

is beyond the control of any one, nothing could be done.

MR. SPEAKER: Next question.

SHRI HEM BARUA: Unfortunately, you do not know that the wheat that had been damaged is dumped in the flood affected Assam for human consumption.

MR. SPEAKER: Dumping is done by the Food Ministry; only spoiling is done by the Railways.

SHRI HEM BARUA: The Railway Minister accuses the Food Corporation and they accuse the monsoon for coming earlier. He has not accused himself. That is the trouble.

#### Iron Ore Development

\*33. SHRI P. P. ESTHOSE;  
SHRI A. K. GOPALAN;  
SHRI K. ANIRUDHAN:

Will the Minister of STEEL, MINES AND METALS be pleased to state:

(a) whether Government have finalised the negotiations with American and Japanese companies for collaboration in iron ore development;

(b) if so, the details thereof;

(c) the reason for seeking such a collaboration;

(d) whether Government have received any offer from any other country for collaboration; and

(e) if so, the names of the countries and the details of the offer made?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI RAM SEWAK): (a) and (b). It is presumed the question relates to Kudremukh in Mysore State. The Government have approved a proposal for conducting the feasibility studies and pilot plant

tests on the Kudremukh Iron Ore Deposits in Mysore at a cost not exceeding Rs. 45 lakhs, by the National Mineral Development Corporation Ltd., with technical collaboration and financial partnership of M/s. Marcona Corporation of USA and three Japanese Companies viz. (i) Mitsui & Co. Ltd. (ii) Okura Trading Co. Ltd., and (iii) Nissho Co. Ltd. The approval is subject to certain conditions being fulfilled for which the National Mineral Development Corporation Ltd., are negotiating with the foreign collaborators.

(c) As exploitation of low-grade magnetite-quartzite iron ore within the country is being attempted for the first time, it will be necessary to supplement the know-how available within the country with foreign expertise for carrying out pilot plant tests, interpretation of metallurgical data, design of the mine and plant, transportation system for the ore and its beneficiation etc. Foreign collaboration is unavoidable to undertake a venture of this nature.

(d) No, Sir. In the beginning some interest was shown by Antipodes exploration Ltd. of Canada, which did not materialise.

(e) Does not arise.

SHRI P. P. ESTHOSE: May I know from the Government whether the reason for seeking foreign collaboration is because of our technical inability to develop the iron industries by ourselves or whether there is any other reason?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI P. C. SETHI): As has been said in the main answer to the question, this is a magnetite ore with 30 per cent ferrous content and it is therefore entirely a new process of beneficiation which has to be

entered into. Secondly, the question of transportation of this particular ore will have to be considered: whether we can export pellets or in the form of concentrates of slurry form. This type of knowhow is not available at present in the country. This will be the first project of this type in the country.

**SHRI S. M. BANERJEE:** What about the appointment of a cabinet Minister for this portfolio? Has it been referred to the Employment Exchange?

**MR. SPEAKER:** Order, order. The Minister of State does not appoint Cabinet Ministers.

**SHRI P. P. ESTHOSE:** May I know whether it is a fact that in Kerala State, iron deposits are found in places like Calicut and Cannanore and whether there is any proposal by the Kerala Government to exploit the iron ore in those places and whether there is any proposal to set up a steel factory there?

**SHRI P. C. SETHI:** This question does not arise out of this question.

**SHRI P. VENKATASUBBAIAH:** The iron ore of high percentage is being exported to Japan and other countries for their steel mills, with the result that the people who are engaged in the excavation of lowgrade iron ore are facing very serious difficulties. Keeping this in view, may I know whether this beneficiation programme that has been undertaken in a particular mine in Mysore State be also extended to such of those areas in Andhra Pradesh, for example, veldurthi and other areas, where many people are engaged in the low-grade excavation and where the Mineral and Metal Trading Corporation is refusing to take the stock from them an account of the inferior variety.

**SHRI P. C. SETHI:** We are undertaking pilot studies with regard to this, and it is likely to take 16 to 18 months. If we succeed in this, cer-

tainly we shall undertake the other proposals also.

**SHRI K. LAKKAPPA:** In view of the fact that they are exploring the possibilities of starting the iron ore or steel industries and setting up steel plants with the collaboration of other countries, I would like to know the intention of the Government, whether there is any kind of pressure or political influence, and whether this Government would promise on the floor of the House that they would not change or shift their proposal to start a steel mill in Mysore State, because there are no other possibilities of extracting any iron ore in any other State except Mysore State where there are iron ore and other mineral deposits, and in view of the fact that Mysore State stands first in the country in this respect? In view of these facts, may I know whether this Government would implement the proposal to start a steel plant in Mysore very soon and give an assurance on the floor of this House to that effect and that they will not shift it?

**SHRI P. C. SETHI:** I have already explained that we will have to conduct pilot studies which are likely to take quite some time and if the project is economical, we will certainly undertake it.

श्री सीताराम केसरी : अध्यक्ष महोदय, बिहार में आइरन ओर होता है और जहाँ तक मुझे खबर है बिहार से जापान को आइरन ओर एक्सपोर्ट होता है। माननीय मंत्री जी से जानना चाहूंगा कि सन् 1967-68 में बिहार से कितना आइरन ओर एक्सपोर्ट हुआ?

**SHRI P. C. SETHI:** This is a question about iron ore project in Mysore. The hon. Member is asking about export of iron ore from Bihar.

**SHRI E. K. NAYANAR:** May I know whether it is a fact that India is exporting 14 lakh tonnes of iron ore to Japan every year instead of utilising

in our steel factories at Bhilai, Rourkela and Durgapur and in that process it sustains a heavy loss; if so, is the Government giving serious consideration towards exploration of more iron ore and setting up more steel plants particularly in Kerala?

**SHRI P. C. SETHI:** The total production of iron ore in our country is round about 30 million tonnes out of which we are exporting to Japan not 14 lakh tonnes but 14 million tonnes—7 million tonnes from Goa and the remaining 7 million tonnes from other parts of the country. The total production takes care of the requirements of our steel plants. We have vast resources and therefore the expert possibilities will have to be expanded. Certainly, in the export we are losing but we are also earning valuable foreign exchange.

**SHRI A. SREEDHARAN:** The hon. Minister stated that in the matter of collaboration only the Japanese Government were interested, a Canadian Government concern showed some inclination in the beginning and later on backed out. I would like to know whether it is sheer presumption on the part of Government or whether the Government has contacted any other Government or any other country where iron ore development technology is at a very high pitch; if so, what are those countries which they contacted?

**SHRI P. C. SETHI:** In the initial stages the Antipodes Company of Canada showed some interest and later on they did not show that much interest. Then we entered into negotiations with the Marcona Company and here we are entering into collaboration. The Marcona Corporation of USA owns 25 per cent of their shares and 24 per cent shares of three Japanese companies. They are experts as far as magnetite ore production and export is concerned.

**श्री महाराज सिंह भारती :** मंत्री जी ने बताया कि नो-हाऊ हमारे पास उपलब्ध नहीं है उसको वजह से हम कोलाबरेशन

कर रहे हैं। क्या ऐसा नहीं है कि जो नो-हाऊ हमारे यहां उपलब्ध नहीं है उसे हम कम कीमत पर खरीद सकते थे लेकिन हम कोलाबरेशन इसलिए कर रहे हैं क्योंकि हमारे सामने स्वदेशी मुद्रा का संकट है, अपने ही मुल्क की करेन्सी सरकार के पास नहीं है, कोलाबरेशन के जरिए बाहर की करेन्सी मिलेगी और वह हमारी करेन्सी को रिप्लेस करेगी, क्या यह फैक्ट नहीं है? ❧

**श्री प्र० चं० सेठी :** इसमें 51 परसेन्ट शेर गवर्नमेंट आफ इंडिया के हैं और 49 परसेन्ट शेर बाहर की कम्पनीज के हैं। यह बात सही है कि नो-हाऊ के साथ-साथ जं हमारी फारेन एक्सचेंज की रिक्वायरमेंट ह वह भी उनके 49 परसेन्ट शेर में हमको मिलेगी।

**श्री महाराज सिंह भारती :** 49 परसेन्ट के जं उनके शेर हैं, उसमें जितना पैसा आयेगा उससे अगर हम नो-हाऊ खरीदते और विदेशी मशीनें खरीदते तो कम पैसा लगाना पड़ता लेकिन स्वदेशी मुद्रा के संकट में हम सब यह कर रहे हैं।

**श्री प्र० चं० सेठी :** इमें नो-हाऊ भी आयेगा और फारेन एक्सचेंज भी आयेगा।

**SHRI NAMBIAR:** It is a well known fact that the Salem iron ore in Madras State is famous for its high content. It has been repeatedly agreed that a steel plant will be set up in Salem and talks were already held with Japanese collaborators and others. It has been hanging fire for such a long time. May I know whether Government are seriously considering the question of bringing into existence this Salem steel plant?

**SHRI P. C. SETHI:** Sir, the question is about iron ore project in Mysore.