

**Shrimati Renu Chakravarty:** May I know the reasons for making an exception in the case of Goa and how the terms given to this Goa mining firm by Japan come with the rates which have been obtained by the STC?

**Shri Manubhai Shah:** This trade was moving historically in such a satisfactory manner and so many long-term contracts had already been entered into that it would have created very serious international repercussions by intervening at this stage. Therefore, as far as the clear policy of the Government of India is concerned, all iron ore from Goa is allowed to run on its own.

**Shri Ranga:** What is the price differential?

**Shri Manubhai Shah:** There is no price differential.

**Shri Ranga:** You mean at the same price at which STC is selling, they are purchasing from the Mining Corporation?

**Shri Manubhai Shah:** There are different qualities and different contracts. No price is permanent. The price is to be negotiated every year by the MMTC or by the private exporters.

**Shri Ranga:** There are two prices—one is the price at which they are purchasing from the Mining Corporation and the other is the State Trading Corporation. Are they one and the same?

**Shri Manubhai Shah:** The prices do not depend upon the seller at this end. It depends upon the condition, the particular quality and the requirements and the best prices are obtained. We are not fixing the price for everything in this country.

**Shri K. C. Pant:** Is it the policy of the Government to continue exporting iron ore in the form of iron pel-

lets even after 10 years or to convert the iron ore at least to pig iron?

**Shri Manubhai Shah:** Well, Sir, this is the first contract for pellets. As a matter of fact, till now all iron ore has gone as iron ore. Pellets fetch better value than iron ore. We will continue to export iron ore, pellets, pig iron, castings, steel and engineering products all along the line. There is no conflict between them.

**Shri Thirumala Rao:** Is there any arrangement with the Japanese firm to carry a certain percentage of it in Indian bottoms?

**Shri Manubhai Shah:** Generally we prefer to carry them in Indian bottoms. But, as the House is aware, the availability of Indian bottom is today limited. 10 per cent to 15 per cent of ore is carried in Indian bottoms and the rest in foreign bottoms. As our shipping industry expands, more and more will go in Indian bottoms.

#### Corporation for Construction Work

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\*101. { Shri Bhagwat Jha Azad:  
Shri P. C. Borooah:

Will the Minister of Steel, Mines and Heavy Engineering be pleased to state:

(a) whether it is a fact that a Corporation for construction work is proposed to be formed in the Public Sector to undertake contracts for engineering works at Steel Plants; and

(b) if so, the salient features of this proposal?

**The Deputy Minister in the Ministry of Steel, Mines and Heavy Engineering (Shri P. C. Sethi):** (a) Yes, Sir.

(b) The Corporation is being formed to undertake a sizeable share of all new steelworks construction in

the public sector. Its purpose is to supplement the available contract ability in the country, reduce construction costs and to conserve skills in the specialised fields of steelworks construction.

**Shri Bhagwat Jha Azad:** May I know whether that 'sizeable share' will be in the form of majority shares or it will be in the form of minority shares in the corporation?

**The Minister of Steel, Mines and Heavy Engineering (Shri C. Subramaniam):** There is no question of any majority shares or minority shares in the corporation. The corporation is a purely public-sector corporation.

**Shri Bhagwat Jha Azad:** What would be the starting point in terms of financial investment in the corporation? Can we have any idea about that?

**Shri C. Subramaniam:** I do not have the details with me, but initially it will have about, I think, Rs. 5 crores.

**Shri P. C. Borooah:** When there is already the National Projects Construction Corporation, what is the necessity of making another corporation for this job?

**Shri C. Subramaniam:** This is a specialised corporation for steel works. It is completely different from ordinary construction.

**Shri Ranga:** May I know whether these concerns started by the Government or under the auspices of the Government are expected to compete with other private contractors or bidders also and only competitive rates are accepted by the Government?

**Shri C. Subramaniam:** This will compete with private contractors also.

### Machine Tool Factories

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\*102. { **Shri N. R. Laskar:**  
**Shri Ramachandra Ulaka:**  
**Shri Subodh Hansda:**  
**Shri Karni Singhji:**

Will the Minister of Steel, Mines and Heavy Engineering be pleased to state:

(a) whether there is a programme for setting up a "machine tool factory" in each State in the public sector;

(b) if so, whether any time schedule has been fixed in this regard; and

(c) the total number and location of such factories?

**The Deputy Minister in the Ministry of Steel, Mines & Heavy Engineering (Shri P. C. Sethi):** (a) There is no concrete proposal at present for setting up one machine tool factory in each State but on the present working results shown by the Hindustan Machine Tools Ltd., it might be possible for them to set up one new machine tool unit every year during the Fourth Five Year Plan period.

(b) and (c). Do not arise.

**Shri N. R. Laskar:** I would like to know whether the production in HMT will be sufficient to meet the internal requirements in the country?

**Shri P. C. Sethi:** No, Sir; the requirements of the country are much more than what the HMT alone can produce.

**Shri Hari Vishnu Kamath:** Has the Minister's attention been drawn to a report of the Hindustan Machine Tools, which has been sent to us, Members of Parliament, with the compliments of Shri Mathulla, General Manager . . .

**Mr. Speaker:** What has that to do with this?

**Shri Hari Vishnu Kamath:** It is relevant, Sir.