

Matter of Urgent
Public Importance

visited Guari Phanta area of our side some days back and took snapshots of the area; and

(b) if so, the reaction of Government thereto and the action proposed to be taken in the matter?

The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru): (a) and (b). No Chinese officials visited Guari Phanta in Kheri District of Uttar Pradesh. Two Japanese, holding valid passport and transit visas to enter Nepal from India were, however, seen there on June 1, 1962, taking photographs of the Railway Station and the surroundings. These Japanese are helping the Nepal Government in conducting agricultural research and went back to Nepal the same day through Guari Phanta. The Bara Hakim of Dhangarhi (Nepal) was not known to have accompanied them. Since these Japanese, mistaken by some newspapermen as Chinese, were not guilty of any offence under our laws, the question of taking any action against them did not arise.

Indian Delegation to U.N. General Assembly

2548. { Shri Ram Ratan Gupta:
Shri Yashpal Singh:
Shri Shree Narayan Das:
Shri M. K. Kumaran:

Will the **Prime Minister** be pleased to state:

(a) whether the composition of the Indian Delegation to the U.N. General Assembly has been finalised by Government; and

(b) what subjects are proposed by India to be discussed in the next Session of the UNO?

The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru): (a) Yes, Sir.

(b) The Government of India have sponsored an item:

"Urgent need for suspension of nuclear and thermo-nuclear tests."

The Government have also co-sponsored an item:

"The Policies of Apartheid of the Government of the Republic of South Africa:

- (a) Race conflict in South Africa;
(b) Treatment of People of Indian and Indo-Pakistan origin in the Republic of South Africa."

Another item—"United Nations Year for International Co-operation"—was sponsored by India last year and is included in the agenda this year.

12.13 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED BAN ON IMPORT OF ART SILK YARN AND CONSEQUENT UNEMPLOYMENT.

Shri Vishram Prasad (Lalganj): Sir, under rule 197, I beg to call the attention of the Minister of Commerce and Industry to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The reported ban on import of art silk yarn resulting in unemployment of over one lakh of weavers."

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): This is a longish statement but, as hon. Member are interested in it, I will read it.

Representations have been received by Government from various actual users of art silk yarn, including handloom sector, against the recent decision not to import Rs. 1.5 crores worth of art silk yarn during the

current half year because of acute foreign exchange situation.

It has been Government's policy to effect a reduction in the import of art silk yarn with the progressive increase in the indigenous production. The production of artsilk yarn, both rayon filament and staple fibre yarn, has increased from about 76 million lbs. in 1959 to 100 million lbs. in 1961 and an estimated production of 112 million lbs. in 1962. The increase of production in the current year is itself worth about Rs. 4 crores. Consistent with this and with the difficult situation of foreign exchange in recent years, Government have been reducing the quantum of import of artsilk yarn for actual users from Rs. 4.2 crores in 1958-59 to Rs. 2.1 crores in 1961-62. Similarly, the established importers' quota has also been reduced to Rs. 17 lakhs per half year. Thus, there has been a progressive reduction with nil in the current year as far as the quota of Rs. 1.5 crores is concerned.

With the increased exports of art-silk fabrics, import entitlement against exports under the Export Promotion Scheme also bring in adequate quantities of yarn to meet a substantial portion of the requirements of the industry both in the powerloom and the handloom sector. This could be further stepped up only with the increased exports.

As a result of the deteriorating foreign exchange position it became necessary to impose a further cut in the imports permitted to all the industries, as the House is aware, affecting even maintenance imports of several industries. The artsilk industry had also to share in this reduction.

In 1962, the production of indigenous artsilk yarn has increased as mentioned above and thus the total availability of artsilk yarn to the artsilk weaving industry even after this cut will be higher by Rs. 2 crores over the year 1961 in the current year.

Over and above this, the exports of art silk fabrics are also going up. In 1961, exports of art silk fabrics were of the order of Rs. 6½ crores which are rising to about Rs. 8 crores in 1962 based on actual exports in the first seven months of 1962. Therefore, the total availability of art silk yarn to this industry will increase by Rs. 3.5 crores in 1962 as compared to 1961. Thus it will be seen that neither the handloom sector nor the powerloom sector of the art silk weaving industry is going to suffer at all, but if anything, will receive somewhat larger quantity of yarn during the current year and hence there need be no fear of loss in production or employment or of closure on account of any shortage of raw materials.

Then the policy of handloom production is given. If you like, I might continue.

Mr. Speaker: That might be placed on the Table of the House.

Shri Manubhai Shah: I lay it on the Table of the House.

[The rest of the Statement laid on the Table is reproduced below—Ed.]

In the distribution arrangements, the handloom sector of the industry gets the allotment of yarn in the following ways:

- (i) The entire established importers quota valued at Rs. 17 lakhs per half year is being reserved for and transferred to the handloom organisations for distribution through the Director of Handlooms or the Director of Industries of the State concerned.
- (ii) 10 per cent. of the indigenous production is reserved for the handloom sector and distributed through the distribution committee.
- (iii) The industry is eligible for an import entitlement to the extent of 100 per cent. f.o.b. value of the art silk fabrics exported.

[Shri Manubhai Shah]

It will be thus seen that due to the overall increased availability of art-silk yarn both indigenous and imported (against export entitlement and including established importers' quota which is entirely reserved for the handloom sector) the total availability of the artsilk yarn to handloom industry will be on the increase. It may be also recalled that the value of artsilk yarn made available to the handloom industry in 1960 was Rs. 3.82 crores which rose to Rs. 4.23 crores in 1961 and which will become Rs. 4.5 crores in 1962. Thus the total quantity of yarn to the handlooms has been progressively increasing. This could be further increased if larger exports of handloom fabrics are made.

Nor also the powerloom sector of the artsilk industry will suffer, even though the policy of the Government has remained and continues to remain of granting somewhat higher allocations to the handloom sector as compared to the powerloom sector.

Shri Vishram Prasad: May I know if there was at all any necessity for banning the import of art silk yarn? This policy should have been adopted a little earlier and not at this stage when one lakh weavers are getting out of employment. What steps is Government taking to employ those persons?

Shri Manubhai Shah: I am afraid, there is no question of unemployment. We have also checked it up only yesterday. It is only a fear expressed by some people who are interested in more imports and by some who are interested in selling goods which are imported.

Shri Nambiar (Tiruchirapalli): May I know whether the Government's original programme as enunciated in the Red Book, that is, in the Import Trade Control Policy for April, 1962 to March 1963, contained the provision of importing art silk to the extent necessary? Did the question of reduction arise due to want of foreign exchange or due to the consideration of availability of yarn here in India?

If it was due to availability which was known to Government, how could this sanction for import be given? The position may be clarified.

Shri Manubhai Shah: The hon. House is aware that the foreign exchange situation was reviewed by the Government of India in May. As a result of the late decisions of the Aid India Club and various other reasons the hon. Finance Minister reviewed the entire policy and it was decided to cut as many items as possible without which we can do. What I am submitting to the hon. House is that even after the drastic cuts in various directions total availability is not at all going to affect either the handloom sector or the powerloom sector of the industry.

Shri Warrior (Trichur): May I know whether this cut is only in respect of art silk yarn or any other yarn also which used to be imported?

Shri Manubhai Shah: Cotton yarns are totally banned. At least I am happy that under the export promotion scheme we are allowing such a large quantity of art silk yarn for the weavers.

12.19 hrs.

RE: MOTION FOR ADJOURNMENT

Mr. Speaker: Papers to be laid on the Table.

Shri S. M. Banerjee (Kanpur): Sir, regarding my motion for adjournment I have a submission to make. Today is the last day of this Session. While refusing my adjournment motion I have not been told that it is a statement. Whatever I have referred to is that with the help of the Planning Commission the UP Government has imposed a tax.

Mr. Speaker: Order, order. Shri Banerjee is an old parliamentarian.

Shri S. M. Banerjee: Today is the last day.

Mr. Speaker: As it is the last day he can discuss it with me in my Chamber immediately after I rise and go there. I can bring it up after