enthusiastic. This is what the Chairman, of the Indian Mining Association had to say on the subject at the Association's annual meeting in March:

> "In regard to coking coals, the private sector is expected to raise its output from the current level of 14 million tonnes to nearly 28 million. This poses a formidable challenge, since a substantial portion of this sector's contribution must come from depillarising with stowing, and from vertical development in depth. It will require a fresh input of capital on an impressive scale. Again, as slowing must play a significant part sufficiency of sand supplies will have to be ensured. The bulk of coking coal production moreover will have to be washed and if washing capacity, and the expansion in steel, do not keep pace with increased production of coking coals, the industry's investments might be rendered largely sterile".

Apart from the problems of material balances and investment, sizable reserves of coking coal lie in small mines whose amalgamation is necessary if they are to be exploited. The progress made so far in bringing about such vitally-needed amalgamation can be hardly said to have been encouraging.

The main lesson of the Third Plan is that in respect of coal, reliance on past input-output coefficients can lead to an average error of the order of 30 per cent in consumption forecasts. As against a target of 96 million tons of coal in 1965-66, the actual demand is likely to be no more man 73 million tons, a good part of the shortfall is due to a fall in the input of coat rather than shortfalls in the output of coal-consuming industries.

The big problem with coking coal is its ash content: inspite of all the scrubbing it undergoes, it retains over 16 per cent of ash, and the ash content has been going up in recent years. The use of such ash-laden coal in steelmaking is unknown elsewhere in the world, and our steel industry has been faced with a technical problem that it must solve on its own. There has been enough experimentation to suggest the directions in which its solution will be found: oil injection is used by the Tatas, while Bhilai has been varying the composition of fluxes to see which can take 'a larger proportion of non-coking coal. The effect of both these techniques will be to reduce coking coal requirements. Thus, the demand for coking coal is likely to be less than present forecasts. With some imagination and innovation - eg blast furnaces and steel plants in Goa and Neyveli relying on naphtha from refineries in Bombay and Madras along with some coking coal — it might be possible to reduce it still further.

Even if a large increase in coking coal consumption is expected, one wants to consider the question whether it should be met out of home production. Coal washing doubles the cost of coal; the process costs something and greatly reduces the weight of coal. At Rs 70 or so a ton, washed coal is more expensive man Australian coking coal. And even this price is probably too low to bring forth the required increase in supply; during the Third Plan the private sector has shown much reluctance to raise more coking coal. Much of the coal it has supplied has, moreover, come from pillars removed from existing mines and little from new deep mines which require fresh investment. A rise in the price of coking coal is being considered, and it would not. be surprising if the rise were substantial in the next live years. Talk of importing coal must raise eyebrows in the present plight of our payments, but exporting more to Australia might well be a more economical way of getting coking coal than making it ourselves.

Incomes Policy far U K

WITH the formation of the Board for Prices and Incomes, headed by Aubrey Jones, the stage is now set for the introduction of an incomes and prices policy in Great Britain. The intention to formulate a kind of incomes policy was, it may be recalled, announced by the Conservatives in 1961. The announcement was followed by the setting up of two institutions, the National Economic Development Council and the National Incomes Commission. the final purpose was the creation of a machinery to keep a continuous watch on the general movement of prices and money incomes so that increase in prices may be controlled directly as well as by restraining rise in wages in relation to the growth of real national output.

The Labour Government issued in December last a "statement of intent" declaring the objectives of its incomes and prices policy. It called upon the employers' organisations and the trade unions to pledge themselves to pursue industrial efficiency, higher productivity and stable prices and to make sure that wages, prices and profits were kept in line with the growth of output. The necessity of such a policy is as much realised by labour leaders as by the Government and the employers. Speaking at a regional meeting of the Trade Unions' Congress last year, the secretary general of the Congress, George Woodcock, observed that it would not be possible to maintain economic growth without an incomes policy. He feared that if such a policy was not deliberately formulated it would be imposed on 'the country by economic circumstances. The alternative, he said, was to modify or even abandon the objectives of full employment and fast economic development.

It is not, therefore, surprising that an agreement on the guiding principles of a prices and incomes policy was reached last week between the Government, employers and the trade unions. According to the White Paper released in London, while the NEDC will keep under review the general movement of prices and or money incomes of all kinds, the NBPI wiil investigate particular cases. The iaiter's prices division will examine any particular increase in or failure to reduce prices referred to it by me Government while its incomes division will examine claims and settlements involving changes in wages, hours of work and working conditions. The Board will not have any statutory powers and the settlements would be arrived at by mutual consent. But the Government has already made it clear mar if the "voluntary method" failed it would resort to "other methods".

The Labour Government is of the view that in the present circumstances the "norm" for the annual average increase in money incomes is 3 10 3.5 per cent as this is in line with the assumed annual rate of growth of output per head; but the figure may be re-examined by the Government in the light of NEDC's views. The implementation of the incomes and prices policy in Britain, apart from proving a precursor to such policies in oilier West European countries faced with similar economic problems, will as George Brown, Secretary of State for economic Affairs, observed in the House of Commons last week, make "possible a more rapid rise in real, as oposed to money, incomes".