised from Class 'E' to Class 'D' and there has practically been no complaints about the shortage of timber. The requirement of timber for the Fourth Five Year Plan is being assessed by the Production & Preparation Committee of the Coal Council of India and suitable steps were to be taken to ensure adequate supply during that period as well.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 23 Para No. 31)

As detonators are essential for coal mining operations, the Committee consider that Govt. should have ensured that Indian Detonators Ltd. had proper arrangements for undertaking the distribution of electric detonators in the coalfields. They hope that the necessary arrangements for distribution in the coalfields would now be completed by Indian Detonators Ltd., without delay and that meanwhile suitable action would be taken by Government to ensure uninterrupted supply of detonators to collieries.

REPLY OF GOVERNMENT

The necessary arrangements for distribution of Detonators in the coalfields have now been made by Mining Machinery & Explosives Private Ltd., who are agents of Indian Detonators Ltd. A Committee has been set up by the Coal Controller in which coal and other mining industries as well as the licencees for Explosives are represented and which reviews from month to month the stock, demand and supply position of Explosives. The position is also reviewed periodically at inter-ministerial meetings. Necessary advance action is thus being taken to ensure uninterrupted supply of detonators, etc. to the coal industry.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 24 Para No. 32)

The Committee recommended that redoubled efforts may be made to develop indigenous manufacture of coal mining machinery so that the growing requirements of the industry are met, as far as possible, from indigenous sources.

REPLY OF GOVERNMENT

All efforts are being made to develop capacity for the indigenous manufacture of coal mining machinery. It is expected that with the completion of the coal mining machinery plants at Ranchi and Durgapur, most of the coal mining machinery will be available from indigenous sources.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 26 Para No. 35)

The Committee would like Government to ensure that no part of the loan of Rs. 16.74 crores sanctioned by the World Bank for meeting

the foreign exchange requirements of the coal mining industry for the Third Five Year Plan is allowed to lapse.

REPLY OF GOVERNMENT

Till 15-9-1963, the import licences valuing Rs. 16 crores (approx.) have been granted and the orders placed amount to Rs. 13 crores (approx.).

The question of full utilisation of the loan has been discussed in detail with the coal industry and also with the representatives of the World Bank. The Bank has been approached for the extension of the last date for the utilisation of the loan, pertaining to categories II to V to 30-9-1965. The coal industry have stated that it will be possible to utilise the entire loan within the extended period.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.*]

Recommendation (Serial No. 27 Para 36)

The Committee hope that the scheme of guarantee by the Reserve Bank would be finalised without delay so that the collieries can raise in time the matching rupee finance for importing coal mining machinery under the World Bank loan facilities.

REPLY OF GOVERNMENT

The scheme for the Guarantee of Advances granted to private sector coal industry by approved credit institutions has since been finalised and introduced with effect from 9-4-1963.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.*]

Recommendation (Serial No. 29 Para No. 39)

The Committee have no doubt that if Government decide to switch over to the system of calorific value for grading of coal, they would make full use of the opportunity to fix the prices of coal in such a manner that there is incentive for utilising lower grades of coal and disincentive for use of higher grades of coal for which the reserves are none too abundant in the country.

REPLY OF GOVERNMENT

This will be borne in mind when Government switch over to the system of calorific value for grading of coal.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.*]

Recommendation (Serial No. 30 Para No. 40)

The Committee are not happy about the frequent revisions in prices particularly during 1962 when the prices were revised in such quick succession as on 5-2-1962, 1-6-1962, 13-6-1962 and 20-10-1962. As coal is used by a very large number of industries it is obvious that frequent revisions in its price are bound to have repercussions on the general price level. They would, therefore, impress upon Government the need for confining the revision of prices to the absolute minimum.

REPLY OF GOVERNMENT

The revisions made in this Ministry's notifications dated 5-2-1962 and 13-6-1962 were *ad hoc* in nature. The former introduced a revised grading-cum-price structure in respect of coking coal, the main object of which was to provide an incentive for the production and supply of better coal with low ash content. The increase in prices with effect from 13-6-1962 was sanctioned in order to offer incentives to the coal industry to increase their production so as to achieve the target laid down during the Third Plan period. The revision made on 1-6-1962 and 1-6-1963 is as a result of the Award of the Arbitrator, Colliery Disputes, which increase has to be given to the industry on 1st June every year upto 1965. The revision made on 20-10-1962 was with a view to compensating the industry of the incidence of increased cost as a result of increase in the rate of P.F. contribution. The increases granted on the 1st March and 1st April 1963 were necessitated by the Interim Award of the Wage Board and the increase in D.A. of colliery workers as a result of increase of the consumer price index No. in terms of the Labour Appellate Tribunal Award. It would therefore be seen that in many of these cases, prices had to be increased from particular dates as a result of the various awards under which the industry had to pay enhanced wages and D.A. or to provide amenities to labour.

It may be stated here that as far as possible, Government is reluctant to make frequent changes in prices, but this cannot be helped when statutory awards, etc. have to be taken into account.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 32 Para No. 45)

The Committee are glad to learn that important industrial consumers are now well stocked with coal. They would suggest that Government may keep a vigilant eye on the coal requirements of various States/industries so as to see that the quotas allocated by the Coal Controller are not inadequate to meet their requirements.

REPLY OF GOVERNMENT

The suggestion of the Committee has been noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov. 1963.]

Recommendation (Serial Nos. 33 and 34 Para Nos. 46 & 47)

Serial No. 33 Para 46.—The suggestion of the Buckingham and Carnatic Co. Ltd., Madras that permits should be issued to consumers having standing supply quotas at the beginning of each year to cover 12 months' supply, so as to obviate the need for issuing monthly permits by the State Coal Controllers, appears to be useful for simplifying the procedure for supply of coal to principal consumers. The Committee suggest that the Ministry may examine the question early.

Serial No. 34 Para 47.—The Committee suggest that the State Coal Controllers may be asked to assess periodically the actual requirements of the principal consumers in their respective States so that the allocations are made on realistic basis.

REPLY OF GOVERNMENT

The suggestions made by the Committee have been examined. After assessing the actual requirements of the consumers, the State Coal Controllers issue the necessary permits twice a year for each six monthly periods. The period of six months has been prescribed to enable the State recommending authority to have an opportunity to re-assess the demand of individual consumers periodically. This enables the Coal Controller to make the allocations on a realistic basis.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 35 Para No. 48)

The Committee would suggest in order to keep himself posted with the difficulties experienced by consumers, it would be advisable for the Coal Controller or the Deputy Coal Controller (D) to pay visits to various industrial centres, particularly those far away from the Ctal areas, and meet the representatives of industry, chambers of commerce, small scale industries organisation etc.

REPLY OF GOVERNMENT

The suggestion of the Committee has been noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 36 Para No. 50)

The Committee are constrained to note that even after the setting up by Railways of their own Inspection Organisation in the coalfields in August, 1960 there has been no reduction either in the number of complaints of supply of inferior quality of coal or of engine failures. They consider that the Railway Inspection Organisation, which has been set up at considerable expense to Government, should bring about substantial improvement.

The Committee suggest that the result of working of the Inspection Organisation set up by the Railways should be reviewed to see whether it is commensurate with the expenditure involved.

REPLY OF GOVERNMENT

The figures of complaints and engine failures furnished by Ministry of Railways related to the calender years 1961 and 1962 (upto September, 1962 in the case of complaints and upto October, 1962 in the case of engine failures) and not to the financial years as shown in the para. It is further submitted that the number of complaints furnished upto September, 1962 was 19084 and not 19680 as has been quoted. Accordingly the monthly average number of complaints and engine failures for the year 1962 upto September/October were 2120 and 31.6 respectively which shows a favourable trend.

2. The performance of the Railways' Inspection Organisation should not be gauged merely from the total number of complaints made by the Railways; but for its proper appreciation, it is necessary to correlate the extent of complaints made with the total quantity of coal despatched to the Railways. The number of complaints about inferior supply of coal, engine failures and time loss cases of over 30 minutes for the calender years 1961, 1962 and for the period January to May, 1963 are furnished in *Annexure I*. The total quantity of coal despatched to the Railways is also shown therein. It will be seen from the statement that there had been no deterioration in the quality of coal supplied to the Railways during 1962 and thereafter when compared to the supplies in 1961; on the other hand there was an improvement as revealed from the comparative study of the number of complaints, engine failures and time loss cases per million tons of coal despatched to the Railways.

3. All cases of inferior supply of coal are taken up with the collieries concerned and suitable action as provided in the contract agreement, is invariably taken against them. Some of the collieries which consistently supplied coal of bad quality have been removed from the loco coal programme.

4. Though the Railway Inspection Organisation was started in August, 1960, its activities were initially confined to only a few collieries of the National Coal Development Corporation in Karanpura and Bokaro fields till 1-2-1962, when they were extended to the private sector collieries in Bengal and Bihar coalfields on the introduction of the contract system of supply of loco coal. Due to dearth of technical personnel, with mining experience in the country, many of the posts of officers and Inspectors in the Inspection Organisation could not be filled despite repeated efforts through the U.P.S.C. and the Railway Service Commission and offer of higher starting salary for junior Inspecting Officers. A statement (Annexure II) showing the sanctioned posts, posts so far filled and vacancies still to be filled, is enclosed. Recruitment is still continuing and all endeavours are being made to fill the posts as early as possible. Total expenditure incurred on the Railway Inspection Organisation during the financial years 1960-61, 1961-62 and 1962-63 was of the order of Rs. 0.35 lakhs, 1.4 lakhs and 4.04 lakhs respectively as against the estimated cost of Rs. 15.8 lakhs per annum for the full-fledged organisation.

5. The working of the Inspection Organisation is under constant and close watch by the Railway Board through monthly progress reports and complaints received from the Railways. Necessary directives are issued where necessary for effecting improvement in the quality of coal supplied to the Railways. It is expected that when the Inspection Organisation is equipped with the full complement of technical personnel, which may take still sometime, there will be considerable improvement in the Railway coal supplies as a favourable trend has already commenced.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov. 1963.]

COMMENTS OF THE COMMITTEE

The Committee are glad to note that there has been a welcome decrease in the number of complaints per million tons of coal despatched as well as in the number of engine failures and the number of trains losing punctuality over 30 minutes. They would stress that a close watch should be kept by the Railways on the working of the Inspection Organisation so as to ensure that the benefit is commensurate with the expenditure involved.

Recommendation (Serial No. 37 Para No. 51)

The Committee recommend that the Coal Controller should use his good offices in bringing together the Hindustan Steel Ltd., and the coal producers so as to reach a satisfactory agreement for ensuring supply of consistent grade of coal.

REPLY OF GOVERNMENT

The suggestion of the Committee has been noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 38 Para No. 52)

The Committee consider that the measures taken by Government towards the end of 1962 for ensuring that supplies of coal are according to the specifications laid down, should have been taken much earlier as there have been persistent complaints from consumers about marked deterioration in the quality of coal. The Committee also feel that the time has come when Government should review the inspecting machinery in the field with a view to see how it can be rationalised to discharge effectively the function of ensuring supply of consistent quality of coal to consumers.

REPLY OF GOVERNMENT

Although the new provision in the Colliery Control Order was introduced only in November, 1962 which empowers the Coal Controller's Organisation to unload wagons found to be containing coal not according to prescribed specifications, it would be erroneous to assume that Government took no measures whatsoever to prevent the despatch of sub-standard coal. The inspection wing under the Coal Superintendent, Dhanbad, had been functioning since long. The latest provision of November, 1962 undoubtedly is proving more helpful in ensuring despatch of the proper quality of coal. But the fact remains that with about 850 collieries spread out all over the country, it is not possible to check each and every wagon going out from the collieries. This would entail the setting up of a colossal organisation and the money and effort involved may not be commensurate with the results. To the extent possible, more frequent random checks are now being made and the inspection procedure has been tightened up.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 39 Para No. 56)

The Committee observe that although the yearwise targets of coal production as worked out by the Working Group in its Second Report, have been agreed to by the Railways and they are broadly committed to move the quantity indicated therein, the fieldwise targets of production and directionwise movement thereof during each of the remaining three years of the Third Five Year Plan, have still not been furnished to them by the Ministry of Mines and Fuel

It is unfortunate that the lessons of the Second Plan, when production was deliberately stepped up regardless of the fact that corresponding transport facilities were not available, have yet to be learnt.

Now that a coal production target of 98.3 million tons has been agreed to by all concerned, the Committee would stress upon the Ministry of Mines and Fuel the need to work out the fieldwise targets of production and directionwise movement thereof for each of the remaining three years of the Third Five Year Plan so that the Ministry of Railways get timely notice to gear up their transport arrangements to meet in full the requirements.

REPLY OF GOVERNMENT

The yearwise targets of production from the Bengal/Bihar and outlying coalfields as well as forecasts of the yearwise demand for coal by various consumers have been indicated by the Working Group on Coal Production and Transport. The directionwise transport requirements for movement of coal during the final year of the Plan have also been furnished. Similar information for the intervening years could not be made available as the sponsoring authorities were not able to furnish detailed destinationwise requirements from year to year. In these circumstances it was felt that the working formula of uniform annual increase in the wagon requirements mentioned in the second report of the Working Group was a rational basis for the purposes of transport planning. Wagon targets for the various fields for 1963-64 have been fixed in consultation with the Railway Board and periodical reviews will be made of these targets so that there is matching of transport with production in all the areas. For the purpose of future planning, however, it has been decided that the Coal Controller will organise, on a continuing basis, the collection of factual information in regard to directionwise requirements, so that a realistic assessment of directionwise movement of coal can be made from year to year.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 40 Para No. 58)

The Committee would urge the Ministry of Mines & Fuel to work out expeditiously in conjunction with the Ministry of Steel and Heavy Industries, the wagon requirements for movement of coal from individual collieries to washeries and steel plants for the remaining years of the Third Five Year Plan.

REPLY OF GOVERNMENT

The Department of Iron and Steel has worked out the wagon requirements in accordance with the revised target of demand for the remaining years of the Third Plan, in the light of the mid-term Plan appraisal. The Coal Controller is being requested to frame working plans for the movement of coal of this order to the steel plants.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 41 Para No. 59)

The Committee further observe that since July, 1962 the daily average loading for 'Other consumers' has not only equalled the target but exceeded it. This is a creditable achievement and the Committee hope that the railways would endeavour to increase the target of loading for 'other Consumers', for it is well recognised that the requirements of consumers are very much higher than the target fixed by the railways. They would also suggest that the Ministry of Mines & Fuel may work out at an early date the phased requirements of 'other consumers' so that Railways have the clear picture of the targets that they should aim to attain.

REPLY OF GOVERNMENT

The yearwise phased requirements could not be worked out in advance for the reason explained against recommendation No. 39 but periodical reviews are being undertaken and the wagon targets for 'Other consumers' are being fixed in consultation with Railways for six monthly periods.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 42 Para No. 60)

The Committee hope that the Ministry of Railways would see to it that the works programmed by them are completed according to schedule so that the loading target of 8200 wagons laid down for the Bengal and Bihar coalfields to match the production target of 65.1 million tons for the year 1965-66 is fully achieved.

REPLY OF GOVERNMENT

The observations made by the Estimates Committee have been noted. Every effort is being made by the railways to complete the required work in time. The works programme of the railways is

based upon an agreed pattern of movement of 2090 wagons of coal for steel plants, 1500 wagons for washeries and 4625 wagons for other consumers. No difficulty is anticipated in achieving these targets in the last year of the Third Plan.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 43 Para No. 61)

The Committee hope that Government would take necessary measures to step up production in the outlying coalfields so that at least the existing railway capacity for movement of coal from these outlying fields is utilised in full.

REPLY OF GOVERNMENT

Government's policy is to step up production in the outlying coalfields so that the existing Railway capacity could be utilised in full in this area. Production of coal in outlying fields has maintained an upward trend as would be seen from the following production figures:—

(In million tonnes)

1960	..	11:1
1961	..	11:8
1962	..	12:9
1962	..	15:0 (Estimated)

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 44 Para No. 63)

The Committee consider that since Mughalsarai is the key yard for movement of coal, its planning and performing should receive constant attention of the Railways.

REPLY OF GOVERNMENT

The Railways are fully aware of the importance of Mughalsarai yard for movement of coal to consumers in Northern and Western India. It is for this reason that a senior Transportation Officer of the Railway Board has been posted at Mughalsarai to watch the performances of this key yard on a day-to-day basis. In addition, the

performance of this yard is watched daily by the Transportation Directorate of the Railway Board.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 45 Para Nos. 65 & 66)

The Committee observe that during the Second Five Year Plan only 1,840 box wagons had actually been delivered to Railways against a target of 6,057.

The Committee regret that there was a heavy shortfall in the manufacturing programme of box wagons in the Second Five Year Plan. This shortfall had in no small measure contributed to the difficulties in transport of coal which were experienced in the last year of the Second Five Year Plan. Since coal movement programme of the Railway in the Third Five Year Plan hinges in a large measure on the availability of the requisite number of box wagons, the Committee would like the Ministry of Railways to ensure that the target for manufacture of these wagons is fully achieved.

REPLY OF GOVERNMENT

The actual out-turn of BOX wagons during the Third Plan is as follows:

1961-62	3568	Total: 8,061.
1962-63	4493	

During 1963/64.

April	367
May	298
June	300
July	397

It will, therefore, be seen that against a requirement of 7502 BOX wagons during the 1st two years of the Third Plan the deliveries have been 8,061. The rate of production already established will be maintained.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 46 Para No. 67)

The Committee consider it unfortunate that at a time when box wagons are to be increasingly made use of for transporting coal,

there should continue to be delay in strengthening/remodelling colliery sidings, because of controversy having arisen between the industry and the Railways over the question of meeting the cost involved. It is obvious that collieries would gain in no small measure from the speedier clearance of coal in box wagons. The Committee, therefore, expect that Government and the colliery owners would settle the matter without loss of time so that planned movement of coal in box wagons is no way impeded.

REPLY OF GOVERNMENT

The question of sharing the expenditure on the strengthening of colliery sidings was discussed at several meetings with the industry by the Ministry of Mines & Fuel, the Ministry of Railways and the Planning Commission but no agreement could be reached with the industry. The Ministry of Railways consider that most of the sidings for which work has yet to be done were laid many years ago and were in any case needing renewal or strengthening irrespective of the introduction of Box wagons. They have made certain concessions to the collieries by restricting the expenditure on strengthening to the barest minimum possible by the use of the locally available material for ballast, second hand permanent way material and by reducing supervision charges from 12½ per cent to 1 per cent. They have also agreed to the collieries paying their share of the expenditure in suitable instalments.

2. Besides, Railways have stated that the existing 4-wheeler still constitutes bulk of the wagon stock and will remain in service for a long time to come. Moreover, the need for strengthening colliery sidings is likely to arise progressively. Further, the Railways have intimated that many collieries have already got their sidings strengthened or have accepted the estimates or are likely to come forward to pay their share realising the essentiality and inevitability of strengthening.

3. In view of the above considerations, it has been decided, in consultation with the Ministry of Railways, that the collieries should be asked to bear their share of expenditure in accordance with the terms of the agreements relating to these sidings; and should the Railway Ministry find, say after six months or so, that strengthening of sidings is not progressing sufficiently fast, the matter may be reviewed.

[Ministry of Steel, Mines & Heavy Engg. O.M. No. C7-11 (6) /63, dated 16th April, 1964.]

Recommendation (Serial No. 47 Para No. 68)

It is obvious that due to the progressive increase in the demand for movement of coal and other general goods traffic, it would not be in general interest to relax the limit of free loading time. The Committee feel that even if bunkers are not installed by collieries because of the substantial capital outlay involved, there should hardly be any objection to the provisions of mobile loading machines or traxacavators to speed up loading. In the case of smaller collieries the mobile loading machines and traxacavators could be provided on cooperative basis. The Committee would urge the Government to take active interest in the matter so that the collieries suitably equip themselves for speedy loading of wagons.

REPLY OF GOVERNMENT

Government generally agree with the recommendation. In order to assess the magnitude of the problem in technical and financial terms and to assist the collieries in the installation of mechanical loading arrangements, a Technical Cell consisting of a Mechanical Engineer and a Mining Engineer has been set up in the Coal Controller's office. This cell is at present surveying the problem and when its recommendations are received, Government will consider necessary measures to implement those recommendations.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial Nos. 49 & 50 Para Nos. 70 & 71)

Serial No. 49 Para 70.—The Committee consider that as there is admittedly the possibility of 5 per cent variation in loading according to line which by no means is negligible, early steps should be taken to provide adequate number of 100 ton weighbridges to weigh Box wagons.

Serial No. 50 Para 71.—The Committee suggest that the question of including the bigger collieries at least to instal weighbridges suitable for Box wagons may be discussed by the Ministries of Railways and Mines & Fuel with the industry. The Railways may also consider the question of providing more such weighbridges on their own.

REPLY OF GOVERNMENT

It is realised that there is possibility of variation in loading according to the line. Steps are being taken to have more number of lines so as to conform to different specifications of various coals.

For the weighment of Box wagons in Bengal and Bihar coalfields, there are, at present, four Railway weighbridges. Besides, the Public Sector and the Private sector collieries have installed six and one weighbridges respectively. Fourteen more 100-ton weighbridges are to be installed by the Railways at other important coal depots in the Bengal/Bihar & Korea/Rewa fields, and arrangements have been made by public sector collieries for installation of 100-ton weighbridges in each public sector colliery. The question of installation of 100-ton weighbridges in the private sector collieries has been discussed with the coal industry in consultation with the Planning Commission and the Ministry of Railways. There are difficulties of heavy capital investment, including substantial foreign exchange. However, the question is being pursued with the coal industry.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 51 Para No. 72)

The Committee would like the Railways to continuously study the difficulties which are being experienced in the use of Box wagons so that these are rectified promptly.

REPLY OF GOVERNMENT

The suggestion has been noted. Suitable instructions to the Railway Administrations have been issued in this regard.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 52 Para No. 73)

The Committee would like the Ministry of Railways to pay particular attention to the question of securing suitable backloads for Box wagons so that they do not have to return empty over long distances.

REPLY OF GOVERNMENT

Every effort is being made by the Railways to secure traffic for blackloading of Box wagons but a certain amount of empty running is inherent in the pattern of coal movement, and to a large extent empty running of Box wagons will be in lieu of ordinary wagons.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 53 Para No. 75)

Since the consumers no longer have a choice of collieries for obtaining their requirements of coal under the planned movement scheme, greater responsibility rests on the Coal Controller's Organisation to ensure that the despatches conform to the prescribed grades.

REPLY OF GOVERNMENT

While introducing the scheme of nomination of collieries for soft coke and brick-burning coal from the West Bengal and Bihar coal-fields for the purpose of planned movement under the classes Z & BRK, it was made clear to the Coal Mining Industry and others that as regards quality of supply it would be the responsibility of the Agents to arrange inspections of the consignments at the loading point on behalf of the State Governments whom they represented. Any complaint about the quality of coal and coke brought to the notice of the Coal Board could be investigated. The Dhanbad Coal Superintendent's Inspecting staff had also been strengthened to increase checking of coal and coke despatches. It may, however, be mentioned that since there are about 850 working collieries, it is not possible to check each and every colliery at the time of loading. Complaints regarding bad quality of coal are, however, investigated and necessary action taken against the delinquent collieries.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 54 Para No. 76)

The Committee feel that the bulk movement scheme should not result in denial of 1 per cent concession in sales tax to consumers merely because of technical formalities. They would like the Ministry to see that the matter is expeditiously settled.

REPLY OF GOVERNMENT

Section 8(1) of the Central Sales Tax Act, 1956 has since been amended by the Central Sales Tax (Amendment) Act, 1963 which has come into force with effect from the 1st April, 1963. With this amendment, every dealer who, in the course of inter-State trade, sells declared goods including coal either to Government or to registered dealers will pay sales tax at the rate of 2 per cent of the turnover, as against 1 per cent charged before that date. Thus inter-State sales of declared goods (including coal) are now taxable at the same rate irrespective of the fact whether such sale is made to a

Government or to a registered dealer or a consumer. In view of this, no further action is necessary on the recommendation.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 55 Para No. 77)

From the memoranda submitted to them as well as from the impressions gathered by the Study Groups of the Committee during their tours, the Committee find that shortage of BRK coal has been felt in almost all the States with the result that prices of bricks have gone up unduly high in recent months.

The need for providing bricks at a cheap rate to the people so as to sustain the housing programmes as well as other building projects envisaged by the Government needs hardly any stress. The Committee suggest that the difficulties being experienced by bricks kilns in getting adequate and regular supply of coal may be jointly investigated by the Ministries of Railways and Mines & Fuel and the Coal Controller with a view to find a satisfactory solution.

REPLY OF GOVERNMENT

The suggestion of the Committee has been noted. The consumers of BRK coal are at present stated to be well stocked. During the first half of 1963, about 53,700 wagons of such coal have been despatched against the supply of 81,000 wagons in the whole of the year 1962. Recently despite requests made to the various States they are not coming forward to utilise the spare capacity offered by the Railways for the movement of BRK coal, which further goes to show that the position has considerably eased.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 56 Para No. 78)

As the revised scheme of coal movement in block rakes introduced with effect from 1st February, 1963 involves an entirely new orientation in the pattern of coal movement and distribution as hitherto existing, the Committee would suggest that a careful assessment may be made of its working after a period of three months. They hope that in extending the scheme, every care will be taken to see that there is no set-back either to production of coal or its supply to consumers.

REPLY OF GOVERNMENT

While implementing the revised scheme of coal movement care was taken to see that the block rake programmes were issued for those destinations only where facilities for unloading them were available and those collieries only asked to undertake loading which were having the required loading facility. A sub-committee was also set up to bring the other consumers drawing coal from these coalfields and also consumers drawing coal from the other coalfields within the orbit of the scheme. This sub-committee has recently submitted its recommendations and action to extend the scheme will be taken after due consideration of the recommendations made by it.

As a result of implementation of the revised scheme of coal movement in block rakes, which was introduced from the 1st February, 1963, nearly 80 per cent of the coal loading from Bengal-Bihar coalfields is now being programmed in block rakes. This feature has substantially contributed to the improvement in turn-round of wagons and consequently to the current easy position of wagon supply. The Railways are not only meeting the demand for transport fully but are also offering spare capacity for carrying coal. There is no set back to production of coal or its supply to consumers.

[Ministry of Steel, Mines & Heavy Engg. O.M. No. C7-11(6)/63 dated 1st Feb. 1964.]

Recommendation (Serial No. 57 Para No. 79)

One of the essential pre-requisites of the scheme is setting up of dumps at various places and to 'enliven' those already existing. The Committee were informed that the few dumps existing, at present were largely 'notional' since no sooner wagons were unloaded, than coal was removed by consumers. With the movement of coal in block rakes, supplies to the dumps would be considerably stepped up and these would, therefore, have to be operated in a systematic and organised manner. Particular care will have to be taken to see that coal of different grades and sizes is properly segregated and that the consumers actually get the type of coal allocated to them.

In this connection, the Committee would also like to cite the instance of Viramgam where a dump has been set up by Saurashtra Industries on a cooperative basis. The Committee feel that the industries should be encouraged to set up more coal dumps on a co-operative basis.

REPLY OF GOVERNMENT

With the introduction of scheme of block rake movement from 1st February, 1963, nearly 80 per cent of the movement from Bengal-Bihar fields now takes place in full rakes. The questions as to how the scheme can be further extended to cover the residual movement and also how similar scheme can be introduced in the outlying coal-fields are at present under the consideration of Government. It is, however, realised that a large number of consumers may have to obtain their requirements through dumps, and at the same time piece-meal movement too cannot be avoided to a certain extent.

The question of setting up of dumps is being pursued with the State Governments and the Railways. The progress of setting up coal dumps has not been very significant so far on account of various practical difficulties such as the non-availability of suitable sites, the lack of adequate siding facilities, the expenditure involved in the development of the site and of the approach roads and the additional cost involved. There is also a certain measure of consumer resistance as it is estimated that incidental charges at dumps may raise the price of coal to the consumer by about Rs. 8 to Rs. 10 per tonne. Progress in the setting up of dumps is thus bound to be slow, and the present slackening of demand for coal has further caused a set back to this scheme. The State Governments have, however, been urged to take steps to set up more dumps since the scheme of coal dumps will be the means of ensuring adequate and timely supplies of coal to all industries. The Railway Ministry has issued instruction to the Zonal Railways to render all possible assistance in the matter including the leasing out of Railways land wherever available at a nominal rent.

The State Governments have already requested to pay particular attention to the segregation of different grades and types of coal which have to be stocked in the coal dumps and also to encourage the formation of consumers' co-operatives for the management of coal dumps.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 58 Para No. 80)

The Committee think that the difficulties in the matter of supply of wagons to collieries keeping in view the day-to-day requirements arises not so much because of the fact that the day-to-day allotment

of wagons rests with the Railways but due to lack of day-to-day co-ordination between the Coal Controller's officers and the allotment officers of the Railways in the coalfields.

The Committee observe that while the Coal Controller has the authority to issue special allotments in favour of consumers who may be in distress and the Railways are required to meet such demands on priority basis, the present procedure at the same time enables the Railways to use their resources in the best possible manner. They would urge the two Ministries to see that the field staff work in close conjunction with one another so that the available transport capacities are put to the best use.

REPLY OF GOVERNMENT

There is now full co-ordination between the field staff of the two Ministries in the matter of using to the best advantage the available transport capacity. This has enabled good results being achieved. Demands for coal transport are being fully met and there is now no complaints from any consumer about shortage of coal supply.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 59 Para No. 81)

The Committee observe that the total detention to wagons in West Bengal & Bihar coalfields from the time of arrival on the pre-weighment line to actual despatch to destination ranges between 16.2 to 24.1 hours. They consider this to be on the high side and would suggest that the Railways may explore the possibility of reducing the detention time especially in Asansol, Bhaga and Sitarampur depots where it is particularly heavy. They would also like the Railways to reduce the detention time in outlying coalfields particularly in Mahendragarh/Jhagrakhand, where it is very heavy.

REPLY OF GOVERNMENT

The detention to wagons in depot yards is being watched on a daily basis by the Divisional Offices concerned, and on a 10-day/ monthly basis by the Zonal Railways concerned. The daily and periodical performances are judged on the basis of target detentions notified for each coal loading depot, and remedial steps are taken whenever the actual detention exceeds the targets specified. Every effort is being made to bring down the detention time in these yards.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 62 Para No. 84)

The Committee would like the Ministry of Railways to examine the question of delays in the approval of the plan and estimates and the actual construction of sidings and take necessary steps to speed up their construction.

REPLY OF GOVERNMENT

The Railway Administration have been directed to pay special attention and to deal expeditiously with the construction of sidings, by eliminating the procedural delays as much as possible. Most of the delay was taking place due to shortage of track materials, but the position is now improving.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 63 Para No. 88)

The Committee would suggest that pending improvement in the draft conditions in Hooghly Government may take suitable measures, such as utilisation of ships with wider beams and shallow draft, and topping up of coal vessels at Visakhapatnam to increase the percentage of utilisation of capacity of vessels.

REPLY OF GOVERNMENT

The question of procuring colliers with shallow bottoms and wider beams has been considered. A scheme for construction of special types of colliers which may load more cargo in lesser drafts has been drawn up and orders are proposed to be placed shortly with manufacturers for a few such vessels.

The question of topping up of colliers at Visakhapatnam was examined several times in the past and again recently. The proposition was found unworkable for various reasons.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 64 Para No. 89)

The Committee observed that the extra freight because of higher coastal freight rates as compared to trip charter rates for chartered tonnage amounted to Rs. 48.43 lakhs in 1963. It is obvious that there is marked difference between the coastal freight rates and the charges paid to trip chartered ships. As this difference persisted throughout

1962 it cannot be entirely due to fortuitous circumstances of temporary slump in world shipping market. As this statement was received by the Committee towards the end of February, 1963 after the evidence of the representative of the Ministry of Mines & Fuel had concluded, the Committee could not examine matter in detail. They would like this matter to be examined closely by Government for, in the last analysis, the difference between the freight rate for carrying coal by sea to Southern and Western India as compared to the all rail route has to be paid for under the subsidy scheme.

REPLY OF GOVERNMENT

The observations of the Committee have been noted. The chartering of foreign ships for movement of coal has been stopped from the last quarter of the year 1962. At present, the coal is being moved by colliers owned by the Indian Shipping Companies and the question of payment of freight for foreign chartered ships does not arise.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 65 Para No. 90)

The Committee observe that no subsidy was paid in 1961-62 to consumers other than the Railways even though the scheme came into effect in May, 1961.

The Committee note with dismay the complicated procedure of having as many as 25 forms to be filled by consumers for claiming subsidy. They also note that lately steps have been taken to simplify the procedure for submission of claims for subsidy by consumers. They cannot help feeling that the question of simplification should have been taken up at least in the beginning of 1962-63 when it was found that in the preceding year not a single payment had been made to the industrial consumers against their claim of over Rs. 74.8 lakhs. They hope that Government would clear all the outstanding bills and would also see that in future payments are made expeditiously.

REPLY OF GOVERNMENT

Noted. With the introduction of a simplified scheme with effect from January, 1963, the payments are being made expeditiously.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 66 Para No. 91)

The Committee suggest that the proposed simplified procedure for submission of claims for subsidy on coal moved by sea may be given wide publicity in Southern and Western India—the areas to which the scheme applies.

REPLY OF GOVERNMENT

The simplified procedure was introduced in January, 1963. This was given publicity by sending circulars to the various chambers of Commerce.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]*

Recommendation (Serial No. 67 Para No. 92)

The Committee would also like to suggest in this connection that production from Singareni Coalfield as well as Kamptee, Ballarpur and Sasti coalfields in Central India (which contain superior quality coal) may be stepped up with a view to meet as far as possible, the requirements of industries in Southern and Western India, thereby obviating the need for carrying coal in such large quantities over long distances from Bengal Bihar coalfields.

REPLY OF GOVERNMENT

Targets for all the collieries including those situated in the Singareni coalfield as well as Kamptee, Ballarpur and Sasti coalfields in Central India, have been fixed and steps have been taken to ensure that these targets are reached, so as to meet the requirements of Industries in Southern and Western India, as far as possible.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]*

Recommendation (Serial No. 68 Para No. 93)

The Committee find that there has been noticeable improvement in the arrival of coal wagons in Kidderpore Docks in 1962-63. They hope that the improvement would be maintained so that the costly handling equipment in the Docks is put to full use.

REPLY OF GOVERNMENT

The comments of the Committee have been noted.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]*

Recommendation (Serial No. 69 Para No. 94)

Since coal production is vitally linked with its movement, the Committee would urge the Central and State Government concerned to execute expeditiously the road development programme.

REPLY OF GOVERNMENT

The Committee's observations have been noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Action taken or proposed for the expeditious execution of road development programme may be indicated.

[L. S. S. O.M. No. 5/16-EC/63, dated 17th Dec., 1964.]

REPLY OF GOVERNMENT

The programme for the improvement of the Grand Trunk Road and the feeder roads in the Bengal-Bihar area has been taken up for execution by the State Governments. The following road works are being taken up:

1. National Highways in West Bengal and Bihar:

- (i) National Highway No. 2.
- (ii) National Highway No. 31.
- (iii) National Highway No. 32.

2. Feeder Roads in West Bengal and Bihar.

3. A two mile "Sindri-Damodar-Coal Board" approach road.

[Ministry of Steel & Mines O.M. No. C7-11(6)/63, dated 1st Feb., 1965.]

Recommendation (Serial No. 71 Para No. 96)

The Committee would like Government to make a careful assessment of the scheme for transport of coal by road-cum-river route undertaken on an experimental scale and assess the extra cost that the consumer might have to pay for obtaining coal supplies in this manner before launching on a more ambitious scheme.

REPLY OF GOVERNMENT

The Committee's observations have been noted. A Study Group has been appointed by the Planning Commission to go into the tech-

nical and economic issues involved in the scheme for the transport of coal by the road-cum-river route.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov. 1963.]

Recommendation (Serial No. 72 Para No. 97)

The Committee suggest that the question of transportation of coal by Durgapur Canal may be taken up with the Government of West Bengal and the Ministry of Irrigation & Power.

REPLY OF GOVERNMENT

The question of transport of coal by the Durgapur Canal has already been taken up with the Government of West Bengal by this Ministry as well as by the Ministry of Transport & Communications. At a meeting held with the officials of the West Bengal Government on 17th November, 1962, the latter agreed to organise a pilot project for the movement of coal by the canal to Calcutta and also to consider the outline of a scheme which had been prepared by this Ministry. Subsequently, the Government of West Bengal have informed the Ministry of Transport & Communications that until their relative claims on the canal waters for industrial and agricultural purposes are settled and until certain issues arising out of the recent DVC Award are resolved, it is not possible for the State Government to take a decision in the matter. This Ministry is, however, pursuing the matter with the State Government.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 73 Para No. 98)

As economies are expected to result from transport of coal through pipelines, the Committee feel that studies for adoption of this method in the country need to be pursued.

REPLY OF GOVERNMENT

Investigations in this behalf have been undertaken. The World Bank Coal Transport Study Team has been requested to carry out a feasibility study of the transportation of middlings from washeries, and of raw coal from mines to power stations. The matter will be further considered by Government when this report is available.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 74 Para No. 100)

The Committee would like Government to examine the question of simplifying the procedure for grant of industrial licence for re-opening coal mines and seams so that production from them is not hampered due to delay in issue of licences.

REPLY OF GOVERNMENT

The procedure for the grant of industrial licence as required under the Industrial (Development & Regulation) Act has been looked into. The procedure in itself is not a complicated one. For purpose of having a planned growth of the industry it is necessary to examine the suitability of the applicant, of the desirability or otherwise of the party being given the reopening permission, etc. The views of the State Government also have to be obtained. Then details like location, geological data, quality of reserves or validity of lease-hold rights, etc., have to be looked into. Some time is inevitably taken in this process. In order, however, that the production from new collieries, whose proposals are included in the additional production target of the private sector, may not suffer, the Coal Board are advised to grant permission for opening as soon as it is decided to grant industrial licences, pending issue of formal licences.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 75 Para No. 101)

The Coal Board had fixed in 1960-61 the maximum time limits of 2 months and 3 weeks for initial grading and 4 months and 3 weeks for regrading of coal seams. The Committee see no reasons why these maximum limits are not being in actual practice adhered to. In fact, they expect the Coal Board to improve upon 'maximum time limits' for grading and regrading which were fixed nearly three years ago,

REPLY OF GOVERNMENT

The maximum time limits prescribed by the Board for disposal of various kinds of cases only indicate the normal limits within which the normal cases should be disposed of. In complicated cases, delays are bound to occur. However, every effort will be made by the Board to speed up the disposal of cases.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 76 Para No. 102)

The Committee feel that speedier action should have been taken on the representation of the Lower Grade Coal Producers' Association dated the 31st July, 1962 which contained specific instances of alleged discrimination in the matter of grading coal seams. They hope that Government would go into the matter fully and take necessary action without further delay.

REPLY OF GOVERNMENT

As the representation of the Lower Grade Coal Producers' Association contained reference to a large number of specific cases, a careful examination of the facts was necessary. In view of the nature of allegations made in that representation, it needed careful consideration of the Board and was considered by it at more than one meeting. All these inevitably took time. On receipt of the report by Government, the matter was further examined at Governmental level and suitable instructions issued.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 77 Para No. 103)

The Committee are glad to note that the scheme of the Coal Board to set up their own laboratory for testing coal samples has been held in abeyance in view of the need for economy in expenditure and the present emergency as they consider that testing of samples should be done by a body independent of Coal Board and coal mining industry.

REPLY OF GOVERNMENT

The scheme has no doubt been kept in abeyance. However, it may be pointed out that the Coal Board is a statutory body working independent of the coal mining industry, and with a view to administer the Coal Mines (Conservation and Safety) Act.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

The Committee were glad to note in the original Report that the scheme of the Coal Board to set up their own laboratory for testing coal samples had been held in abeyance as they considered that testing of samples should be done by a body independent of Coal Board and coal mining industry. It appears from the reply of Government now furnished that testing of coal samples might, at a future date, be done by the Coal Board itself. It is the considered view of the

Committee that any laboratory to be set up for the purpose of testing coal samples should be independent of Coal Board and the coal mining industry so that the latter may have no occasion for grievance in this respect against the executive body.

Recommendation (Serial No. 78 Para No. 104)

The Committee would like Government to fully satisfy itself about the effect of change over from the existing basis of ash and moisture for determining grade of coal to calorific value on production and price structure of coal, before implementing the Expert Committee's recommendations. This is obviously a matter in which the Committee would expect Government to move with caution.

REPLY OF GOVERNMENT

On considering the recommendations of the Expert Committee, Government found it necessary that practical implications of their recommendations should be examined, as also special characteristics of certain coals which may have to be taken into account for fixing the prices. The Board, therefore on the instructions of Central Government drew samples for this purpose from representative collieries in various coalfields and a Study Group has been constituted for examining the special features of various coals. The report of the Study Group is awaited.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 79 Para No. 105)

The Committee feel that in every case of shortfall in stowing the Coal Board should ask the management to explain the reasons therefor. They would like the Coal Board to expeditiously consider the question of some action in the nature of penalty, against owners of collieries who fail to undertake stowing to the extent indicated in their applications and sanctioned by the Coal Board. They would also like the Coal Board to check up the applications for stowing closely so as to make sure that the collieries do not inflate the figures and ask for a sanction which is obviously beyond their capacity.

REPLY OF GOVERNMENT

In case of every shortfall in stowing, explanations were called from concerned collieries and the reasons indicated may be summarised as follows:—

- (a) Insufficient sand deposits, difficulty in transport of sand due to bad road conditions and withdrawal of depillar-ing permission by the Chief Inspector of Mines.

- (b) Delay in completion of the stowing arrangements due to unavoidable circumstances.
- (c) Discontinuance of work due to flare up of fire.
- (d) Trouble with the labourers or contractors.
- (e) Shortage of power for adequate pumping of stowing water.

The Board, at its meeting held on the 28th May, 1963 considered a proposal for reduction in the rates of assistance for insufficient utilisation of the stowing plant and decided that no reduction should be made in the following circumstances:—

- (a) Where the stowing plant cannot be fully utilised due to paucity of stowing materials.
- (b) Where the colliery's own requirement of stowing was being met and there was no other colliery located suitably near it to whom stowing material could be supplied through excess capacity.
- (c) Where the adjacent colliery was itself suitably near the river, direct transport from where might be more economical the sand taken from the colliery having excess capacity.

Where the above conditions did not exist, reduction to be made in the stowing assistance will be considered by the Board on the merits of the individual cases keeping in view the actual plant capacity.

Board's Inspecting Officers have been asked to exercise utmost scrutiny while examining the application of coal companies.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 81 Para No. 106)

The Committee are not happy about the delay in the payment of instalments by collieries on account of the loan for stowing plants.

They would in this connection like to mention that the National Small Industries Corporation Ltd. charge a penal interest of 1 per cent per month over and above normal rate from loanees who fail to pay the instalments by the due date.

They would like the Coal Board to take an early decision about the levy of some penal interest on the owner of a colliery who fails to pay back the instalments on account of the loan by the due date.

REPLY OF GOVERNMENT

This Ministry was advised by the Ministry of Law that levy of penal interest is not likely to be viewed with favour by Courts of Law

and may become unenforceable. As an alternative, with the same object in view, and as suggested by the Ministry of Law, the Board has decided to provide for a higher rate of interest in the loan agreement and to allow a suitable rebate for timely repayments, and this has been approved by Government.

[Ministry of Mines & Fuel O.M. No. C7-11 (6) /63, dated 11th Nov., 1963.]

Recommendation [Serial No. 82 (i) & (ii) Para No. 107]

(i) The Committee note from the Annual Report of the Coal Board for 1961-62 that recommendations of the Stowing Applications Committee were awaited on 25 out of 115 cases referred to them during the year. They recommend that applications for stowing should be processed expeditiously.

(ii) The committee find from the Annual Report of the Coal Board for 1961-62 that some bills relating to stowing done in previous years were paid during 1961-62. They recommend that payments for stowing should be made promptly.

REPLY OF GOVERNMENT

(i) Noted. Attempts are being made to process stowing applications expeditiously. Normally applications are to be submitted by the 1st July, preceding the year in which the stowing is proposed to be done. These are usually disposed of before commencement of the stowing year. Late and supplementary applications received during the last three months of the year cannot be processed for consideration at the last meeting of the Stowing Applications Committee in the financial year. This being so, all applications received during a year cannot be disposed of during the year.

In order to make available the amount of assistance to the collieries at an earlier stage, there is provision of 'on account' payment upto 70 per cent of the colliery's monthly claim without waiting for verification by the Board's Inspecting Officer provided the company furnishes the requisite Bank Guarantee. Very few collieries have taken advantage of this provision. Further modification in the procedure for expediting payments is under consideration.

(ii) A sum of Rs. 8 lakhs (approx) only out of Rs. 211 lakhs (approx) paid during 1962-63 related to the years prior to the year 1961-62. The reasons for delay in this payment are:

(a) Delay in executing the bond then required under rule 54 of the Coal Mines (C&S) Rules, 1954.

(b) Irregularities regarding quantity stowed in unsanctioned area, stowing material used, conversion factor, stowing not done in the prescribed manner etc.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 83 Para No. 108)

The Committee would like the Coal Board to carefully assess the economics of the installation and the operation costs of pneumatic stowing and make efforts through the Central Mining Research Station to bring down the cost so that it can be adopted by collieries, both in the private and public sectors, where sand is not readily available for hydraulic stowing.

REPLY OF GOVERNMENT

The suggestion of the committee for careful assessment of the economics of the installation and operation costs of pneumatic stowing has been noted.

In connection with pneumatic stowing at the Bhurkunda colliery of NCDC which would be the first experiment of such stowing in the country on a large scale, the Board has decided that the C.M.R.S. should be associated with the experiment and the progress should be reviewed by a committee consisting of representatives of the:

1. Coal Board.
2. National Coal Development Corporation Limited.
3. Central Mining Research Station.
4. Indian School of Mines (Dhanbad).
5. Chief Inspector of Mines (Dhanbad).

A research programme in pneumatic stowing has also been independently taken up by the Central Mining Research Station, Dhanbad. The result of such research will also be available to the Board for deciding as to the method and justification from point of economy of the adoption of pneumatic stowing in collieries where sand is not easily available.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 84 Para No. 109)

The Committee would suggest that the results of Kargali experiment should be carefully assessed and if found successful publicised widely, so that washery rejects in as large quantities as possible may

be used for stowing. They would also suggest that the Central Mining Research Station be asked to expedite its investigations about the use of blast furnace slag and washery rejects as stowing material.

REPLY OF GOVERNMENT

No experiment has yet been carried out at the Kargali washery for suitability of washery rejects as stowing material. The Central Mining Research Station has been conducting investigations about the use of blast furnace slag and washery rejects as stowing materials, and the result of this investigation is awaited.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

FURTHER INFORMATION COLLECTED FOR BY THE COMMITTEE

Latest position may be indicated.

(L.S.S.O.M. No. 5/16-EC/63 dated 11th April, 1964).

REPLY OF GOVERNMENT

Based on the tests conducted by the Central Mining Research Station, it has been decided by the Board to allow 16% of washery rejects in stowing mixture that may be used in the mines. The Central Mining Research Station, Dhanbad has been asked to undertake tests as to whether a higher percentage of washery rejects may be used in stowing mixture consistent with safety in mines. These investigations are now under way.

[Ministry of Steel, Mines & Heavy Engg. O.M. No. C7-11(6)/63, dated 22nd May, 1964.]

Recommendation (Serial No. 85 Para No. 110)

The Committee feel that as the State Governments are collecting cess for development and maintenance of roads in coalfields it should be possible for Central Government to persuade them to take positive steps to improve the roads.

REPLY OF GOVERNMENT

Every effort is being made to persuade the State Governments to improve the roads in the coalfield area particularly in Bihar and West Bengal. In addition to meeting the entire expenditure on the improvement of the national highways, the Central Government has offered financial assistance to the State Governments of Bihar and West Bengal for the work on feeder and approach roads in the coalfields.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 87 Para No. 113)

The Committee feel that as the entire ropeway scheme in Jharia is proceeding on the assumption that enough reserves of sand are available in the Damodar River, Government should help the Coal Board to make an accurate assessment of sand reserves and annual sand replenishment at an early date.

REPLY OF GOVERNMENT

Noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Concrete steps taken in the matter may be indicated.

(L.S.S.O.M. No. 5/16-EC/63 dated 11th April, 1964)

REPLY OF GOVERNMENT

Detailed drilling of sand reserves in the area from which B-C ropeways would have off-taken sand from the Damodar river has been completed. A reserve of just a little over 1 million tonnes of sand was established. Surveys and estimates of the sand reserves further downstream and on the shores of the Panchet lake have also been made. These have established that the sand reserves in the river as at present are about 109 million tonnes and appear to be adequate for 20 years' requirement of the 'D' and 'F' area Ropeways even without taking into account the annual replenishment of said. Preliminary work for surveying other sand reserves on the Barakar further upstream of the Damodar river near Telmucha Bridge has been started. Silt studies have been undertaken in the Damodar river. Spot level observations are being made in the Damodar, Ajoy and Barakar rivers for ascertaining the amount of silt carried by them.

[Ministry of Steel, Mines & Heavy Engg. O.M. No. C7-11(6)/63, dated 22nd May, 1964.]

Recommendation (Serial No. 88 Para No. 114)

The Committee hope that the Coal Board would tie up all the preliminaries e.g. mining leases for sand from Bihar and West Bengal

Governments and power from electric supply authorities so that there is no delay in installation of ropeways according to programme.

REPLY OF GOVERNMENT

Noted. All efforts are being made to take action as suggested.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]*

Recommendation (Serial No. 89 Para No. 116)

The Committee would suggest that Coal Board may make pilot studies of the cost (recurring and non-recurring) for carrying sand from central dumps to pit-heads through short ropeways, trucks, trailers etc. so that it is easy to persuade the collieries to adopt the most economical means for transporting sand.

REPLY OF GOVERNMENT

As suggested by the Committee, pilot studies of the cost for transportation of sand in such cases through short ropeways, trucks, carriers etc. will be taken up by the Board.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]*

Recommendation (Serial No. 90 Para No. 118)

The Committee would like the procedure for sanction of application for special assistance to be speeded up. The Board may also lay down a time schedule for processing and sanctioning of applications so that there is no delay at any stage in their disposal.

REPLY OF GOVERNMENT

The collieries have been asked to submit application for claims for subsidy under the Special Assistance Scheme within 2 months after the last date of the quarter for which claims are to be submitted. Later in September, 1962 the collieries were asked to submit application for the 2 quarters at a time within 2 months after the close of the second quarter.

It may be mentioned that during the year 1962-63 the allotment of Rs. 1 crore for special assistance in the budget estimates was fully used up by the end of December, 1962 and further allocation of Rs. 35 lakhs was approved by the Government. A sum of Rs. 1.32 crores was paid during the year 1962-63. A revised procedure has since been adopted by which provisional payments are being made for 'adverse factors' 'Gassiness', 'Depth of Shaft' and 'High transportation cost from pit-head to rail-head' without waiting for the reports of the

Inspecting Officers and before taking the Board's approval. This has expedited payments of special assistance. The question of revising the procedure for further expediting payments is under consideration.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 91, Para No. 119)

Fires in collieries burn away precious reserves of coal and have persisted in some cases for several decades. The Committee recommend that Government may constitute an expert Committee to go into the whole problem and draw up a comprehensive plan for combating and putting out fires. They have no doubt that the expert committee in evolving a comprehensive plan of action would take due note of the means adopted by other advanced countries to put out fires in collieries.

REPLY OF GOVERNMENT

The proposal for the appointment of an expert Committee to suggest a comprehensive plan for preventing and putting out mine fires is currently under examination. It is understood that a Working Group for this purpose has already been set up by the Planning Commission.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Latest position may be indicated.

(L.S.S. O.M. No. 5/16-EC/63 dated 11th April, 1964)

REPLY OF GOVERNMENT

The Working Group has collected a great deal of factual data bearing on the subject and is expected to submit its preliminary report, by July, 1964.

[Ministry of Steel, Mines & Heavy Engineering O.M. No. C7-11(6)/63 dated 22nd May, 1964.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

A copy of the Preliminary Report submitted by the Working Group of the Planning Commission may be furnished together with the action taken by Government in pursuance thereof. It may also be indicated as to when the final Report of the Working Group is expected to be received.

[L.S.S. O.M. No. 5/16-EC/63 dated 17th December, 1964]

REPLY OF GOVERNMENT

No preliminary report has been submitted by the Working Group (on mine fires and subsidence). The Sub-committee appointed by the Working Group to make a detailed study of coal fires and problems of mines working is expected to complete its study by September, 1965. Further information can be expected to become available after September, 1965.

[Ministry of Steel & Mines D.O. No. C7-11(6)/63 dated 23rd March, 1965.]

Recommendation (Serial No. 92, Para No. 120)

The Committee feel that there should be complete co-ordination of action between the Coal Board and the Chief Inspector of Mines so that the coal owners, managers etc. are effectively discouraged from resorting to negligent quarry working.

REPLY OF GOVERNMENT

The Chief Inspector of Mines is a Member of the Board and in that capacity is associated with the formulation of its policies and also their implementation. He has been given powers by the Coal Mines (Conservation and Safety) Act, 1952 to require owners of collieries to carry out protective and safety measures. This ensures co-ordination between the Coal Board and the Chief Inspector of Mines. He can also take direction against negligent quarry workings under the Coal Mines Regulations.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63. dated 11th Nov., 1963.]

Recommendation (Serial No. 93, Para No. 121)

The Committee would urge the Central Mining Research Station to speed up its efforts so that a satisfactory detector for forecasting sudden outburst of coal gas in mines is brought into use at an early date.

REPLY OF GOVERNMENT

This research has not so far been undertaken by the Central Mining Research Station. However, the views of the Committee are being communicated to them for action.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63. dated 11th Nov., 1963.]

Recommendation (Serial No. 94 Para No. 122)

The Committee hope that in taking an early decision on the question of purchasing plant and equipment for undertaking departmental protective works, Government would fully investigate the possibilities of the Coal Board borrowing earth moving machinery etc. from National Coal Development Corporation or Damodar Valley Corporation and other project authorities.

REPLY OF GOVERNMENT

Noted. The suggestion will be kept in view when sanctioning the purchase of equipment.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 96 Para No. 125)

The Committee note that there has been a delay of nearly two years in reaching the target of washeries for the Second Five Year Plan. They hope that the washeries for the Third Five Year Plan would be established in time so that the programme of beneficiation of coal for steel plants is not hampered.

REPLY OF GOVERNMENT

A re-assessment of the demand for washed coals, both coking and blendable, made during the mid-plan period, placed the requirement for such coals at 9.55 million tonnes as against the earlier estimate of 15.55 million tonnes. The programme of setting up of washeries is being carefully watched and it is hoped that the requisite washing capacity to yield the above quantity of washed coal will be set up by the end of the current plan period.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 99 Para No. 128)

The Committee are glad to learn that some valuable work has been done by the Committee on Assessment of Resources in collecting data about the total availability of the coal resources in the country and

by the Committee on Utilisation in preparing a plan of utilisation of coal for the Third and Fourth Five Year Plans.

REPLY OF GOVERNMENT

No comments.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 100 Para No. 129)

(a) The Committee suggest that the Committees on Requirements & Utilisation and Transportation may meet regularly so that they can periodically review the position.

(b) They further suggest that the activities of these committees and the various studies etc. undertaken by them may be indicated in greater detail in the annual report of the Ministry for the information of Parliament as well as public.

(c) They would also suggest that the Annual Reports of the Ministries should be made as informative as possible so that they can serve as a ready source of reference about the achievements and activities of the Ministries.

REPLY OF GOVERNMENT

(a) The suggestion has been noted. The frequency of the meetings would, however, depend on the business that has to be transacted. Once the pattern of requirement and utilisation of coal as also its transportation have been decided upon the frequency of the meetings would naturally be reduced.

(b) & (c): These recommendations have been noted keeping in view at the same time the need to maintain a reasonable balance between the need for economy in costs of paper and printing and the importance of making the reports informative as suggested by the Estimates Committee.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 4th Dec., 1963.]

Recommendation (Serial No. 101 Para No. 134)

The necessity of a well organised fuel efficiency service at a time when India is getting rapidly industrialised, cannot be over-empha-

sised. The cost of setting up such a service would be more than offset by the overall economy that the country would be able to achieve in fuel consumption. The Committee hope that Government would take early steps to set up a Fuel Efficiency Service in India.

They would also suggest that the Central Fuel Research Institute, Dhanbad which has the richest experience in this field in India may be actively associated in building up the service.

REPLY OF GOVERNMENT

It has been decided that a Fuel Efficiency Service should be set up under the auspices of the National Productivity Council. The governing body of the said Council considered this at their meeting in June, 1963 and are now taking steps to set up such a service. To begin with, the Service will operate in the Greater Bombay Industrial area.

The Central Fuel Research Institute has been fully associated in the organisation of the Fuel Efficiency Service. It has a representative on the Advisory Committee of the Governing Body of the National Productivity Council. The N.P.C. will certainly take advantage of the experience acquired by the C.F.R.I. on Fuel Efficiency.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated 11th Nov., 1963.]

Recommendation (Serial No. 102 Para No. 135)

The Committee would further like Government to take urgent steps to see that certain 'first-aid-measures' suggested by the Colombo Plan Expert (Mr. Plummer) such as (i) thermal insulation, (ii) prevention of steam leakage (iii) economical loading of heat consuming plants and (iv) use of steam at lowest possible pressure etc. which hardly require any capital expenditure and would make for fuel economy, are adopted early by the various industries.

REPLY OF GOVERNMENT

Noted. It is the aim of the Fuel Efficiency Service under the National Productivity Council to start work in selected areas and to give priority to first-aid-measures suggested in this recommendation.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated 11th Nov., 1963.]

Recommendation (Serial No. 103 Para No. 136)

The Committee would urge Government to see that screening, where necessary, is done by the collieries to avoid waste.

REPLY OF GOVERNMENT

Screening is being resorted to wherever consumers have entered into specific contracts with supplying collieries for the supply of a desired size of coal. Whereas hand-operated screening is resorted to in the majority of collieries, the setting up of mechanical screening plants has financial implications and only the bigger collieries can equip themselves with these. It is hoped that as more new and bigger collieries are developed and they resort to mechanisation, the number of screening plants will steadily increase.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.*]

Recommendation (Serial No. 104 Para No. 137)

The Committee endorse the recommendation of the Colombo Plan Expert that the proposed Fuel Efficiency Service should be backed by a vigorous publicity campaign and the Cooperation of such bodies as Industrial Research Organisations, Productivity Councils, Chambers of Commerce and Professional Bodies should be enlisted to spread the message and purpose of industrial fuel efficiency.

REPLY OF GOVERNMENT

Noted.

[*Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.*]

Recommendation (Serial No. 105 Para No. 140)

As the necessity of providing a cheap smokeless fuel to people in order to replace dung and wood is obvious and urgent, the Committee recommend that Government may draw up suitable schemes in this regard early on the basis of data already available. Efforts may be made to meet the foreign exchange costs through the foreign aid programme. The possibility of manufacturing indigenously the plant and machinery required may also be explored.

REPLY OF GOVERNMENT

The answer to the problem of providing cheap smokeless fuel is to set up Low Temperature Carbonisation plants. These plants require a heavy capital investment with a large element of foreign

exchange. It is also by no means certain that the coke produced by this process will be comparatively cheap at the consuming end, particularly in areas distantly situated from the place where the plant is set up. However, Government propose to make a beginning with a few L.T.C. plants in the Fourth Plan and licences to set up such plants have already been granted in a couple of cases.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 107 Para No. 142)

The Committee would suggest that the Ministry of Mines and Fuel may keep in constant touch with the Ministry of Scientific Research and Cultural Affairs with a view to ensure that the training programme for senior mining personnel keeps pace with the requirements.

REPLY OF GOVERNMENT

Government have noted this. With the proposed end in view, close liaison is being maintained with the various authorities concerned.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 109 Para No. 144)

The Committee suggest that the following functions which are more germane to distribution than production may be transferred to the Distribution Wing of the Office of the Coal Controller:

- (i) coastal shipment for export of coal;
- (ii) coal supply to Railways including investigation of complaints about inferior supply; and
- (iii) grant of subsidy for coastal shipment.

REPLY OF GOVERNMENT

The recommendations of the Estimates Committee in this regard have been accepted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63. dated 11th Nov., 1963.]

Recommendation (Serial No. 111 Para No. 146)

The Committee suggest that Government's decision on the Report of the Special Reorganisation Unit of the Ministry of Finance, which

examined recently the working of the Office of the Coal Controller, may be finalised early and necessary economies effected.

REPLY OF GOVERNMENT

As a result of a recent work study of this Organisation, the Special Reorganisation Unit have recommended the following additional posts and reduction of 8 posts of peons:

1. Assistant Coal Controller	..	1
2. Superintendent	..	1
3. Head Clerk	..	1
4. U. D. Clerk	..	12
5. L. D. Clerk	..	32

If these posts are filled up, there will be additional expenditure instead of any savings. However, the recommendations are under consideration.

[Ministry of Mines & Fuel O.M. No. C7-11 (6) /63, dated 11th Nov., 1963.]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

Recommendation (Serial No. 11 Para No. 17)

The very fact that such a representative body of the industry is the Jt. Working Committee even were not very clear about the policy for grant of new coal mining leases, indicates that there has been a certain amount of vagueness and ambiguity about it. The Committee suggest that Government may make their policy clear to all concerned.

REPLY OF GOVERNMENT

Government do not agree with the observation made by Joint Working Committee of the coal industry before the Estimates Committee that the former were not very clear about the policy for grant of new leases for coal. When the Third Plan was being formulated, there was a series of discussions with the Joint Working Committee. In the course of such discussions on July 28, 1959 and February 29, 1960, they were told in unambiguous terms that their request for working new areas would be considered on merits and efforts would be made to accommodate the industry to the maximum extent possible in this regard. It was in the light of these discussions that the industry did come up with a few proposals and several of these proposals were actually accepted after due scrutiny by the Screening Committee on which the Joint Working Committee itself was represented.

Government's policy in regard to the development of new and non-contiguous areas by the private sector was further made clear by the then Minister for Steel, Mines & Fuel in the Lok Sabha on 17-11-1960 in reply to a Call Attention Notice. In this reply, it was made clear that Government's intention was to give permission to individual units to work new or non-contiguous areas where the raising of coal from such areas had to be ensured to make up the total production required.

In view of what has been stated above, there is no doubt that Government's present policy is fully known to the industry and there is no vagueness about it.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 14 Para No. 20)

The Committee were glad to learn from the representative of the Ministry that in some of the new mines, the O.M.S., achieved was as much as 1.2 to 1.3 tons. They consider that there is scope for further improvement in the overall O.M.S. They see no reason why with progressive mechanisation, the coal mining industry should not be able to attain O.M.S. comparable to that achieved by other countries.

REPLY OF GOVERNMENT

Under the present condition of Indian mines, the output per man-shift depends on (a) better performance by the labour in the manually worked mines; (b) extent of mechanisation. The scope of increased mechanisation in many of the older mines will depend upon the lay out of the individual mines. The real effect of mechanisation can be felt only when all the new mines come into production. It will not be correct to expect that the O.M.S. will compare favourably with other advanced countries so long as the older mines, some of which have to depend very largely on manual methods, are not exhausted.

[Ministry of Mines & Fuel O.M. No. C7-11 (6) /63, dated 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

The Committee feel that even on the manual methods there is scope for improvement and would like to stress that with the progressive mechanisation of coal mines in India, no effort should be spared to increase Output Per Man-shift (O.M.S.).

Recommendation (Serial No. 25 Para No. 33)

The Ministry of Mines & Fuel may examine in consultation with the Ministry of Commerce & Industry, the suggestion of the Lower Grade Coal Producers' Association that the work of importing such items of machinery as drills, drill-bits, drill panels, electric cables etc. which are not manufactured indigenously may be entrusted to the State Trading Corporation who would serve as stockist to Government. This machinery may be issued to collieries after assessing their needs in consultation with the Chief Inspector of Mines.

REPLY OF GOVERNMENT

The recommendation has been examined in consultation with the Ministry of International Trade, who are now concerned with the matter.

The State Trading Corporation does not itself normally import and stock items of machinery. This work is generally entrusted to the Indian agents of the foreign suppliers who effect imports and sell the goods according to State Trading Corporation's directions and at prices not in excess of those fixed by the State Trading Corporation. Import, stocking and selling of machinery require considerable technical knowledge and a suitable Organisation to render satisfactory after sale-service. The State Trading Corporation does not have at present the necessary Organisation to undertake this work. The Coal Controller is the sponsoring authority for recommending the import of machinery required by the coal industry. The recommendations are made by him for import of machinery for use of the coal mining industry, either directly by the colliery, or on a stock and sell basis to Indian agents of the foreign suppliers as and when it is considered necessary. No change in the existing system seems to be called for.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 28 Para No. 37)

The Committee are unhappy that several months were taken in fixing the amount of guarantee to be furnished by collieries. With the result that the processing of applications for loan from World Bank was delayed, while in the meantime Government had to pay a commitment charge at the rate of per cent per annum. They feel that the matter should have been dealt with greater expedition.

REPLY OF GOVERNMENT

The World Bank Loan became effective with effect from 9th October, 1961. The guarantee bond was finalised on 13th October, 1961. The amount of guarantee required to be given, was originally fixed in consultation with the coal industry at Rs. 5000. Later on, the coal industry during the period from December, 1961 to February, 1962 made requests for reduction of the amount to Rs. 2,000, guarantee being furnished in the form of National Savings Certificates as also an overall ceiling in respect of bonds to be furnished by the same colliery company. The requests of the industry were readily agreed to. There was thus no delay on the part of Government in fixing the amount of the guarantee, and a revision had to be made at the request of the industry which had earlier agreed to the original amount itself.

The bonds are required to be submitted by the colliery companies only at the time of taking delivery of the licence from the office of

the Coal Controller. The submission of such bonds was not a prerequisite for the submission of the import licence application. It will, therefore, be seen that the issue of import licences was not held up at any time, on this account.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

While the Committee appreciate the reasons adduced above by Government, they nevertheless feel that every effort should have been made to expedite the utilisation of loan advanced by World Bank so as to obviate incurrence of commitment charge.

Recommendation (Serial No. 31 Para No. 41)

The Committee suggest that the feasibility of replacing the sales tax on coal and coke by an excise duty to be levied by the Centre for distribution to the States may be examined in consultation with the State Governments and the Ministry of Finance.

REPLY OF GOVERNMENT

The matter was examined by Government. The levy of tax on sales or purchases of goods being a State subject, replacement of Sales Tax on any commodity by Excise duty cannot be considered unless all the State Governments agree to such a scheme. The Committee of the Chief/Finance Ministers of States appointed to examine the general question of replacement of Sales Tax by additional excise duty distributable among States, had recommended in their report dated the 4th October, 1960 that the scheme should not be extended for the present to any new commodity. This recommendation was accepted by the Government.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 48 Para No. 69)

The Committee consider that with the increasing use of transition device for shunting Box wagons, it should be possible for Railway to examine sympathetically the request of the industry that demurrage should not be levied for the whole rake of Box wagons for failure to load one wagon in time.

REPLY OF GOVERNMENT

It is true that increasing use is being made of transition devices for shunting of BOX wagons, but these transition devices are being

provided on a limited scale to suit loading of a BOX rake by two or more collieries served by the same pilot section. For this purpose, the transition gear is fixed only to the outer end of each group of five or seven BOX wagons, so that the BOX rake can be distributed in groups of five or seven in the various collieries participating in the rake programme. The introduction of transition devices on the limited scale envisaged does not consequently overcome the difficulty of detaching individual BOX wagons not loaded in time, and as such there is no scope for any relaxation in respect of the existing demurrage rules.

[Ministry of Mines & Fuel O.M. No. C7-11 (6) /63, dated 11th Nov., 1963.]

Recommendation (Serial No. 70 Para No. 95)

The Committee would like Government to examine the question of subsidising the movement of coal by road on the pattern of the movement by rail-cum-sea route.

REPLY OF GOVERNMENT

The suggestion has been carefully examined. It is not acceptable for the following reasons:—

- (i) The movement of coal by road does not take place in an organised way. There are all sorts of parties and consumers who take coal by road;
- (ii) There is no standard schedule of rates for freight by road. Although the capacity of the trucks is specified, overloading is resorted to in almost all cases;
- (iii) The destination points are numerous.
- (iv) It is difficult to certify as to the correctness of the coal loaded, distances over which coal is moved and the freight paid.
- (v) The movement of coal by road will become cheaper after arrangements are made to move coal in heavier capacity trucks and roads have been strengthened and widened.
- (vi) Movement of coal by road is generally over short distances, and this is not costlier than rail.
- (vii) Grant of subsidy on coal moved by road will give rise to similar demands in respect of movement by other means, such as, by river, canal, pipeline, ropeways, conveyors, private railways, etc..

(viii) The coal production programme is integrated with development of rail transport capacity for movement of coal. Consumers at places situated far from collieries will, therefore hardly need to resort to movement by road. The rail transport position is itself easing up progressively.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 80 Para No. 106)

In three years 1959-60 to 1961-62, the sanction of loans for stowing plants amounted only Rs. 14.12 lakhs while payments made were of the order of Rs. 32.12 lakhs. This implies that payments of loans are disbursed after lapse of considerable time. The Committee feel that payments on account of loans sanctioned should be made promptly.

REPLY OF GOVERNMENT

The entire loan sanctioned by the Board to a colliery for installation of stowing plant is not paid immediately in order to discourage any tendency on the part of the colliery to delay installation of the stowing plant and misuse of the machinery for other purposes. Payment is made directly to the supplier of the plant on arrival of the equipment at site in good condition. After arrival of the plant at site, there is no delay in actual payments. Finalisation of arrangements for installation of a stowing plant which sometimes involves also installation of a ropeway for transporting sand occupies considerable time as the company has to initiate tenders, secure import licence and foreign exchange clearance, where necessary. Further, often there is delay in the arrival of plant. The amount of Rs. 32.12 lakhs mentioned by the Committee relates to loans sanctioned and paid in various years as follows:—

Payment made to collieries during the years

Years	Sanctioned Amount	1959-60	1960-61	1961-62
		Rs.	Rs.	Rs.
1958-59	350,000.00	350,000.00
1959-60	2,923,000.00	..	17,62,844.30	9,95,530.5
1960-61	1,116,250.00	..	80,867.39	35,382.6
1961-62	110,000.00	91,670.3
		3,50,000.00	18,43,711.69	11,22,583.4

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63, dated 11th Nov., 1963.]

Recommendation (Serial No. 97 & 98, Para Nos. 126 & 127)

S. No. 97 Para 126.—As washing of coal is not only of benefit to industrial users, but also reduces the burden on transport, the Committee recommend that Government should pursue the matter of setting up of unit washeries with large producers of coal in the private sector.

S. No. 98 Para 127.—The Committee would also like to mention that the Director, Central Fuel Research Institute, in a memorandum to the Committee, has suggested that mechanised mines should carry out deshaling operation so as to eliminate unnecessary load of avoidable inert matter in coal. He has suggested setting up of standardised unit washeries with capacity of 100 tons per hour. The Committee have no doubt that Government would examine the question of developing such standard unit washeries for installation by collieries in the country.

REPLY OF GOVERNMENT

Government's planning is based on the principle that almost all the coking coal and certain blendable coals required for the steel plants and metallurgical industries would be washed. It is appreciated that mechanised mines producing non-coking coal would ultimately require deshaling operations but the financial, technical and organisational implications are so great and also the availability of such washing units is so difficult that this will have to pend for the time being.

Washery is a "tailor-made" unit. Each unit will depend upon the various physical and chemical characteristics of the coal mined and the size of the mine; as such the suggestion to set up standard units of 100 ton capacity does not seem to be feasible.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63. dated 11th Nov., 1963.]

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 60 Para No. 82)

The Committee are constrained to note that planning in the matter of providing the requisite siding, pilot and depot capacities has again lagged behind mainly due to the non-availability of a firm production programme for each coal field. Now that the necessary information has been furnished by the Ministry of Mines and Fuel, the Committee would suggest that the report might be expedited so that necessary works may be taken up without delay.

As the requirements of Central India coalfields in this behalf have already been assessed by the Committee constituted by the Railway, they would urge that the necessary works may be taken up for execution without loss of time.

REPLY OF GOVERNMENT

It has become necessary to compile further detailed information regarding colliery-wise, pilot-wise depot-wise production figures. This work is being expedited so that the report of the Committee may not be further delayed.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

Please see comments in para 1 of Chapter I of the Report.

Recommendation (Serial No. 61 Para No. 83)

The Committee would also suggest that the assessment of siding, pilot and depot capacities for the Fourth Five Year Plan should be made as soon as the field-wise production programme is settled so that the necessary works are taken up and executed well in time.

REPLY OF GOVERNMENT

The observation made by the Estimates Committee have been noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated the 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

Please see comments in para 1 of Chapter I of the Report.

Recommendation (Serial No. 86 Para No. 111)

The Committee feel that the Coal Board should take necessary steps to see that there are no voids in stowing and that the collieries are paid for the volume of stowing actually done by them.

REPLY OF GOVERNMENT

Since underground measurements of quantities stowed are verified with reference to the off-set survey plans of the area stowed, the tub or ropeway bucket capacities by which sand is transported on the surface as also the payments made to labourers for stowing, the chance of voids being left in stowing underground and paid for is remote. Voids, if any, escaping detection in spite of such checks as above stated, can only be detected by instruments. Even if 100% accuracy is not possible, an instrument giving a reliable indication of existence of a void of significant size will provide a valuable check. The matter has been referred to the Central Mining Research Station for advice.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated the 11th Nov., 1963.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Latest position may be indicated.

[L.S.S. O.M. No. 5/16-EC/63 dated the 11th April, 1964]

REPLY OF GOVERNMENT

Nothing further in the matter has emerged from the Central Mining Research Station. The matter is being pursued with the Central Mining Research Station.

[Ministry of Steel, Mines & Heavy Engineering O.M. No. C7-11(6)/63 dated the 22nd May, 1964.]

COMMENTS OF THE COMMITTEE

Please see comments in para 2 of Chapter I of the Report.

Recommendation (Serial No. 95 Para No. 123)

The Committee would urge the Government to finalise consideration of the Coal Board's proposals to amend the Coal Mines (C&S) Act, 1952 at an early date. They have no doubt that if the intention is to review the Act, as a whole, the representative Associations of the Industry and miners would be consulted and given opportunity to bring to notice their suggestions for the improvement of the Act.

REPLY OF GOVERNMENT

The amendment of the Coal Mines (Conservation and Safety) Act is under consideration of the Board. The suggestion that the representative associations of the industry and mines should be consulted and given opportunity to bring to the Board's notice their suggestions for the improvement of the Act is noted.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated the 11th Nov., 1963.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The Committee were given to understand during evidence that the Coal Board had made a comprehensive review of the Coal Mines (Conservation and Safety) Act, 1952 at their meeting held on the 29th December, 1961 and forwarded their suggestions to the Ministry of Mines and Fuel for approval. The Ministry may please indicate whether they have since taken any decision on the Amendments to the Act suggested by the Coal Board.

[L.S.S. O.M. No. 5/16-EC/63 dated the 11th April, 1964.]

REPLY OF GOVERNMENT

The amendments are under consideration in consultation with the Coal Board.

[Ministry of Steel, Mines & Heavy Engineering O.M. No. C7-11(6)/63 dated the 22nd May, 1964.]

COMMENTS OF THE COMMITTEE

The Committee are surprised to note that the amendments suggested by the Coal Board to the Coal Mines (Conservation and Safety) Act, 1952 on the 29th December, 1961 and forwarded to the Ministry for approval, are still under consideration of the Ministry, after lapse of several years.

The Committee would stress that the proposed amendments to the Act should be finalised at an early date in consultation with the Coal Board. They have also no doubt that in reviewing the working of the Act, the representative associations of the industry and miners would be given an opportunity to bring to notice their suggestions for the improvement of the Act.

Recommendation (Serial No. 106 Para No. 141)

The Committee consider that there is room for rationalisation in the matter of submission of reports and returns by colliery managers so that they can concentrate more on their main function of production and safety. They suggest that Government may take early action to simplify the forms and reduce their number and periodicity.

REPLY OF GOVERNMENT

O & M Division of the Department of Cabinet Affairs undertook the study of the coal industry with a view to suggesting simplification and rationalisation in reporting to the Government by the coal industry. On the basis of the study, a number of proposals suggesting elimination of certain reports and amalgamation and simplification of others, have been made. The matter is now under consideration in consultation with the coal industry.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated the 11th Nov., 1963.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The Ministry may please indicate the number of forms and return in respect of coal industry which have been eliminated, amalgamated and simplified as a result of recommendations of the O & M Division of the Department of Cabinet Affairs.

[L.S.S. O.M. No. 5/16-EC/63 dated the 11th April, 1964.]

REPLY OF GOVERNMENT

O & M Division of the Home Ministry has not yet been able to finalise its report in this regard as the concurrence/comments of the representative of the private sector of the industry have not been received so far.

[Ministry of Steel & Mines D.O. No. C7-11(6)/63 dated 23rd March, 1965.]

COMMENTS OF THE COMMITTEE

Please see para 3 of Chapter I of the Report.

Recommendation (Serial No. 108 Para No. 143)

The Committee hope that emergent steps would be taken by Government to utilise fully the training capacity available in the technical schools of the National Coal Development Corporation Ltd., in the best interests of the Industry.

REPLY OF GOVERNMENT

Noted. It has to be mentioned, however, that the unutilised capacity referred to is merely in the shape of certain surplus hostel accommodation. The staff and the equipment have been restricted to the present requirements of the National Coal Development Corporation and will be expanded only with the expansion of the training programme.

It is, however, not possible for the National Coal Development Corporation to impart training to the technical personnel in the private sector of the coal industry as it would involve additional expenditure in the shape of equipment and teaching staff. It is primarily the responsibility of the private sector to create adequate facilities for the training of its own personnel and this is being impressed on the industry from time to time.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated the 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

The Committee consider that in view of the dearth of properly trained technical personnel for the coal industry as a whole, the Government should consider the question of extending the training facilities in the private sector and of utilising the available training capacity in the National Coal Development Corporation to train personnel for coal industry as a whole.

Recommendation (Serial No. 110 Para No. 145)

The Committee are not quite convinced of the necessity of posting an officer in Assam merely to look after workg relating to allocation and distribution of coal, which in other States is performed by the State Coal Controllers. On the other hand, they feel that production of coal in Assam needs to be stepped up. This is obviously not possible under the present conditions when the mining industry is more or less functioning on a cottage industry basis. They, therefore, suggest that Government may consider the question of posting a suitable qualified mining engineer in Assam who might take positive steps, in collaboration with the State Government to develop

the coal mining industry in the region on a scientific basis for boosting up production.

REPLY OF GOVERNMENT

The distribution of coal produced in Assam has special problems, which arise from the poor quality of coal, particularly in the Khasi mines. Unless a proper and equitable distribution of the output of all these mines is secured, the whole economy of that backward area may get disturbed. Hence it is necessary to have at the headquarters of the Assam Government a whole time officer of the Coal Controller's Organisation. So far as collieries in the Assam Valley and in the Margherita region are concerned, they fall within the purview of the Mines Act and, therefore, their development has to follow the prescribed pattern. The Khasi mines are being worked on a cottage industry basis in accordance with past tradition and in view of the very poor quality of this coal, there is not much scope for large scale development of these mines. However, the Production Wing of the Coal Controller's Organisation has been strengthened and the services of the technical officers of this Wing are available for the State of Assam as for other States. The poor quality of Assam Coal and the heavy cost of transportation of this coal to other parts of the country render it uneconomic for consumers outside Assam, and due to these factors it is hardly possible to effect any large scale increase in production of coal in Assam.

[Ministry of Mines & Fuel O.M. No. C7-11(6)/63 dated the 11th Nov., 1963.]

COMMENTS OF THE COMMITTEE

Please see para 4 of Chapter I of the Report.

NEW DELHI;

December 2, 1965.

Agrahayana 11, 1887 (Saka).

ARUN CHANDRA GUHA,

Chairman,

Estimates Committee.

APPENDIX I

(*Vide* Recommendation No. 36, Chapter II)

Statement showing number of complaints made by the Railways about supply of inferior quality of coal, Engine failures and cases of trains losing punctuality for over 30 minutes, due to bad coal.

Year	Quantity of coal despatched to the Railways in million tons	Number of complaints made by the Railways			Number of Engine failures reported			Number of trains losing punctuality over 30 minutes reported		
		Total number of complaints	Average per month	Number of complaints per million tons of coal despatched	Total number	Average per month	Number per million tons of coal despatched	Total number	Average per month	Number per million tons of coal despatched
1961	16.608	27084	2257	1631	467	39	28	2870	239	173
1962	17.804	27844	2320	1564	343	29	19	1739	145	98
1963 (Jan. to May 5 months only)	7.444	10842	2168	1456	27	5.4	3.6	290	58	39

APPENDIX II

(Vide Recommendation No. 36, Chapter II)

Statement showing position of staff in different categories for Coal Inspection Organisation under the Chief Mining Adviser, Railway Board, Dhanbad as on 12-4-1963.

S. No.	Category & Post	Sanctioned Strength	Posts filled	Posts vacant	Remarks
1.	Senior Inspecting Officer. (Rs. 700-1300)	4	3	1	Includes one Junior Inspecting Officer officiating in Senior Scale.
2.	Junior Inspecting Officer. (Rs. 400-950).	10	5	5	Includes one officiating in Senior Scale (3 officers were recruited in July/August, 1963).
3.	P. A. to Chief Mining Adviser.	1	—	1	
4.	Zonal Inspector.	6	2	4	
5.	Senior Sampling Supervisor.	24	4	20	
6.	Junior Sampling Supervisor.	68	10	58	
7.	Loading Supervisor.	100	54	46	

APPENDIX III

(*Vide* Introduction)

Analysis of the action taken by Government on the recommendations contained in the 33rd Report of the Estimates Committee (Third Lok Sabha)

I.	Total number of recommendations made	III
II.	Recommendations that have been accepted by Government (<i>vide</i> recommendations Nos. 1-10, 12-13, 15-24, 26-27, 29-30, 32-47, 49-59, 62-69, 71-79, 81-85, 87-94, 96, 99-105, 107, 109 and 111 referred to in Chapter II)	
	Number	94
	Percentage to total	84.7%
III.	Recommendations which the Committee do not desire to pursue in view of Government's reply (<i>vide</i> recommendations Nos. 11, 14, 25, 28, 31, 48, 70, 80, 97 and 98 referred to in Chapter III)	
	Number	10
	Percentage to total	9.0%
IV.	Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>vide</i> recommendations Nos. 60, 61, 86, 95, 106, 108 and 110 referred to in Chapter IV)	
	Number	7
	Percentage to total	6.3%

