

## COUNCIL OF STATES

Wednesday, 16th July 1952

The Council met at a quarter past eight of the clock, Mr. CHAIRMAN in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### METALLURGICAL COAL

\*10. SHRI R. B. SINHA: Will the Minister for PRODUCTION be pleased to state :

(a) what steps have Government taken to stop the burning of metallurgical coal in railway engines and State workshops ;

(b) if this process is not stopped,

(i) will it result ultimately in metallurgical coal becoming altogether unavailable in India from the Indian coal-mines ;

(ii) if so, after what period?

THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY) : (a) Government have decided to replace metallurgical coal being used in railway engines and by other consumers who do not actually need this kind of coal, and so far about 110,000 tons of metallurgical coal a month have been replaced from supplies to railway engines.

(b) (i) Yes.

(ii) At the present rate of output, the reserves of metallurgical coal will last for about 80 years, if no new reserves are discovered and if no measures are taken for stowing, blending and washing, but with stowing, blending and washing, the present reserves will last for about 160 years and for a larger period according to the extent of discovery of new reserves.

SHRI C. G. K. REDDY: What is the estimate of the metallurgical coal available in this country?

SHRI K. C. REDDY: Two thousand million tons.

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SHRI R. B. SINHA: Do the railways have only such collieries as contain metallurgical coal or do they own collieries which contain ordinary coal also?

SHRI K. C. REDDY: Mostly ordinary coal.

SHRI C. G. K. REDDY: May I know why metallurgical coal which is intended for special purposes has been used for other purposes?

SHRI K. C. REDDY: It is all a problem of transport. There are also several other considerations which come into the picture. But we are gradually trying to reduce the use of metallurgical coal for non-metallurgical purposes.

SHRI R. B. SINHA: Is it true that metallurgical coal is found just below the surface of the earth and the railway contractors, in order to save labour costs and make large profits, just dig it up?

SHRI K. C. REDDY: I do not have any information on the point.

SHRI C. G. K. REDDY: Is it possible to stop the use of this metallurgical coal immediately for other purposes?

SHRI K. C. REDDY: Not immediately; it will take some time.

SHRI GOVINDA REDDY: May I know the quantity of metallurgical coal consumed by railway engines and railway workshops?

SHRI K. C. REDDY: In 1951 the quantity of metallurgical coal consumed by the railways was 1,139,193 tons.

SHRI GOVINDA REDDY: Is it by workshops?

SHRI K. C. REDDY: By the railways as a whole.

SHRI GOVINDA REDDY: What is the quantity consumed by workshops alone?

SHRI K. C. REDDY: I am sorry I cannot give the figure immediately.

SHRI GOVINDA REDDY: What is the percentage of the metallurgical coal used as compared with non-metallurgical coal?

SHRI K. C. REDDY: I am sorry I cannot give the figure straightaway.

#### FINANCIAL SIDE OF FIVE YEAR PLAN

\*II. SHRI M. VALIULLA: Will the Minister for PLANNING be pleased to state :

(a) whether it is envisaged in the financial side of the Five Year Plan that about Rs. 290 crores (two hundred and ninety crores) will have to be drawn from our sterling balances in the United Kingdom ;

(b) was it expected at the time of this calculation that the adverse balance of trade of India in 1951-52 would be about Rs. 232 crores ; and

(c) if the answer to (b) is in the negative, what are the sources left open to India to fall back on, for putting into effect the Five Year Plan in a complete manner?

THE MINISTER FOR PLANNING & IRRIGATION AND POWER (SHRI GULZARIHAI NANDA): (a) Yes, Sir. The estimate of Rs. 290 crores was based on the stipulated release of £35 million (Rs. 48 crores) per year for five years in addition to an accumulated surplus on current transactions during 1950 and the early part of 1951 which, at the time of these calculations, was estimated to be Rs. 50 crores.

(b) A precise estimate of the adverse balance of trade could not be made but it was expected that the adverse balance of trade could be met in part from the proceeds of the American Wheat Loan and from the net surplus on invisible transactions as also from the balance of payments surplus of the year 1950-51.

(c) As stated by the Finance Minister in his Budget Speech the sterling release of £35 million for the year

July 1951/December 1952 had not been drawn upon till the end of March 1952. It may be therefore assumed that these sterling releases for the entire period of five years of the Plan would be available for the implementation of the Plan.

SHRI M. VALIULLA: May I ask whether to meet this deficit of Rs. 232 crores in the balance of trade the Government is banking upon our Sterling Balances?

THE MINISTER OF STATE FOR FINANCE (SHRI MAHAVIR TYAGI): Sir, this question pertained only to the expectation of our utilising Rs. 290 crores from the Sterling Balances. I have collected information only about this and not about the adverse balance of trade.

SHRI M. VALIULLA: If you are not banking upon the Sterling Balances, how are you going to cover the balance of trade?

SHRI MAHAVIR TYAGI: I will explain it further. When the Draft Five Year Plan was prepared, it was expected that the Sterling Balances at the beginning of the year, i.e., 1st April 1951 would have a balance of Rs. 50 crores which could be freely drawn upon. This was a result of the surplus in our external transactions in 1950 and the early part of 1951. This estimated accumulated surplus of Rs. 50 crores was added to the annual release of £35 million for five years, making a total of Rs. 240 crores plus Rs. 50 crores, i.e., Rs. 290 crores.

SHRI M. VALIULLA: If at the rate of £35 million you are going to utilise for your Planning, how are you going to meet your adverse balance of trade?

SHRI MAHAVIR TYAGI: It is not the adverse trade that matters. What really matters is the balance of payments. I might probably give the figures. The available data shows that the balance of payment position for April 1951 to 1952 was as follows, the