

**Shri Kapur Singh:** Sir, I request that 1164 and 1167 may be answered along with 1158 as they are allied questions and can be discussed together.

**Shri Manubhai Shah:** The party seems to have withdrawn question No. 1164; and 1167 is a different question.

### Iron Ore Price

\*1158. **Shri P. R. Chakraverti:** Will the Minister of International Trade be pleased to state:

(a) whether it is a fact that there has been a continuing fall in the price of iron ore in the international market;

(b) whether Brazil and Sweden have brought down their prices, thereby putting India at a disadvantage;

(c) the extent to which India had to reduce the price of iron ore last year and this year; and

(d) the steps taken to reduce freight costs which come to nearly 60 per cent of the price of ore?

**The Minister of International Trade (Shri Manubhai Shah):** (a) and (b). Yes, Sir.

(c) The reduction varies from 4.92 per cent to 10.80 per cent depending on the grade of ore.

(d) In regard to railway freight, Iron Ore is subjected to a reduced railway supplementary charge of 5 per cent on total freight as compared to 12 per cent levied on general merchandise. Rebate is also allowed on low grade iron ore moved for export from Rajasthan to Kandla. The possibility of further relief is being examined. For achieving reduction in Shipping freight, ports capable of receiving large ore carriers with provision for stepping up the loading rate are being developed.

**Shri P. R. Chakraverti:** Taking into account that the freight charge comes

to nearly two-thirds of the total cost of iron ore, is the Govt. trying to improve the capacity of ports to take in heavy freighters?

**Shri Manubhai Shah:** Yes, Sir; that is in the master plan on the development of export of iron ore which I had laid on the Table of the House. It is clearly stipulated that the freighters' size will be increased from the present 20,000 tons to almost 65,000 tons and the discharge capacity to about 2000 to 2500 tons per hour from the present 20 tons per hour. For that we are investing Rs. 305 crores in the next seven years on the entire development of the master plan for export of iron ore.

**Shri P. R. Chakraverti:** A delegation from India visited eastern parts of Europe recently. What is the result?

**Shri Manubhai Shah:** As a result of the tour of Eastern Europe, additional sale of iron ore to the extent of 2.1 million tons has been accomplished.

**Shri Basappa:** Since the reduction of railway freight is the most important thing in the export of iron ore, what is being done in co-ordination with the Railway Minister to re-arrange and expand the railway lines?

**Shri Manubhai Shah:** The first thing is dieselisation and packed trains. Larger type of BOX wagons are being introduced. It will be a whole-sale packed train. It will move through diesel engine so that it is not to stop at intermediate stations and directly embark at the port. All the steps are being taken. Many changes are made. Loops are being added. Many times, loops are being added; somewhere the gauge is being changed, and in some cases additional parallel lines are being constructed. More than Rs. 150 crores programme is involved in the rail transport development.

श्री ह० च० सोय : क्या मंत्री महोदय को इस बात की जानकारी है कि बिहार क्षेत्र में जो माइंस हैं और उड़ीसा के क्षेत्र में

जो माइंस हैं इन दोनों की इंटरनल ट्रान्सपोर्ट फॅसिलिटी में बहुत डिफेंस है और इस के कारण बिहार बहुत डिस्पेडवाटेज में रहता है ?

**श्री मनुभाई शाह :** इस की जानकारी तो है लेकिन माननीय सदस्य का क्वेश्चन बहुत ज्यादा ब्रॉड हो गया है। अब यह जाहिर है कि रेलहेड से कोल पिटहेड्स का फासला ज्यादा होगा तो ट्रान्सपोर्ट चार्जेज ज्यादा होंगे और वह महंगा पड़ेगा। हमारी कोशिश है कि जहां तक संभव हो सके हम फ्रेट को रैटनेलाइज कर सकें और उस को इक्वलाइज करने की दिशा में हम जाने की कोशिश कर रहे हैं।

**श्री ह० च० सोय :** मैं यह पूछ रहा था कि उड़ीसा क्षेत्र में जो ट्रान्सपोर्ट फॅसिलिटीज क्रीएट की गई है उस के हिसाब से बिहार के क्षेत्र में बहुत कम की गई है और ऐसा क्यों है ?

**अध्यक्ष महोदय :** यही तो उन्होंने बतलाया।

**Shri Ranga:** Can any effort be made to bring about an international agreement between iron ore suppliers in different parts of the world in view of the fact that this price really forms a very, very small percentage of the price of iron so that a minimum remunerative price can be maintained?

**Shri Manubhai Shah:** I am glad that the hon. Member has raised this very important question. This is one of the things which we mentioned at Geneva, that there should be an international commodity agreement on iron ore between the world suppliers.

**Shri Kapur Singh:** Apart from Japan, what other foreign markets do we have for our iron ore and which of them have been worst-affected by this recent action of Brazil and Sweden?

**Shri Manubhai Shah:** We are selling iron ore to 37 countries of the

world. Japan is our principal buyer. 50 per cent of the ore goes to Japan. The rest of the ore goes to East European countries and West European countries and something to the United Kingdom.

**Mr. Speaker:** Which of them have been worst-affected?

**Shri Manubhai Shah:** There is no question of being worst-affected. It is going up and up. I may say that somewhere the development is slower than in other areas. In Japan we have sold more. But nowhere we have sold less.

**Shri Daji:** How have the mines in the Goa region been affected because of the fall in iron ore prices, and how does the minimum price fixed by the Goa Administration for export of iron ore compare with the world market price?

**Shri Manubhai Shah:** When Goa got integrated with the motherland in the natural course of history, we were afraid that there would be a fall in export of iron ore, but those fears have been belied. The exports have gone up. The minimum prices have been maintained, and still we are selling more.

**Shri Nambiar:** May I know whether the mismanagement of the small-scale operators in mining in the iron ore field is also responsible for the high cost of production?

**Shri Manubhai Shah:** There are many factors contributing to this, including the one which the hon. Member has indicated. But the historical things cannot be reversed in a day. We want to rationalise the method of mining by bringing modernisation. Therefore, in the export scheme of iron ore, we have built in incentives for modernisation of mines.

**Shri Firodia:** Is there any high-powered co-ordinating body in the different Ministries which deal with this problem?

**Shri Manubhai Shah:** The Ministry of International Trade has been assigned this task of development of iron ore in all aspects for the export of iron ore. There is going to be an Inter-ministerial Board with its Chairman who will be on the level of the Secretary to the Government, with three representatives from the Ministry of Mines, Ministry of Transport and the Ministry of Railways. These four people will constitute the high-powered Inter-ministerial Board, with the status of each officer being almost like the Additional Secretary to Government or Secretary to Government. They will supervise and co-ordinate all aspects. Of course the implementation will be done by the Ministries concerned, but the Board will co-ordinate the work.

**Dr. Sarojini Mahishi:** May I know whether the high cost of production of iron ore is also due to the fact that iron ore is transported at uneconomic rates and exported to distant ports, for example, the iron ore in Bellary is exported to Bombay and Madras?

**Shri Manubhai Shah:** Actually, what we are trying to do is, there is so much of regional pull for every area being developed, which is natural, but, at the same time, we have got perforce to move the ore from one area to another in order to save in costs.

**Shri Harish Chandra Mathur:** Is it a fact that the Minister visualises an export of 25 to 30 million tons of iron ore and has he been assured by the Ministry of Mines that they will be able to do it?

**Shri Manubhai Shah:** Yes, Sir.

**Shri Joachim Alva:** In regard to part (d), has the Mining Board come to any conclusion or made any recommendation that if iron ore from Bellary could be carried to Hubli-Karwar, if the Karwar Port is developed and if a railway line is constructed from Hubli to Karwar, transport will be cheap and the freight will be much less?

**Shri Manubhai Shah:** This is a highly problematic question. At the same time, we are for connecting that particular section by a metre gauge. There have been suggestions thrown up that it should be broad gauge. But the availability of ore in that area so far has not shown that it would be economically justifiable to undertake further expenditure for conversion of that section. But I can assure the hon. Member and the House that wherever the connecting gaps are to be linked, we shall be the first to give priority to it.

#### **Amalgamation of Small Collieries**

\*1159. **Shri Yashpal Singh:** Will the Minister of Steel, Mines and Heavy Engineering be pleased to state:

(a) whether Government propose to bring forward a legislation for the amalgamation of small collieries as suggested by the Indian Mining Association;

(b) if so, whether contrary views have been expressed by the Indian Mining Federation; and

(c) when a final decision will be taken in the matter?

**The Deputy Minister in the Ministry of Steel, Mines and Heavy Engineering (Shri P. C. Sethi):** (a) to (c). During the course of their speeches delivered at their respective annual functions, the Chairmen of the Indian Mining Association and Indian Mining Federation have made a reference to the existence of a large number of small collieries. The former suggested the importance of large-sized economic units, and the latter, on the contrary emphasised that even small coal producing units had their place in the Indian economy.

Government have not yet decided to bring forward legislation for the compulsory amalgamation of small collieries, though voluntary amalgamation has been allowed where parties put forward technically sound schemes. The matter is under consideration of Government.