

Construction of Aluminium Complex in Orissa

3714. SHRI CHITTA BASU: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the works for the construction of the Aluminium Complex in Orissa have since been started;

(b) if so, whether contracts have been awarded to several agencies; and

(c) if so, the names of the agencies and the details of the work allotted to each of them indicating the value of the work?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) The work in connection with the construction of the aluminium complex in Orissa is expected to commence after the appointment of the consultants and agreement with them becoming effective and the setting up of the new company for the implementation of the project, which are likely during the last quarter of 1980-81.

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

Price equalisation of Cotton Chemicals and Gas

3715. SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the prices of coal, iron ore and steel were equalised all over the country from 1950,

(b) the rationale for such equalisation measures,

(c) why this principle has not been extended to cotton, chemicals and natural gas etc., and

(d) whether Government propose to review this price equalisation measures?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN) (a): A uniform price is charged for steel all over the country from 1956. However, for coal and iron ore while pit head prices are the same for a given grade users' price in different States vary due to differences in freight, local taxes etc.

(b) The rationale for the equalisation of the price is to facilitate the dispersal of steel using industries all over the country.

(c) The inter-Ministerial Group which examined in detail the scope and feasibility of freight equalisation for raw cotton in 1977 came to the conclusion that it was not feasible because of *inter alia*, the fact that the cost of transportation formed a very small proportion of the cost of cotton and the fact that only a limited proportion of cotton used in cotton manufactured moved by railway.

It is not feasible in the case of chemicals as they are not a homogeneous category as a variety of factors influence the pricing of individual products in the chemical industry.

Similarly the prices of natural gas cannot be equalised because of the variety of its uses. It is used as a feedstock for the production of fertilisers, petro-chemical industries, power generation etc. It is also used for cooking purposes.

(d) The commodities covered under price equalisation are reviewed from time to time by Government.

Quantity of Jute purchased by Jute Corporation of India in West Bengal

3716. SHRI CHITTA BASU: Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of raw jute purchased by the Jute Corporation of