

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

India in West Bengal during the current season;

(b) the target for purchase in West Bengal;

(c) whether it is a fact that there was large scale distress sale due to the operational failures of the Jute Corporation of India; and

(d) if so, whether steps are proposed to be taken to strengthen the Jute Corporation of India in order to enable it to embark upon monopoly procurement for the coming season?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). During the current season, JCI have purchased 4.01 lakh bales of jute in West Bengal upto 29th November, 1980, as against 2.91 lakh bales purchased during the corresponding period in the preceding year. Purchase operations are continuing, though no target of procurement has been set.

(c) Reports have been received of fall in prices in some areas, particularly in respect of lower grades, due to serious imbalance between supply and demand.

(d) Monopoly procurement by JCI in the coming season is not being contemplated, though efforts are being made to enlarge its level of procurement.

Share of High Development States in Resources of the Term Lendings

3717. SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the industrialists and industrial projects in

the relatively highly developed States received disproportionately large share in the resources of the term lendings leading to the aggravation of regional disparities;

(b) if so, whether Government propose to re-appraise the region-wise pattern of investment by them; and

(c) if so, steps already taken in that direction?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN) (a) to (c). While industrial concerns located in relatively highly developed states have received substantial assistance from the all-India term-lending institutions, it needs to be noted that financial assistance by the term lending institutions is extended to all worth while projects which are found economically and financially viable, and technically feasible, and are in accordance with national priorities. The ability of the financial institutions to sanction assistance to different States depends upon the number of viable proposals received from such States. The location of the project in a particular State is governed by several factors such as infrastructure facilities, availability of raw materials, proximity to market and general investment climate. In view of the availability of utilities and facilities in certain districts/areas in certain States and the existence of a number of industrial units there, industrialists tend to prefer to locate their projects in such places. However, the financial institutions are making conscious efforts at correcting regional imbalances in the country. They introduced in 1970 schemes of concessional assistance to projects coming up in backward areas with a view to contribute in their own way to balanced regional growth. They also initiated simultaneously promotional activities such as identification of projects through industrial potential surveys, follow-up of projects identified in these surveys, setting up Technical Consultancy Organisations (TCOs), supporting entrepreneurial development programmes etc. IDBI also set up in 1977 Technical Assistance Fund