ESTIMATES COMMITTEE

THIRD REPORT
1957-58

SECOND LOK SABHA

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE ESTIMATES COMMITTEE (FIRST LOK SABHA)

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI
1958

CORRIGENDA

Third Report of the Estimates Committee, 1957-58

Page 21, column 3, line 11, for 'decision' *read* 'decisions' and *insert* 'be' *after* 'may'.

Page 22, column 4, line 4 from bottom, *for* 'art' *read* 'are'

Page 25, column 3, line 2, *for* 'expeditions' *read* 'expeditious'

Page 25, column 4, line 19, *for* 'publishehd' *read* 'published'

Page 25, column 4, line 4 from bottom, *for* 'Appllate' *read* 'Appellate'.

Page 29, column 4, line 4, *for* 'afgter' *read* 'after'

Page 29, column 4, line 6 from bottom, *delete* 'on'

Page 42, column 3, line 15, *delete* 'the'

Page 51, column 4, line 20, *for* 'Compawy' *read* 'Company'

Page 65, column 3, line 7, *for* 'nearly' *read* 'nearer'.

Page 72, column 3, line 6, *add* 'is established' *after* 'sion'.

Page 76, column 4, line 17, *for* 'retared' *read* 'retard'

Page 85, Appendix III, against 'Subject' *for* 'fifth' *read* 'fifteenth'.

Page 105, Appendix XII, line 4 from bottom *add* 'of' *after* 'examination'

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Shri A. R. Shirali—*Deputy Secretary.*
Shri C. S. Swaminathan—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this Third Report of the Estimates Committee of the Second Lok Sabha on the action taken by Government on the recommendations contained in the Fifteenth Report of the Estimates Committee of the First Lok Sabha.

2. The Fifteenth Report of the Estimates Committee of the First Lok Sabha was presented to the House on the 27th September, 1955. The Government furnished their replies to the recommendations pertaining to the Coal Commissioner's Organisation and State Collieries on the 10th February, 1956, and that pertaining to the Salt Organisation on the 21st March, 1956. A Sub-Committee of the Estimates Committee (1955-56) examined the replies pertaining to the Coal Commissioner's Organisation and State Collieries on the 31st May, 1956. The replies pertaining to the Salt Organisation were examined by the Sub-Committee of the Estimates Committee (1956-57) on the 23rd August, 1956. The comments of the Sub-Committees were communicated to the Government and the further replies received from them were examined by the Sub-Committee of the Estimates Committee (1957-58) on the 9th and 10th September, 1957 and the 19th November, 1957. Comments of this Sub-Committee were also communicated to the Government and the replies received from them have been included in this Report.

3. The Report has been divided into four Chapters :

I. Report.

II. Recommendations that have been accepted by the Government.

III. Replies of the Government that have been accepted by the Committee.

IV. Replies of the Government that have not been finally accepted by the Committee and are being pursued.

4. An analysis of the action taken by Government on the recommendations contained in the Fifteenth Report is given at Appendix XIII.

NEW DELHI ;
The 10*th February*, 1958.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

Coal Commissioner's Organisation and State Collieries

The Estimates Committee, in para 21 of their Fifteenth Report had recommended the establishment of a Coal Commission and the abolition of the Coal Commissioner's Organisation as well as the Coal Board. In para 25 of the Report the Committee explained that they intended that the Commission should (1) control the coal industry in the private sector, (2) administer the industry in the public sector, and (3) deal with all matters of policy concerned with the development of the coal industry, the export of coal and the research problems. Government stated in reply that, in view of the large increase in coal production envisaged during the Second Five Year Plan period, and the present stage of development of the industry, a comprehensive Coal Commission would not be necessary immediately. They, however, set up the National Coal Development Corporation (Private) Limited to manage the state collieries. The three-fold functions envisaged for the Coal Commission would be performed by the Coal Controller, the National Coal Development Corporation (Private) Limited and the Ministry. The Committee appreciate the setting up of the National Coal Development Corporation but feel that for the unified control of the coal industry it is very necessary to set up a Coal Commission. They, therefore, recommend that a review of the question of establishment of a Coal Commission should be made as early as possible in the light of the developments made by the industry in the meantime.

2. In para 35 of the Report, the Estimates Committee recommended that a Standing Advisory Committee, representing all interests, should be set up in the Ministry, which would review the price structure of coal from time to time. The Government stated in reply that there was already a Standing Advisory Committee, functioning under the Chairmanship of the Coal Controller, known as the Coal Advisory Committee, which discussed, with the Chairman's approval, all matters relating to the control exercised by the Coal Controller including matters relating to coal prices. The Committee reiterate that for the Members of th e Coal Advisory Committee to function independently, it is necessary that the Committee should be attached to the Ministry.

3. In para 38, the Estimates Committee recommended that the control over movement of coal to the various classes of consumers should be subject to the advice of the trade and industry and that for this purpose the Standing Advisory Committee recommended by the Committee might be utilised. In reply Government stated that the Coal Transport Advisory Committee reviewed the transport position of coal from time to time in general as well as the control over the movement of coal to various classes of consumers. The Committee note that the discussions at the meetings of this Committee are usually of a general nature and no specific recommendations are generally made. It is stated by the Government, however, that the intention was, to

associate the Coal Transport Advisory Committee in all matters relating to the movement of coal to an increasing extent in future. While appreciating the intention, the Committee desire that the Advisory Committee should be enabled to function effectively and should, therefore, make specific recommendations on subjects referred to them.

Salt Organisation

4. In para 92, the Estimates Committee recommended the abolition of Salt Organisation and the creation of an autonomous Salt Board directly responsible to the Minister-in-Charge. In reply Government stated that the abolition of the Salt Organisation would retard the progress which it had made in the last few years. The country, which was deficient in salt not long ago, was now surplus and was exporting to other countries. The Government, therefore, felt that the Salt Commissioner's Organisation should be continued for the present. The Committee are of the view that the public undertakings of an industrial or business nature should be administered through autonomous Boards or under the Company system of management and not departmentally and strongly recommend the early abolition of the present Salt Organisation and the creation of an autonomous Salt Board.

5. In para 102, the Estimates Committee recommended that the terms of the agreement between the Central Government and the Rajasthan Government, which prohibited the exploitation of bitterns by the former, should be re-examined and revised, if necessary, to enable the Central Government to take steps for the exploitation of the bitterns available at Sambhar. In reply Government stated that a final agreement with the Rajasthan Government for the exploitation of the bitterns would be negotiated as soon as the experiments, being conducted by the C.S.I.R., were finalised. The Committee recommend that early action should be taken for finalising the experiments conducted by the C.S.I.R. and for the exploitation of the bitterns negotiating the necessary agreement with the Rajasthan State Government.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Serial No. of Recommendations	Ref. to Para No. of the Report	Summary of Recommendations	Reply of the Government
1	2	3	4
		Coal Commissioner's Organisation and State Collieries	
11	37	Government should conduct an examination of the requirements of coal during the Second Five Year Plan by ascertaining what consuming units are likely to be established and estimating the requirements of these units. A phased programme should be prepared on the basis of this demand survey and targets for production and transport of coal should be clearly laid down.	Accepted. Government and the Planning Commission have already conducted a survey of the industries that are proposed to be set up and their coal requirements during the Second Five Year Plan period. Government are now engaged in drawing up a phased programme of production of coal and transport facilities required. *(Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956).*

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23	62	Government should take all possible measures to prevent the loss of foreign markets for coal. As a first step Government should do away with such controls and restrictions in this regard as have outlived their utility.	Accepted. All restrictive controls on export of coal have been withdrawn. (*Ministry of Production O.M. No. C2-19(15)55/, dated the 10th February, 1956*). The restrictive controls imposed on coal exports were mainly (*i*) the imposition of a commercial charge on export of coal, (*ii*) the fixation of FOB Calcutta price for export coal, (*iii*) the stipulation that prior approval of the Coal Controller should be obtained before firm export commitments were made, and (*iv*) grade-wise limitations on export. The restrictions mentioned at (*i*) & (*iii*) have been completely withdrawn. The grade-wise restrictions on export have not been formally withdrawn. This is not strictly speaking a restriction in the same sense as the other restrictions mentioned above. This condition was imposed to ensure that exports did not deplete the better qualities of coal available in the country, to the detriment of internal supplies. This restriction is, therefore, in the nature of a discretion exercised by the Coal Commissioner to allow exports as circumstances permit, taking into consideration requirements of the grade of coal required for internal consumers. Grade-wise restrictions are not, therefore, really speaking restrictive control as it should be possible for the Coal Controller to permit exports without this restriction if he considers that internal

supplies will not be affected, but it would not be prudent to announce that grade-wise restrictions have been completely eliminated as such an announcement will be binding and the exporting firms will demand that export should be allowed only in the better grades of coal whatever be the requirements of the internal consumers. The condition regarding the grade-wise restrictions is well known to exporting firms. Government have therefore decided that the existing procedure should be followed under which the Coal Controller may use his discretion in imposing the restrictions or not as he considers necessary.

A Press Note issued by the Government on the 5th July, 1956 clarifying the position is also given below for information.

Press Note

No Control on Export of Coal

There appears to be a misconception in certain quarters that there is, at present, some sort of restriction on the export of Indian Coal. The Government of India wish to make it clear that no restrictive controls are in force at present on the export of Indian Coal.

The export of coal was under State Trading some years back and a system of commercial charge was also in vogue. With a view to encouraging exports, State Trading in coal was abolished long ago and the system of commercial charge was discontinued in 1953.

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			Except the statutory pit mouth price fixed for coal, no other control is enforced in regard to the price of coal. The gradewise restrictions on export have also been considerably relaxed, particularly in the case of non-cooking coal ; and above all the procedure for the grant of export licence has been simplified."
			[*Ministry of Production O.M. No. 17-CI(14)/55, dated the 17th July, 1956*].
24	68	While it may be necessary to have a nucleus office at Calcutta for the purpose of distribution of coal the management of the collieries and their administration can be effectively done only at the collieries themselves and the higher officers concerned with the management should have their Offices near about the collieries.	This recommendation is under consideration along with the recommendations Nos. 2 to 9. Government, however, agree with the Estimates Committee that it is appropriate to continue the organisation dealing with distribution of coal in Calcutta and that the higher officers for managing State Collieries should be near about the collieries. The highest office for management which would have to deal with collieries distributed over several States in India should be located having regard to the same consideration.
			[*Ministry of Production O.M. No. C2-19(15)/55, dated the 18th February, 1956*].
		[*Comments of the Sub-Committee (1956-57) on the reply*].	In accordance with this recommendation, the headquarters of the Coal Controller dealing with coal control will continue to be located at Calcutta ; that of the Corporation set up recently for the management of the State Collieries has been located at Ranchi, which is very near the Collieries.
		The results of the consideration may be intimated to the Committee.	

		[*L.S.S. O.M. No.* 80-*ECI*/56, *dated the* 20*th June*, 1956].	[*Ministry of Production O.M. No. C2-19(15)/55, dated the 31st October, 1956*].
25	69—70	As in the case of other nationalised undertakings, State Collieries should be run by Public Limited Companies. These Companies should be under the Coal Commission, although they should be allowed the largest measure of autonomy.	The question whether the State Collieries should be run by public limited companies is also under consideration, along with the recommendations Nos. 2 to 9. [*Ministry of Production O.M. No. C2-19 (15)/55, dated the 10th February, 1956*].
		[*Comments of the Sub-Committee (1956-57) on the reply*] The Committee desire to know what time will be taken for deciding this question. The decision may be communicated to the Committee as early as possible.	A Corporation called the National Coal Development Corporation (Private) Ltd., has already been set up (from 5-9-56).
		(*L.S.S. O.M. No.* 80-*ECI*/56, *dated the* 20*th June, 1956*).	[*Ministry of Production O.M. No.* C2-*19(15)/55, dated the 31st October, 1956*].
29	75	Complaints have been made to the Committee that purchases of consumable stores required in the State Collieries are generally made through D.G.S. & D. The process is often slow and the prices paid are also frequently high. Government should look into these matters.	The recommendation has been accepted. It has been decided to set up a Directorate of Coal at Calcutta with special staff to deal with the purchase of stores etc. required for the collieries. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].
30	76	The position regarding surplus machinery and stores should be reviewed immediately and Government should arrange expeditious disposal of these items.	This recommendation has been accepted, and necessary instructions issued to the authorities concerned. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].

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31	79	The grievance of the workers that the houses built for them are stituated far away from the places of work should be investigated.	This recommendation has been brought to the notice of the Labour Ministry for implementation. It has also been accepted that in building colonies for workers the recommendation made by the Estimates Committee should be clearly borne in mind. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].
32	80	Standards of construction of houses for all workers in all the State Collieries should be laid down.	Accepted. Standards are already laid down and the construction of all new houses in State Collieries is according to the specifications laid down under the subsidised Housing Scheme under the control of the Labour Welfare Commissioner. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].
33	82	Government should do everything possible to supply pure drinking water to the labourers in all the collieries.	This recommendation has been accepted. It is proposed that a Water Supply Engineer and a Senior Officer of the Coal Organisation should inspect the water supply arrangements in the existing State Collieries and make specific recommendations with cost estimates. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].
34	84	The Coal Commissioner and the Chief Mining Engineer should, during their	Accepted and necessary instructions issued to the Coal Commissioner and Chief Mining Engineer.

		inspection tours, inspect the creches and multipurpose institutes and see that proper attention is paid to the amenities side as well.	[*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].
35	87	The Committee are not satisfied with the present procedure adopted for the disposal of the by-products of the Plan. If the Railways or any Government workshop require the coal-tar, then it should be supplied to them on a regular basis. In the case of benzol also it should be examined whether this valuable product could be directly utilised or sold to other Government organisations which purchase benzol from the market, instead of being sold to private firms as at present. Commodities produced in Government undertakings should as far as possible be sold directly to other State undertakings who may require such products.	This recommendation has been accepted in principle. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*]. Regarding Benzol, the Additional Chief Mining Engineer was asked to state whether any Government organisation was at present buying Benzol from market and if so at what price. From his reply, it appears that no Government organisation is interested in our Benzol. Regarding Coal Tar, it has been decided in consultation with the Ministries of C. & I. and Finance that the entire Government production of coal tar should be disposed of under the instructions of the Heavy Industries Ministry, at a price to be fixed by Government direct to those in the best position to utilise it.
		[*Comments of the Sub-Committee (1956-57) on the reply*]. The steps taken towards implementing the recommendation may be ascertained. (*L.S.S. O.M. No. 80-ECI/56, dated the 20th June 1956*).	[*Ministry of Production O.M. No. C2-19(15)/55, dated the 31st October, 1956*].

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		Salt Organisation	
5	101	To minimise the transport of Salt from western producing areas to the eastern parts of the country new salt works should be developed on the Eastern Coast, wherever economically possible.	We are in agreement with the principle. A detailed survey of the areas in which new salt works would be established will be undertaken. Detailed proposals for the establishment of new salt works on the Eastern Coast will then be examined. (*Ministry of Production O.M. No.18/6/55- Salt, dated 21-3-56*).
		[*Comments of the Sub-Committee (1956-57) on the reply*]. The latest position may be ascertained. [*L.S.S. O.M. No. 80(2)-EC.I/56, dated the 29th July, 1957*].	In pursuance of the Estimates Committee's recommendation that "to minimise the transport of salt from western producing areas to the eastern parts of the country, new Salt Works should be developed on the Eastern Coast, wherever economically possible", the proposals for the establishment of new Salt Works in West Bengal and Orissa have been under examination by the Salt Commissioner. The present position in respect of these proposals is given below : *West Bengal*: Certain French Experts at the instance of the West Bengal Government, some time ago, surveyed the Contai area. They indicated in their Report that an area of 9,250 acres belonging to the State Government is available for development of Salt manufacture. That Government have now agreed, in consultation with the Salt Department, that an extent of 5,700 acres, out of the total acreage of 9,250 should be developed by leasing it

out to one or more large manufacturing concerns experienced in Salt manufacture. The West Bengal Government have also under consideration a scheme for small scale manufacture of salt in the Sunderban area. Land measuring 3,500 acres is reported to be available in this locality and is proposed for development by its assignment for salt manufacture to Co-operative Salt Producing Societies when organised. The State Government have requested the Salt Department to start initially a production-*cum*-training centre in this area (at Sisirganj) on a plot of about 100 acres. The possibility of setting up such a centre to be run by the Salt Department is under consideration.

Orissa : The establishment of new Salt Works in this State is not feasible due to the limited area available for the purpose and also due to adverse climatic conditions which render salt production uneconomic there. Steps to increase production by increasing brine supply in the existing Salt Factories in this State have, therefore, been undertaken by the Salt Department.

In addition to the above, investigation of likely Salt deposits in the Tirap Frontier Division of NEFA (North Eastern Frontier Agency) will be undertaken by the Geological Survey of India during 1957-58 at the suggestion of the Salt Department.

[*Ministry of C. & I. O. M. No. 18(6)/55-Salt, dated the 20th August, 1957*].

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(	102	The terms of the agreement between the Central Government and the Rajasthan Government which prohibit the exploitation of bitterns by the former should be re-examined and revised if necessary, to enable the Central Government to take steps for the exploitation of the bitterns available at Sambhar.	Accepted. A reference has already been made in this regard to the Rajasthan Government and further action will be taken after results of the researches undertaken by the Central Salt Research Institute, Bhavnagar are available.
			(*Ministry of Production O.M. No.* 18/6/55-*Salt, dated* 21-3-46).
		[*Comments of the Sub-Committee* (*1956-57*) *on the reply*].	(*Regarding the results of the Investigations carried out by Central Salt Research Institute on the recovery of by-products from salt bitterns at Sambhar. See Appendix I and II*).
		The Ministry may be requested to state the present position in the matter and also the probable date when a final stage will be reached with regard to revision of the agreement.	The Ministry of N. R. and S. R. have forwarded to the Lok Sabha Secretariat a report on the progress made in the recovery of by-products from the Sambhar bitternes *vide* their O. M. No. 36(6)/56-SRI, dated the 10th December, 1956. (Appendix I). The Council of Scientific and Industrial Research have constituted a Planning Committee to :
		[*L.S.S. O.M. No.* 80(2) *EC. I*/56, *dated the 7th January*, 1957].	(1) go into the question of location of the Station; and
			(2) prepare detailed plans and estimates for the establishment of the Research Station to

deal with the problems of utilisation of Sambhar bitterns.

At a meeting held between representatives of this Ministry, Ministry of N. R. and S. R. and the Rajasthan Government, on the 5th June, 1956, proposals for the exploitation of the bitterns were considered. The following decisions were reached at this meeting :

(1) In the national interest, the Sambhar Lake bitterns should be utilised in the best possible manner ;

(2) No private party should be permitted to exploit the bitterns ;

(3) The Council of Scientific and Industrial Research should undertake the necessary research and put up a suitable laboratory for the purpose ;

(4) On the basis of the researches, economic utilisation of bitterns would be undertaken for which the following three alternatives were considered :

(*a*) The Government of India would exploit the bitterns after payment of royalty of Rs. 5 per ton to the Government of Rajasthan. No royalty would, however, be paid on the bitterns used for research and investigations ;

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			(*b*) The Government of India and the Government of Rajasthan would jointly exploit the bitterns as partners on 50:50 basis (Rajasthan Government would still desire the royalty of Rs. 5/- per ton to be paid to them).
			(*c*) The Rajasthan Government may exploit the bitterns with such assistance as the Government of India may provide. The question of common salt recoverable from the bitterns will be further examined by the Government of India; and
			(*d*) Any patents arising out of the researches will be safe-guarded as per the Council of Scientific and Industrial Research Rules.
			It has been decided to accept alternative (*a*). A final agreement with the Rajasthan Government for the exploitation of the bitterns will be negotiated as soon as the experiments, now being conducted by the Council of Scientific and Industrial Research are finalised.
			(*Ministry of Production O. M. No.* 18/6/55-*Salt*, *dated* 25-2-57).

7	103	The Central Salt Research Institute should finalise the processes to be adopted for the large scale exploitation of bitterns as soon as possible. When the exploitation of bitterns is actually undertaken in a large scale, a public limited company may be started for its commercial exploitation.	Accepted. The Ministry of Natural Resources and Scientific Research who are in administrative control of the Central Salt Research Institute, have already been asked to communicate to this Ministry the result of the investigations on the recovery of the by-products from the bitterns. An extract of this recommendation will be forwarded to that Ministry. Whether the exploitation of bitterns should be entrusted to a limited company or undertaken by Government is a matter which will require consideration at a later stage when the result of the researches, now being conducted in the Central Salt Research Institute, Bhavnagar, are available. (*Ministry of Production O. M. No.* 18/6/55-*Salt, dated* 21-3-56).
9	109	The system of purchase by State's nominees should be abolished forthwith.	Accepted. Action has already been taken in this direction. Almost all the State Governments have agreed to abolish the nominee system for the procurement and distribution of salt in the States. (*Ministry of Production O. M. No.* 18/6/55-*Salt, dated* 21-3-56).
		[*Comments of the Sub-Committee (1956-57) on the reply*]. The Ministry may be requested to state the number and names of the States who have not still agreed to abolish the nominee system for the procurement and distribution of salt. [*L.S.S. O.M. No.* 80(2) *ECI*/56, *dated the* 3rd *August*, 1956].	Only one of the State Governments concerned, namely, the Government of U. P. has not yet agreed to the complete abolition of the nominee system for the procurement and distribution of salt within the State. That Government has, however, agreed to abolish the system in so far as supplies to the districts linked to private salt sources are concerned, and to review the position after sometime. This review will be made by November, 1956. (*Ministry of Production O. M. No.* 18/6/55-*Salt, dated* 24-8-56).

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		(*Comments of the Sub-Committee* (1957-58) *on the reply*).	
		The Ministry may be requested to state whether the review has since been made by the U. P. Government and if so, with what results. (*L.S.S. O.M. No.* 80(2) *EC*.I/56, *dated the* 21*st October*, 1957).	The U. P. Government agreed in September, 1956 to the abolition of the Nominee System which, however, was replaced by an Agency System for the procurement and distribution of salt in Uttar Pradesh. The State Government also removed all restrictions on the movement of salt from private sources. Traders other than Agents are accordingly being allowed to import salt into districts from private salt sources for sale in competition with the Agents. The State Government were requested to throw open at least 50 per cent of their Sambhar quota to the Sambhar traders. In view of the transport bottleneck and dislocation of normal trade caused due to floods etc. they did not first favour any change in the existing system which according to them was elastic enough and could accommodate any traders considered dependable by the district authorities. However, the State Government have recently agreed to release 33·1/3 per cent of their Sambhar quota in favour of the Sambhar traders, if these traders are agreeable to form themselves into a Co-operative Society. This is under examination. [*Ministry of Commerce and Industry O.M. No.* 18(6)/55 *Salt, dated the* 26*th November*, 1957].

14	114.	Adulteration of salt should be penalised by making necessary amendments in the adulteration of the Foodstuffs Act under the Adulteration of Foodstuffs Act and penalised by making the necessary amendments. (*Comments of the Sub-Committee* (1956-57) *on the reply*). The latest position may be ascertained. (*L.S.S. O.M. No.* 80(2) *E.C. I/56, dated the* 29*th July*, 1957).	Accepted. A copy of this recommendation will be sent to the Ministry of Health, who are concerned with the administration of the Adulteration of Foodstuffs Act. (*Ministry of Production O.M. No.* 18(6)/55-*Salt, dated* 21-3-56). As for the Committee's recommendation for the amendment of t e Prevention of Food Adulteration Act to penalise adulteration of salt, it may be stated that the standard for edible salt has been fixed under the Prevention of Food Adulteration Rules, 1955, *vide* item A 15 of Appendix 'B' to those Rules. Powers for imposing penalties for the contravention of the provisions of the Prevention of Food Adulteration Act are prescribed in Section 16 of the Act. There is, therefore, presumably no need for further amending the Act or the Rules, made thereunder to penalise adulteration of edible salt as recommended by the Estimates Committee. (*Ministry of Commerce and Industry O.M. No.* 18(6)/55-*Salt, dated* 20-8-57).
16	122	Before undertaking the scheme which Government has in hand for the development of Mandi Salt mines, the prospecting of the salt deposits should first be completed and then the position reviewed in the light of the present circumstance *viz.*, the availability of high grade salt in Saurashtra, the self-sufficiency already attained in the country in salt etc.	Accepted. Core-drilling of Mandi salt mines has been completed and sufficient reserves of salt has been proved to exist. It has, however, been decided to hold in abeyance the scheme for the wet mining of salt at Mandi. We propose, at present, to sink two shafts for dry mining on scientific lines; this will also increase the present production of salt and give us further data as regards reserves of salt available in the Mines. The main scheme for the

1	2	3	4
			development of Mandi salt mines will be reviewed further, as recommended by the Estimates Committee.
			(*Ministry of Production O.M. No.* 18(6)/55 *Salt dated* 21-3-56).
		(*Comments of the Sub-Committee* (1956-57) *on the reply*).	
		The Ministry may be requested to state the results of the review of the main scheme for the development of Mandi Salt Mines.	As a result of further review, it has been decided that the main scheme for wet mining of Mandi should be postponed. It has also been decided that two shafts should be sunk at Drang to ensure scientific mining according to Mining Regulations at an estimated cost of Rs. 8 lakhs. Offers have been invited for the sinking of shafts from reputable firms capable of undertaking this work.
		(*L.S.S. O. M. No.* 80(2)-*E.C. I*/56 *dated the 7th January*, 1957).	(*Ministry of Production O.M. No.* 18(6)/55-*Salt, dated* 25-2-57).

Serial No. of Recommendation	Reference to para. No. of the Report	Summary of Recommendations	Reply of the Government
1	2	3	4
		Coal Commissioner's Organisation and State Collieries	
15	47	The following recommendations are made for increasing the movement of coal during the slack seasons :	*Serial Nos.* 15 *and* 16.
		(*i*) Government may examine whether it would be possible to reduce slightly the freight rates of coal during the slack season in order to create a greater incentive to consumers to purchase more coal during this season. A corresponding increase may be levied on freight rates during the busy period in order that the Railway Revenues may not suffer.	The various suggestions made by the Estimates Committee are now under examination in consultation with the Ministry of Railways and a conference of the various interests concerned is proposed to be convened as soon as possible (*Ministry of Production O.M. No.*C2-19 (15)/55, *dated the* 10*th February*, 1956).
		(*ii*) All consuming units should be asked to increase their storage capacities so that they may move	

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		a greater amount of coal during the slack season and build up sufficient stocks to enable them to buy less coal during the busy season.	
		(*iii*) The question of establishing consumers' co-operative societies in important industrial centres, which would give credit facilities, help in building storage dumps and stand as sureties credit purchases by their constituent units, should be examined. Such co-operative societies may also establish coal dumps from where the consumers may move their coal as and when required.	
		(*iv*) Low priority coal may be given as many wagons as are required in the slack season but very little movement of it should be allowed during the busy seasons.	
		(*v*) The Railways should move more coal for themselves during the slack season.	
16	48	A Conference of representatives of producers, consumers and the Railways	Discussions have been held with the Railway Ministry. They are not agreeable to that proposed in (*i*).

should be called to discuss the above suggestions.

[*Comments of the Sub-Committee* (1956-57) *on the reply.*

The results of the examination carried out by the Ministry of Production in consultation with the Ministry of Railways may be ascertained. The Ministry may also be requested to state when the proposed conference will actually be convened. The decision that may reached at the Conference as well as details of action taken or proposed to be taken on such decisions may be intimated to the Committee.

(*L.S.S. O. M. No.* 80-*EC-I/56 dated the 20th June,* 1956).]

The other questions are still under consideration.

(*Ministry of Production O.M. No.* C2-19(15)/55, *dated the* 31*st October*, 1956).

The operative part of the recommendations as contained in para 47 is that the slack season should be utilised for the movement of coal and none of the wagons supplied by the Railway should be wasted, if possible. Certain subsidiary recommendations have been made in Para. 47 and the next following para, for the effective implementation of the main recommendation.

2. These recommendations were discussed at length with the Railway Ministry. The view of that Ministry is that with the increasing tempo of industrialisation of the country the slack season would become progressively less and less and would ultimately disappear. There can be no slack season in future for major industries like Iron and Steel, Iron Ore, Cement, Textiles etc. It may be that for the next two years, there may occur a slack season for a couple of months each year, but this slack season is bound to disappear after about two years in view of the vast increase in production which is likely to result from the implementation of the Second Five Year Plan. The Railway Board, are therefore, not in a position to accept the suggestion made for a reduction in the freight rates during the slack season and corresponding increase in the freight rates during the busy period.

3. The Railway Ministry have, however, expressed willingness to accept additional supplies of coal during the spare capacity period whenever it occurs; and as the Railways alone can take about 12 million

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			tons of coal each year, their building up, for instance, to one month's stock would absorb practically the entire spare capacity. 4. The recommendation relating to reduction in freight rates during the slack season was also considered by the Coal Advisory Committee at its meeting held on the 20th September, 1956. The producers and consumers are both represented on that Committee. The Committe came to the conclusion that there were practical difficulties in the implementation of the recommendation and hence decided to drop further discussion. 5. In the altered circumstances explained above, Government's view is that the necessity for considering the recommendations made in Paras 47 (except sub-para V) and 48 of the report does not arise. (*Ministry of Production O.M. No.* 17-*C. I* (18)/55 *dated the 24th December*, 1956).
17	51	An expert Committee should be appointed to go into the question of sea freight of coal and to recommend measures that should be taken to make sea transport of coal economical and efficient.	Accepted in principle. The Ministry of Transport have already set up a rail-sea co-ordination committee, whose terms of reference include the examination of the reasonableness of freight charged by Coastal Shipping with reference to its cost of operation. Action necessary to set up an expert Committee as suggested by the Estimates Committee will be taken, if necessary, after the recommendations of the Rail-Sea Co-ordination Committee art available. (*Ministry of Production O. M. No. C*2-19(*15*)/55, *dated the 10th February*, 1956).

18	52	Proper attention should be paid by the Ministry of Transport to the question of developing the Calcutta port in order to enable it to handle coal transport smoothly. The conditions at other ports also require considerable improvement before sea transport can make an effective contrbution to the solution of the problem of transportation of coal.	*Serial Nos.* 18-19 These recommendations have been brought to the notice of the Ministry of Transport for acceptance and implementation. (*Ministry of Production O. M. No. C*-2 19 (15)/55 *dated the* 10*th February*, 1956).
19	52	Proper attention should also be given by the Central and State Governments for the development of intermediate and minor ports which would go a long way to alleviate the difficulties experienced at present in the matter.	Accepted. So far as the major ports of Bombay, Calcutta, Madras, Cochin and Vizagapatam are concerned, adequate facilities already exist and necessary provision has been made wherever necessary in the Second Five Year Plan, for additional facilities for the handling of coal. The Port of Kandla is still under development and when all the four cargo berths are completed there will be no difficulty in the handling of coal traffic there. Steps are also being taken to develop a subsidiary port to Calcutta at Geonkhali. As regards the development of intermediate and minor ports provision has been made in the Second Five Year Plan for development of Cuddalore. At other intermediate and minor ports no improvements in the existing facilities are considered necessary. (*Ministry of Production O. M. No.* 17-*CI*(20)/55 *dated the* 30*th January*, 1957)*

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20	53	Consumrer's Co-operative societies of users of coal in small quantities should be encouraged in South India and in the West Coast to enable movement of coal for small consumers in bulk by sea. [*Comments of the Sub-Committee* (1956-57) *on the reply*. The Ministry may be requested to ascertain after six months the extent to which the State Governments have followed up the suggestion. *L.S.S. O.M. No.* 80-*EC-I*/56, *dated the 20th June*, 1956].	Accepted. The State Governments concerned have been addressed in the matter. (*Ministry of Production O. M. No. C*2-19(15)/55, *dated the* 10*th February*, 1956). This recommendation was brought to the notice of Governments of Madras, Bombay, Saurashtra, Travancore Cochin and Mysore for adoption and implementation. Final replies are still awaited from Madras, Saurashtra and Mysore Governments. They have been reminded. The Government of Bombay have stated that at present there are no such societies but they will consider cases of such societies sympathetically if and when any reference in this connection is received by them. The Government of Travancore-Cochin have stated there is very little chance for the adoption of the recommendations of the Estimates Committee as there are no Co-operative societies of Consumers of Coal in the State. (*Ministrty of Production O. M. No. C*2-19(15)/55, *dated the* 31*st October*, 1956) This recommendation was brought to the notice of Government of Madras, Bombay, Saurashtra (now in Bombay), Travancore-Cochin (now Kerala) and Mysore for adoption and implementation. The Gov-

			ernments of Madras, Travancore Cochin (now Kerala) and Mysore do not consider that it will be feasible to organise consumer's co-operative societies of users of coal in small quantities. The Government of Bombay (which includes the former State of Saurashtra) have stated that at present there are no such societies but they will consider cases of such societies sympathetically if and when any proposal in this connection is received by them. (*Ministry of Production O. M. No.* 17-*C.I* (15)/55 *dated the* 11*th March*, 1957)
26	72	The Ministry of Labour should take steps to ensure expeditions disposal of the pending cases of surplus labour in Argada colliery.	The recommendation has been brought to the notice of the Ministry of Labour. (*Ministry of Production O. M. No. C* 2-19(15)/55, *dated the* 10*th February*, 1956).
		[*Comments of the Sub-Committee* (1956-57) *on the reply*. The Ministry may be requested to indicate the present position. *L.S.S. O M. No.* 80-*ECI*/56 *dated the* 20*th June*, 1956].	The Tribunal have since given their Awards but fresh-appeals have been filed before the Appellate Tribunal against the Award of the All India Industrial Tribunal (Colliery Disputes), recently publishehd (26-6-56) and the Chief Mining Engineer has been made a party. Legal opinion has been taken and it is stated that under Section 22 of the Industrial Disputes (Appellate Tribunal) Act, 1950, no retrenchment can be enforced during the pendency of the appeal, without the express permission of the Appllate Tribunal. (*Ministry of Production O.M. No. C* 2-19(15)/55 *dated the* 31*st October*, 1956).

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		[*Comments of the Sub-Committee* (1957-58) *on the reply* The Ministry may be requested to indicate the latest position. (*L.S.S. O.M. No.* 80-*E.C.* I/56, *dated the* 31*st July*, 1957)]	The latest position as reported by the National Coal Development Corporation (P) Ltd., Ranchi on 12-12-57 is that there is at present no surplus labour in Argada Colliery, all of whom have since been absorbed. (*Ministry of Steel, Mines and fule O. M. No. C.* 4-35 (2)/57. *dated the* 16*th February*, 1957.)
36	88	The ammonia plant has not been working and no ammonia was manufactured in 1954. Proper attention should be paid to this.	The technical and economic feasibility or the scheme for the renovation of the ammonia plant is now under investigation. (*Ministry of Production O.M. No. C*2.—19(15)/55 *dated the* 10*th February*, 1956)
		[*Comments of the Sub-Committee on the reply.* The present position may be ascertained. (*L.S.S. O.M. No.* 80-*ECI*/56, *dated the* 20*th June*, 56)]	Assuming an average yeild of 7Lbs. of ammonia per ton of coke a monthly yield of about 9 to 10 tons of ammonia could be obtained from the monthly production of 3000 tons of coke in the Giridh plant. Although it is not an appreciable quantity, if it is desired to effect its recovery, necessary plant and equipment will have to be installed. Moreover, equipments for removal of tar will also be necessary. It is observed that the Ministry of Production are investigating the technical and economic feasibility of the scheme for ammonia recovery at Giridh. This Ministry would be glad to examine the scheme after the details have been worked out by that Ministry. (*Ministry of Heavy Industries O. M. No. CI*-14(120)/56, *dated the* 26*th September*, 1956.)

			The economic of the proposal was examined and it was found that the renovation of the plant was not economically worthwhile. (*Ministry of Production O.M. No. C2-19(15)/55, dated the* 31*st October*, 1956).

Salt Organisation

2	98	There should be full scope for future development of production through the three agents, *viz.*, Government, large scale business and the small producer which are concerned with the production of Salt.	Accepted. The recommendations conform to the already accepted policy of Government. Full scope for the future development of salt production through the three agencies *viz.*, Government, large scale business and the small producer is being extended by the Salt Organisation. (*Ministry of Production O.M. No.* 18/6/55, *Salt dated* 21-3-56).
		[*Comments of the sub-Committee* 1957-58 *on the reply*] The Ministry may be requested to indicate what steps have been taken to increase production in respect of each one of the three agencies. (*L.S.S. O.M. No.* 80(2)-*EC.I*/56, *dated the* 21*st October*, 1957].	Various steps undertaken to increase production of salt by the three agencies, namely, the Government, large business and small manufactures, are. (A) GOVERNMENT SALT SOURCES (*i*) *Mandi.*—The Mandi Rock Salt Mines are being developed for scientific production of rock salt. The work of sinking 2 shafts at Drang, involving an expenditure of Rs. 13·61 lakhs has been entrusted to an Indian firm. This scheme when completed will raise the annual production of rock salt from 1·30 lakh maunds as at present to 4 lakh maunds by 1959-60.

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			(*ii*) *Kharaghoda.*—Additional sources of supply of sub-soil brine are being explored. For this purpose a survey has been undertaken at Kharaghoda by the Geological Survey of India. Measures for the increase of salt production at this source will be considered, on receipt of the survey report.
			(*iii*) *Sambhar Lake.*—Plans for the increased production of pan salt at Sambhar Lake have been finalised and the works for the construction and digging of further pans, started. Besides, experiments on bore holes at different depths in the Lake bed have been undertaken to isolate copious pockets of subsoil brine. If these experiments prove successful, it is expected that the problem of chronic shortage of brine at this source will be resolved.
			(*iv*) *Didwana* and *Pachhbhadra.*—The manufacturing season at Didwana is confined to the period from October to February every year to ensure elimination of sodium sulphate from the brine. However, it is being lengthened from this year to achieve an increase in the production of edible salt at this source. At Pachhbhadra new pans have been allotted to the Kharwals (local manufacturers of salt) to raise the production at this source.

(B) Large Scale Business.

Licences to set up new salt works are being granted freely to applicants who want to manufacture salt in large size holdings, afgter examining the proposals in all aspects. 18 new salt works measuring from 50 to 500 acres have been licensed during the past two years. The possibility of large scale production of salt in the Contai sea-coast of West Bengal. is also under consideration with the State Government.

(C) Small Producers

In order to encourage formation of co-operative societies by the small scale manufacturers (working on an area of 50 acres or less) for increasing production of salt and improving its quality, various concessions are given to such societies. These include survey of lands free of charge by the Salt Department, for the realignment of works by the societies. 11 Co-operative societies were formed during 1955-56, and 8 societies during 1956-57 by small scale manufacturers. It is also proposed to advance loans to salt manufacturers including co-operative societies for the realignment of their salt works, purchase of machinery etc. in connection on with salt manufacture. The draft rules for regulating the grant of such loans are under consideration.

A scheme for the establishment of Production-*cum*-Training Centre at Sisirganj in West Bengal by the State Government to educate the local people in the

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			production of salt on small scale is under examination. Plans to lease out 10-acre plots available at Phalodi in Rajasthan have been finalised in order to develop the salt industry in the locality on small-scale basis. Licences have also been issued to several individuals and co-operative societies in the Little Runn of Kutch to undertake production in holdings less than 100 acres. The concession to allow salt manufacture in areas of less than 10 acres without any licence has been continued and the production of these concessionaires has shown an appreciable increase in the last two years.
			As a result of the measures mentioned above, the overall production of salt in the country is progressively on the increase as will be evident from the quantities produced during the last three years, namely 810 lakhs maunds in 1955, 889 lakh maunds in 1956 and 909 lakh maunds in 1957 (upto September). (*Ministry of Commerce and Industry O.M. No.* 18(6)/55, *Salt, dated 26th November,* 1957).
3	90	The Salt Board should examine the questions of organising co-operative societies of small scale producers and should also arrange technical assistance necessary for the production of standard quality salt wherever required.	These functions are, at present, being discharged by the Salt Organisation.

			(1) Small licensed manufacturers working in areas, upto 10 acres are exempted from payment of cess. This concession has also been extended to co-operative societies of small manufacturers. (2) Preference is usually given to co-operative societies in assignment of the Government lands, and these leases are free of assignment fees. (3) A scheme for grant of loans etc. to co-operatives is already under consideration by Government. Small manufacturers are being advised to group themselves into sizeable co-operative units, realign their holdings so that they may be assisted in the production of high quality salt. Similarly, the State Governments have been requested to establish a co-operative society in each district centre for procurement and distribution of salt. (4) Technical assistance, wherever required, is freely made available to all producers. (*Ministry of Production O.M. No. 18/6/55-Salt, dated the 21st March*, 1956).
8	104	In view of the fact that self-sufficiency has been attained in salt, control over its movement should gradually be relaxed. If necessary, Railways should allot higher priority to the movement of salt and the restriction in coastal movement of salt should be abolished.	A copy of this recommendation will be forwarded to the Ministry of Railways (Railway Board) for action. So far as the zonal scheme is concerned, there are at present 8 zones; it has been observed in practice that the scheme has been working satisfactorily. If the number of zones are reduced, the object underlying the scheme is likely to be defeated. This Ministry will, however, consider the reduction of the present 8 zones to 4 or 5 as an experimental measure, if the Ministry of Railways has no objection.

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			Regarding higher priority to the movement of salt, the Railway Board were moved sometime ago to upgrade it in the list of categories, but they regretted their inability to do so. This matter will be taken up again with the Railway Board. *As regards the coastal movement of salt, the Salt Department does not exercise any restriction whatsoever. (*Ministry of Production O.M. No.* 18/6/55-*Salt, dated the* 21*st March*, 1956).
		[*Comments of the Sub-Committee* (1956-57) *on the reply*] The Ministry may be requested to state the present position in the matter of reduction of zones as well as upgrading of salt in the list of categories. [*L.S.S. O.M. No.* 80 (2)-*EC*-I/56, *dated the* 7*th January*, 1957].	The question of reduction of zones and of upgrading salt in the list of categories was taken up with the Ministry of Railways in April and May, 1956. The Ministry of Railways have not, however, agreed to the proposals for the following reasons: (1) Under the existing scheme the movement of salt is being arranged satisfactorily. (2) In the event of the number of zones being reduced from 8 to 4 or 5 several complications will arise, and it will not be possible for some of the Railways, particularly the Western Railways and the Southern Railways (M.G. System) to cater to the need of the enlarged zones. (3) Reduction of zones will lead to uneconomic and perhaps cross movements resulting in wastage of transport capacity.

			(4) Whenever any specific instances of hold ups and delays in the movement of salt occur, prompt action is invariably taken to clear the traffic as expeditiously as possible.
			(5) Upgrading of salt in the list of priorities will inevitably affect the supply of wagons to Government sponsored foodgrains. It is not, therefore, feasible to treat salt on an equal footing with sponsored foodgrains in the matter of priority. (*Ministry of Production O.M. No.* 18/6/55-*Salt, dated* 25-2-57).
11	112	Price control over salt should be removed so that the price is fixed by a freeplay of supply and demand which would result in reducing the price. Meanwhile, in view of the very large differences in the price of salt prevailing in the different parts of the country, and the large fluctuations that occur from time to time even in the same place Government should undertake an examination of the wholesale and retail selling prices and see that the salt is available at a reasonable price to the people.	No price contol over salt is exercised by the Central Government and only a ceiling is fixed by the State Governments to ensure that higher prices are not charged by retail dealers. The country is surplus in salt. Of the 13 State Governments which have been enforcing control over prices on salt, Madras and Andhra have intimated that they would not re-issue their orders under the Essential Commodities Act, 1955 and U.P. have abolished price control in 37 districts. Government further accept the recommendation to re-examine the price structure of salt. (*Ministry of Production O.M. No.* 18/6/55-*Salt, dated the* 21*st March*, 1956).
		[*Comments of the Sub-Committee* (1956-57) *on the reply*]	
		The Ministry may be requested to give details about further steps taken to re-ex-	Government have since examined the price structure of salt in the various producing/consuming centres and

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		amine the price structure of salt. [*L.S.S. O. M. No.* 80(2)-*EC*-I/56, *dated the 7th January*, 1957].	are satisfied that no change is called for in the present position. There is practically no price control on salt at the present moment. Some State Governments, *e.g.* Punjab, Delhi, Assam, Orissa, have fixed only the maximum ceiling rates. The retail selling price of salt is mainly dependent on demand and supply in the States. No serious fluctuations in the prices in any area have been reported, nor have the State Governments any complaints in this regard. The price of salt in the States has remained normal and stocks are available in abundance to meet internal demands. The disparity in the retail selling price in the various consuming centres is mainly due to the cost of transport. [*Ministry of Production O.M. No.* 18/6/55, *Salt dated* 25-2-57].
12	111	Such test inspection laboratories as are required to be maintained after the abolition of controls should be located in major producing centres and transferred to the control of the State Government concerned in which such producing centres are located. The expenses of the laboratories should, however, be met by the Central Government. The Salt Board should have supervisory powers over persons working in the laboratories.	Presumably this recommendation is based on the proposal of the Estimates Committee to abolish the Salt Department itself. It has been decided that the Salt Commissioner's organisation should be continued for the present. The Government of India already have a programme for establishing 47 such laboratories by the end of 1957-58. Since the Salt Organisation is controlled by the Centre, there is, no real advantage in transferring these laboratories to State Governments (*Ministry of Production O.M. No.* 18/6/55-*Salt, dated* 21-3-56).

13	114	The Salt Board should fix immediately separate standards of salt for animal consumption.	The Indian Standards Institutions will be requested to fix separate standards of salt for animal consumption. (*Ministry of Production O.M. No.* 18/6/55-*Salt, dated the* 21st *March*, 1956).
		[*Comments of the Sub-Committee* (1956-57) *on the reply*]	
		The Ministry may be requested to state the present position in the matter of fixing separate standards of salt for animal consumption. [*L.S.S. O.M. No.* 80(2)-*EC-I*/56, *dated the 7th January*, 1957].	The question of fixing a standard for salt for animal consumption has been referred to the Indian Standards Institution. As soon as standard is suggested by that Institution, and accepted by Government it will be adopted. [*Ministry of Production O.M. No.* 18(6)/55-*Salt, dated the 25th February*, 1957].
15	119	Cess should be paid at a uniform rate by all producers and the proceeds from the cess should be earmarked and put at the disposal of the proposed Salt Board for the purposes enumerated in the Salt Cess Act.	A uniform rate of Cess is likely to fall more heavily on small producers than on big manufacturers of salt. Small scale producers of salt with holdings of less than ten acres are exempt from the payment of cess. A proposal is under the consideration of Government to levy the Salt cess on a graduated scale keeping in view the cost of manufacture of Salt. It has been further decided that the proceeds from the Cess should be utilised for the purpose enumerated in the Salt Cess Act, but it is not necessary to create a Salt Board for this purpose. [*Ministry of Production O.M. No.* 18(6)/55-*Salt, dated* 21-3-56].

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		[*Comments of the Sub-Committee* (1956-57) *on the reply*]	
		The Ministry may be requested to state the results of the consideration of the proposal for levying the Cess on a graduated scale. [*L.S.S. O.M. No.* 80(2)-*EC*-I/56, *dated the 7th January*, 1957].	The proposal for the levy of cess on a graduated scale has been given effect to from 23-4-56 as follows: Cess (*a*) Areas up to 10 acres in extent — Nil (*b*) Areas between 10 and 100 acres . . . . Rs. 0/1/0 per maund (*c*) Areas above 100 acres . Rs. 0/2/0 per maund [*Ministry of Production O.M. No.* 18(6)/55-*Salt, dated the 25th February*, 1957].

CHAPTER IV

REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND ARE BEING PURSUED.

Serial No. of Recommendation	Ref to para No. of the Report	Summary of Recommendations	Reply of the Government	Comments of the Committee
1	2	3	4	5
		Coal Commissioner's Organisation and State Collieries		
1	10-11	Nationalisation of the Coal Industry will have to be undertaken in due course in the interest of industrial development. As, however, Government have no sufficient technical manpower at present to take over immediately all the private collieries, the private sector may be allowed to con-	The recommendation is accepted in principle. The policy being followed by Government at present on the question of nationalisation is on the same lines as recommended by the Committee. (*Ministry of Production O.M. No. C2-19(15)55 dated the 10th February, 1956*).	

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		tinue to run the private collieries for some more time on the following conditions :— (*i*) that adequate capital is invested by them with a view to step up production to the limits laid down by Government for each colliery ; (*ii*) that scientific methods are adopted for raising the coal; (*iii*) that suitable safety measures are introduced wherever they are lacking; and (*iv*) that the conditions of working of the labour are improved according to the standards laid down by Government in this respect.		
		[*Comments of the Sub-Committee* (1956-57) *on the reply*] Action taken by Government against specific recommendations from (*i*) to (*iv*) may be called for.	(*i*) The target of output from the private Collieries during the Second Five Year Plan has been fixed at 10 million tons. The field-wise break-down of this target has been intimated to the Industry. It is not pro-	The Ministry have been asked to furnish the following particulars : (*i*) Progress made in the provision of transport facilities ; (*ii*) The extent of increase in private investment ;

(*L.S.S. O.M. No.* 80—*EC. I/56, dated the 20th June,* 1956)

posed to fix individual colliery targets in respect of their increased production. The individual production plans of the collieries are scrutinised by the Coal Controller's Organisation, keeping in view the considerations mentioned by the Estimates Committee. With a view to encourage investment of adequate capital by the private collieries it has been decided that in the event of nationalisation, any additional capital expenditure on development schemes approved by Government would be compensated in full, subject to depreciation. The production plans submitted by the major producers have been examined by the Government who are satisfied that adequate capital investment will be made by the collieries for increasing production, provided adequate transport facilities are provided by the Railway Ministry.

(*ii*) & (*iii*) The adoption of Scientific methods in mining are enjoined by the Indian Mines

(*iii*) Cases where investment of additional capital has been held up because adequate transport facilities have not been provided ; and

(*iv*) A note on slaughter mining which is reported to be going on in private mines for profit without any regard being paid to conservation and full utilisation.

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			Act and the Regulations issued thereunder and the coal Mines (Conservation & Safety) Act and the Mines Inspectorate ensure and watch that scientific methods are adopted in mining. Government have also recently introduced additional safety measures. The Labour Ministry and the Coal Board were asked to state the steps taken by them to ensure that the various safety and conservation measures etc. are properly enforced by the collieries owners. Replies received from them are attached. (Appendices IV & V). (*iv*) The wages rates and other concessions allowed to the workers are determined as a result of measures taken by Government and are not left to the mine owners. The All India Industrial Tribunal has given its award improving the conditions of working of labour in	

			various ways. The Coal Mines Labour Welfare Fund provides various medical, educational and recreational facilities to the workers. A scheme of Provident Fund and Bonus for coal mines workers has been introduced [*Ministry of Production O.M. No.* C2 19(15)/55, *dated the* 31*st* *October*, 1956]
2	12	The following measures should be taken for the prevention of destructive exploitation of collieries : (*i*) all new collieries should be State-owned and State-managed under the control of a Coal Commission which should be set up immediately as suggested in para 21 of this Report ; (*ii*) that the State should, as far as possible, take over all private collieries which wholly or to a large extent are engaged in raising metallurgical or high grade coal: and	Government have accepted as a matter of policy that the production of coal in the public sector should be increased to the maximum extent possible, for which preparatory work and plans are already being drawn up. In view of the large increase in coal production envisaged during the Second Five Year Plan period, the whole question of reorganisation of the Coal Organisation is now under consideration of the Government and a decision will be taken as soon as possible. [*Ministry of Production O.M. No.* C2—19(15)/55, *dated the* 10*th* *February*, 1956].

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		(*iii*) steps should be taken to vest powers in this Coal Commission to take over all those collieries which are at present under private management and which do not carry out the directions that may be issued to them by the Commission from time to time for the better working of the collieries. It may be left to the Coal Commission however, to determine whether the management of the the private owned collieries should be taken over by the State for a limited period or permanently in order to bring out efficiency and economy in the working of the colliery or whether in the circumstances of the case the ownerships of the colliery itself should be taken over by the State, in which case compensation according to the general procedure and principles laid down		

in that behalf by Parliament may be paid to the private owners of the colliery.

(*iv*) As an experimental measure one or two collieries may be worked on a cooperative basis with a view to seeing how far the scheme works in practice.

[*Comments of the Sub-Committee* (1956-57) *on the reply*]

The Ministry may please indicate when a decision will be taken on the reorganisation of the Coal Organisation.

The view of the Goverment on each of items (i) to (iv) may be called for.

(*L.S.S. O.M. No.* 80—*ECI*/56, *dated the* 20*th June*, 1956).

The functions of the Coal Commissioner have been bifurcated and a post of Coal Production & Development Commissioner and another post of Coal Controller have been created with effect from 4-2-56. The former is in charge of existing and new State Collieries and the latter is in charge of the control aspect of the industry. Government's views on items (*i*) to (*iv*) are as under:

(*i*) According to the revised Statement of industrial policy of 30-4-56 all new collieries will be State owned and State managed, save in exceptional cases.

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			(*ii*) The objective of the Government taking over metallurgical Coal producing collieries is accepted. It is doubtful, however, whether this is an appropriate time for taking them over. The steps, if any to be taken are under consideration. (*iii*) This will have to await a decision on the setting up of a coal Commission. (*iv*) The policy of Government is to associate labour more and more with the management of Government's industrial undertakings. The possibility of more direct association of workers in the management and working of the coal mines that will be established in future in connection with expansion of coal production in the Second Five Year Plan will be considered by Government. [*Ministry of Production O.M. No.* C2 19(15)/55, *dated the* 31st *October*, 1956].	

[*Comments of the Sub-Committee (1957-58) on the reply*].	*Recommendation No. 2(i)*
The Ministry may be requested to furnish the following information :	*The latest position regarding re-organisation of the Coal Organisation.*
(*i*) The latest position regarding the reorganisation of the Coal Organisation. (*ii*) The number of new Collieries that have been set up by the State since 30-4-56 and also whether any new Collieries have been permitted to be set up in the private sector. (*iii*) The reasons why this is not considered to be an appropriate time for taking over Collieries producing metallurgical coal. (*iv*) The policy of Government in associating labour in the management and working of the existing coal mines. (*L.S.S.O. M. No.* 80 *B.C.I/*57, *dated the* 16*th October*, 1957).	The target of production in the public sector during the Second Plan period has been fixed at 12 million tons. With a view to achieve this target in the most expeditious manner, Government have set up a private limited company called the National Coal Development Corporation with effect from 5-9-56 to administer the existing State Collieries and those to be established in future. The Coal Controller continues to be incharge of the control aspect of the coal industry. The question of re-organisation of the Coal Organisation was recently considered in the Ministry and the general conclusion is that immediately there is no ground for any large scale re-organisation of the Coal administration as it now is.

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			Recommendation No. 2 (ii) *The number of new Collieries that have been set up by the State since* 30-4-56. A pilot quarry and a pair of inclines have started working in the Korba coalfield which is one of the fields earmarked for development in the Second Plan period.	
			Recommendation No. 2(iv) *The policy of Government in associating labour in the management and working of the existing coal mines.* The possibility of more direct association of workers in the management and working of the coal mines has been considered by Government and it has been decided to try the experiment in the Argada colliery which is one of the collieries owned by the State. [*Ministry of Steel, Mines and Fuel O.M. No. C2* 10(47)/57, *dated the* 23*rd December*, 1957].	The Ministry have been asked to furnish the following particulars : (*i*) Whether any new Collieries have been permitted to be set up in the private sector, and (*ii*) The reasons why this is not considered to be an appropriate time for taking over Collieries producing metallurgical coal.

3	21	As a step towards organising the industry on better and efficient lines with a view to stepping up production and ensuring quicker distribution at cheaper prices and to introducing new and modern methods of raising coal increasing labour welfare etc. a Coal Commission may be established and the Coal Commissioner's Organisation as well as the Coal Board may be abolished. A greater coordination and integration of all activities relating to the coal industry should be aimed at.	*Sl. No.* 3 *to* 9. Government have accepted as a matter of policy that the production of coal in the public sector should be increased to the maximum extent possible for which preparatory work and plans are already being drawn up. In view of the large increase in coal production envisaged during the Second Five Year Plan period, the wole question of reorganisation of the Coal Organisation is now under consideration of the Government and a decision will be taken as soon as possible. [*Ministry of Production O.M. No.* C2—19—(15)/55, *dated the* 10*th February*, 1956].
4	23	The Coal Commission should be directly responsible to the Minister concerned, without the intervention of a Secretariat in between. The powers and functions of this	

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		Commission should be on the lines laid down in the Report of the Indian Coalfields Committee (1946).		
5	25	The Coal Commission should have three wings with functions as below: (*i*) The first wing should control the coal industry in the private sector and should take over the present functions of both the Coal Board and the Coal Commissioner in regard to the private coalfields. (*ii*) The second wing should be concerned with the general administration of the State Collieries. (*iii*) The third wing should deal with all policy matters such as the development of the coal industry in the country, export policy in respect of coal and research problems. The Ministries of Natural		

		Resources and Scientific Research and Commerce and Industry should surrender their powers in this regard to the proposed commission which should have the exclusive control over all matters relating to the coal industry in the country.
6	26	The Commission should have its headquarters either at Asansol or Dhanbad.
7	27	The proposed Commission should have a Chairman and four members. The Chairman should be a person with wide commercial and administrative experience. The other four members should be chosen as follows: (*a*) One representative of the Ministry of Railways. (*b*) One representative with experience in financial matters. (*c*) One representative of labour. (*d*) One representative from the Scientific or engineering fields.

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8	28	The Chairman and not more than two members of the Commission may be whole-time paid employees.		
9	29	For the time being the Commission may be set up for a few years before it is placed on permanent footing.		
		[*Comments of the Sub-Committee (1956-57) on the reply.*]	*Sl. No. 3 to 9.*	
		Action taken by Government against specific recommendations from (i) to (iv) may be called for. (*L.S.S. O.M. No. 80-ECI/56, dated the 20th June, 1956*).	It is considered that in the present stage of development of the industry a comprehensive Coal Commission will not be necessary immediately and therefore a more pragmatic approach would be to work towards the establishment of a commission by stages. Only the Government could have exclusive control over all matters relating to the Industry (which sets a strict practical limit to the authority that can be delegated	The difference between the Committee and the Government appears to be fundamentally one of approach. While the Committee favours control of the Coal industry by a statutory organisation functioning directly under the Minister, the Government favours the control for the present through the Secretariat and officers of Government, assisted by advisory bodies.

to an outside Commission) and what is considered to be required is effective machinery for execution and for coordination. It has been decided that the existing and proposed collieries should at this stage be formed into a company. Accordingly a Company has been set up with the Production Minister as the Chairman of the Board of Directors. The functions envisaged by the Estimates Committee for the three wings of Coal Commission proposed by them will for the present be performed by (i) the Coal Controller, (*ii*) the Comapany and (iii) the Production Ministry respectively acting under the guidance and control of the Cabinet. A high level body called the Coal Council to advise the Production Ministry has also been set up.

(It is not possible to give replies to each of the recommendations unless a decision to set up a Coal Commission

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			is taken. The headquarters of the Company has been located at Ranchi). [*Ministry of Production O.M. No. C.2-19 (15)/55, dated the 31st October, 1956*].	
10	35	A Standing Advisory Committee representing all interests should be set up in the Ministry, which will review the price structure of coal, from time to time. This Committee should also assist the proposed Coal Commission in the matter of price fixation in the future. The functions of the Committee will be purely advisory.	The recommendation is accepted under the following circumstances. There is already a Standing Advisory Committee known as the Coal Advisory Committee representing all interests, which discussed questions relating to adjustments of prices as and when necessary. The Committee's function is, however, confined to discussing whether the prices fixed by Government are adequate or not. Government consider that the actual fixing of price (which is usually done on the basis of a cost investigation) is an executive function which should continue to be discharged by Government.	

The question whether this Committee should be made into a Committee of the Ministry or whether the officer of the Ministry should periodically meet this Committee and discuss and review the prices is now under consideration.

[*Ministry of Production O.M. No. C2-19 (15)/55, dated the 10th February, 1956*].

The Estimates Committee has recommended that (1) a Standing Advisory Committee representing all interests should be set up in this Ministry to review the price structure of coal from time to time and that (2) control over movement of coal to the various classes of consumers should be subject to the advice of the Committee. There is already a Standing Advisory Committee functioning under the Chairmanship of the Coal Controller, known as the Coal Advisory Committee consisting of representatives of the producers,

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			consumers, Railways, Labour and F.R.I. A Copy of the letter showing the constitution and functions of the Committee is attached (Appendix VI).	
			This Committee discusses with the Chairman's approval all matters relating to the control exercised by the Coal Controller under the Colliery Control Order 1945, including matters relating to coal prices. The prices of coal are fixed under the Colliery Control Order, 1945 and Government with the responsibility for the coal industry, coal workers and the economy of the country cannot divest themselves of direct responsibility. But proposals for revision of coal prices has been placed before the Committee as and when a review or revision has been considered desirable and the	

Committee's views considered by the Government in reviewing the coal prices.

Apart from the Coal Advisory Committee, there is another advisory Committee, functioning in the Coal Controller's Organisation called the Coal Transport Advisory Committee. The representatives of the producers, Railways, Consumers, Labour and Chambers of Commerce are on this Committee which reviews the transport position from time to time in general and control over the movement of coal to various classes of consumers. A copy of letter dated 19-4-54 constituting the Committee is attached (Appendix VII).

It would be seen that the Coal Advisory Committee and the Coal Transport Advisory Committee are already functioning in the manner indicated by the Estimates Committee. This fact may kindly be brought to the

The Committee reiterate that for the Members of the Coal Advisory Committee to function independently, it is necessary that the Committee should be attached to the Ministry.

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			notice of the Estimates Committee. The Production Ministry will be grateful to know if the Estimates Committee has any comments in the matter. [*Ministry of Production O.M. No. 17-CI(II)/55, dated the 16th May, 1956*].	
		[*Comments of the Sub-Committee (1956-57) on the reply*]. The Sub-Committee would like to know the number of meetings held by the Coal Advisory Committee, the number of recommendations made for review or revision of the prices and also about the results of the considerations in the matter of augmenting the Committee's role in fixing the prices. [*L.S.S. O.M. No. 80-EC-I/56, dated the 20th June, 1956*].	The information is being collected and will be furnished shortly. [*Ministry of Production O.M. No. C2-19 (15)/55, dated the 31st October, 1956*]. 1. The Coal Advisory Committee has so far held 151 meetings upto 1st December, 1956. 2. The C.A.C. at its meeting held on 18-11-54 made a recommendation to Coal Board for a small increase of two or three annas in the price of cooking coal. The recommendation was also discussed by the Coal Board and the Government on the basis of	

the recommendations of the C.A.C. and the Coal Board increased the price of cooking coal by three annas per ton with effect from 12-11-55.

3. Again, the C.A.C. at its meeting on 27-6-56 recommended adequate increase in the price of coal, consequent on the implementation by the Coal Industry of the award of the Industrial Tribunal (Colliery Disputes). The prices were increased by the Government in July, 1956, after taking into consideration the recommendations of the Committee and all other relevant factors.

4. Government feel that the Committee's role in fixing prices should be purely advisory and that the responsibility for fixing the prices should continue to remain with Government. Government will, however, give due weight and consideration to the recommendations which will be of general nature in the matter of framing prin-

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			ciples, made in this behalf by the Committee. In this view, it is felt that the Committee should retain its existing character wherein all interests (Government, producers, consumers, labour etc.) are fully represented. If the Committee considers it necessary it can discuss with the officers of the Ministry any general aspects of this matter. [*Ministry of Production O.M. No. 17CI(7)/56, dated the 19th January, 1957*].	
12	38	The control over movement of coal to the various classes of consumers, should be subject to the advice of the trade and industry and for this purpose, the Standing Advisory Committee already recommended by the Committee may be utilised.	Control over the movement of coal is reviewed by the Coal Transport Advisory Committee in which Producers, Consumers Shipping interests and Railways are represented. The Advisory Committee (referred to in the remarks against item 10) also discusses	

	questions relating to movement of coal to the various classes of consumers.'	
[*Comments of the Sub-Committee (1956-57) on the reply*].	[*Ministry of Production O.M. No. C2-19 (15)/55, dated the 10th February, 1956*].	
The Committee would like to know the number of meetings held by the Coal Transport Advisory Committee so far, the number of recommendations made and the number accepted by Government. [*L.S.S. O.M. No. 80-EC.I/56, dated the 20th June, 1956*].	(*i*) The Coal Transport Advisory Committee has so far had 85 meetings. (*ii*) In all these meetings important matters relating to transport of coal were discussed. The discussions at the meetings of this Committee are usually of a general nature and no specific recommendations are generally made. It is, therefore, not possible to give any categorical list of recommendations made by this Committee and accepted/implemented by Government. Nevertheless, the deliberations of this Committee form useful guides to the officers of the Coal Controller's organisation and of the Ministry of Railways. The intention is, however,	While appreciating that Government intend to associate the Coal Transport Advisory Committee in all matters relating to movement of coal to an increasing extent in future, the Committee desire, that the Advisory Committee should be enabled to function effectively and should therefore make specific recommendations on subjects referred to them.

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			to associate the Coal Transport Advisory Committee in all matters relating to movement of coal to an increasing extent in future. [*Ministry of Production O.M. No. C2-19 (15)/55, dated the 31st October, 1956*].	
13	44	The proposed Coal Commission should examine what would be the most suitable organisation for the allotment of wagons for movement of coal, and lay down also the policy to be adopted in the matter.	Under consideration. Please see remarks against Sl. Nos. 2-9. [*Ministry of Production O.M. No. 2.19 (15)/55, dated the 10th February, 1956*].	
		[*Comments of the Sub-Committee (1956-57) on the reply*]. The Ministry may please expedite consideration. [*L.S.S. O.M. No. 80-EC.I/56, dated the 20th June, 1956*].	As it is not proposed to set up a Coal Commission at this stage the Coal Controller has been asked to review this and submit his proposals. This question has since been discussed with the Railway Board. It has been agreed that no change in the existing	The Estimates Committee were informed by the Railway Board during the examination of the Railways as well that the allotment of the wagons should be done by the Railways and not by the Coal Commission. The views of the Railway

system of allotment of wagons by the Coal Controller is necessary.

[*Ministry of Production O.M. No. C.2-19(15)/55, dated the 31st October, 1956*].

Board, who appear to have now agreed to the *status quo*, have been asked for.

A further communication, received from the Ministry of Steel, Mines and Fuel is reproduced below:

"The correct position is that no final decision on this question has yet been taken and it is still under consideration. The Special Reorganisation Unit of the Finance Ministry, which is already examining the coal-control functions of the Coal Controller, has been requested to examine the question of the Agency for the allotment of wagons for movement of coal and the effect of separating it from the Coal Controller and transferring it to the Railways. On receipt of the Units' report, the matter will be discussed further with the Ministry of Railways."

[*Ministry of Steel, Mines and Fuel, O.M. No. 17-CI (13)/55, dated the 16th December,*

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				The Ministry of Steel, Mines and Fuel have been requested to state when the Special Reorganisation Unit was asked to examine the question of the Agency for the allotment of wagons for movement of Coal and the effects of separating it from the Coal Controller and transferring it to the Railways and when a report is expected. The Committee regret to note that there has been considerable delay in the matter of examining the question of allotment of wagons for movement of coal and strongly recommend that final conclusions should be reached without further delay.
14	46	The Committee consider that it should be possible to effect improvements in the working of the railway system in the colliery areas on the basis of experience in the working	This recommendation primarily concerns the Ministry of Railways and has been referred to them for consideration and implementation. [*Ministry of Production O.M,*	

of similar systems in foreign countries. Government should examine whether this should be done with the advice of a foreign expert or whether the Railway Officers should be deputed to study similar systems in foreign countries and suggest the possible improvements thereafter. [*Comments of the Sub-Committee (1956-57) on the reply.*] The Ministry of Railways may be requested to state the action taken on this recommendation. [*L.S.S. O.M. No. 80-EC.I/55, dated the 20th June, 1956*].	[*No. C2-19(15)/55, dated the 10th February, 1956*]. Recommendation No. 14 is still under consideration and as regards item 22 the Ministry of Production was informed as early as 29th February, 1956 that further action in the matter has to pend till such time as the report of Rail Sea Coordination Committee is received and their final recommendations are known. The position has not changed and the report is still awaited. [*Ministry of Railways O.M. No. 55-B(C)-6000/Pt. II, dated the 12th September, 1956*].	
[*Comments of the Sub-Committee (1956-57) on the reply*]. The Ministry of Railways may be requested to state the latest position. [*L.S.S. O.M. No. 80-EC.I/56, dated the 31st July, 1957*].	The recommendations of the Committee have been noted. A team of American experts who visited this country last year have examined the working of the Bengal and Bihar areas and advised the Board on the method of working and the development of Rail facilities in these areas so as to augment the capacity to	The Ministry of Railways have been asked to furnish a note regarding the opinion of the American experts on the expansion of Rail facilities in the Bengal and Bihar areas, the action taken on the recommendations of the experts and the funds that have been provided for implementing the recommendations.

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			the level of the anticipated production envisaged in the Second Five Year Plan.	
			A team of officers from the Railway Board had also visited Japan and China to study the problem there.	
			The various development projects considered necessary in the light of the suggestions given by the American team are being planned for and executed by the Railway Administrations concerned, subject to the availability of funds.	
			[*Ministry of Railways O.M., dated the 27th August, 1957*]	
21	55	Railway freight rates for coal should be the same whatever be the distances of the consuming centres from the colliery. A pooled rate should be worked out for coal chargeable to all consumers alike	This recommendation is under examination. The comments of the Ministries of C & I, Railways and Transport and the Federation of Indian Chambers of Commerce and Industry have been invited	

wherever located. In the alternative the possibilities of levying a surcharge on the freight rates of coal for short distances should be examined so that the benefit accruing to areas nearly the collieries is minimised to that extent. The receipt from the surcharge should be utilised to subsidize freight rates by sea which are substantially higher than rail freight for the same distances.	on this recommendation. [*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 1956*].
[*Comments of the Sub-Committee (1956-57) on the reply*]. The Sub-Committee desire that the matter should be expedited and that the results of the examination as soon as completed may be furnished to the Committee. [*L.S.S. O.M. No. 80-EC.I/56, dated the 20th June, 1956*].	Ministry of Transport and Ministry of Railways have been requested to bring this recommendation to the notice of Rail-Sea Co-ordination Committee and Railways Freight Structure Enquiry Committee respectively. The recommendations of both the Committees are awaited. The question of equalisation of the freight on Coal is now under examination. [*Ministry of Production O.M. No. C2-19 (15)/55, dated the 31st October, 1956*].

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		[*Comments of the Sub-Committee (1956-57) on the reply*].	The Rail-Sea Co-ordination Committee and the Railway Freight Structure Enquiry Committee have recently submitted their reports. Government would like to study the recommendations of these Committees before proceeding further in this matter.	The present position has been asked for.
		The Ministry may be requested to state the position in regard to the question of equalisation of the freight on Coal, as soon as finalised.		
		(*L.S.S. O.M. No.* 80-*EC.I*/56. *dated the* 15*th May*, 1957).	[*Ministry of Steel, Mines and Fuel (D.O. M. & F.) U.O. No. 17-CI(16)/55, Vol. II dated 6-6-57*].	
22	56	The Railways should use the sea route in moving their coal to the South and to the West Coast right upto Saurashtra and Cutch.	This recommendation relates to the Ministry of Railways and it has been referred to them for acceptance.	
		[*Comments of the Sub-Committee on the reply*].	[*Ministry of Production O.M.No.* C2-19(15)/55, *dated the* 10*th February*, 1956].	

The Ministry of Railways may please intimate the action taken on this recommendation. (*L.S.S. O.M. No.* 80-*EC.I*/56, *dated the 20th June, 1956*).	The Ministry of Production was informed as early as 29th February, 1956 that further action in the matter has to pend till such time as the report of the Rail-Sea Co-ordination Committee is received and their final recommendations are known. The position has not changed and the report is still awaited. [*Ministry of Railways O.M. No.* 55-*B*(*C*)- 6000/*Pt II dated the* 12*th Sept.* 1956].	
[*Comments of the Sub-Committee* (1956-57) *on the reply*]. The Ministry of Railways may be requested to state the latest position. (*L.S.S. O.M. No.* 80-*EC.I*/56, *dated the* 15*th May*, 1957).	The Rail-Sea Co-ordination Committee and the Railway Freight Structure Enquiry Committee have recently submitted their reports. Government would like to study the recommendations of these Committees before proceeding further in this matter. [*Ministry of Steel, Mines and Fuel.* (*D.O.M.*& *F.*) *U. O. No.* 17-*CI*(16)/55, *dated the* 6/8*th May*, 1957].	The Ministry have been asked to intimate the present position.

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27	73	As the existence of surplus labour constitutes a heavy burden on the State Collieries, the following steps may be taken for removing the surplus: (i) Alternative employment may be found for the surplus workers in other nationalised undertaking in the same locality. (ii) Government should resettle such labourers as have come from Bilaspur, in Madhya Pradesh in their own State where Korba Coal Fields and Bhilai Steel Projects are being developed. (iii) Government should consider the feasibility of making the retrenchment benefits so attractive that the surplus men find it worthwhile to accept them. (iv) State Collieries should be allowed to sell coal in the open market so that their production	The recommendations have been accepted. As regards recommendation (iv) Government agree that there should be no absolute prohibition on State Collieries selling coal in the open market. The possibility of increasing production within transport limitations and absorbing the surplus labour without leading to accumulation at pitheads either in Government collieries or at private collieries, is receiving consideration. (*Ministry of Production O.M. No. C2-19(15)/55, dated the 10th February, 56.*)	

may increase and some of the surplus labour absorbed thereby.

[*Comments of the Sub-Committee* (1956-57) on the reply]

The Ministry may be requested to give details regarding—

(i) The number of surplus labour in existence at present ;

(ii) The number who were alternatively employed the number of labourers from Bilaspur who were resettled in their own State and also the number of surplus labourers who were retrenched during the last twelve months.

The number of surplus labour in State Collieries reported by the Add. Chief Mining Engineer on 4-5-56 is given below:

Name of Colliery	No. of surplus labour
Kargali	5(5 medically unfit)
Jarangdih	2(2 medically unfit)
Talcher	4(4 medically unfit)
Deulbera	27(27 medically unfit)
Argada	54(23 medically unfit)
Bhukunda	15(15 medically unfit)
Giridih	750(93 medically unfit)
Bokaro	350
	1207(169 medically unfit)

The latest position has been asked for.

The Ministry may also be requested to intimate the present position in respect of item (iv) of recommendation No. 27. (*L.S.S.O.M. 80-EC-I/56, dated the 20th June,* 1956)

The medically unfit workers cannot be absorbed and will have to be retrenched. There are, therefore, only 1038 surplus labourers in the State Collieries at present the bulk of which is in the Girdih and Bokaro Collieries. As a result of the

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			recommendations of the Technical Committee on Girdih Collieries certain changes in methods of working will be introduced immediately and it is expected that the entire surplus at these Collieries will be retained. The surplus workers at the other Collieries will be given similar work in other Government Collieries but if they refuse alternative employmnt they will have to be retrenched. The number of surplus labour in May, 1955 was 1416(166 medically unfit). It has come down to 1207 (169 medically unfit) in May, 1956. This is on account of expansion of production in the various State Collieries and also due to death, retirement etc. All these 1038 workers (including Bilaspur labour settled in Girdih) have been offered alternative employment in other Collieries but they have declined the offer. As regards item No. (iv), of recommendation No.27, the Coal Controller	

	is preparing an overall Plan for the production of different grades of Coal in the Second Five Year Plan within the targets approved by Government for the various coalfields. The question of the increase of production of low grade Coal in Girdih and other State Collieries will be considered after some months, when as a result of the examination of the overall plan of clearer picture of the production, of different grades of Coal in Second Five Year Plan is available. *(Ministry of Production O. M. No. C2-19(15)/55, dated the 31st October,*1956)	
[*Comments of the Sub-Committee* (1957-58) *on the reply*] The Ministry may be requested to state the number of surplus labour at present in the various Collieries, and the number of those who were absorbed or retrenched since the last communication from the Ministry. *(L.S.S.O.M. No. 80-E.C.I/56, dated the 31st July 1957)*	A statement showing the number of surplus labour in various State Collieries as reported in the late Ministry of Production Office Memorandum No. C.2-19(15)/55, dated the 31st October, 1956 the number of surplus labour at present in various State Collieries and the number of surplus labour since absorbed is enclosed (Appendix VIII)	Early steps should be taken to absorb the remaining surplus labour.

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			The National Coal Development Corporation (Private) Ltd. , Ranchi, have reported that steps were being taken to explore the possibilities of absorbing the remaining surplus labour after re-examination. (*Ministry of Steel, Mines and Fuel O.M. No. C.*4-35(2)/57, *dated the* 16*th January*, 1958.	
28	74	A decentralised commercial accounting system should be adopted when Limited Companies have taken over the management and the Coal Comission.	This question is linked up with the ultimate decision on recommendation No. 25. (*Ministry of Production O.M. No. C.* 2-19 (15) /55, *dated the* 10*th February*, 1956)	
		[*Comments of the Sub-Committee* (1956-57) *on the reply*] The difficulties in the way of adopting a decentralised commercial accounting system even now may be explained. (*L.S.S. O.M. No.* 80-*EC-I*/56, *dated the* 20*th June*, 1956)	The Addl. Chief Mining Engineer who is in charge of the State Collieries has urged that for the expeditious disposal of all accounts work and to exercise proper control of expenditure, it is necessary that accounts officers be posted at the various collieries both existing and	

	new, thus allowing the Managers to devote all their time to coal production. But the Controller of Coal Accounts is of the view that this question of decentralisation should be taken up after the proposed new organisation for taking over State Collieries has been finalised. In view of the fact that a Corporation has already been set up, the matter is being remitted to them for consideration. (*Ministry of Production O.M. No. C2-19* (15)/55, *dated the* 31*st October*, 1956)	
[*Comments of the Sub-Committee* (1956-57) on *the reply*] The Ministry may be requested to State the position regarding decentralised commercial accounting system in the State Collieries (*L.S.S.O.M. No.* 80-EC-I/56, *dated the* 15*th May* 1957)	The Railway Collieries Enquiry Committee who had also made some recommendations regarding the accounting procedure at the collieries had also recommended the decentralisation of as much of the accountancy work as was compatible with efficiency should be made. The Auditor-General who was consulted in the matter had no objection to the decentralisation of accountancy work for each group of collieries in order to	The Ministry have been asked to clerify why they consider the scheme for decentralisation as out-of-date and the present proposals as better.*

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			facilitate the preparation of Financial Statement. He, however, added that it would not eliminate the need for a Central Office for purposes of consolidation of the accounts, co-ordination and control. The National Coal Development Corporation (Private) Limited to whom the ownership and management of the State Collieries were transferred with effect from 1-10-56 considered this matter and have observed as follows:	
			Decentralisation of Accounts	
			The scheme that was drawn up for the decentralisation of accounts work, but which has not been implemented so far is now out of date, as that scheme refers to only the existing Government Collieries. In view of the large scale developments now on hand, the proposals for the present are	

that Accounts may be centralised at Ranchi except to the following extent—

(a) For the Korba Coalfields, an Accounts Office may be opened in the Colliery itself. As to when this should be done and other particulars will depend upon the progress of work at Korba.

(b) The kargali Bokaro unit is becoming an important one. There is a Washery which is shortly to commence work. Apart from this, Kathara Coalfields are also nearby. It will, therefore, be worthwhile to open an office to deal with the accounts of all these in Kargali. As soon as residential accommodation and other things are arranged the office can be opened.

2. Broadly speaking, the rules laid down in the State Railway Codes are still being applied and followed and the accounts of the Corporation are maintained on the same pattern as those in other

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			private limited companies. In fact, the heads of accounts under which expenditure is to be booked, both under capital, as well as under revenue, are under revision, to fall in line with the procedure laid down in the Companies Act, in consultation with the Chartered Accountant of the Company. (*Ministry of Steel, Mines and Fuel O.M. No.* E2-10 (34)/57, *dated the* 11*th July*, 1957.)	
			Salt Organization	
1	92	The salt organisation should be abolished and its functions should be distributed to more suitable organisations created for the purpose. The management of the State Salt Farms should be under the control of limited companies. An autonomous Salt Board directly responsible to the Minister-in-charge should be	The abolition of the Salt Organisation would retared the undoubted progress, which it has made in the last few years. Progress under the present arrangement is apparent from the fact that the country, which was deficient in salt not long ago, is to-day surplus, and is exporting to other countries. The prices, quality, supply and distribution are much more	

created for the purposes of determining the quality, standards, production targets, policy of distribution, export, inspection of production and distribution centres and the scientific methods of production for rendering advice thereon and for looking after labour welfare in salt mines.

favourable than they were before. The Salt Cess Act, 1953, provides for the general improvement of the salt industry and the labour employed in it. Sufficient time must be allowed to effect the advantages expected of it. It is, therefore, felt that the Salt Commissioners' organisation should be continued for the present.

The following facts should also be borne in mind in respect of this recommendation:—

(1) A committee appointed by the Cabinet in 1947 opposed the setting up of a Statutory Salt Board, and advised that the department should be run by a Salt Controller. It further recommended that the Salt Controller should work directtly under the Ministry responsible for salt production and distribution.

(2) Mahatma Gandhi advised that salt should be manufactured by Government or under its supervision, but without a monoply. It would appear

1	2	3	4	5
			that he favoured the production and distribution of salt under Government control.	
			(3) The Salt Experts Committee appointed in 1950 made certain recommendations which largely form the basis of the present day set-up of the Salt Organisation.	
			(4) The present recommendations of the Estimates Committee are at variance with those of its predecessor of 1950. The latter accepted the need for a Directorate of Salt, and also recommended that Government Salt Factories should continue to remain under the control of Government. (*Ministry of Production O. M. No.* 18/6/55-*Salt dated* 21*st March*, 1956)	The Committee are of the view that the public undertakings of an industrial or business nature should be administered through autonomous Boards or under the Company System of management and not departmentally and strongly recommend the early abolition of the present Salt Organisation and the creation of an autonomous Salt Board.
			The recommendations of the Committee, appointed by the Ca-	

			binet in 1947 regarding salt, are at Appendix IX.
			A statement showing the profit or loss made by the Government Salt Works during 1954-55 and 1955-56, is at Appendix X.
			A statement showing the profit or loss made by salt manufactures in the Private Sector during 1954-55 and 1955-56, is at Appendix XI.
4	100	The management of the Government Works should be handed over to public limited companies which should be run on business principles. The question whether there should be one public limited company for each of the works or some of these should be grouped together so that there are either two companies or one only for all the works should be examined in detail by Government and decision taken thereon.	There are several difficulties which come in the way of handing over management to public limited companies. The desirability of setting up private limited compnies for the management of the Government Salt Works will, however, be considered. (*Ministry of Production O.M.* No. 18/6/55-*Salt, dated the* 21*st March*, 1956.)

1	2	3	4	5
		[*Comments of the Sub-Committe* (1956-57) *on the reply*]. The Ministry may be requested to state the present position in the matter of setting up Private Limited Companies for the management of Government Salt Works. (*L.S.S.O.M.No.* 80 (2) *EC*-I/56, *dated the 7th* Jan. 1957.)	The Estimates Committee (1950) recommended that 'the State factories should continue to be under the control of the Government as at present. Efforts should, however, be made to run them on a commercial basis". Following these recommendations, the Government Salt Works are being run as commercial concerns, accounts are maintained on commercial lines and audited by competent authorities. These accounts are subject to scrutiny by the Public Accounts Committee of the Parliament. As stated earlier, there are several difficulties in the way of handing over the management of the Government Salt Works to Public Limited Companies. The possibility of setting up Private Limited Companies for the management of Government Salt Works is, however, under examination. (*Ministry of Production O. M. No.* 18/6/55-*Salt dated the 25th February*, 1957).	The question of setting up of private limited companies for the management of Government Salt Works is understood to be still under the consideration of Govt. The Committee recommend that Government should come to an early decision in the matter.

10	110	The registered dealer system should be abolished and the Public Limited Companies, the creation of which has been recommended earlier, should be responsible for sale of salt produced at Govt. Salt Works. In order, however, to prevent any hardship to local traders who have depended, and are depending, for their livelihood on the salt trade, the public companies of salt works should accord a preferential treatment to them in the allotment of shares and in the matter of sale of salt, subject to other conditions being fulfiled by them.	The desirability of setting up Limited Companies for the management of Government Salt Works will be considered. If, however, the registered dealer system is abolished immediately, it is apprehended that procurement and distribution of salt from Government Salt Works may result in profiteering by the traders. The local traders at the salt works have been encouraged to form associations and indent for salt. The formation of co-operatives is also being encouraged to undertake sale of salt at Govt. salt works. In this way the interests of local traders are also being safeguarded. [(*Ministry of Production O. M. No.* 18(6)/55-*Salt, dated the* 21*st March,* 1956].	This recommendation is contingent on the setting up of limited companies for the management of Government Salt Works, (*Vide* S. No. 4). The action taken on this recommendation may be watched as soon as the limited companies are set up.

APPENDIX I

(*Vide* Serial No. 6—Chapter II)

GOVERNMENT OF INDIA

MINISTRY OF NATURAL RESOURCES & SCIENTIFIC RESEARCH

No 36(6)/56-SRI *New Delhi, the* 10*th December,* 1956.

OFFICE MEMORANDUM

SUBJECT: *Action taken on the recommendations contained in the Fifteenth Report of the Estimates Committee relating to the Salt Organisation.*

A reference is invited to the Lok Sabha Secretariat O.M. No. 80(2)-EC-I/56, dated the 3rd August, 1956, on the above subject. The results of the investigations carried out by Central Salt Research Institute, Bhavnagar, on the recovery of by-products from salt bitterns at Sambhar, may be summarised as below:

(a) *Preparation of light basic Magnesium Carbonate from the Sambhar bitterns*: Magnesium salts present in sea bitterns and sodium carbonate present in Sambhar bitterns have been utilised for production of basic magnesium carbonate.

Sea bitterns diluted with an equivalent quantity of water were treated with Sambhar bitterns containing 12% sodium carbonate at 31°C. The precipitated mass was made into a slurry and air was bubbled for about 4 hours, and subsequently maintained at a temperature of 55°-60°C with constant stirring for about 1½ hours. The precipitate was filtered, washed, dried and sieved through a 36 mesh sieve.

(b) *Treatment of Sambhar Lake solid bitterns for the production of Sodium Sulphate.* To remove the pink colouring matter from solid Sambhar bitterns by carbonization, the saturated solution of carbonized bitterns was allowed to crystallize by solar evaporation after careful filtration. During crystallization 60% of sodium chloride of 98-99% purity was recovered as the first crop. From the resulting mother-liquor 80% of the total sodium sulphate of 75-80% purity was recovered by chilling at 9°-10°C.

By solar evaporation of the remaining mother-liquor, an additional quantity of 15-20% sodium chloride of 94-95% purity was also recovered. The residual mother-liquor was treated with carbon-di-oxide gas for the recovery of sodium carbonate in the form of sodium bicarbonate. It was possible to recover 70% of sodium carbonate having a purity of 90%.

Sd/- DR. S. RAJARAMAN,
Senior Scientific Officer.

To

The Lok Sabha Secretariat,
New Delhi.

APPENDIX II

(*Vide* Serial No. 6—Chapter II)

GOVERNMENT OF INDIA

MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH

No.36(6)/56-SRI *New Delhi, the 25th January,* 1957.

OFFICE MEMORANDUM

SUBJECT: *Action taken on the recommendations contained in the Fifteenth report of the Estimates Committee relating to the Salt Organisation.*

In continuation of this Ministry's Office Memorandum of even number, dated the 10th December, 1956, the undersigned is directed to forward herewith for information a copy of the Council of Scientific and Industrial Research's Office Memorandum No. 3/2/56-PC, dated the 8th January, 1956 with its enclosure.

Sd/- DR. S. RAJARAMAN,
Senior Scientific Officer.

To

The Lok Sabha Secretariat,
New Delhi.

Copy of Office Memorandum No. 3/2/56-PC, dated the 8th January, 1957, from the Council of Scientific and Industrial Research, Old Mill Road, New Delhi to the Ministry of Natural Resources and Scientific Research.

SUBJECT: *Action taken on the recommendations contained in the Fifteenth report of the Estimates Committee relating to the Salt Organisation.*

The Ministry of Natural Resources and Scientific Research may kindly refer to their Office Memorandum No. 36(6)/56-SRI, dated 10-12-56, on the subject cited above.

A note by Prof. G. I. Finch, Director, National Chemical Laboratory who is supervising the work of the Central Salt Research Institute, Bhavnagar, on the results of the investigations carried out by Central Salt Research Institute, Bhavnagar, on the recovery of by-products from the bitterns at Sambhar, as required by the Lok Sabha Secretariat for submission to the Estimates Committee is forwarded herewith in triplicate. It has not been possible to send a note from Shri P. N. Kathju as he has only recently started his work at his laboratory in Jaipur.

CENTRAL SALT RESEARCH INSTITUTE, BHAVNAGAR

SUBJECT: *Note on the recovery of by-products from Sambhar bitterns.*

The bitterns obtained from Sambhar Lake, Rajasthan, contained sodium chloride, sodium sulphate, sodium carbonate and sodium bicarbonate

The liquid bitterns dry out almost completely during summer time. Due to algae the liquid bitterns and dried bitterns are coloured pink and are foul smelling. Prior to separation of the constituents, the destruction of the algae (nil) is necessary

A process has been developed for the complete destruction of 'nil' in solid bitterns by pyrolysis at 500°C in a rotary type of direct oil-fired furnace.

Another process has been worked out for the removal by chlorination of the 'nil' in liquid bitterns. Approximately one pound of chlorine suffices for the treatment of one ton of liquid bitterns.

The appropriate phase rule data on which can be based the separation and recovery of sodium chloride, sodium carbonate and sodium sulpha te have been determined; these phase diagrams have been blueprinted and they reveal that all the constituents can be separated.

Based on these phase rule data two alternative procedures, *viz.* (1) chilling followed by a separation of sodium carbonate and sodium chloride and (2) chilling followed by a separation of sodium chloride and precipitation of sodium carbonate were examined at the National Chemical Laboratory and at the Central Salt Research Institute.

After the removal of pink colouring matters by chlorination of liquid bitterns the composition was adjusted according to the phase rule diagram and subjected to chilling at O°C, 86 per cent of sodium sulphate of purity 94 per cent was recovered. The impurities were sodium carbonate (2 per cent) and sodium chloride (4 per cent). The above recovered product would meet the purity standards required in the glass and paper industries. After the elimination of sodium sulphate and the subsequent separation of sodium chloride by solar evaporation, the increased concentration of sodium carbonate and low solubility of sodium bicarbonate, the sodium bicarbonate in the remaining salt solution can be economically separated. Preliminary experimantal data reveal that 70-75 per cent of sodium carbonate of purity of 90 per cent can easily be recovered.

After the removal of the 'nil' from one sample of solid bitterns, approximately 60 per cent of sodium chloride of purity 98-99 per cent was recovered. This percentage recovery of sodium chloride depends on the original composition of the dried bitterns. After the partial recovery of sodium chloride, the filtrate had attained nearly the liquid bitterns composition and was chilled to O°C to separate out the sodium sulphate. The best yield and purity was obtained by adjusting the filtrate composition according to the phase rule diagram for that system. Thus 86 per cent of sodium sulphate of purity 94 per cent was recovered. After the separation of sodium sulphate the filtrate was subjected to solar evaporation whereby 30 per cent of sodium chloride of purity 97-98 per cent was recovered. The filtrate had after the separation of sodium chloride, attained a concentration of sodium carbonate suitable for the preparation of light magnesium carbonate. The efficiency of the process was 60-65 per cent. The filtrate left after the separation of light magnesium carbonate can be added to a fresh batch of bitterns or be processed separately.

Data are practically ready for transferring the processes to a pilot-plan t scale.

Sd/- PROF. G.I. FINCH,
Director, N.C.L. POONA.

APPENDIX III

(*Vide* Serial No. 8—Chapter III)

OFFICE OF THE DIRECTOR GENERAL OF SHIPPING BOMBAY

SUBJECT:—*Fifth Report* (1954-55) *of the Estimates Committee on the Salt Organisation—Recommendation regarding abolition of the restriction on the coastal movement of salt.*

Will the Ministry of Transport kindly refer to their U.O. No. 35-MS (29)/56, dated the 2nd June, 1956, on the above subject? It is not clear what shipping restrictions the Estimates Committee had in mind when they suggested the abolition of restriction on coastal movement of salt. The full report of the Estimates Committee does not also clear this point. It is however, presumed that the reference is to one of the following two types, of restrictions:

(*i*) the restriction on chartering of foreign ships for carriage of salt from West Coast to Calcutta;

(*ii*) the arrangement for allotment of ships for salt movement by this office.

2. As regards (i), the restriction on the employment of foreign ships in the coastal trade is a consequence of coastal reservation and it is not limited to salt movements alone. It will not, therefore, be possible to grant any relaxation in this respect. In any case, even if the relaxation is granted the salt manufacturers will not be able to take advantage of it in periods like the present one when the charter market is very stiff and outside tonnage cannot be had at reasonable rates.

In this connection it may not be out of place to point out that powers vested in Government under the Control of Shipping Act to regulate the coastal rates act as a sort of deterrent against exploitation of their monopolistic position in the coastal trade by Indian shipowners. Further, in the case of salt the rates are fixed by the Indian Coastal Conference every year after negotiations with the Indian Salt Manufacturers' Association. This office is also usually associated with these negotiations. The freight rates on salt shipments from West Coast ports to Calcutta during 1951 to 1956 are given below:

	Rs.
1951	28/- (for January-June) 30/- (for July-December)
1952	34/8/-
1953	30/12/-

	Rs.
1954	27/12/-
1955	28/2/-
1956	31/4/-

It will be seen that the salt rate during the four years 1953-56 was lower than what it was in 1952 although it is common knowledge that since 1952 there have been continuous increases in operating costs due to (a) increased cost of bunkers, (b) increased wages etc., of Floating and Share staff, (c) increased stevedoring cost and lower output of labour and (d) increased cost of stores, repairs, survey, etc.

3. As regards (ii) it may be stated that there is at present no statutory restriction on the movement of salt from West Coast ports to Calcutta by sea, but there is some administrative arrangement for ensuring equitable allocation of (A) available steamers to various salt shippers on the West Coast and (B) available salt cargoes to steamers of various Indian shipping companies, as salt is the principal return bulk cargo for vessels coming to West Coast ports with coal from Calcutta. Under the above arrangement the D.G. Shipping allocates ships for West Coast/Calcutta salt movements. This arrangement is beneficial both to the shippers and the shipping companies, and according to our information they would not like this arrangement to be disturbed. Further, even if the allocation arrangement is abolished it is not likely to result in a larger number of ships being offered for salt, as the tonnage position on the coast is tight and it is unlikely to improve very much in the near future. In fact, as the Ministry are aware, this office is regulating the general cargo berthings from West Coast ports with a view to making available adequate number of ships for coastal salt movement.

4. In this connection it will be recalled that last year we suggested to the Salt Commissioner that he should take over this allocation work from this office, as he was in day-to-day touch with the salt stock position at the producing and distribution centres (*vide* this office endt. No. 9LCS(1)/55 dated 30-8-55). After detailed consideration in consultation with the salt interests, he requested this office to continue the allocation work. (A copy of the reply then received from him is enclosed). This is being done in close collaboration with the Deputy Salt Commissioner, Bombay and the Indian Salt Manufacturers'Association and it is working smoothly.

5. As regards the suggestion of the Estimates Committee that, if necessary, the Railways should allot higher priority to the movement of salt, it may be stated that bulk is eminently suited for sea transport and further, as mentioned above, it is the principal return cargo for ships coming to West Coast with coal. The question of ensuring effective co-ordination between Railways and Coastal shipping, with a view to promoting movement of such commodities by sea is at present engaging the attention of the Rail-Sea Co-ordination Committee. In the circumstances, it is not desirable to make any change in the existing railway arrangements until the report of the above mentioned Committee has been received and considered by Government, as any such change would upset the shipping arrangements and lead to complaints of unfair railway competition with the sea route.

Sd/- ILLEGIBLE

Dy. Director General of Shipping.

Ministry of Transport, New Delhi (Mr. S. K. Venkatachalam)

Director General of Shipping, Bombay, U.O. No. 9-LCS (16)/55 dated 27-7-56.

GOVERNMENT OF INDIA

OFFICE OF THE SALT COMMISSIONER

D.O.C. No. 14(3)/D/55. *Dated New Delhi, the 8th Nov., 1955.*

My Dear Shri Subramaniam,

Please refer to Shri Patel's D.O. No. 9-LCS(1)/55 dated 30th August, 1955, regarding procedure of indenting for vessels for shipments of salt from West Coast to Calcutta.

2. This point was specifically discussed in a meeting with the members of the Indian Salt Manufacturers' Association on 29th September, 1955 by me at Bombay. All the manufacturers present in the said meeting were in favour of the continuance of the present procedure whereby the indents for the allotment of steamers are placed by the members through the Indian Salt Manufacturers' Association with your office. The indents for allotment of steamers put in by the non-members excepting Messrs. Bhavnagar Salt & Industrial Works Limited are routed through the Deputy Salt Commissioner, Bombay. The two salt works at Bhavnagar and Porbandar, however, get the allotments made directly from your office. Thus all the salt manufacturers of coasts of Jamnagar Division are in favour of continuance of the present procedure.

3. The Salt Department officers are naturally not aware of the movement of the steamers on the coastal line of the country from East to West and back, your office, on the other hand, is the proper authority for this work as it is directly in constant touch with the various Indian Steamship Companies operating on the coast and the movements of steamers for coastal traffic is also controlled by you. I do not think that the stock of salt held either in the respective salt works or in the Calcutta salt golahs have anything to do in this question as only these salt works put in indents for the allotment of steamers for Calcutta which have adequate stocks with them for shipment. In case you experience any difficulties in the allotment of steamers for Calcutta, when as indent placed by a manufacturer has subsequently to be postponed or cancelled for certain reasons, the same will continue to exist notwithstanding the fact that the work is transferred to our Department. Such difficulties will perhaps get aggravated because of our lack of constant contact with the various shipping companies. My Deputy Salt Commissioner at Bombay is always in constant touch with the salt manufacturers. If any assistance is necessary with him in connection with allotment of ships etc., your office can contact him even on telephone and I presume, even now it is being done. Indian Salt Manufacturers' Association are also on the spot. If the work is done by office, serious delays are likely to occur and all concerned will suffer. This question was discussed with the Indian Salt Manufacturers' Association and their members by me in the informal meeting on 29-9-1955 at Bombay as stated above. The recorded note in this regard is as follows:

> "The Chairman of the Meetng then invited the attention of the Salt Commissioner and of the members to D.O. communication No.43(7)Salt (j)/55 dated 21st September, 1955, which he had received from the Dy. Salt Commissioner, Bombay, copies whereof had already been circulated to the members prior to the meeting, regarding the revised procedure proposed by the Director-General

of Shipping, for allotment of ships to the members for shipments to Calcutta. Mr. Banerjee at the outset pointed out that the significance of this communication was not quite clear as no specific reasons had been assigned for the change in the procedure suggested and outlined the procedure that was in vogue hitherto for allotment of ships, in accordance with which all indents were placed by the members through the office of the Association with the Director General of Shipping. The Director General made allotments to the members strictly in rotation after considering all other important factors.

Mr. Banerjee then read out to the meeting a letter dated 28th September, 1955, received by the Association from the Digvijaysinhji Salt Works Limited just prior to the Meeting. This Member Salt Works had stated that they did not desire any change in the present system and that the *status quo* should be maintained, as they had complete confidence in the Director General of Shipping. They, however, suggested that the Director General should be requested to reconsider his decision and that he should continue to set as the authority for fixing the tonnage on the basis of indents received through the Association as hitherto, instead of transferring this responsibility to the Deputy Salt Commissioner's Office.

The Members present were also called upon to express their views, if any, on the proposal of the Director General of Shipping.

The members present felt that they had full confidence in the Director General of Shipping and in the Office of the Association, and the sense of the meeting was that no change whatsoever was called for in the procedure for allotments of steamers."

4. In the circumstances, I am of the opinion that the work of allotment of steamers and co-ordination should continue to be done by your office as at present and that no change whatsoever is called for in this procedure.

Yours sincerely,

Sd/- S. C. AGGARWAL.

Shri R. R. Subramanian,
Director General of Shipping,
"Commerce House",
Currimbhoy Road, Ballard Estate,
Bombay—Fort.

APPENDIX IV

[*Vide* Serial No. 1—Chapter IV]

GOVERNMENT OF INDIA

MINISTRY OF LABOUR

No.M-76(12)56. *Dated New Delhi, the* 15-3-1956.

OFFICE MEMORANDUM

SUBJECT: *Recommendation No. I of the Estimates Committee contained in their 15th Report* (1954-55).

The undersigned is directed to refer to the Ministry of Production Memorandum No.C2-19(17)/55 dated the 11th February, 1956 and to say that in certain cases colliery owners have been found responsible for the contravention and non-observance of various statutory provisions relating to safety measures. Some reluctance on the part of the Colliery owners to comply with the provisions of the welfare measures as required to be provided under the Mines Act 1952, the Coal Mines Pithead Bath Rules and Coal Mines Creche Rules has also been noticed. Apart from the suitable legal action which is taken against the defaulters in such cases the following further measures are being taken:

1. The Department of Mines is being strengthened to facilitate more frequent inspection of mines than has hitherto been possible.
2. Revised codes for coal and non-coal mines which provide for more comprehensive measures for safety in mines have been drafted and forwarded to the State Governments, mining Board etc., for comments. They will be finalised and promulgated as soon as possible.
3. In the meantime Coal Mines (Temporary) Regulations have been brought into force as an emergency measure for the prevention of apprehended danger and speedy remedy of conditions likely to cause danger.
4. Suitable action is also taken on the various recommendations for the avoidance of accidents made by the Courts of Inquiry appointed from time to time under section 24 of the Mines Act 1952.

Sd/- P.D. COMMAR,

Under Secretary to the Govt. of India.

The Ministry of Production,
New Delhi.

APPENDIX V

(*Vide* Serial No. 1—Chapter IV)

No. GQ-16/54-55/18934
COAL BOARD
1, Council House Street,
Calcutta, the 29th March, 1956.

To

The Secretary to the Government of India,
Ministry of Production,
New Delhi.

SUBJECT: *Recommendation No. 1 of the Estimates Committee contained in their Fifteenth Report* (1954-55).

Dear Sir,

I am directed to refer to the Ministry's Memo No. C2-19(17)/55 dated the 11th February, 1956 and to state that the subject was considered by the Board at the meeting held on 16th March, 56. The Board is of the opinion that the safety aspect of a colliery is mainly the concern of the Mines Department and the Board has only very limited responsibility in certain specified matters like depillaring, stowing for safety and protective works to prevent spread of fire etc.

2. As regards stowing which is by far the most important measure for Safety & Conservation, it is undeniable that the past few years have been a period mainly of exploration, and trial rather than one of solid achievement. There are good reasons why this should have been so. Stowing is a longterm measure, and any properly worked-out scheme calls for a great deal of spade-work and careful planning. It encounters a number of difficulties and problems connected with issues, like the adequacy of sand reserves in the river flowing through the coal fields, and rights over particular stretches of the rivers, formation of suitable groups of collieries to be served by one sand gathering scheme, the availability and suitability of other stowing materials like crushed stone etc. Ready answers to these questions were not forthcoming; they called for considerable investigation, discussion and study. As regards the very first issue, namely adequacy of sand reserves, doubts have been expressed whether the D.V.C. dams may reduce rather drastically the total sand availabilities and as the Ministry are aware, a Committee has only recently been formed to study this important subject. The results obtained by this Committee will greatly influence the future development of sand stowing operations and it will therefore be necessary to await them before finalising any large sand-stowing schemes. Similarly a great deal of time has been spent in trying to get the colllieries to form themselves into suitable groups for purposes of sand supply and ropeway schemes and not in all cases have such attempts proved successful. The general position emerging from

the above has been recently reviewed by the Board, and the Board has taken certain decisions which are designed to bring about a somewhat large increase in stowing. These decisions briefly are as follows:

(*i*) All sand rights on the Damodar River should be acquired by the Board. The stage has been reached when more positive action has to be taken by the Board to enable collieries to carry out stowing and therefore schemes for supply of stowing materials by ropeway, or trucks or other means of conveyance to central dump conveniently situated near a chosen group of collieries should be drawn up by the Board. Such schemes should be examined and implemented by the Board.

(*ii*) The existing ropeways should not be disturbed b... where necessary they should work as agents of the Board for supply of sand.

(*iii*) The coking coal collieries carrying on stowing should be given an incentive by the provision of increased production ceilings and those collieries not carrying out stowing as required by the orders of the Board should be made to suffer a suitable reduction in their production ceilings.

(*iv*) Recommendation should be made to Government that all coking coal collieries which have made proposals for increased production under the Second Five Year Plan should submit their plants for stowing and that increased production should be allotted only to those collieries which carry out stowing.

(*v*) A meeting with the principal owners of mines producing coking coal should be convened next month.

3. The Board is now examining the question of implementing the policy enumerated above, and formal proposals will be put up to the Government for approval in due course. The implementation of the policy, involving as it does large outlay of capital on construction of ropeways and acquisition of sand rights, will necessarily take some time, and the results will thefore be apparent only after a few years.

Yours faithfully,

Sd/- S. MAYURANATHAN,

Deputy Secretary.

APPENDIX VI

(*Vide* Serial No. 10—Chapter IV).

GOVERNMENT OF INDIA

MINISTRY OF PRODUCTION

No. 17-CI(15)/52. *New Delhi, the 17th/18th March,* 1953.

To

The Secretary,

(1) Indian Mining Association, 2, Clive Row, Calcutta.

(2) Indian Mining Federation, 15, Netaji Subhas Road, Calcutta.

(3) Indian Colliery Owners Association, P.O. Box No. 70, Dhanbad, E. Rly.

(4) Indian Coal Merchants' Association, P-26, Royal Exchange Place, Calcutta.

(5) Coal Consumers' Association of India, Stephen House, 4, Dalhousie Sq., East Calcutta.

(6) Shri S. S. Ghosh, 33, Canning Street, Calcutta.

SUBJECT : *Coal Advisory Committee.*

SIR,

I am directed to invite your attention to the Government of India late Department of Supply letter No. Coal-127 (15), dated the 8th March, 1945, to say that Government have decided to reconstitute the Coal Advisory Committee as follows :—

Coal Commissioner *Chairman.*

Official Members

Deputy Coal Commissioner (Production).

Deputy Coal Commissioner (Distribution)

Chief Inspector of Mines.

A representative of the Ministry of Finance

Regional Labour Commissioner (Central) Dhanbad.

A representative of the Ministry of Railways.

Director, Fuel Research Institute, Dhanbad.

Non-official Members

A Representative of the Indian Mining Association.

A Representative of the Indian Mining Federation.

A Representative of the Indian Colliery Owners, Association.

A Representative of the Indian Coal Merchants' Association.

A Representative of the Coal Consumers Association of India

Shri S. C. Gosh.

Secretary to Coal Commissioner *Secretary.*

I am to request you to send as soon as possible the name of the representative you desire to be nominated to the Coal Commissioner, 1, Council House Street, Calcutta.

The Committee will be, strictly advisory and will discuss with the Chairmen's approval all matters relating to the control exercised by the Coal Commissioner under the Colliery Control Order, 1945, which the coal trade wish to put forward, as well as cases brought to it by official members.

Members of the Committee will be at liberty to have in attendance such other experts as they may desire to assist the committee in its consideration of cases where it will be necessary to obtain such detailed expert advice.

The Committee will meet in the Committee Room of the Coal Commissioner's Office at 1-Council House Street, Calcutta.

Yours faithfully,

Sd/- A. NANU,

Under Secretary to the Government of India,

Copy to :

1. Ministry of Labour (2)
2. Ministry of Transport (2)
3. Coal Commissioner, Calcutta (10)
4. Ministry of Railways (Railway Board) (2)
5. Ministry of Natural Resources & Scientific Research (3)

Sd/- A. NANU,

Under Secretary to the Government of India.

APPENDIX VII

(*Vide* Serial No. 10—Chapter IV).

GOVERNMENT OF INDIA

MINISTRY OF PRODUCTION

No. 17-CI (16)/52.

New Delhi, the 19*th April,* 1954.

Memorandum

SUBJECT.—*Reconstitution of the Coal Transport Advisory Committee.*

A Coal Tarnsport Advisory Committee was set up early in 1948 to review the rail transport position, particularly in the Bengal Bihar fields and make recommendation, for improvement in the composition of this Committee, due to the re-grouping of the railways, etc., and the Government of India have therefore decided to reconstitute the Coal Transport Advisory Committee as indicated below.

CHAIRMAN—Shri B. P. Singh Roy.

MEMBERS—Chairman, Calcutta Port Commissioners and/or his representative.

Coal Commissioner to the Government of India and/or his representative.

General Manager, Northern Railway and/or his representative.

General Manager, Eastern Railway and/or his representative.

Two representatives of Shipping Companies.

One representative of the Indian Coal Merchants Association.

Three representatives of Colliery Owners—one each from the Indian Mining Association, Indian Mining Federation and Indian Colliery Owners Association.

Four representatives of Labour—two from the Indian National Trade Union Congress—two each from the Hind Mazdoor Sabha and the All India Railway Men's Federation.

Five representatives of Consumers—one each from the Indian Chambers of Commerce, the Bengal Chamber of Commerce, the Bengal National Chamber of Commerce, Bihar Chamber of Commerce, and the Coal Consumers Association of India.

The Committee will meet in the office of the coal commissioner, at 1, Council House Street, Calcutta one in a month or at such intervals as may be decided by the Committee and make recommendations for improvements where necessary, with particular reference to the following points :

(i)(a) Overall coal transport position on Eastern Railway from the Bengal/Bihâr Coalfields, and from the Vindhya Pradesh, Madhya Pradesh and Talchar Fields.

(b) Shipment Coal.

(ii) Reasons for short coal loadings on the railways.

(iii) Short allotment of wagons by Coal Commissioner against Railway's recommendations.

(iv) Cancellation of wagon indents by collieries and short supplies of wagons by railways.

(v) Limitations and restrictions imposed by Railways on routes, junctions, stations and pilot sections with special reference to supplies above Moghalsarai from the Raneeganj field and down country from the Jharia fields.

(vi) Restoration of pilot capacities to enable movement of coal according to priority of consumers.

The Committee will also review prospects of coal transport during the ollowing period and make necessary recommendations for that period in respect of (i) and (b) above.

The Coal Commissioner and the Railways concerned will furnish for each meeting weekly statements giving the following information :—

(a)	Daily average	Loading target	Statement to be furnished by the Coal Commissioner.
(b)	Do.	Permissible indents	
(c)	Do.	Allotments	
(d)	Do.	Cancellations by collieries	Statement to be furnished by the Coal Commissioner.
(f)	Do.	Actual wagon supply	
(g)	Do.	Actual loading	

4. The Coal Commissioner will provide the staff and other facilities required by the Committee.

Sd/- (A. NANU),
Deputy Secretary to the Government of India.

To

Coal Commissioner with the request that representatives of the Colliery owners, shipping Cos., labour and the Chambers of Commerce may be advised of the reconstitution of the Committee and requested to nominate their representatives.

Copies of all material placed before the Committee and of the minutes of meeting should be forwarded to the Ministry of Production.

General Manager, Eastern Railway, Calcutta.

General Manager, Northern Railway, Delhi.

Chairman, Calcutta Port Commissioner, Calcutta.

Copy forwarded to :—

(1) The Ministry of Railways (Railway Board) with reference to their U.O. No. 4118-TT, dated the 18th September, 1952. (2) The Ministry of Transport. (3) The Ministry of Labour, with reference to their Office Memorandum No. LC-Dy. 7242, dated the 23rd June, 1953.

Sd/- (S. C. NANDY),

Under Secretary to the Government of India.

APPENDIX VIII

[*Vide* S. No. 27, Chapter IV]

Statement showing the number of surplus labour in various State Collieries as reported in the late Ministry of Production O.M. No. C2-19(15)/55 dated 31-10-56, the number of surplus labour at present in various State Collieries and the number of surplus labour since absorbed

	Number of surplus labour in State Collieries reported to the Lok Sabha Secretariat in the late Ministry of Production O.M. No. C2- 19(15)/55 dt. 31-10-56.			Number of surplus labour in State Collieries on 12-12-57 as reported by the NC. D.C. (P) Ltd., Ranchi.			Number of surplus labour in State Collieries since absorbed.		
Name of the Collieries	Medically unfit	Other Surplus	Total	Medically unfit	Other surplus	Total	Medically unfit	other Surplus	Total
Argada . . .	23	31	54	Nil	Nil	Nil	23	31	54
Bhurkunda . .	15	Nil	15	Nil	Nil	Nil	15	Nil	15
Bokaro . . .	Nil	350	350	Nil	Nil	Nil	Nil	350	350
Kargali . . .	5	Nil	5	5	Nil	5	Nil	Nil	Nil
Jarangdih . .	2	Nil	2	2	44	46	Nil	Nil	Nil
Talcher . . .	4	Nil	4	3	Nil	3	1*	Nil	1
Deulbera . . .	27	Nil	27	27	Nil	27	Nil	Nil	Nil
Giridih . . .	93	657	750	120	51	171	Nil	606	606
TOTAL	169	1038	1207	157	95	252	39	987	1026

*The number of surplus workers last reported is 1207. Since then 71 workers (44 in Jarandih and 27 in Giridih) have been declared surplus raising the total number of surplus workers from 1207 to 1278. Of this, 1026 workers have since been absorbed leaving a balance of 252 workers only.

APPENDIX IX

[*Vide* Serial No. 1—Chapter IV]

REPORT OF THE COMMITTEE APPOINTED BY THE CABINET AT ITS MEETING ON THE 21ST AUGUST, 1947

PART II—RECOMMENDATIONS

1. *Industry to be nationalised.*—The Salt industry, in respect of which the present position is that the State is in direct control of about a third of the total production, should in the Committee's view be brought more fully under State Control; this does not imply that the State should directly take over the rest of the production but merely that, in addition to a planned effort to exploit to the utmost the salt resources under its direct control, it should also encourage and assist in the expansion of production by private sector of the industry, should further be subject to control by the State in the matter of quality, price and distribution of the product, which three matters are dealt with more fully in the recommendations which follow.

2. *Over-all output.*—The programme for the further development of the salt industry should be based on the target of complete self-sufficiency in India's requirements of salt for human and animal consumption and for industrial purposes. Ample resources exist in order to make such an achievement possible.

The programme of development should be drawn up on the basis of a 8 year period. In the first three years of this period the target for production should be 2·2 million tons per annum as against the present production of 1·9 million tons. The further target should be that at the end of the second period of five years India's production should be 2·6 million tons per annum. The increase in production thus to be planned for would be approximately 40% over the eight years.

The achievement of these targets, which are conservative, depends to a great extent on rapid mechanisation which in turn is dependent on the availability of machinery and on the Co-operation of the private producers many of whom are located in Indian States or are under their control.

The fear of over-production need not deter an attempt to raise the production beyond these targets as there is ample scope for increased consumption, particularly through raising the present *per capita* human consumption, through increasing animal consumption and in new industrial enterprises. There are also export possibilities which will absorb any surplus over India's requirements.

3. *Individual output targets.*—The individual production targets for each separate group of salt works given in the attached booklet "Salt in India" and summarised in the first part of this report are accepted by the Committee. substantial part of the expansion programme relates to salt works in States,

but this fact need not be a deterrent, as it should be relatively easy to negotiate suitable agreements with the States concerned. It is therefore unnecessary to divide on any priority distribution the production in India and in Indian States.

Details of expansion programmes will have to be considered by technical experts, and in the course of such consideration the Committee recommends that they should also examine what further expansion of production of Indian sources (as distinguished from State sources) is practicable.

4. *Salt Production in States.*—Under existing arrangements salt producing States are subject to a number of restrictions devised in order to safe guard the salt revenue of India, and India has in turn to make annually large payments of the nature of compensation to certain States. It is considered that fresh salt agreements may be made only with (*a*) those States where the Indian Government desires to retain or obtain the concession to manufacture salt and (*b*) the States which are producing or propose to produce salt on a large scale for export to territories under the control of the Government of India. Salt produced in the latter States will of course become liable to the price and distribution control on entry into India so that control of production within such States will no longer be necessary.

The agreements with such States, should provide for the manufacture of salt of the required quality and quantity of salt for sale to the Dominion of India or to approved dealers in the Dominion and should make it clear that salt so exported from the States will be subject to distribution and price control exercised over salt in India.

In the case of certain States where salt production was stopped on the payment of annual compensation provided for under existing agreements, it may be necessary to conclude temporary agreements since it is expected that the States will press for compensation for the interim period (which may be as long as two or three years) before, salt works which have been closed for 60 or 65 years can again resume production on a reasonable scale.

5. *Measures to increase output.*—The Committee accepts the methods and schemes suggested by the Salt Adviser contained in the first part of the report subject to a detailed examination by technical experts. It considers that private and Government investments necessary to achieve the contemplated increase are modest and acceptable.

It is recommended that the question of how private producers should be encouraged to use up-to-date methods, should be specifically examined by technical experts who should report to Government in due course.

6. *Quality.*—Improvement in the quality of salt produced is eminently desirable. Since, however, matters such as local practices or prejudices have also to be borne in mind, concrete measures for improvement can be devised only after a detailed local examination. One obvious step is the establishment of model Government Salt Works and Government Salt refineries in areas where private salt producers predominate and the possibility of establishing these should be examined.

7. *Distribution.*—The interim report has already recommended re-introduction of the system of nominated traders in certain areas to whom salt from the organised producers would be distributed. Subject to this recommendation, the Committee considers that the present channels of distribution need be modified only to the extent that it is necessary to do so in order to abolish an unnecessary and therefore expensive intermediary links

The Committee considered the possibility of extending the Government controlled depot system described in paragraph 9 of Part I to other areas. While depots would help in avoiding break-downs as a result of transport and other difficulties, it was considered that with an improvement in the transport position and larger imports coming through, wholesale dealers would be enabled to build up their stocks, so that depots would not be strictly necessary. As the cost of constructing and maintaining new depots will be very high, the Committee does not recommend the introduction for the present of the depot system in other areas but would suggest further examination of this suggestion in the light of experience. The Committee is of the view, however, that all wholesale dealers and stockists of salt should be required to carry a stock equal to their average sales for two months. These together with the quantity of salt ordinarily in transit and with retailers will provide a very satisfactory working reserve against emergencies.

8. *Prices.*—It is considered desirable that price control should also be introduced and remain in force for some time. Such control should be effective at various stages like production, wholesale distribution and retail sale. All salt, whether indigenous or imported, should be brought under Government control and sold at prices to be fixed by Government. Enforcement machinery will generally have to be provided for by the Provinces although Central control would be maintained through the Central Salt Staff.

In order to make any scheme of price control effective, it is also necessary to terminate the widespread evil, practised in Madras and Bombay markets, where salt is sold by measure and not by weight. The measures used, however, are not specifically related to any unit of weight and the manufacturers and the trade take advantage of the practice of sale by measure. The manufacturers deliberately produce impure salt by uneconomic methods but possessed of the property that a given weight of this salt fills more measures than that of well-made purer salt. This impure light salt is sold by the manufacturers at a higher price than the superior heavy salt and the retailers purchase it readily since the extra profit that they realise by selling the light salt by measure more than makes up for the difference of cost. It is necessary to protect the consumer against such practices and legislative action should be taken to ensure that the measures used bear a definite relation to the unit of weight so that when the retail price per maund is fixed, the price per measure is also clearly defined.

9. *Issue of a Control Order.*—A Control Order will be necessary for implementing the Committee's recommendations regarding production, distribution and the price of salt. The Committee recommend that, in accordance with the proposal made in the interim report of the Committee which has been approved by the Cabinet, an order should be issued immediately under the Essential Supplies (Temporary Powers) Act, 1946, on the lines of the draft order given in Annexure I to the interim report, which would give Government among other powers,—

(*a*) to direct distribution of imported salt ;

(*b*) to fix prices, (whether throughout the country or over limited areas, whether at all stages, wholesale, retail, etc., or at any one or more stages ;

(*c*) to take suitable action against dealers and others who may hoard salt; and

(*d*) to direct stockists to keep at all times certain specified quantity of salt in stock.

10. *Comprehensive Legislation.*—As the Essential Supplies (temporary Powers) Act, 1946 is in itself a temporary enactment and the life of any control order issued under this Act will be limited to the life of the Act itself, it will be necessary to have a self-contained Salt Act which should include relevant portions of the Central Excises and Salt Act of 1944 and, in addition, suitable provisions based on the amending Bill of 1947.

11. *Level of prices.*—It is recommended that the Government salt industry should be run on a commercial basis, selling prices being fixed so as to allow for a reasonable margin of profit, say 6 per cent., it is expected that the economy resulting from the adoption of more efficient methods of production will more than cover the profit margin with the result that despite a profit margin prices may still show a downward trend.

12. *Governmental Organisation.*—The Committee does not consider it necessary at this stage to set up a statutory board of the type contemplated in the Salt Bill. But the organisation within the Ministry to be made responsible for this matter, should, for the time being, be established as an attached office, which will for all practical purposes approximate closely to the organisation contemplated in the draft Salt Bill. The Committee's recommendations that there should be a Salt Controller as the executive head who should be assisted by a Financial Adviser and a Technical officer. The Salt Controller should work directly under the Ministry responsible for salt production and distribution.

13. *Ministry which should be made responsible.*—The Finance Ministry which was until recently interested in the revenue to be realised from salt is at present responsible for the control over production, both Government and private. There are, however, no strong grounds for continuing the present arrangements and the Finance Ministry itself is anxious that control should be entrusted to one of the Production Ministries. The Committee recommends that the Ministry of Industry and Supply should take over the responsibility for the development of the salt industry and the administration in all its aspects such as the control over distribution and price. The transfer to the I. & S. Ministry of responsibilities at present exercised by the Central Board of Revenue, should be implemented within two months from the date on which the Cabinet approved the proposal.

During this period of two months arrangement should be made by the Ministry of I. & S. with the Central Board of Revenues for taking over on appropriate terms the staff experienced in salt administration who are at present borne on the Central Excise Cadre. In view of the unpopularity of the 'Salt stations' it may be necessary to grant a suitable compensatory allowance when the staff is transferred to the Ministry of I. & S. as they will no longer be eligible for Central Excise posts which are located, as a rule, in centres where living conditions are less onerous. It will also be necessary to compensate the existing staff for the loss of their prospects in the Central Excise service, by conceding them, as a special case, the benefit of the 'next below' rule.

The transfer to the I. & S. Ministry of responsibilities for matters such as distribution, price control etc., which at present rest with the Food Ministry, should be made effective at a very early date which should be agreed between the two Ministries.

APPENDIX X

[*Vide* Serial No. 1.—Chapter IV]

Statement showing the profit or Loss made by the Government Salt Works during 1954-55 *and* 1955-56

Name of Salt Works	Profit (+) or Loss (—)	
	1954-55	1955-56
	Rs.	Rs.
1. Rajasthan Salt Sources (Sambhar Lake, Didwana and Pachbadra) . . .	+7,44,088	—2,59,239
2. Mandi Salt Mines . .	+41,123	+5,527
3. Karaghoda Salt Works . . .	+3,96,918	+5,43,036
TOTAL .	11,82,129	2,89,324

The loss incurred by the Rajasthan Salt Sources in 1955-56 is due to sharp decline in production from 87 lakh maunds in 1954-55 to 62 lakh maunds in 1955-56 on account of less rainfall during 1954 in the Sambhar Lake Area.

(*Ministry of Production O. M. No.* 18(6)/55-*Salt dated the* 30*th October*, 1956)

APPENDIX XI

[*Vide* Serial No. 1—Chapter IV]

Statement showing profit or loss made by salt manufacturers in the Private Sector during 1954-55 and 1955-56

(Figures in Rupees)

Sl. No.	Name of Circles and Regions	Profit 1954-55	Profit 1955-56	Loss 1954-55	Loss 1955-56	Remarks
1	2	3	4	5	6	7
1.	Rajasthan (Phalodia).	13,815	40,936			
2.	Orissa .	1,30,642	1,73,260	..	..	
3.	West Bengal .	27,415	26,506	..	..	
	Total Calcutta Region .	1,58,057	1,99,766	..	..	
4.	Bhandup .	7,56,500	6,95,500	..	..	
5.	Wadala .	2,55,150	4,91,895			
6.	Bhyandar .	6,19,202	8,15,041			
7.	Uran . .	5,19,219	6,96,115			
8.	Jamnagar (Saurashtra).	27,31,281	4,81,540	1,55,347	1,73,028	
	Total Bombay Region .	48,81,352	31,80,091	1,55,347	1,73,028	
	[Bombay Region (Total net Profit)] .	97,26,005	30,07,063		..	Difference of (3) (5) and (4) & (6).
9.	Naupada .	5,58,785	6,15,727	..	..	
10.	Penuguduru	1,79,270	4,03,980	..	19,210	

1	2	3	4	5	6	7
11.	Madras .	4,36,605	5,18,516	2,673	..	
12.	Cuddalore	2,57,090	2,71,918			
13.	Tuticorin .	10,37,647	13,04,416			
14.	Nagercoil .	4,35,529	6,54,773	7,685	..	
	Total Madras Region .	29,05,226	37,69,330	10,358	19,210	
	Madras Region (Total Net Profit)	28,94,868	37,50,120	..	..	
	Grand Total (Net Profit) .	77,92,745	69,97,885	..	..	

[*Ministry of Production O.M. No.* 18(6)/55-*Salt, dated the* 31*st October,* 1956.]

APPENDIX XII

Further reply to Recommendation No. 28.

(*Vide* Serial No. 28-Chapter IV)

When the Railway Collieries Enquiry Committee recommended in 1950 that the accounts organisation should be decentralised, it was tentatively contemplated that one unit of the accounts office may be located at Giridih, one at Kargali and possibly the third at Talcher. In case it was finally decided not to have a separate unit at Talcher, the proposal was that the accounts work relating to Talcher and Deulbera Collieries as also that of Kurasia Colliery in Madhya Pradesh which could not be conveniently grouped with any other State Collieries, might continue to be done from the Head Office at Calcutta. In the meantime, after the formation of the National Coal Development Corporation (P) Ltd., large development projects have been taken in hand and a large number of mines are being developed in the new coal fields. Against the output of about 3 million tons in the existing collieries, the production target at the end of the Second Five Year Plan in the public sector is about 15 million tons per annum. The location of the various units of the Accounts Office, had, therefore, to be reconsidered keeping in view the importance of the various mines and quarries in the new coalfields now under development and it is in this sense that it was mentioned that the original scheme was out of date. Recently the scheme of decentralisation of the Accounts Office on a new pattern has been accepted in principle by the Board of Directors of the National Coal Development Corporation. The actual decentralisation will depend upon further examination the requisite building programme.

(*Ministry Steel, Mines and Fuel O.M. No. C2-10(47)/57, dated the 25th February, 1958*).

APPENDIX XIII

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE ESTIMATES COMMITTEE (FIRST LOK SABHA).

1. Total number of recommendations made		52
2. Recommendations accepted fully by the Government—		
	No.	18
	Percentage to total	34·6%
3. Recommendations accepted by the Govt. partly or with some modifications—		
	No.	2
	Percentage to total	4·00%
4. Recommendations not accepted by the Govt. but replies in respect of which have been accepted by the Committee—		
	No.	12
	Percentage to total	23·00%
5. Recommendations not accepted by Govt. and pursued by Committee (including those which are still under consideration by Government)—		
	No.	20
	Percentage to total	38·5%

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