

(b) whether he made some observations in the Golden Book which is kept there by the authorities for visiting dignitaries; and

(c) if so, the details of observations made by him in the Golden Book?

THE MINISTER OF EXTERNAL AFFAIRS (SARDAR SWARAN SINGH):

(a) and (b) Yes, Sir.

(c) The observation made in the Golden Book by me was as follows:

"Difficult to understand and comprehend the actual state of conditions without seeing what it means on the ground. A great experience."

SHRI LOKANATH MISRA: May I ask the Minister of External Affairs whether his attention has been drawn to some publication in the German Press in Berlin...

AN HON. MEMBER: In East Berlin?

SHRI LOKANATH MISRA: Whichever Berlin it is, you have to find out, to which Germany it belongs. Some of my friends have much undue experience about East Berlin. So they would be in a position either to contradict or own it. My question was this whether his attention has been drawn where it is said that the hon. Minister has expressed the hope that there would be reunion between both the Germanys in the near future and that is what he wished and expected. Is there any truth in that?

SARDAR SWARAN SINGH: I have not seen any report and I cannot believe that such a report could be there because I have never thought in that direction. We recognise the two Germanys, the Federal Republic of Germany and the GDR as sovereign independent countries. Any future relationship between the two countries can be the outcome of only their own mutual discussions or deliberations. It is not for us to suggest as to what should happen in the future between these two countries. Both of them are now members of the United Nations. They recognise each other as sovereign and independent countries.

SHRI JOACHIM ALVA: Is it necessary for an able Foreign Minister to be a copy-book holder to carry along with him the remarks which he makes all over the world or is it only the Swatantrite speciality?

SHRI LOKANATH MISRA: It should be left to Mr. Alva to carry the copy-book for the External Affairs Minister.

SARDAR SWARAN SINGH: I am grateful to the hon'ble Member who has been very kind to me, and I would commend his remarks to the other hon'ble Members that it is perhaps too much to expect that a Minister should remember exactly the remarks that he puts down wherever he goes. But because the question was put we had to ask our own Embassy in the G.D.R. to go and have a look at the book because I myself had completely forgotten what I had put down in that book.

Conversion of iron ore into semi finished steel and grey iron

*704. **SHRI J. S. TILAK:**

SHRI KALI MUKHERJEE:†

SHRI A. G. KULKARNI:

DR. Z. A. AHMAD:

SHRI KOTA PUNNAIAH:

SHRI KRISHAN KANT:

SHRI CHANDRA SHEKHAR:

SHRI GURMUKH SINGH MUSAFIR:

Will the Minister of **STEEL AND MINES** be pleased to state:

(a) whether the proposal to convert iron ore into semi-finished steel and grey iron for export has been finalised; and

(b) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI SUKHDEV PRASAD): (a) There is no such proposal.

(b) Does not arise.

†The question was actually asked on the floor of the House by Shri Kali Mukherjee.

SHRI KALI MUKHERJEE: We find in the newspapers that for the purpose of better export this was being discussed and going to be decided. But you have said that there was no proposal at all. But this proposal came in the newspapers. I would like to know much more either in the affirmative or in the negative.

SHRI T. A. PAI: Sir, our planning for additional steel is primarily based on meeting the growing home needs with some provision for export. The capacity is now being created for processing iron ore entirely into exportable steel surplus.

So far as grey iron is concerned, there is no question of exporting it because grey iron is in short supply and we are not able to export it.

SHRI KALI MUKHERJEE: Do you think it can be examined further whether we can export because Japan has been asked for it for hard currency?

SHRI T. A. PAI: Sir, in 1969-70 we had exported 16.5 million tonnes of iron ore worth Rs. 94.61 crores. In 1971-72 19.9 million tonnes of iron ore worth Rs. 104.60 crores was exported. Now in the Fifth Plan we have planned to export 38 to 43.5 million tonnes of iron ore. But everything would depend upon the price that we are likely to get because ultimately if by exporting we do not earn sufficient foreign exchange, this exercise is not worth while.

SHRI A. G. KULKARNI: May I know, Sir, from the hon'ble Minister whether he will consider a proposal favourably in view of the shortage in the Fifth Plan and Sixth Plan of pig iron to encourage a foundry grade pig iron plant directly from iron ore instead of exporting iron ore which does not earn proper price? In other words, will he consider allowing establishment of plants for manufacture of pig iron from iron ore in places like Goa etc.?

SHRI T. A. PAI: Sir, the proposals to have palatation as the initial stage for export is being considered. But in creating the palatation plants also we would like to see that ultimately we are

not bound to export as a result of such creation of plants unless they become useful also for subsequent steel production within the country.

SHRI A. G. KULKARNI: I asked for domestic production.

SHRI T. A. PAI: So far as pig iron production is concerned, I assure the House that enough attention will be given for meeting the domestic requirements of pig iron by increasing its production.

SHRI KRISHAN KANT: Sir, my question was, we are exporting iron ore. Instead of exporting iron ore, if we can establish some industries to produce semi-finished steel and grey iron, that would create more employment in the country and it would also fetch more foreign exchange. This seems to be the recent trend. Is he aware that Japan has established such a plant in Korea because their own problems of pollution in Japan are restricting their production? Is he also aware that Mitsubishi of Japan had approached Mr. Kumaramangalam, when he was Minister here, for establishing such plants here to export semi-finished steel so that we could earn more by way of exports? What is the present position?

SHRI T. A. PAI: When projects like Kudremukh are under consideration, we found that if after a heavy investment, we were to link our exports exclusively to one country, we would be entirely at their mercy for buying this unless there is an alternative of making use of these facilities for domestic requirement. As far as pelletisation is concerned, so that for the immediate future years we can export pellets instead of iron ore, two projects are now under active consideration, one at Bailadilla and the other at Dhani-malai in Hospet.

SHRI KRISHAN KANT: Just as they had set up a plant in Korea, they were prepared to establish plants here. Does he know that proposal made to Mr. Kumaramangalam or not? If so, what is the present position?

SHRI T. A. PAI: There were many proposals from the Japanese also in the

past for creating this capacity. Again it means that we will be bound down to export only to Japan. I do not think. . .

SHRI KRISHAN KANT: Instead of exporting iron ore.

SHRI T. A. PAI: If we commit ourselves for export, we must also see that other countries are willing to import pellets from us. If our exports are not diversified and we only insist upon pellets being exported, we might commit ourselves to one particular country. To the extent it is necessary, the pelletisation programme will go through.

SHRI V. B. RAJU: Since this is an irreplaceable raw material, will it be appropriate from a long-term point of view to go on increasing exports of this particular commodity? Will the Minister review the whole policy and the policy in regard to the long-range commitment about the price particularly in view of the price hike in mineral oil which has upset the whole economy? The price and the quantity—on these two factors, will the Minister assure us of a review?

SHRI T. A. PAI: We have an estimated reserve of 8,56 million tonnes of iron ore in this country, and at the expected production level that we may reach in 1983-84, this is enough to last for 250 years. What we are now exporting is a limited quantity. But every year the price of finished steel is getting so high that for importing one tonne of finished steel, we are compelled to export more in terms of iron ore.

The object of exporting iron ore for the time being is to earn as much foreign exchange as we can and to keep the mines operating so that mine workers also get employment. But as our production of steel goes up, our exports of iron ore also will be reduced to that extent.

SHRI V. B. RAJU: I asked about the long-term commitment in regard to the price.

SHRI T. A. PAI: We are not making a long-term commitment in that sense. We

are expecting to sell iron at the world prices prevailing from time to time.

DR. V. A. SEYID MUHAMMAD: Is it a fact that for the last three years, the price of iron ore that we are exporting is coming down while the price of steel which we are importing is going up?

SHRI T. A. PAI: I am not sure whether the price of iron ore that we are exporting is coming down. Except iron ore from Goa—because we have to incur a lot by way of transport cost, shipping freight and all that sort of thing—the price of iron ore that we are exporting is directly freight and all that sort of thing—the price of steel has been going up year after year.

SHRI S. D. MISRA: Sir, only the other day it was mentioned in this House that the price of iron ore is hardly about Rs. 54/- or so per tonne while the price of steel which was only Rs. 700/- or so about two years back is about Rs. 2,000/- per tonne now. In view of this and in view of the technical know-how that we have, why don't you stop the export of iron ore altogether as an export item and convert it into steel and then export it? Now we have seen in the papers that the oil-producing countries of West Asia are excluding India from the oil market and they are forming combines. Australia and India and certain other countries are in a better position so far as the iron ore is concerned. Therefore, why not we also join and negotiate the price of iron ore as they are negotiating the price of oil? Cannot we negotiate the price instead of having the ridiculous price of Rs. 54/-?

SHRI T. A. PAI: Sir, the price is not Rs. 54/- as mentioned by him, but about Rs. 75. About the suggestion of the honourable Member that we and all the iron-ore exporting countries should make a combine and hold the other steel producing countries at bay, I think it would not be agreed to by the other countries nor is this country willing to experiment on that.

MR. CHAIRMAN: Yes, Mr. Kalyan Roy.

SHRI KALYAN ROY: Sir, the honourable Minister just now said that we

have sufficient iron ore to last about 250 years or so. I would like to elicit some information from the Minister. Is it not a fact that our deposit of high-grade iron ore are extremely limited and this particular high-grade iron ore which is absolutely vital for the steel plants in the near future is being entirely exported abroad? What steps is the Government going to take to restrict at least the export of high-grade iron ore? Then, Sir, out of this 9,000 million tonnes what is the proportion of the high-grade iron ore?

SHRI T. A. PAI: Sir, I am unable to give this information just now. But I shall certainly look into this aspect whether we are exporting substantial quantities of high-grade iron ore and whether it would come in the way of our national interest.

MR CHAIRMAN: Yes, Mr. Niren Ghosh. Last question, please.

SHRI NIREN GHOSH: Sir, the question is whether we should commit to one country only for exporting. You are exporting the iron ore mainly to Japan. Then, what is the difference if we convert the iron into semi-finished steel? If you do so, our foreign exchange earnings may go up by five times and we can also use it for the purchase of up-to-date machinery. Why are you not taking this step? At least you can export pellets. But you will not do that. You will go on exporting the cheap iron ore at the cost of the country itself.

SHRI T. A. PAI: Sir, I have already made it quite clear that I am not against the use of pellets. But we will have to see that ultimately the pelletisation plants become useful to our own local production and the planning, therefore, is based on this that it must meet the needs of the country and also the need of export. But primarily I accept the proposition that it is better to export semi-finished products than iron ore itself.

SHRI KRISHAN KANT: That is right.

MR. CHAIRMAN: Next question.

हैवी इंजीनियरिंग कारपोरेशन, रांची का कार्यक्रम

705. श्री जगदम्बी प्रसाद यादव :

श्री जयन्त श्रीधरतिलक :

श्री चन्द्र शेखर :

श्री काली मुखर्जी :

श्री ए० जी० कुलकर्णी :

श्री कोटा पुनैया :

श्री कृष्ण कान्त :

डा० जेड० ए० अहमद :

श्री गुरुमुखीसह मुसाफिर :

क्या भारी उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) हैवी इंजीनियरिंग कारपोरेशन, रांची की कुल उत्पादन क्षमता और उत्पादन कितना-कितना है ; और

(ख) क्या यह कारपोरेशन पिछले कई महीनों से ढीक तरह से काम नहीं कर रहा है और यदि हां तो इसके कार्य में सुधार करने के लिए क्या कार्यवाही की गयी है ?

†[Working of the Heavy Engineering Corporation, Ranchi]

*705. SHRI J. P. YADAV:

SHRI J. S. TILAK:

SHRI CHANDRA SHEKHAR:

SHRI KALI MUKHERJEE:‡

SHRI A. G. KULKARNI:

SHRI KOTA PUNNAIAH:

DR. Z. A. AHMAD:

SHRI GURMUKH SINGH MUSAFIR:

Will the Minister of HEAVY INDUSTRY be pleased to state:

(a) What is the full capacity and production of the Heavy Engineering Corporation, Ranchi; and

†[] English translation.

‡The question was actually asked on the floor of the House by Shri Kali Mukherjee.