

what is being sold at Rs. 15/- there is being sold here for Rs. 100.

**Shri Kashi Ram Gupta:** May I know whether the number of varieties will be increased when full production is attained and whether the prices will also come down then?

**Shri C. Subramaniam:** The varieties that we are making now are quite popular. And once people get tired of the present pattern, we may change the pattern later.

**Shri Kashi Ram Gupta:** What about the prices after full production is reached?

**Mr. Speaker:** Now, Shri P. L. Barupal.

**श्री प० ला० बाहुपाल :** क्या मैं जान सकता हूँ कि जैसे दूसरी घड़ियों में तारीख बताने की व्यवस्था होती है, क्या उसी प्रकार इन घड़ियों में भी वह व्यवस्था करने की कोशिश की जायगी ?

**अध्यक्ष महोदय :** अभी इन को बिना तारीख के ही चलने दीजिये ।

#### Export of Manganese

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\*536. { **Shri Ravindra Varma:**  
**Shri Morarka:**  
**Shri Subodh Hansda:**

Will the Minister of **International Trade** be pleased to state:

(a) whether it is a fact that the export of manganese ore has considerably declined during the last few years;

(b) if so, the reasons therefor; and

(c) whether Government have taken any steps to arrest this trend and to promote the export of this commodity?

**The Minister of International Trade (Shri Manubhai Shah):** (a) to (c). There has been steep fall in the international price level and many of our traditional buyers have developed captive sources of manganese supply. We are following a vigorous policy to

push up export of manganese ore through barter deals under which it is proposed to export approximately ten lakhs tons of manganese ore in the current year, i.e. 1963-64. The exports of manganese ore in 1960-61, 1961-62, 1962-63 and 1963-64 are as under:—

	Tons (lakh:)
1960-61	11.67
1961-62	9.65
1962-63	7.51
1963-64	10.00

A statement is laid on the Table of the House giving the steps taken by Government to maintain the exports of manganese ore. [Placed in the Library. See No. LT-1666/63].

**Shri Ravindra Varma:** In the extremely informative statement laid on the Table, there is reference to a Committee headed by Shri Butt which will inquire into the various aspects affecting the export of manganese ore and make recommendations. Will the Committee also explore the possibility of encouraging the export of ferro manganese in view of the large accumulation of stocks of this mineral in the country and in view of the difficulties experienced in increasing the export of manganese?

**Shri Manubhai Shah:** There is a separate question tabled on that and when I come to that, I will explain. This Committee will also visit 14 countries which are our main competitors and see what they do to secure long-term contracts; it will also see the mining process there and how they have brought the prices down.

**Shri Ravindra Varma:** In the statement there is a reference to the decline in export price. Will the hon. Minister be in a position to give more information about it and how our prices compare with the prices of the major competitors? He also made a reference to 'captive sources' . . .

**Mr. Speaker:** Not so long.

**Shri Ravindra Varma:** . . . that is, to buyers obtaining their requirements

from 'captive sources'. Will he in his answer explain it more fully?

**Shri Manubhai Shah:** We are priced out by \$4.50 per ton in the case of the superior varieties and about \$6.00 per ton in the case of the lower varieties. The main reason is that our mines are mostly in the hinterland, whereas the mines in other countries, wherever they are, are near the ports. That is why, the transport cost is one of the factors. There is also the fact of inferior type of mining apparatus and equipment that we have got. So modernisation is immediately called for.

Regarding the second part, 'captive mines' means that a steel mill, say, in the U.S., buys a mine in Congo or Gabon or Algeria or in other countries so that the profit and loss of the owner is the same and it is transferable. So they can get it cheaper.

**Dr. Colaco:** What is the present position of export of manganese ore from Goa?

**Shri Manubhai Shah:** Goa? We are giving first preference to that.

**Dr. Gaitonde:** The Minister stated that all the mines are in the hinterland. What about other mines which are not in the hinterland, for example, in Goa, where the business is at a standstill. What steps has the Government taken in that respect?

**Shri Manubhai Shah:** Really speaking, in Goa the main thing is iron ore. The manganese ore there is of a rather inferior quality, considering specifications. Really most of the best ore mines are in Mysore and Madhya Pradesh, Sandur and other mines which are all in the hinterland.

**Shri D. J. Naik:** How many mines have closed down partially or fully on account of decline in export?

**Shri Manubhai Shah:** In India, the mines never work on a non-stop 365 day basis. They operate according to the demand and therefore, no

statistics are available of working of a continuous nature.

**Shri R. S. Pandey:** Which are the countries which are coming in competition in respect of export of manganese ore?

**Shri Manubhai Shah:** If the hon. Member will look into the statement, I have given a list of 11 countries.

**Shri Basappa:** Are any difficulties being experienced by mine-owners, importers and others for importing machinery for modernising mining equipment?

**Shri Manubhai Shah:** That is correct. Recently we have permitted 10 per cent of the export earnings to be used for importing modern machinery.

**Shri Subodh Hansda:** As the Government intends to bring down the cost of production and has decided to allow exporters to import machinery upto 10 per cent of their export earnings, what percentage of cost will be brought down by this method?

**Shri Manubhai Shah:** We have seen by experience that modernisation will bring down the cost.

**Shri Tyagi:** Are Government exporting manganese ore at below cost price and making good the loss to the mine owners by issuing them licences for import of commodities which they can sell in the open market at a high price?

**Shri Manubhai Shah:** This point was raised by the hon. Member when the STC report was discussed, and I had occasion to explain it. We allow the barter of steel, which has a little packet of concessions given by the trade, and that goes to compensate them partly; and for the other part, we have to allow them a certain amount of loading, five to ten per cent premium, for internal sale of those items.

**Shri Vasudevan Nair:** Does the Government agree with certain sug-

gestions made in certain quarters in our country that the decline in manganese ore export is mainly due to the faulty handling of the trade by STC?

**Shri Manubhai Shah:** That has been the type of opinion many times expressed in uninformed quarters. Actually, but for the STC, the manganese ore trade would have been nowhere today. As it is, it is picking up and is around one million tons.

**Shri Kapur Singh:** I would like to know what steps, if any, Government are taking to stop up internal consumption of this valuable raw commodity to encourage development of our home industries?

**Shri Manubhai Shah:** All the steel plants use it, but new techniques are developing which will reduce use of manganese, and the demand may come down.

**Shri Kashi Ram Gupta:** What is the percentage of ore sold through the barter system, and the percentage sold otherwise?

**Shri Manubhai Shah:** As the House is aware, we have decontrolled the entire export of manganese ore, but since we are priced out in the world market, all the manganese ore is sold only on barter.

#### Iron Ore in Goa

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\*537. { **Shri Bhagwat Jha Azad:**  
**Shri A. V. Raghavan:**

Will the Minister of International Trade be pleased to state the steps taken to utilise the vast quantities of iron ore accumulated with private traders in Goa?

**The Minister of International Trade (Shri Manubhai Shah):** Export of iron ore from Goa has been in the hands of private exporters. The Goa administration has been keeping a continuous watch and is assisting the trade in developing and maintaining the export trade. No unusual

stocks of iron ore have been accumulated, although there has been some recession in the iron ore export trade due to severe competition resulting from development of iron ore mining in other countries.

**Shri Bhagwat Jha Azad:** May I know whether any representation or complaint has been made that the export price allowed has been lower than the cost of production and therefore difficulty has arisen to the traders there?

**Shri Manubhai Shah:** What the hon. Member observes is partly correct, but that is so because our costs are mounting and the world prices are coming down. Therefore, that naturally arises. But, fortunately, in iron ore, we are still on parity.

**Shri Bhagwat Jha Azad:** Is it a fact that there has been representation from the traders of Goa that in the recent past there has been accumulation there, which has resulted in a great loss to them as they are not able to export it?

**Shri Manubhai Shah:** There was a representation from about 150 small mine owners of Goa that as they were not able to export the STC should be allowed to do so. We did ask the STC to go to their help,—this is again only for the information of the hon. Members as to how their services have been useful to the small mine owners of Goa—and we are now assisting them.

**Dr. Gaitonde:** May I know whether the price is fixed by STC and that STC neither allows them to sell below the price nor itself buys it?

**Shri Manubhai Shah:** This is a matter which has been debated upon several times. We try to give the mine owners a fair price; in spite of the fall in the world market, we are trying to maintain it. I should again caution the iron ore industry that they will have to improve their efficiency and reduce the cost.