

Ban on Forward Trading in Gur

*411. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the decision taken by Government to ban forward trading in gur throughout the country has created a panic among the traders of gur and khandsari in Uttar Pradesh; and

(b) if so, the steps proposed to be taken in the matter?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) No, Sir.

(b) Does not arise.

Shri D. C. Sharma: May I know why this ban on forward trading was resorted to by Government, and also what the social or economic reasons for continuing it are?

Shri Manubhai Shah: Recently, as the House is aware, the situation in regard to sugar has been deteriorating, and as the price of gur was rising, one of the suspicions that Government felt after a proper study was that it might be that the forward trading in gur was contributing to this rise, which caused a diversion of cane from the sugar crushing to gur-making, and that was why the ban was imposed.

Shri D. C. Sharma: May I know the total production of gur in this country, and how and in what way it affects the sale of sugar-cane and also sugar?

Shri Manubhai Shah: Actually, there are no statistics of a firm nature, but it runs to about five to six million tons, almost twice that of sugar. It is obvious that if there are two sources of utilising the same raw material, the entrepreneur or the producer will go to that source which gives him better prices.

Iron-Ore Export to Japan

+

*412. { **Shri P. Venkatasubbalah:**
Shri Rameshwar Tantia:
Shri Marandi:
Shri P. C. Borooah:
Shri D. C. Sharma:
Shri Maheswar Naik:
Shri Basumatari:
Shri Bishanchander Seth:
Shri Yashpal Singh:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a Japanese delegation has arrived in our country to study the facilities available in various parts of the country to export iron-ore to Japan; and

(b) whether any report will be submitted to Government by this team?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) A Japanese Survey Team for Orissa visited India in November, 1982 and has returned to Japan after an up-to-date on-the-spot study in Orissa for possibilities, in particular, of the export of iron ore on a substantial scale through Paradip which is being developed as a deep sea port.

(b) Their report is expected very shortly.

Shri P. Venkatasubbalah: May I know whether any assessment of the requirements has been made and if so, what the requirements are and how far our country is going to meet the demands of the Japanese?

Shri Manubhai Shah: Requirements of whom?

Shri P. Venkatasubbalah: Of the Japanese.

Shri Manubhai Shah: It is not for us to make an assessment of the Japanese requirements.

Mr. Speaker: Have they told us what they want, and how can we supply?

Shri Manubhai Shah: We have made a thorough assessment and we can supply to Japan and to the rest of the world anything between 25 to 30 million tons by 1970-71.

Shri P. Venkatasubbaiah: May I know whether it is a fact that the State Trading Corporation which is mainly dealing with the purchase of iron ore is putting all sorts of difficulties before the small mine-owners for export of iron ore, and if so, whether it has been brought to the notice of the hon. Minister?

Shri Manubhai Shah: It is the other way round. Since the iron ore trade was nationalised, not only have the quantities gone up, but the long-term planning which will involve more or less an investment of Rs. 250 crores over a period of five to seven years has also been made possible.

Shri Rameshwar Tantia: May I know whether it is a fact that on account of the higher tariff rates for iron ore, they are not economical for the exporters, and if so, what steps Government are taking to reduce these tariff rates so as to reduce the cost of exports?

Shri Manubhai Shah: The real problem or the real bottleneck is the transport capacity more than the freight charge. It is true that in recent years the world price of iron ore has come down, and we shall have to re-think the matter of rationalisation and economising on the iron ore freight and other expenses. When the situation arises, as in the past, Government will take it up with the Railway Ministry.

Shri D. C. Sharma: May I know if these iron ore mines are run by State Corporations or by a Central Corporation? If by a State Corporation, what is the amount of royalty paid by that Corporation to the Orissa Government?

Shri Manubhai Shah: Most of the mines are private-run. It is only the foreign trade part of it which has been nationalised. There are a few

State Corporations like the Orissa Mining Corporation. The Maharashtra Government is starting a corporation. The Mysore Government has started one. They also do mining.

Shri Maheswar Naik: As far as I know, there is an agreement between Japan and India.....

Mr. Speaker: He should ask about what he does not know.

Shri Maheswar Naik: As far as my knowledge goes, there is an agreement, but whether it is long-term or short-term, I am not sure. Is it that in spite of that agreement, Government has entered into another fresh agreement? Also is the Japanese Government proposing to give any facilities for improvement and development of mining facilities here?

Shri Manubhai Shah: There are several long-term agreements with Japan. The hon. Member is right there. They run to about 6 million tons a year—from 3 million tons onwards. That is about Kiriburu, Bailadilla, Hospet and various other places. This is a new development of the Daitara-Tomka and Nayagarh areas in Orissa. There is also the question of the development of Paradip as a major port. If these materialise under the new contracts with the Japanese we might be able to export from 2 to 10 million tons a year from that port.

Shri R. S. Pandey: May I know whether the Japanese delegation visited Madhya Pradesh, and if so, with what results?

Shri Manubhai Shah: It has not visited Madhya Pradesh. It came specifically for investigating these two areas which are rich in iron ore and which have a good outlet in Paradip Port.

Shri R. G. Dubey: Are Government considering the suggestion to have a broad gauge from Hospet to Hubli with a view to facilitate the export of iron ore from Karwar port?

Shri Manubhai Shah: It is a different question.

Dr. Ranee Sen: A few days back, a report appeared in an American Journal that iron ore export from Goa to Japan has fallen after the liberation of Goa. Is this a fact? If not, what is the position of iron ore export to Japan from Goa?

Shri Manubhai Shah: Though it does not flow from the original question, with your permission, I will explain. It is true that for three months before the liberation, for whatever reasons which are not known to us but for which only the Portuguese administration was responsible, iron ore export slumped. It again picked up after liberation. Recently, in the last three months, due to a crisis in Japanese steel mills again the offtake by Japan not only from Goa but from the rest of Indian ports and other parts of the world is going down.

श्री यशपाल सिंह : एमरजेंसी को देखते हुए क्या यह मुतासिब नहीं होगा कि नि ति को बन्द कर के आयात की तरफ ध्यान दिया जाय और ६ महीने के लिए आप ताम का रिजर्व रखे ।

Mr. Speaker: It is a suggestion for action.

Shri Vishram Prasad: The Minister has just now stated that 25 million tons of iron ore would be exported to Japan. May I know Sir, how much foreign exchange will we be earning by this export?

Shri Manubhai Shah: I did not say 25 million tons to Japan. It is a global approach in connection with all our exports of iron ore. It will all depend on the prices. That multiplied by the tonnage will give the figure.

Shri Sham Lal Saraf: In view of the competition from other countries which our iron ore exports are facing in a growing measure, what steps have been taken to make our com-

modity exportable and more acceptable to the foreign markets?

Shri Manubhai Shah: This is a very relevant question. But we are fortunate in that our iron ore in some parts is very superior and high grade. Therefore, we can always export our ore. All steps are being taken to construct proper roads to have a transport system, to connect by a railway system where railways are missing and to develop ports through which it is exported. A World Bank team advised on how each of the ports should be developed. All that is being taken into consideration, and very soon Government will consider a report on the comprehensive development of the various iron ore deposits and transport in order to achieve the target of 25 million tons.

Dr. Sarojini Mahishi: With what end in view did the Japanese expert team study the iron ore situation in the country?

Shri Manubhai Shah: There were 19 experts, on transport, on ports, on iron ore, mining, development of power, development of coal and development of fisheries.

Dr. Sarojini Mahishi: My question has not been answered.

Mr. Speaker: Next question.

Tool Alloy Steel Plant

+
 { Shri Yashpal Singh:
 *413. { Shri Morarka:
 { Shri Kajrolkar:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether there is a proposal to set up another tool alloy steel plant with Soviet assistance in addition to one already proposed to be set up at Durgapur; and

(b) if so, the details thereof?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) and (b). The