

LOK SABHA

Wednesday, April 30, 1969/Vaisakha 10,
1891 (Saka)

*The Lok Sabha met at Eleven of the
Clock*

[MR. SPEAKER in the Chair].

ORAL ANSWERS TO QUESTIONS

Export of Iron Ore

*1411 DR. SUSHILA NAYAR: Will the Minister of FOREIGN TRADE AND SUPPLY be pleased to state:

(a) whether there is any proposal under consideration for boosting the export of iron ore during the Fourth Five Year Plan; and

(b) if so, the main features thereof?

THE MINISTER OF FOREIGN TRADE AND SUPPLY (SHRI B. R. BHAGAT): (a) Yes, Sir.

(b) It is proposed to step up the export of iron ore from about 15.5 million tonnes during 1968-69 to a level beyond 25 million tonnes by the end of the Fourth Five Year Plan period. The programme envisages developing additional production of iron ore from both the public and the private sector, increase in the capacity of the existing railway lines connecting ore producing areas to the ports, provision of rail links to Paradeep and to the new port of Haldia and providing deeper draft and fast loading mechanical equipment so as to enable the ports to handle larger sized ore carriers.

DR. SUSHILA NAYAR: What will be the foreign exchange earned as a result of increased exports and what will be the approximate expenditure out of the same

for the development of the various facilities mentioned by the hon. Minister?

SHRI B. R. BHAGAT: The foreign exchange earned will depend upon the prices and the prices vary from year to year as a result of negotiations, unless of course it is a long-term agreement in regard to prices as well. Regarding the expenditure incurred on ports and other facilities, it is difficult to compile the information. We will try to collect it from the Railways and Transport Ministry and ports and lay it on the Table of the House.

DR. SUSHILA NAYAR: Is it a fact that prices of iron ore have been falling very considerably? If so, is it possible for the Ministry to indicate to what extent we have to subsidise this in order to have increased exports at competitive rates?

SHRI B. R. BHAGAT: We are meeting stiff competition from countries like Australia and Brazil because they have all the facilities of modern equipments for bulk loading and carrying and so they are able to sell at lower rates. Because of certain long-term arrangements with countries like Japan, we are trying to maintain the exports. But the tendency of the prices is towards coming down.

SHRI DINKAR DESAI: Bellary-Hospet area in Mysore State is very rich in iron ore. But the difficulty is that the nearest port in Mysore is Karwar and there is no railwayline between Hospet and Karwar. The railway line is only up to Hubli. Because of that, iron ore from Bellary-Hospet area is taken by railways up to Hubli and from there it is put in trucks and taken to Karwar, which is hundred miles away. In order to increase the export of iron ore from Bellary-Hospet area, the Mysore Government has strongly recommended to the Central Government the development of Karwar as a major port and a connecting railway line up to Karwar

from Hubli. By doing so, Karwar port can export more than three million tons of iron ore every year. Also, the cheapest method of exporting Bellary-Hospet area iron ore is through Karwar port. So, I would like to know whether the Minister will consider the desirability of having a railway line from Hubli to Karwar and the development of Karwar as a modern port for export of iron ore?

MR. SPEAKER: Shri Bharati.

SHRI DINKAR DESAI: Sir, my question has not been answered.

MR. SPEAKER: How can questions about railway lines be answered by this Minister? If the Minister makes such a promise, I will myself be very happy. I have no objection. But, is it possible?

SHRI DINKAR DESAI: I only want to know whether he will consider the desirability of having such a railway line. He can consider this proposal.

MR. SPEAKER: During the question hour he can only ask for information.

SHRI DINKAR DESAI: I only want to know whether Government will consider this.

MR. SPEAKER: Will the hon. Minister consider this proposal?

SHRI B.R. BHAGAT: I am not in a position to say anything about the railway line. But I may inform the hon. Member that the Bellary-Hospet iron ore is already being exported through Marmagoa, Karwar and also Madras ports.

MR. SPEAKER: The Minister will not be able to say anything about the railway line. Even if some other person is there in that place, he cannot say anything about the railway line because that is the responsibility of some other Minister. The question must be to elicit some information, not to ask for Rs. 200 crores for a railway line. I am very familiar with that area and its problems. In fact, I have dealt with that subject. But it is too much to expect of a Minister to give a reply about a railway line costing Rs. 200 crores, especially when it is not in his charge.

SHRI DINKAR DESAI: He can pass on that information to the railways.

श्री महाराज सिंह भारती : इस बात को ध्यान में रखते हुए कि दुनिया में जितना आयरन और है, उसका एक अच्छा खासा बड़ा हिस्सा हिन्दुस्तान में है और हमारे आयरन और में आयरन का कनटेन्ट भी काफी अच्छा है, क्या सरकार ने इस दिशा में कोई लांग-टर्म प्लानिंग किया है कि आगे चलकर आयरन और भेजने के बजाय आयरन—इनगाट्स बिलेट्स वगैरह—भेजना शुरू कर दिया जाये, ताकि मुल्क में रोजगार बढ़े और हमें पैसा भी ज्यादा मिले ?

श्री ब० रा० भगत : आयरन और के अलावा गोआ से पैलेटाइज्ड आयरन और भेजा जा रहा है। इस बात की कोशिश की जा रही है कि पैलेटाइजेशन को बढ़ाया जाये। पिग आयरन का भी एक्सपोर्ट हो रहा है। इसी तरह बिलेट्स और दूसरी चीजों का एक्सपोर्ट भी बढ़ा है। हम उसको और बढ़ाने की कोशिश कर रहे हैं। होम डिमांड बढ़ी है, लेकिन इस बात की जरूरत है कि हम इसका एक्सपोर्ट बढ़ायें।

SHRI JAIPAL SINGH: I do not agree with what the hon. Minister has told us. Anyway, the information I want is this. At the present moment, the estimate is that we have 500 million tonnes of iron ore in Jharkhand area alone. As far as export is concerned, how many millions years will the government take to export that ore?

MR. SPEAKER: They are calculating it. Since it runs to millions it will take time. Now, Shri A.S. Saigal.

श्री अ० सि० सहगल : हम बस्तर के इलाके से जो आयरन और जापान को भेजते हैं, उसकी क्वान्टिटी को बढ़ाने के सम्बन्ध में फाइव-यीअर प्लान में क्या तजवीज रखी गई है ?

श्री ब० रा० भगत : बस्तर का आयरन और तो देश की स्टील मिलों के काम में भी

माता है। मगर मध्य प्रदेश में जो बेलाडीला एरिया है बहुत बड़ा माइन वहां है, उससे भेजने और निर्यात करने की स्कीम है।

SHRI TENNETI VISWANATHAM: Is it a fact that Japan is purchasing iron ore from us and after taking it is producing goods and selling them at a price which is cheaper than the price at which we produce our own products here; if so, will the Government reconsider the policy of exporting iron ore and pay attention to using the iron ore in this country itself?

SHRI B. R. BHAGAT: Yes, Sir; it is not only our policy but it is absolutely desirable that we should produce iron and steel and other goods at cheaper cost and should be able to export them.

SHRI SRADHAKAR SUPAKAR: During the Fourth Five Year Plan what will be the increase in the export of iron ore to Japan and other countries through the Paradip port and what steps are being taken to improve the facilities there?

SHRI B. R. BHAGAT: An iron ore delegation is in Japan at the moment to negotiate a long-term arrangement. When it is done, then only I will be in a position to say about the increase but, as I said, during the Fourth Plan we are expected to come up to 25 million tonnes.

SHRI D.N. PATODIA: The hon. Minister has just now stated that a delegation is at present staying in Japan to negotiate. May I know whether India is negotiating for export of as much as 10 million or 100 million tonnes of iron ore to Japan? In that context may I know whether the stumbling block is in respect of price and that the Australian iron ore is being quoted at a considerably lower price compared to that of India? If that be the case, how does the Government contemplate meeting this situation so that the important market of Japan may not be lost?

SHRI B. R. BHAGAT: This is precisely what the delegation is, I presume, doing. I am not in a position to give any details about that because they are not with me. But I can say that it is true that although the ore at the pithead is cheaper

here or may be comparable, because of other costs including port, shipment and others, the ore from Australia or even from Brazil is more attractive and we have to tackle that problem.

SHRI D.N. PATODIA: My question was if the Government of India was prepared to meet the situation caused by the Australian prices which are cheaper and whether we shall be able to be competitive.

MR. SPEAKER: He has answered it by saying that it is not cheaper at pithead but because port facilities are better there it is cheaper and that they are considering that aspect as to how to meet it.

श्री शिव नारायण : अध्यक्ष महोदय, मैं सरकार से यह जानना चाहता हूँ कि आयरन और आप क्यों बाहर भेजते हैं? जब अपने देश में हमने स्टील प्लान्ट बहुत से लगा रखे हैं करोड़ों रुपये खर्च करके तो अपने यहां स्टील बनाकर क्यों नहीं भेजते हैं? उससे आमदनी होगी देश को।

श्री ब० रा० भगत : वह भी कर रहे हैं। उसको भी बढ़ा रहे हैं।

DR. RANEN SEN: The main reason for the cheapness of Australian iron ore is that they have introduced proper mechanisation as far as the report goes. Therefore may I know (a) what steps the Government of India has taken in order to mechanise the extraction of iron ore from the deposits that are found in India; and (b) whether it is a fact that not only the prices of iron ore vary from year to year but from country to country; if that is so, what are the other countries that are taking iron ore from India?

SHRI B. R. BHAGAT: So far as the new mines, like Bailadilla iron ore mine, are concerned, they are fully mechanised. Other mines, which are old mines or which had been developed earlier, are also being progressively mechanised.

About the second part of the question, I am sorry I could not follow it.

DR. RANEN SEN: Besides Japan, are there other countries which are buying from India and do the prices also vary from country to country?

SHRI B. R. BHAGAT: I want notice.

श्री शिंदरे : अध्यक्ष महोदय, यहाँ तो बहुत-सी बातें हैं लोह खनिज के एक्सपोर्ट को प्रोत्साहन देने की, लेकिन मामला ऐसा देखा जाता है कि वहाँ प्रोत्साहन तो दूर रहा उलटे एक्सपोर्ट में और कठिनाइयाँ आती हैं। मैंने यहाँ बार-बार एक प्रश्न रोज़ किया है कि गोआ में 16 फरवरी से बाजंमेन की स्ट्राइक चल रही है। उस स्ट्राइक की वजह से कम-से-कम 5 करोड़ रुपये के फारेन एक्सचेंज का नुकसान हो गया है। 55 फारेन स्टीमर्स जो गोआ से लोह खनिज लेने के लिए आये थे वह लॉडिंग न होने की वजह से वहाँ से डाइवर्ट हो गये हैं। उस वजह से एक्सपोर्ट में कठिनाई आती है और भारत को नुकसान होता है। तो क्या इसके बारे में भी सरकार ने अपना कुछ लक्ष्य रखा है? क्योंकि मैं आप से कहूँगा कि वह जो फारेन स्टीमर्स आते हैं गोआ से लोह खनिज लेने के लिए वह डाइवर्ट होने पर फिर वापस वहाँ नहीं आयेगे।

दूसरा मेरा प्रश्न यह है कि हम डेलीगेशन भेजते हैं जापान को ताकि वह वहाँ लांग टर्म कॉन्ट्रैक्ट्स करें लोह खनिज के निर्यात के लिए। लेकिन मैं जानता हूँ कि जापान से जो स्टीमर्स आते हैं वह लोड नहीं हो सकते हैं गोआ में तो ऐसा कॉन्ट्रैक्ट करने से क्या फायदा है? इसलिए मैं मंत्री जी से पूछना चाहूँगा कि वह जो स्टीमर्स आते हैं और लोड न होने की वजह से वापस जाते हैं, क्या इसको भी ध्यान में रखा गया है?

श्री ब० रा० भगत : उन्होंने कहा हड़ताल है इसलिए स्टीमर्स वहाँ से चले जाते हैं। तो ज.हिर है कि जहाँ हड़ताल होगी वहाँ से स्टीमर दूसरी जगह जायेंगे।

श्री शिंदरे : बाजंमेन की हड़ताल है।

श्री बेनी शंकर शर्मा : माननीय मंत्री जी यह जानते हैं कि राजस्थान में भी आयरन और के काफी भंडार हैं और खेतड़ी कापर प्रोजेक्ट के पास डाबला की पहाड़ियों में काफी आयरन और है जहाँ से पहले निकाला भी जाता था और एक्सपोर्ट किया जाता था। क्या माननीय मंत्री जी उन खानों को फिर से चालू करने के लिए वह विचार करेंगे जिसमें राजस्थान के लोगों को काम मिल सके? आप देखते हैं कि आये दिन वहाँ अकाल पड़ते हैं, लोग भूखों मरते हैं, काम की वहाँ बहुत आवश्यकता है। इन खानों में काम चालू करने से आयरन और का निर्यात तो होगा ही लोगों को काम भी मिलेगा। तो मैं पूछना चाहता हूँ कि राजस्थान में विशेषकर डाबला की पहाड़ियों में जो आयरन और है उसके निकालने और निर्यात करने की व्यवस्था क्या मंत्री महोदय कर रहे हैं?

श्री ब० रा० भगत : आयरन और राजस्थान से निर्यात करना उतना एकोनामिकल नहीं होगा जितना और जगहों से हो रहा है। राजस्थान में और भी दूसरे मिनरल्स हैं—फास्फेट है, सल्फाइड निकला है, उसकी ज्यादा जरूरत है। राजस्थान सरकार चाहती है कि इनके ऊपर काम किया जाय जिससे लोगों को काम भी मिले और एक्सपोर्ट भी हो।

SHRI K. LAKKAPPA: Japan is the biggest market for our iron ore exports. So far as iron ore export is concerned, the Government of India has failed to organise the development of ports and transport. As my hon. friend put it, and as you rightly put it, about the development of railways, it is only a question pertaining to the Ministry concerned. This is the biggest organisation that has been lacking in that. In order to give a lead to other countries which are exporting iron ore at cheap rates, because Australia is competing in the world market, what steps do the Government of India propose to take in this regard to organise an effective system of railways and ports in order to export more iron ore and to compete with other countries?

SHRI B. R. BHAGAT: The policy in this regard is that we should progressively export iron ore from ports where all the mechanical and other facilities are available, including the railway lines. Therefore, Vishakhapatnam, Madras, Paradip, Haldia and Marmagoa are the major ports where facilities are being created for the progressive increase of iron ore exports. There are a number of minor ports including Karwar and others which are also at the moment exporting iron ore. But progressively, as these ports are able to handle more exports and facilities, for example, in Vishakhapatnam for deeper draught or mechanical loading or in Marmagoa or in Haldia are created, the off-take from minor ports will go down because it will be less economical to export from these minor ports.

Export Credit and Guarantee Corporation

*1412. **SHRI PREM CHAND VERMA:** Will the Minister of FOREIGN TRADE AND SUPPLY be pleased to state:

(a) the year in which the Export Credit and Guarantee Corporation was set up and its objects;

(b) whether the objects of setting up of the Corporation were achieved;

(c) if not, the reasons therefor; and

(d) whether there are any difficulties with which the Corporation is faced at present and, if so, how Government propose to remove them?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE AND SUPPLY (SHRI CHOWDHARY RAM SEWAK): (a) The Export Risks Insurance Corporation Limited, set up in 1957, was transformed into Export Credit and Guarantee Corporation on the 15th January, 1964. Its main objects are to provide insurance cover to Indian exporters against certain commercial and political risks arising out of default or insolvency of the overseas buyer and to issue guarantees to banks to enable them to extend adequate credit facilities to exporters.

(b) The performance of the Corporation has all along been encouraging. At the end of the year 1968, 2277 exporters were holding ECGC policies against 738 five years ago. The total value of shipments which they got insured with ECGC rose from Rs. 25.50 crores in 1963 to Rs. 71.46 crores in 1968. The value of bank finance availed of by exporters with the help of ECGC policies and guarantees showed a remarkable rise from Rs. 8.07 crores in 1963 to Rs. 126.6 crores in 1968. This performance indicates that the Corporation is fulfilling the objectives for which it was set up.

(c) Does not arise.

(d) The Corporation has not referred any difficulties to Government.

श्री प्रेम चन्द वर्मा : अध्यक्ष महोदय, मंत्री महोदय ने जो कुछ फरमाया है, काफी हद तक मैं उससे सहमत हूँ लेकिन कारपोरेशन के सामने कुछ मुश्किलता नहीं आई हैं—मैं इस बात से मुत्तफिक नहीं हूँ। इनकी रिपोर्ट में भी यह बताया गया है कि इनके चेयरमैन दो बार विदेश गये—एक बार 1967 में वेस्ट जर्मन क्रेडिट इन्शोरेंस कम्पनी और दूसरी बार एक्सपोर्ट गारन्टी डिपार्टमेंट, लन्दन का अध्ययन करने के लिए गये। इनके सामने जो तकलीफें थीं, मुश्किलता थीं, उनके जिलजिले में इन कम्पनियों के काम देखने के लिए उन्होंने यह दौरा किया। मैं जानना चाहता हूँ कि इनके दौरे के बाद जिस तरह से कम्पनी काम करती थी, क्या उसमें कोई तबदीली आई। इनकी विदेश यात्रा का कम्पनी को क्या लाभ हुआ, अगर कोई फायदा नहीं हुआ तो जाने की क्या ज़रूरत थी ?

पिछले तीन सालों में कम्पनी के वर्किंग के बारे में कुछ मुख्तसिर-सी तफसील बतायें और इनके बोर्ड आफ डायरेक्टर्स में कौन-कौन लोग हैं—यह भी बताने की कृपा करें ?

श्री चौधरी राम सेवक : जहाँ तक बोर्ड आफ डायरेक्टर्स का प्रश्न है—ये लोग इनके