

rities in distribution of ships. The allegations relate to allotment of larger vessels to a few ship breaking units. Allotment of larger sized vessels combinedly to two units was tried towards the end of 1984-85 due to limited availability of smaller vessels. The system was discontinued by MSTC as a result of representations from the shipbreaking industry.

BICP Recommendations for Upward Revision of Prices of Basic Aluminium

*179. SHRI AMAL DATTA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the Bureau of Industrial Costs & Prices recommended for upward revision of prices of basic aluminium to compensate the industry for cost escalations ;

(b) if so, whether that was necessary at the moment of recommending for the cost reduction measure by the industry ;

(c) whether there is any possibility of reviewing the said recommendations ;

(d) if so, by what time ; and

(e) if not, the reasons for not doing a second review of the said recommendation ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :

(a) to (e) There is a statutory control on prices of aluminium ever since 1970 when the Aluminium Control Order was issued under the Essential Commodities Act. Bureau of Industrial Costs and Prices is entrusted by the Government to undertake studies on the cost structure of the Aluminium industry from time to time. The role of the Bureau is only of an advisory nature. The Bureau fixes the norms of consumption of various input materials, takes in to account the cost of major inputs and also the cost reduction measures adopted by the industry. Taking into account all such relevant data and norms, the cost of production of aluminium is determined, based on which the Bureau advises the Government on what should be the fair price for the metal.

In 1982, the Bureau undertook a cost study of the aluminium industry and submitted their report in 1983. Prices of aluminium were last revised on 9th May 1984. Since then, there have been certain increases in the cost of input materials, the most important among them being the escalation of power rates. The Bureau was asked to do a limited exercise of determining the effect of increases in the power rates on the cost of production of metal. They have submitted their report, which is under consideration.

Production of Controlled Cloth by Handloom Sector

*180. PROF. MADHU DANDAVATE : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether in the new Textile Policy announced by the Government while the entire responsibility of producing controlled cloth has been entrusted to the handloom sector, all constraints on capacity expansion in organised mill and powerloom sectors have been removed ; and

(b) if so, whether Government are aware that this situation will lead to unhealthy competition between handloom sector on one hand and mill and powerloom sectors on the other and also lead to sickness in the handloom sector ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :

(a) and (b) Under the new Textile Policy announced by Government on the 6th June, 1985, the burden of financing the production of controlled cloth and janata cloth which had been placed on the mills by the Policy announced in October 1978 continues to remain on the mill sector who will provide the funds through the mechanism of additional duties as before. The subsidy from these funds would be made available to the handloom sector in proportion to the janata cloth manufactured by it. Thus the transference of the entire production of controlled cloth to handloom sector will give rise to greater opportunity for employment and production to the handloom sector and help in reviving dormant looms and create at least