

1973, under provisions of article 213(2) (a) of the Constitution read with clause (c) (iii) of the Proclamation dated the 13th June, 1973, issued by the President in relation to the State of Uttar Pradesh, together with an explanatory memorandum

- (ii) A statement (Hindi and English versions) explaining the reasons for laying the above Ordinance before Lok Sabha [Placed in Library. See No LT-5347/73]

#### UTTAR PRADESH STATE UNIVERSITIES ORDINANCE, 1973

THE DEPUTY MINISTER IN THE MINISTRY OF EDUCATION AND SOCIAL WELFARE AND IN THE DEPARTMENT OF CULTURE (SHRI D P YADAV) I beg to lay on the Table a copy of the Uttar Pradesh State Universities Ordinance, 1973 (No 1 of 1973) (Hindi and English versions) promulgated by the Governor of Uttar Pradesh on the 12th June, 1973, under provisions of article 213(2) (a) of the Constitution read with clause (c) (iii) of the Proclamation dated the 13th June, 1973, issued by the President in relation to the State of Uttar Pradesh together with an explanatory memorandum [Placed in Library See No LT-5348/73]

#### PARLIAMENTARY COMMITTEES

##### SUMMARY OF WORK

SECRETARY: I beg to lay on the Table a copy of the 'Parliamentary Committees—Summary of Work' pertaining to the period 1st June, 1972 to 31st May, 1973.

#### MESSAGE FROM RAJYA SABHA

SECRETARY: Sir, I have to report the following message received from the Secretary of Rajya Sabha:—

"In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 6th August, 1973, agreed without any amendment to the National Co-operative Development Corporation (Amendment) Bill, 1973, which was passed by the Lok Sabha at its sitting held on the 26th July, 1973"

12 54 hrs.

#### STATEMENT RE STATUTORY CONTROL ON COTTON YARN

MR SPEAKER Prof D P Chattopadhyay

श्री म. सु. लिम्वे (बाका) मेरा व्यवस्था का प्रश्न है, अध्यक्ष महोदय।

यह एक सहोदय हमका तो नोटिस देना चाहिए था आपको।

म. सु. लिम्वे अध्यक्ष महोदय, आपकी अनमति मे मृत के बारे में नियम 377 में एक बयान दिया था। उस के बाद मंत्री महोदय बिज्जुल चुन रहे, कोई सफाई नहीं। उम्मी तरह ना जान के बारे में आश्वासन दिया था वितरण की व्यवस्था के बारे में एक योजना लेकर वह सदन के सामने आयेंगे। हमने जो शीट नोटिस बेचन दिया था उस को भी नहीं माना है। तो आप उनसे खलासा करवाए न शीट नोटिस मानते हैं न 3771 तो स. की प्रक्रिया कैसे चलेगी?

**SHRI S. M. BANERJEE (Kampur):** Let us have a discussion. Lakhs of weavers are unemployed. Two-hour discussion should be allowed.

**MR. SPEAKER:** I will allow you every discussion. You find time for it. There is no question of my disallowing them. You find the time.

Shri Chattopadhyaya.

**THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA):** Shall I read the statement, Sir?

**MR. SPEAKER:** You can lay it on the Table.

**PROF. D. P. CHATTOPADHYAYA:** Yes, Sir. I lay the statement on the Table.

#### STATEMENT

Mr. Speaker, Sir. A statutory control on cotton yarn was imposed on the 13th March, 1973, with a view to freeze the pattern of production, the prices and to evolve a distribution pattern so as to make the available yarn reach the weavers in the decentralised sector despite the shortage in production. The prices of yarn were fixed in two groups: the prices of yarn of counts upto 59s were fixed at the level corresponding with the highest contracted price by each mill in December, 1972, while the prices of yarn of counts 60s and above were pegged at the mean of the similar prices in January and June 1972. Certain in-build escalations were provided for power cuts, which at the time of the imposition of control ranged between 15 per cent and 75 per cent in various States. According to a market survey, the prices of yarn upto counts 59s had maintained an almost steady level upto December, 1972, and exhibited a sudden spurt in the succeeding months. In respect of yarn of counts 60s and above also, the price fluctuation upto January 1972, was not so alarming. It was only between January and June 1972, that the prices of

various finer counts started moving upwards. We have adopted the pattern of regulated prices voluntarily agreed upon by the Indian Cotton Mills' Federation in August 1972 for 50 per cent of 'free' yarn, and which had been functioning satisfactorily till the end of 1972. The prices of indigenous cotton in almost all varieties were the lowest in December 1972 and have been constantly rising since then. There have been some representations from the spinning industry for increase in the prices of yarn spun out of not only the indigenous cotton, but also imported cotton whose prices have significantly risen during the past three months. The highest contracted price in both the groups according to the formula laid down, is the price which is either the highest ex-mill price in the month of December 1972 or January and June 1972, as the case may be, or if there were forward contracts only those contracts are taken into account where the deliveries had been made within the respective months.

2. The prices of imported cotton have shown a significant rise from March 1973 onwards. The sellers in Sudan and Egypt have announced price hikes and imposition of 40 per cent duty on imported cotton also added to the landed cost of the raw material. When the prices were fixed in August 1972 under the voluntary price and distribution scheme, the industry had agreed to lower their prices considerably compared to the then prevailing market prices. These reduced prices have formed the basis for price fixation of the higher counts in the present control scheme. In spite of the increase in the cost of raw materials, no escalation of prices has so far been permitted. As the problem of arriving at a satisfactory formula is rather complex, the details are being worked out. The prices had started showing an upward trend at an alarming pace and the problem needed a quick remedy and any reference to an expert body like the Tariff Commission or Bureau of Industrial Costs and

Prices for fixation of price of over 600 mills which consume different varieties of cotton and produce different varieties of yarn would have been time-consuming. The prices were showing an upward spurt and needed an immediate remedy. After consultations with the State Governments and the Planning Commission and representatives of mill sector and decentralised sector, and with the assistance of technical officers in the Ministry who maintain statistical records about prices of cotton and yarn, the scheme of Control including price fixation formula, as mentioned earlier, was adopted. This formula was applicable on a voluntary basis to only 50 per cent of the free yarn with the introduction of the Control Scheme, it became applicable to the entire quantity of yarn packed for civil deliveries.

3. In the initial stages, when speed was of the essence, the allocations were made without waiting for countwise requirements of the State Governments. These requirements change from season to season and with changing fashions or consumer tastes at home and abroad. It was, therefore, necessary to collect this information from individual States. When ad hoc allotments were made for the later half of March 1973, on the basis of information available with the Textile Commissioner, many States pointed out that the latest information available with them showed different countwise requirements and therefore declined to accept allotments made by the Textile Commissioner. Similarly, in the case of textiles mills, the production had been maintained on the December 1972 pattern and there was some delay in receipt of the countwise production pattern of over 600 mills. The mills which defaulted in submitting the countwise production pattern till the end of March 1973, were asked to show cause against prosecution. By 16th April, 1973, all but 12 mills had sent in the requisite information. Textile Commissioner thereupon took suitable measures to prosecute the defaulting mills.

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4. The collection of information and rectification of the earlier deficiencies has been completed and firm allocations for quarters April-June and July-September have been made by matching the count groupwise requirements of the States with count groupwise production of the Mills; but a large number of stay orders on writ petitions, over 700 by now, in the Supreme Court and various High Courts, has disrupted the distribution of yarn through the authorised channels. We are taking steps to get the stay orders vacated and are contesting every writ petition.

5 The Yarn Control Scheme was introduced to help the weavers to the maximum extent possible in conditions of acute scarcity and it has helped in easing the situation and in arresting the galloping rise in yarn prices. With the improvement in production due to the restoration of power cuts, distribution control in respect of blended yarn, industrial yarns and of yarns upto counts 40s has been relaxed. The matter is under constant review of Government so that the interests of weavers in the decentralised sector are protected. All the officers in whatever capacity they have been connected with the Yarn Control Scheme have done their best under various constraints and difficult circumstances and there is no reason to question their motives. Considering the facts and circumstances of the case, there is no need for setting up any investigation or internal enquiry into this matter.

12.55 hrs.

#### STATEMENT RE. FLOOD SITUATION IN UTTAR PRADESH

MR. SPEAKER: Shri Balgovind Verma. He may also lay it on the Table.

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER (SHRI BALGOVIND VERMA): This morning I have received some further information which I want to share with the House.