

Otherwise, there is no sense in saying that the States shall be represented in the Council of States. In fact, in the United States of America and in other countries where there are second chambers, representing the interests of the States, the representation given to these units is always the same. We also know that the elected members of our Council of States will be returned by the Lower House of the State Assemblies, and if we say that the election will be in some other form, either in proportion to their population or on some other basis and yet people with the same qualification, the Council of States will serve no real purpose, except a purpose of unnecessary duplication of the House of the People. In fact, the House of the People itself will be representative of the people of the States themselves, because the States will be sending in their representatives to the House of the People on almost the same basis. Therefore, if we do not accept this principle, that of taking every State as an equal unit, and sending in their representatives to safeguard or protect their special interests, there is no sense or meaning in having a second chamber to represent the States."

"Though we have Schedule III-B, the position, I feel, should be made clearer that the Council of States will be representative of the State interests, and therefore the States, as States, and as autonomous units, must be equally represented. On this ground, I suggest that the allocation of seats to the representatives of the States in the Council of States should be on the basis of equal representation to each of the component States, the number of which representation shall in no case be more than three. Why I fix upon the figure three is this. I feel that if three members come from every State, that will be sufficient to safeguard the special interests of the States, and their special problems. After all, this is to be a sobering House, a reviewing House, a House standing for quality and the members will be exercising their right to be heard on the merits of what

they say, for their sobriety and knowledge of special problems; quantity, that is, their number, is not of much moment, and I think three is just sufficient for the purpose."

श्री लोकनाथ मिश्र हर एक राज्य से तीन-तीन सदस्य रखना चाहते थे और प्रोफेसर के० टी० शाह हर एक राज्य से पाँच-पाँच सदस्य रखना चाहते थे। ये दोनों सज्जन राज्य सभा में स्टेट्स के रिप्रेजेंटेशन को बराबरी के आधार पर निश्चित करने के जबदस्त वकील थे। लेकिन ऐसा नहीं किया गया।

आखिर में राज्य सभा में स्टेट्स के रिप्रेजेंटेशन का फंसला यूनियन कमेटी की रपट के आधार पर हुआ, जिसको मोटे तौर पर सविधान में स्थान दे दिया गया। वह रपट श्री टी० टी० कृष्णामाचारी ने पेश की थी। उस रपट का मतलब यह था कि वह कमेटी इस तरह तफसील में नहीं गई कि राज्य सभा का संगठन किस तरह का होना चाहिए, उसका क्या रूप होना चाहिए, क्योंकि राज्यों का पुनर्गठन अभी बाकी है। 1949 की बात है। देशी राज्य, नेटिव स्टेट्स, मजं हो चुके थे और यूनियन में इन्कorporated हो चुके थे, लेकिन सविधान के बनाने वालों के दिमाग में यह बात थी कि अभी राज्यों का पुनर्गठन करना है और उस आधार पर राज्य सभा में राज्यों की नुमायंदगी के लिए रास्ता निकालना है।

MR. CHAIRMAN: The hon. Member may continue his speech on the next occasion. Now we have to take up the half-an-hour discussion.

17-30 hrs.

#### HALF-AN-HOUR DISCUSSION

#### EXPORT OF IRON ORE TO JAPAN

SHRI SURENDRANATH DWIVEDY (Kendrapara): While replying to Question No. 212 on the 30th July, 1969, the Minister has misled the House so far as the efforts of the MMFC to export iron ore from Daitari and Barajandi mines are concerned. I am sorry I have to say this because the Minister in his long statement has almost repeated what seems to be the version of the Japanese. Also I do not believe that the Japanese would ever have stated that so far as

[ Shri Surendranath Dwivedy ]

Daitari and Barajamda ores were concerned, they were simply not prepared to touch them. I do not believe that this would be a true story. Let me make it clear. In the year 1954 the Japanese sent a team which was a preliminary survey team which visited the Daitari mines and they were prepared not only to give financial assistance to develop the mines but they were prepared also to give financial assistance for a rail link from Daitari to Paradip and also finance the construction of the Paradip port. But in their wisdom the Government of India in the year 1956 did not permit the Orissa Government to go forward with this arrangement and rejected the offer. In the survey which was subsequently conducted by the Indian Bureau of Mines not only the Japanese were assured that for a long term contract they could get high grade ores from Daitari, but the Indian Bureau of Mines have also stated that the high grade products available at Daitari would be to the extent of 61 or 62 re. content. So there is no question of quality. At no time the ore produced by Daitari mines was less than any other ore which we are exporting to Japan at the present moment. Let them compare. I say it stands comparison with Australia and Siberia with whom Japanese have entered into agreement. I have figures with me to show that this ore stands comparison in quality with any of the ore either in other countries or in our own country like Kiriburu and Bailadilla. Therefore, it is a lie to say so.

The point is that these people have never made efforts. That is my objection. What I say is: Orissa's production of iron ore has increased. In the year 1968 it has increased by about one-fifth of what it was in 1967. Not only that, we exported to Japan in 1968—according to the statement of the Counsel General of Japan—about 12.50 million tonnes of iron ore. I want to know in that year whether Daitari could produce ore or not but Badjamda was there where 2.5 million tonnes of ore were quite easily available which is of medium grade. What efforts MMTC have made to export this ore through Paradip port that year? They have already entered into an agreement with Japan for exporting 14.5 million tonnes of iron ore this year. I want to know from this how much is the percentage that

is going to be exported from Daitari and Badjamda mines. What I find is: that there is from the very beginning—who is responsible I cannot say, whether some officials in the M.M.T.C. or at the higher level I cannot say—but the fact remains that it seems and we feel it very intensely that there seems to be a conspiracy somewhere in the higher level which not only does not want to export the iron ore from Orissa mines but also to see that Paradip port is not developed. Paradip port is an integrated scheme. The Government of Orissa has spent Rs. 35 crores for developing Daitari mines, Express Highway and the Paradip port. Because of this assurance that from Daitari mines ore will be exported to Japan, they have invested Rs. 4 crores and set up a commercial corporation and have purchased trucks from foreign countries. These are lying there.

SHRI RANGA (Srikakulam) : Some people might have made money out of it.

SHRI SURENDRANATH DWIVEDY : I do not want to go into that part of the story. But all this was an integrated scheme and we are trying our best that if Paradip port is to be developed, there must be some communication available to export ore from Paradip port. Some communication system should be there. We have been pressing that the Talcher-Bimlagar link should also be established as soon as possible so that the products of Rourkela could pass through Paradip port. This is on record. At our request, a conference was convened with representatives of the Steel and other concerned Ministeries. You will be surprised to know that there the MMTC representative disputed the claim. They said adequate quantity of ore would not be available to be exported through that railway line and then via Paradeep. They were trying to obstruct this from the very beginning. Therefore, it is no surprise at all that they have not placed the claims of Orissa mines at any time with Japan. This becomes still more objectionable, because after all, Daitari is a government-owned mine, not a private undertaking. Therefore, it should have been their special responsibility to see to that. It does not lie in their mouth to say that it was delayed and construction was not completed in time. We know the difficulties. Shri Ranga would want me to go into all that, but I do not want to do that

now. If the Minister inquires, he will find out how his own colleague who was for some time Chief Minister of Orissa stood in the way in regard to the machinery to be supplied to Daitari, how even when MMTC and OMC were trying to have some sort of a corporation,.....shares were not given and all those things. Some other source was then tried and that did not work.

Let us not blame anybody. Why was this not completed in time? Of course, no project is completed in time.

I have put this question again and again. Did MMTC at any time make any effort to export iron ore from Orissa mines specially to Japan through Paradeep port. Let him give the dates. I have all the figures with me how much was exported in which year. I am not going into them. These papers will be with him also.

Secondly, his complaint is that the port is open but the transport line is not developed. This also is not true. On the 10th Jan., the then Transport Minister—I do not know if Shri Raghu Ramaiah is going to honour the assurance given by his predecessor—at a meeting in Paradeep said that by 1969-70 they are going to have a general cargo berth in Paradeep. But in the Fourth Plan, there is no mention of it. The port is open. It has a capacity to export several million tonnes even now. So far as depth is concerned, by 1970, it will be the deepest port in India, deeper than Goa. I want to say that now the road is open, it is ready. Any amount of ore can be transported through the road, through, the Express highway on which about Rs. 15-20 crores have been spent.

I want to bring to his notice that when Paradeep was taken over, there was a good deal of correspondence between the Governments of India and Orissa. The present Government in Orissa was not in office then; it was the Congress Government which was in power there. Then the question arose that since we are interested in exporting iron ore, if you have toll and other restrictions on the road, transport charges would be too high and export possibilities would be very much less.

All those letters are with me, the exchange of letters between the Government

of India and the Government of Orissa in which they refer to this. In their reply of the 20th May, 1965 the Orissa Government were prepared to adjust the rates according to the needs of export: They say:

“We are also vitally interested in exporting ore”.

If it depended upon the adjustment of rates, etc. the toll will be levied corresponding to the prevailing position regarding the export price available for iron ore through Paradeep port. So, they are agreeable. Where is the question of transport charges being more and therefore the Japanese refusing. It is not so. It is because as has been alleged in the original question there is some vested interest working. I am not very much concerned who is interested, I am concerned because by doing this you are actually preventing a State which has immense potentialities of development. It has all the resources to contribute to the growth of national wealth. At this hour for some reason or the other you are responsible in preventing the growth of this State. That is my complaint.

Here is a statement by the Consul-General of Japan. He says clearly that so far as Indian ores are concerned, they are less in quality compared to what they get from other countries. He has made it clear in his statement. He only complains about competitive prices and port facilities. Here is Paradeep port which provides you with port facilities if you have a mind to develop it. It is surrounded by Banjama, Kconjhar and Daitari where for hundreds of years you can get ores in any quantity and take it to any country which wants ore for the steel factories. That possibility is there. If proper facilities are provided, if road links are provided and if some money is given to develop those mines, they will come up. They are now coming forward with the plea: we are doing something to export it to Rumania. I have nothing to say against it and I shall be happy if they are able to do it. But we want to know first of all why the State should suffer because of negligence and callousness of a particular organization of the Government of India. As I stated that day they did not even permit the Chief Minister. The Chief Minister had gone there. He made a state-

[ Shri Surendranath Dwivedy ]

ment in the Press Conference at Bhubaneswar : I wanted to talk to them and find out what is wrong with our products. It is not a fact that so much percentage of it could not be used properly in steel production. Why must the Ministry come in his way ? If by persuasion he was able to convince them, what is wrong. You carry on the negotiation and when the MMT representatives go probably in September, their hands would have been strengthened if he was able to convince the Japanese that such reports were not correct. They would have asked the Japanese : who had made this survey and what is wrong with these ores ? From all these accounts it is clear that the Government has totally neglected these mines and they have no mind to develop the Paradip port. If they do not develop it due to some machinations, I do not think that Mr. Bhagat would be a party to them.

He also comes from a backward region. If Paradip is developed I am sure much of the ore that is used in Bihar would also go through Paradip port. So, I would appeal to him that this bottleneck, wherever it is, should be removed. Let him chalk out a plan ; let him again take the initiative as was done by the Steel Ministry ; call a conference of all these authorities—transport, railway and others, and let there be an integrated scheme to develop Paradip and the transport links and the mines there.

I would like to have categorical replies from the Minister about the issues that I have raised.

MR. CHAIRMAN : Shri Sreedharan. Only ask a question. There is hardly any time for the Minister to reply.

SHRI A SREEDHARAN (Badagara) : Before I put the question, just as the background...

MR. CHAIRMAN : The background has become a very big affair here. Just put your question, and he will reply. He must have at least 10 minutes for his reply.

SHRI A SREEDHARAN : Ours is a rich country made poor by the unimaginative

policies of this Government. We have huge iron ore deposits in the country. My leader, Shri Surendranath Dwivedy, has spoken about Orissa. In Mysore, there are huge iron ore deposits, and they are not in a position to export them because of lack of facilities in Mangalore and Marmugao ports. Also there are huge iron ore deposits discovered in the Calicut district in my constituency, and representatives from the Kerala Government went to Japan to negotiate about the exploitation of this ore.

Now, I would like to put my question.  
(a) What steps are the Government taking to expand the exportation facilities in Mangalore and Marmugao ?

THE MINISTER OF FOREIGN TRADE AND SUPPLY (SHRI B. R. BHAGAT) : Sir, we are now dealing with Paradip and Orissa. He is now referring to Goa and so on.

SHRI A SREEDHARAN : I will come to the subject. They are not able to export their iron ore and exploit them because of the lack of these facilities. I want to know whether the Government have received any report from the Kerala Government about the possibilities of exporting the ore to Japan from that State and, if so, whether the Government have taken any action.

श्री रवि राय (पुरी) : सभापति जी, पहले मैं श्री सुरेन्द्रनाथ द्विवेदी जी का धन्यवाद देता हूँ कि उन्होंने एक महत्वपूर्ण सवाल सदन में उठाया। मैं मंत्री महोदय से कहना चाहता हूँ कि जो सवाल माननीय द्विवेदी जी ने उठाया है उसमें सबसे महत्वपूर्ण सवाल यह है कि 54 साल से इस बारे में उड़ीसा सरकार कोशिश करती रही है कि जापान सारा आयरन और खरीद करे, और इनका जो कहना है उससे यह जाहिर हो चुका है कि एम० एम० टी० सी० जो पब्लिक अन्डरटेकिंग है वह जिस तरह से व्यवहार कर रहा है दैतारी और बाराजुगडा के आयरन और को लेने के लिए, उसमें एक साजिश नजर आ रही है। इसलिए हमारा आरोप है कि क्योंकि उड़ीसा एक

पिछड़ा हुआ राज्य है इसलिए सरकार उसकी ओर एक पक्षपात की दृष्टि से देख रही है।

बड़ा मजेदार सवाल है कि 21 तारीख को हमारा एक सवाल था जिसके बारे में पेट्रो-लियम मिनिस्टर कहते हैं कि : Efforts continue to be made to sell Daitari ore to Japan and elsewhere. यह पेट्रो-लियम मंत्री का जवाब है। चौधरी साहब कह रहे हैं कि गलत है।

श्री ब० रा० भगत : वह यह कह रहे हैं कि गलत क्या है ? सही जवाब है।

श्री रवि राय : पिछली बार जो सवाल हुआ उसमें फोरन ट्रेड मंत्री ने कहा कि जापान तो यह यह कहता है, यह यह शिकायत करता है। मैं कहना चाहता हूँ कि जब प्रधान मंत्री जी भी जापान गये थे और प्रधान मंत्री के साथ उड़ीसा के एम० पी० की बात हुई तो वह बोली कि विपाखापटनम के बारे में जो बहुत दिक्कत हुई। उड़ीसा मुख्य मंत्री का तार मिल गया था, लेकिन जब विपाखापटनम के बारे में इतनी दिक्कत हुई तो फिर उड़ीसा के बारे में मैं क्या पूछ सकती हूँ। यह प्रधान मंत्री ने हमसे कहा। हम लोग यह भी चाहते हैं कि विशाखापटनम का विकास हो। देश की दृष्टि से, जैसा कि सरकार सोचती है कि यह राष्ट्रीय सवाल है। लेकिन उड़ीसा का जो पोर्ट है उस पर राज्य सरकार 35 करोड़ रुपये खर्च कर चुकी है। साथ ही यह बात भी है कि दैतारी माइन्स में डाई लाल मजदूर काम करते हैं। जब जापान खरीद नहीं करेगा तो उनका भी काम नहीं चलेगा। एक बात तो यह हो जायेगी फिर पारादीप पोर्ट भी भूखा रहेगा। जो एक्सप्रेस हाई वे आया है और इतना रुपया खर्च करके आया है वह भी काम नहीं आयेगा। यह सारा समन्वित प्रोग्राम है। जब 1970 में कटक पारादीप रेल लाइन पूरा करने की बात सरकार तय कर चुकी है, तब फिर उनका जो तर्क है कि यह रास्ता गलत है और ट्रांसपोर्ट की दिक्कत है, वह निराधार है क्योंकि अब तो

एक्सप्रेस हाई वे तैयार हो गया है, 1970 में रेलवे लाइन भी तैयार हो जायेगी। इसके सम्बन्ध में मैं दो जुमले उड़ीसा सरकार के इंडस्ट्रीज मिनिस्टर ने जो चिट्ठी 20 जून को यहाँ के डिप्टी मिनिस्टर को लिखी है, उसमें से पढ़कर सुनाना चाहता हूँ।

उड़ीसा के उद्योग मंत्री लिखते हैं कि :

"It is a matter of common knowledge that development of Paradeep Port was conceived as one to deal with export of iron ore in the beginning and Daitari iron ore were to be exported. Japan had agreed to purchase Daitari Ore after survey by their own team of the Tomka Daitari mines and inspection of the ore. Years have passed and now suddenly it is being said that due to inferior quality of Daitari ore Japan is declining to accept it. The MMTC which is a Central Government undertaking, is the monopolist exporter of mineral ores and as such, it is the duty of this Corporation to ensure export properly. MMTC had previous knowledge about the quality of Daitari iron ore and are also aware of the fact that Paradeep Port will suffer if there is no export of this ore. The Express Way is complete by now for transfer of the Daitari iron ore and the sudden refusal by Japanese to accept Daitari iron ore and MMTC raising no contention is quite intriguing. Paradeep ought to be viewed as a national problem and everybody should play his role properly. In its absence, a sense of lack of fair deal to Orissa is gaining momentum amongst the people."

यह उड़ीसा सरकार के उद्योग मंत्री की चिट्ठी डिप्टी मिनिस्टर श्री हकबाल सिंह के नाम है।

मैं आप के जरिये से कहना चाहता हूँ कि जब उड़ीसा की जनता में यह भावना हो जायेगी कि भारत सरकार जान बूझ कर बूँकि उड़ीसा पिछड़ा हुआ राज्य है, भले ही उड़ीसा में इस तरह की मिनरल सम्पदा है, ऐसी

[ श्री रवि राय ]

कोशिश करती है, तब भारत में राष्ट्रीय एकता के लिए बहुत खतरा पैदा हो जायेगा। इसलिए सब चीजों को मद्दे नजर रखते हुए क्या मंत्री महोदय वचन देंगे कि आगे चलकर वह भरपूर कोशिश करेंगे क्योंकि यह बात साफ हो गई है कि जापान के साथ जो वार्ता चल रही है उसमें कहीं कोई साजिश है। मंत्री महोदय इस पोल को खोलें। वह बतलायें कि क्या साजिश है। मैं नहीं कहता कि श्री भगत जिम्मेदार हैं, लेकिन जिस तरह से एम० एम० टी० सी० कर्तव्य कर रहा है, उससे मालूम होता है कि इसमें कहीं साजिश है। इस सारे पंच को मंत्री महोदय खोलें ताकि आगे चलकर जापान के साथ फिर वार्तालाप चल सके, जो कि आज नहीं चल रहा है, या फिर उड़ीसा सरकार ने जो अनुमति मांगी है, उसको वह अनुमति दी जाये, कि वह खुद वार्ता चला सके जापान के साथ और सारी चीज को पूरा करें।

SHRI K. LAKKAPPA (Tumkur) : I come from Mysore State, which is now exporting iron ore to Japan. We are meeting stiff competition from Australia in the matter of iron ore export to Japan. Yet, no steps have been taken by the Government either for meeting the competition or for increasing our exports from Mysore and other States. For instance, they have not developed or improved communications. In some case, preliminary survey for exploration of ore has not been conducted. The Kudremukh project is not coming up. In view of slackness on the part of the Government of India, other countries are exporting more ore in the international trade. Some time back a question was asked of the hon. Minister whether any rail link is being constructed in Mysore State for extraction of iron ore and the reply was that we have not yet developed it. In the light of this background, I would like to know what steps the Government of India are taking to compete with other countries, so far as export of iron ore to Japan is concerned.

SHRI S. KUNDU (Balasore) : Recently I read in the newspapers that the MMTC has entered into a contract with the Govern-

ment of Rumania for the supply of 22 million tonnes of iron ore. I would like to have a specific answer as to how much of it will be from Daitari ore and for how many years it would be binding. Then, I also read in the papers that the MMTC is putting up a billet pelletisation plant. The main raw material for this comes from medium and low content iron ores. Even though Orissa is so rich in mineral ore particularly of this grade, this plant is not being put up in Orissa. Considering the backward condition of Orissa State, will the hon. Minister see that another plant for billet pelletisation is put up in Orissa? Thirdly, we have been very much agitated about the regional imbalance. To develop the mines in Orissa and other backward States like Bihar it is necessary that both MMTC and NMDC should have an integrated plan. Is the hon. Minister thinking of drawing up an integrated plan by MMTC and NMDC so that iron ore could be extracted, lifted to the port and shipped?

SHRI B. R. BHAGAT : Mr. Chairman, this question which has been coming up again and again in this House has been raised in the form of a half-an-hour discussion by my esteemed friend, Shri Dwivedi. I am grateful to him for that because this gives me another opportunity to assure the hon. Members and House that neither there is a conspiracy nor is there any prejudice against the development and export of iron ore from Daitari and Barajamda mines of Orissa. I have been assured by my colleague, the Transport Minister, who is primarily responsible for the development of ports, about the development of the Paradeep port.

18 hrs.

The hon. Members have chosen this opportunity to raise certain matters regarding iron ore export from Kerala or from Mysore or regarding the pelletisation plant proposed to be set by the M. M. T. C. Even though they are not very germane to the issue at the moment, I would like to, since they have been raised, answer straightway that in Kerala, the survey for the development of iron ore is going on and the Kerala Government has not yet written to us about the results of the survey. So, before the mine is developed, we have first to

exploit the already developed mines and areas.

As far as Bellary-Hospet area in Mysore is concerned, already, largely through Madras, 2.5 million tonnes of iron ore are exported. That is a developed zone. Whatever maximum is possible will be done in the coming years.

As far as the pelletisation plant is concerned, I am told, the M. M. T. C. has no proposal to set up any such plant. The pelletisation plant has been set up by a private party in Goa. The M. M. T. C. has no proposal of setting up any pelletisation plant. Therefore, the question of ignoring Orissa's claim does not arise.

**SHRI S. KUNDU :** Recently, there have been reports that two pelletisation plants are to be set up by the N. M. D. C. or the M. M. T. C.

**SHRI B. R. BHAGAT :** I do not know about the N. M. D. C. That is not under my charge. About the M. M. T. C., it has no proposal to put up a pelletisation plant. My colleague, the Minister of Mines may have the information. I do not have the information at the moment.

Now, coming to the basic question, since I came on the scene in this Ministry, I have been hearing about this and, naturally, I am exercised about it because Orissa is one of the poorest States and our sympathies are with the case of Orissa. Then, this has an important bearing on the very important question of the regional imbalance, the Centre-State relations and, as the hon. Members said—I hope he said it in the national context—the integrity of our whole national unity. It is true, a section of the people should not feel that their legitimate claims are being ignored by any prejudices at the headquarters. But this also requires, firstly, to explore and enquire if there is a prejudice or a bias against the export of iron ore from these mines. Secondly, it should also not create such a climate. Ultimately, the public opinion is created by the Members, by the Parliament and by the leading public men. Therefore, all of us have a responsibility that we should function in a manner that this spirit of distrust or of prejudice or of legitimate grievances which are not fulfilled is not created.

Since I came on the scene in this Ministry, when I first saw the reaction in answering questions, I went into this question, I talked with the Chairman of the M. M. T. C. who is concerned with this. The charges were levelled against him that he is not interested in this, that he is interested in something else, that he did not put forward the case when he went to negotiate, etc. So, I wanted to know what is the reason for the ore not being taken up. As I said last time, it is not a question of the ore being inferior or superior. The ore is not inferior; it is with 60 to 62 per cent ferrous content. But, as you know, the technological development that has taken place in the last six years cannot be ignored, particularly, in a commodity which is for export all the forces of international commercial relations come to play.

As regards the Daitari mines, one of the imbalancing factor, as you said, that the port was not being fully used and it is not being used and the fact is there is the integrated plan of the development of Daitari mines, and then the Express Highway and the port should have come in an integrated manner. The port was ready by 1967. I am told that the Paradeep Port had been brought into use during 1967. But the Daitari mine is being commissioned this year.....

**SHRI SURENDRANATH DWIVEDY :** Government of India took it over in 1965.

**SHRI B. R. BHAGAT :** I know; they took it over. I am not putting the blame on anybody. I am only stating the case. The Paradeep Port came into use in 1967. The idea was that Daitari mine would also have been completed in 1965, but actually it will be commissioned this year; it has started, what they call, the bench-clearance ore operations; the full mechanical operations will start late this year. Even though the port was ready, the ore was not ready to be exported from this. It has been said that the handling capacity of Paradeep is about 2 to 2.5 million tonnes (*Interruption*). This year, i. e., in 1968, 1.1 million tonnes of iron ore were exported—mostly of Barajamda—both Haldia and Paradeep. As soon as the Daitari Mine comes into play, there will not be any dearth of cargo for this. The Plan programme of Paradeep is 1969

[ Shri B. R. Bhagat ]

1.5 million tonnes; 1970-71 2.6 million tonnes; 1971-72 3.6 million tonnes; 1972-73 3.6 million tonnes; and 1973-74 3.8 million tonnes. I do not know whether they have taken the full capacity of Daitari; I do not know whether the new source of export, i. e., the Rumanian deal has been taken into account or not. But the point is that there should not be any dearth of cargo for Paradeep because it will go towards the end of the Fourth Plan to handle a cargo of 4 million tonnes. By that time, the Plan programme is that 3.8 million tonnes should be there. It is not that the port is not being used or that there is any bias. When the hon. Minister of Transport visited that place, he was asked why was it that Ha'dia was being developed and Paradeep was being neglected, and he gave an assurance, 'No, there is no question of neglecting that; after all, this is a rational asset and there is no question of neglecting it or delaying it'.

SHRI SURENDRANATH DWIVEDI :

What about the assurance on the 10th January at Paradeep that they are going to have general cargo by 1969-70? Did your colleague tell you about it?

SHRI B. R. BHAGAT : I will come to that—General Cargo berth. The need has been recognised by Government; the estimated cost of this is Rs. 2.29 crores and allotment of funds for the current year would hardly go to meet the needs of the continuing scheme; this will be taken up at the time of framing the next year's Budget. That is the position at the moment, (Interrupted). They recognise the need. They are going to do. At the moment no problem is there. As the cargo will go up, they will be able to do it. The point is that there is no question of delaying it or giving it a step-motherly treatment.

I come to the main charge as to why we did not try to get the export for Japan. Even the Chief Minister who wanted to negotiate was prevented. The point about that is that even in April 1969 when the team went in Daitari mines, it is not true to say that there was Japanese interest or collaboration or financial assistance. The Japanese team came at the invitation of the

Government of India in 1963. They were asked to report on the Daitari mines development and the Paradip port. They made their report. Their report carefully refrained from making any commitment or giving any assurance about lifting the ore from the Daitari mines. In the subsequent development of the mines no technical or financial collaboration has been obtained from Japan. In fact the main plant that is the crushing, screening and washing ore plant has been imported from Hungary. There is no Japanese investment or interest here. Similarly in the development of the Paradip port no technical or financial collaboration was taken from Japan. The consultants were from UK, M. S. Rendell Palmer and Tritton of U.K. For mechanical loading the plant was supplied by M. S. Hewitt Robbins of the U.S.A. The only assistance that has been taken from Japan is for restoring the draft after silting of the labour through a Japanese firm engaged in the dredging of the port and that dredger at the moment is working. Therefore, the point is that there was no Japanese commitment or financial involvement in these matters and the Japanese had at no time made any commitment.

SHRI SURENDRANATH DWIVEDI :

I stand corrected in regard to what you say about the collaboration in developing the mines. But is not a fact which you have probably overlooked that the first preliminary survey was made by the Japanese. Daitari mines were actually surveyed by Ennul & Co. which was merged in Mitsubishi & Co. They surveyed it first in 1954 and they said that a total of about 4.99 million tonnes of iron ore with an average grade of 61 could be mined. It is not correct to say that in 1963 nothing was done.

SHRI B. R. BHAGAT : Again the Japanese team came at the request of the Government of India. They surveyed it and made a report. What I am saying is that they made no commitments, either financial involvement or for purchasing the ore. There was no such commitment. This is the point I am making. I am not disputing what the hon. Member has said about the survey. Had the mines come into operation in 1965 as against 1969 the position would have been different. Now the Japanese have diversified their sources. From Siberia they are getting. Meanwhile they

have gone to Brazil. That is one of the points that they have made long term commitments with Australia. Now the Siberian source is coming. Meanwhile because of this delay we could not press that point strongly because the mine was not ready. This time when they had their sources full they showed interest in Bailadilla project and Vizag through with the ore is to be exported and they said when I said that they will not touch the ore. I have said this. That is my English. The fact is that they showed no interest. They said that they are only interested in the ore from Bailadilla, not ore from this area. When the MMTC Chairman went there in April, I asked him 'You try to sell this ore and put it as strongly as possible' and he did his best. But the Japanese are not at the moment going to buy either from Daitari or Badajamda area. Shortly following that, the Chief Minister of Orissa was coming back from USA and he said he would like to talk to the Japanese, the MMTC Chairman conveyed through the Orissa Mineral Corporation that while the Chief Minister can mention it in a general way to the companies concerned and there is no harm in it, because they have said 'No', immediately his saying may not give any positive results.

The Chief Minister agreed with this. When he came, he said that this judgement was correct and he said that we should find outlets elsewhere for this because this is a national investment lying unutilised. I also gave instructions here. I said we must do something because it is an untenable position and we will not be able to satisfy members because all sorts of things might be said. I have been emphasising this.

In this context, the Rumanian deal came in handy. I said, let us have a barrier deal when we import tractors, let us have even a short-term deal, because something must start moving. Something has moved, although I agree we must exploit the mines fully.

I am glad to announce that the Rumanian deal will solve the problem of Daitari if not 100 per cent, at least to a very large extent. It was only to the last week of July that the Chairman negotiated this. ~~When a question was asked by Shri Panigrahi, I told him 'What are you angry with~~

the Chairman?' He said he is prejudiced. I do not know how he drew that conclusion. At the moment, the Chairman is negotiating a deal about ore from Orissa and he is saying he is prejudiced. I said to him 'You are using the strongest language against him. This is not fair. He is trying to do his best. For God's sake, do not use such language.' Ultimately, this good news came.

This envisages a supply of 1.4 million tonnes of Daitari ore to Rumania during 1970, of which 0.8 million tonnes is firm, the balance depends on the trade plan, how much we are prepared to buy from them so that rupee is generated and they are able to do it.

Then there is a long-term arrangement for ten years. As I said, 0.8 million tonne per year is firm, the balance depending on the trade plan, going from 1.4 million tons in 1970. Gradually rising him 1.7 million tonnes in 1971 to 2.5 million tonnes from 1978 onwards.

Therefore, nearly 70 per cent of the supply is taken care of. Against this contract, medium grade ore will be supplied from Daitari the bulk of which will be shipped via Paradeep. This not only takes care of the ore but also the cargo for Paradeep. Once the Daitari ore is taken care of, the problem remains only of Barajamda. It is distributed in small private mines as against this government mine.

I would request the House to trust the MMTC and me. As long as I am here, I will see that all the possibilities for exporting iron ore from these mines are fully exploited. There is no question of conspiracy. It is very good that hon members have expressed faith in me. I can assure them that I will exert my best in the interest of Orissa and, for that matter, of all other States. All these are national investments on which money has been sunk and they must be used if they are to give results. There should be no feeling here that Orissa will be ignored or there is a conspiracy or any prejudice. There is none on my part or on the side of MMTC. As I said, the MMTC Chairman is trying his best in so far as export of ore from these mines are concerned. With these words, I thank

[ Shri B. R. Bhagat ]

the hon. Members for raising this discussion which gives me an opportunity to clear these issues.

SHRI K. LAKKAPPA : He did not clear one point. We are losing the market in Japan. Australia is competing and capturing the trade in Japan. Has this Ministry applied its mind to this ? Why is Australia capturing the market of India in Japan ?

SHRI B. R. BHAGAT : This is a question which I did not deliberately touch. Earlier the hon. Member himself has said about the port facilities and equipment and mechanisation. We are not able to handle so efficiently that it has affected our competitiveness. Bulk carriers of 100,000 tons or

120,000 or even 150,000 tonnes can call at some ports in Australia and Brazil and may be tomorrow calling at a part in Siberia. In Calcutta only 10,000 tonnes carrier comes. In Vizag it is 30,000 tonnes and in Paradip it will go up to 60,000. Apart from that there is mechanisation in handling. Every year, in spite of all this, there is increase in the export of iron ore ; it is not falling. We are maintaining our position and improving it. We could have done things faster. We could have larger unit value. But we are trying for this in Vizag and Goa at least, to get 1,00,000 tonnes carriers.

18 23 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday August 11, 1969  
Srawana 20, 1891 (Saka)*