

Letter from Calcutta

# New Look in Coal

WHEN Shri K D Malaviya took coal, the private sector had some misgivings because of the Minister's known socialist convictions. Gradually, the industry is beginning to realise that a pink minister is preferable to a colourless one, if the former can bring to his tasks decisiveness and a sense of purpose. The industry, long-stalled by New Delhi's indecisiveness, acknowledges that at last things are beginning to move, if not always in the direction it wishes. The meeting of the Coal Council held in New Delhi last week enhanced Malaviya's reputation as a go-getter because of his obvious impatience with official agencies making excuses for short-comings. At one point, he apparently told off the distinguished representative of the Central Water and Power Commission when this official gave the usual excuse that emergency plans to augment power supply in the coal areas were still "under consideration."

Clearly, the seriousness of the power shortage in the Bengal/Bihar fields had not been fully realised by Malaviyaji until this meeting. All that his predecessor had done was to appoint a working group headed by the Planning Commission Adviser, N C Shrivastava, to look into this question. Its report, which was considered at the Council meeting, revealed no more than what was already known from the findings of the Sachdev Committee that the power situation will get worse in 1963/64 and 1961/65 before it begins to get better at the end of the Third Plan. In fact, there has been a further set back since the Sachdev Committee reported. Supplies of equipment from the Soviet Union have been delayed and this will postpone the completion of the Patratu project in Bihar.

There was general agreement at the Council that the only practical solution was to arrange for imports of small generating sets from wherever available. The foreign exchange costs may be met from the World Bank loan for coal development, in the private sector. A modification of the terms of the loan will not be difficult to negotiate

since the development of productive capacity cannot proceed without emergency measures for augmenting power supplies.

### Riband-Hirakud-DVC Link Up

There have been some talks of feeding Riband power to the DVC grid since consuming units in U P have not yet come up. There are, however two snags. A link between the two systems has yet to be established. Malaviyaji's impatience may speed up work on this, so that a link is established in another eight to ten weeks. But even if it is, Riband will offer only a short reprieve because there will be no surplus to divert to DVC from early 1963. This short-term expedient may not be even worth trying because 'no new activity can be obviously started with the certainty of closure in a few months. Another possibility now being looked into is to obtain power from Hirakud's Chiplima station which, it is hoped, will be in operation by the end of December. At this stage it is no more than an idea and Malaviyaji is understood to have directed the CPWC to examine the possibility in consultation with Orissa Government on a priority basis. Kihand now, and Hirakud from 1963, could together enable the coal belt to tide over the worst period of shortage.

The meeting of the Coal Council will also be remembered for the clear stand it took on the siting of thermal power stations. Location seems to have been decided in the past without taking into account the problems of moving coal to the power stations. Bandel, a 300,000 kw station which the West Bengal State Electricity Board is putting up about 35 miles from Calcutta, is a notorious example. This will need 1½ million tons of coal per year, posing a transport problem of considerable magnitude which could have been lightened had the power station been located nearer to the coal belt. Obviously, it is easier to transport power than coal within the distances involved in the case of Bandel.

Bandel, however, is not the only defaulter. The 75 kw generating

plant which West Bengal wanted originally to put up at Azimganj has now been moved to Katwa hut even this site will involve serious transport problems. In the UP, Obra power station based on Madhya Pradesh's Singrauli coal is 30 miles away from the mines but could just easily have been built right in Singrauli itself. These instances led the Council to make a unanimous recommendation that the already overextended railways should be saved from such unnecessary strains that wrongly located power plants impose. Although the resolution did not say so, in so many words, that considerations of prestige often warp the judgement of State Governments in these matters, the consequences were deplored by the Council in unmistakable terms.

Malaviyaji may have taken up the idea of moving coal by river barges more for its demonstration effect than for its practical value. But it is being realised more and more that a switch to means of transport other than rail must be actively pursued if a complete breakdown is to be avoided. Today, the problem of movement is confined to just over 50 million tons of coal. In another five years, the quantity will have gone up to nearly 100 million and in ten years to almost 200 million tons. Experts looking into the possibility of moving coal by waterways have come up with a plan for a national navigation grid. This will, of course, involve a big and sustained effort over a long period of time to forge the missing links and improve the navigability of the waterways. On Malaviyaji's urging, a short-term plan should begin to emerge soon, focussing on such urgent needs as the movement of coal from Raniganj to Calcutta by the Durgapur Canal. This Canal is expected to be opened for traffic in October, but its transport potential is still very uncertain.

Though its immediate benefits may not be much, Malaviyaji has nevertheless made a distinct contribution by drawing attention to the role which inland waterways can and should play in the country's

future transport system. At the moment, his hopes of moving substantial quantities of coal are based on the promise of assistance from the Defence Ministry through the loan of barges and heavy trucks. Another Minister may not have so readily been able to enlist this support from Shri Krishna Menon. In this case at least, political ties may operate to advantage of the economy.

Side by side With waterways, Malaviyaji is pushing a road building programme in the Bengal-Bihar fields involving widening of existing highways, building of pucca feeder roads, strengthening of bridges and the like. Here again, he is banking on the support of the Defence Minister, to provide large truck-trailer combinations. Those now complaining about the high costs of road transport will change their views once the 30/40 ton combinations come into use to provide direct transit from mine to consumers, saving loading and handling costs at a number of points. This change may not make road transport cheaper than rail but it will certainly narrow the difference sufficiently to meet the current complaints halfway.

Also in view are pipelines, rope ways and conveyor belts where large quantities have to be moved to consumers located fairly close to the mine. Washeries, steel plants and generating stations should in future have their own built-in transport facilities making them independent of rail or road networks. The first step in this direction is being taken by Indian Iron under its present colliery expansion programme which envisages transport from the fields to the washery and from there on to the steel plant direct by ropeways.

To the extent that Malaviyaji succeeds in easing the transport problem, the handy alibi of transport shortage will no longer serve to explain shortfalls on the production front. The producers, of course, stoutly deny that: the marginal price increase recently announced offers any incentive at all, and that even increases in production costs since 1959 have not been neutralised. They appreciate nevertheless that Malaviyaji showed some political courage to put

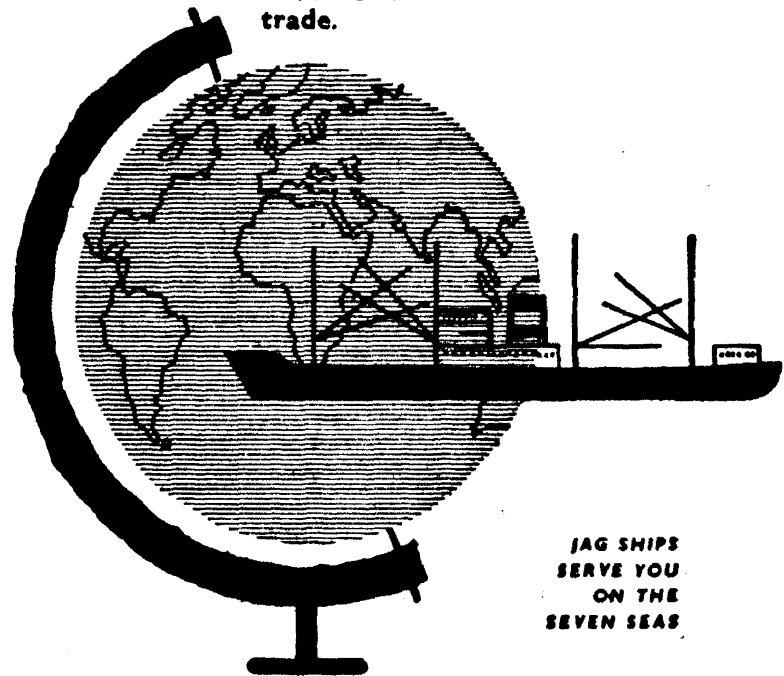
through even a marginal increase without the rigmarole of a formal price enquiry. Their hope now is that he will be able to find other, less politically difficult, ways of granting them additional relief. What they have in mind is an increase in subsidies granted for stowing and mining under difficult conditions. These increases can be put through by executive order and will not therefore constitute major issues of policy on which the Ministry has to obtain the concurrence of all

others before it can act. At least, so mining interests argue.

Great interest attaches, therefore, to the visit of the Fuel Minister this week to the Bengal-Bihar coal fields. Here he will be confronted with the problems at first hand. Even if he has no ready-made solution to offer, he should undoubtedly be able to reaffirm the assurance that he has already given that nothing will be allowed to stand in the way of achieving the country's coal target.

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