

231.4 for the week ended 1st March, 1980, i.e., by 2.8 per cent.

(b) and (c). No specific scheme is contemplated by Government in this regard. At present the prices of many important commodities are determined on the recommendations of expert bodies such as the Bureau of Industrial Costs and Prices and the Agricultural Prices Commission. While making recommendations they keep in view the overall needs of the economy with due regard to the interests of producers and the consumers. The Agricultural Prices Commission under its terms of reference is also required to take into account the changes in the terms of trade between the agricultural and non-agricultural sectors.

Development of Massive Aluminium Complex in Orissa

522. SHRI LAKSHMAN MALLICK: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether any agreement has been signed by the Government of India and the Government of France for the development of a massive aluminium complex for utilisation of bauxite reserves in Orissa; and

(b) if so, what are the details thereof?

THE MINISTER OF COMMERCE, CIVIL SUPPLIES AND STEEL & MINES (SHRI PRANAB MUKHERJEE): (a) & (b). A Memorandum of Understanding was signed between the Government of India and the Government of France on 28th January, 1980 in regard to setting up an alumina/aluminium complex in Orissa. The following are the main features of the Memorandum:—

(i) The French Government shall make its best efforts to have a comprehensive financial package presented to the Government of India covering both off-shore purchases and local costs of the projects, including related infra-structure facilities. This package will include

Government credits on preferential terms as well as bank loans to be organised by a consortium of banks.

(ii) Simultaneously, Bharat Aluminium Company will initiate discussions with Aluminium Pechiney of France about the terms and conditions of technical collaboration for implementation of the Project.

Restoration of cut Imposed on Bank Credit

523. SHRI N. E. HORO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Federation of Indian Chambers of Commerce and Industry have urged the Government to restore 20 per cent cut in the bank credit imposed last August and postpone the application of the new regulations on company deposits by at least six months in view of the severe stringency of finance being faced by the Industry and trade; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI JAGANNATH PAHALI): (a) Yes, Sir

(b) On the basis of average draws observed in the past, Reserve Bank of India find the limits fixed for cash credit and bills to be generally quite adequate. Besides, the Reserve Bank have also provided sufficient flexibility to take care of any genuine additional credit needs arising out of increased production and/or market dislocations.

No final view has been taken on the other suggestion of the Federation.

Daily Air Service to Port Blair, Andaman and Nicobar Islands

524 SHRI MANORANJAN BHAKTA: Will the Minister of TOURISM