

know when late Mr. Ramanathan's services were taken on deputation in the C.B.I. from Tamil Nadu, ever since he was here on deputation, what was the work assigned to him because just now the hon'ble Minister was saying that he was doing only desk work? For doing desk work you need not take the services of a person who was working somewhere in Tamil Nadu. I want the Minister to clarify.

SHRI OM MEHTA : When he came, from 12-12-72 to 12-2-74, he was in the Delhi branch of the C.B.I. After that he was in Zone No. 2 of the C.B.I. where he was doing desk job which is mainly processing of cases received from various field agencies. And in this Zone also, the cases which are processed are not from the South. They are from Gujarat, Rajasthan, Punjab, Haryana, Himachal Pradesh and Jammu and Kashmir.

MR. CHAIRMAN : Next question.

\*65. [The Questioner (Shri K. N. Dhulap) was absent. For answer vide col. 31-32 infra.]

#### Paper famine

\*66. SHRI N. R. CHOUDHURY :

SHRIMATI MARGARET ALVA :†

SHRI HARSH DEO

MALAVIYA :

SHRI SARDAR AMJAD ALI :

SHRIMATI LEELA DAMODARA MENON :

Will the Minister of INDUSTRY AND CIVIL SUPPLIES be pleased to state:

(a) whether Government's attention has been drawn to the reports emanating from the Food and Agricultural Organisation and the United Nations Development

Programme regarding paper famine in under developed countries in the coming years; and

(b) if so, what steps Government propose to take in this regard?

THE MINISTER OF INDUSTRY AND CIVIL SUPPLIES (SHRI T. A. PAI) : (a) and (b) A statement is laid on the Table of the House.

#### Statement

(a) Dr. R. L. Bhargava as a senior Consultant to the FAO/UNDP submitted a report in which he, *inter-alia*, observed that paper and paper products would remain a scarce commodity in the developing countries in the foreseeable future.

(b) There is considerable potential in the country for the development of the paper industry for meeting the future demand. Efforts are being made to develop the industry both in the public sector and private sector, and also to maximise the use of secondary raw materials like agricultural waste products for the manufacture of paper.

SHRIMATI MARGARET ALVA : In view of the fact that shortage of paper in the country is creating great problems, I would like to know how many paper producing units are planned to be set up in the Fifth Five Year Plan.

SHRI T. A. PAI : Sir, the installed capacity of the industry is 9,97,470 tonnes. Additional capacity which has been licensed is 623,700 tonnes out of which during this year we expect nearly 1-1/2 lakh tonnes to materialise. The capacity covered by letters of intent is 18,16,200 tonnes and the capacity in the smaller plants registered with the DGTD is 88,450 tonnes. Even if a substantial portion of the capacity that has now been licensed comes into existence, I hope there would not be any shortage during the Fifth Five year Plan.

SHRIMATI MARGARET ALVA : The north-eastern region has got all the necessary raw materials as far as the

†The question was actually asked on the floor of the House by Shrimati Margaret Alva

manufacture of paper products is concerned. I would like to know why up to now no plant has been set up in north-eastern region, particularly in Assam where there has been a demand for a very long time for the setting up of a paper unit.

**SHRI T. A. PAI :** Sir, two plants in Assam are under consideration which have been included in the Fifth Five Year Plan. We are taking necessary steps to bring them into existence.

**SHRI KALYAN ROY :** What about Tripura?

**SHRI T. A. PAI :** The Tripura project has also been surveyed and we are now looking into the economics of it.

**SHRI SHYAMLAL GUPTA :** Sir, during the last one year, paper prices have shot up by three times. In today's *Hindustan Times* you find that the Development Council for Paper which met at Calcutta has highlighted the fact that the industry has demanded that the price of paper produced by the new mills should be fixed at Rs. 5,600 instead of Rs. 4,500. Sir, already the prices have shot up by three times and they are demanding more and more. May I know from the hon. Minister what has been the findings of the Bureau of Costs and Prices to which this matter was referred more than six months ago?

**SHRI T. A. PAI :** Sir, we have fixed the price for white printing paper at Rs. 2,750 and we have insisted that so far as the large-scale sector is concerned, 30 per cent of the total production of the paper industry should be white printing paper. So far as other types are concerned, we have not agreed with the industry that the prices are not remunerative. We are convinced that they are more than remunerative. The Bureau of Costs is looking into their suggestions, but it is not likely that they will come up with any suggestion that the prices should be increased.

**SHRI SHYAMLAL GUPTA :** How much time will they take?

**SHRI T. A. PAI :** Different types of paper are being made by different units and the cost of production of different types will have to be looked into. All these matters are being gone into in detail.

**SHRI SHYAMLAL GUPTA :** How much time do you think they will take?

**SHRI T. A. PAI :** I am unable to say.

**SHRI A. G. KULKARNI :** May I know from the hon. Minister whether he is himself satisfied that there is any possibility of the paper manufacturers bringing into existence the licensed or the letter-of-intent capacity in the Fifth Plan or even in the Sixth Plan? As he knows, the capital investment-output ratio is too uneconomic in the paper industry. So, will he agree with me that alternative sources, as Mr. Bhargava has rightly suggested, have to be found, one of which is sugarcane bagasse, rather than the conventional sources for the manufacture of paper? The Government is not at all considering any project or taking any positive steps for this purpose. Will the Minister assure that at least from henceforward he will take interest in such a project?

**SHRI T. A. PAI :** The capital cost of a project, whether it is based on wood pulp or bagasse or any other raw material, is going to be the same. If necessary, we will try to see that as much agricultural waste is recycled and our forest wealth preserved. This aspect is being looked into and the suggestion that bagasse should be used is also taken into consideration. But unfortunately if bagasse is used extensively, it will have to be replaced by proper supply of coal at reasonable rates because bagasse is used as fuel at present.

So far as the other question is concerned, it is true that the capital cost of the project has gone up. For a plant with a capacity of one lakh tonnes of paper, the total cost is about Rs. 100 crores. This concerns us very much because if these plants are delayed, the escalation in

cost would also go up. Therefore, we have to see that this capacity is created as quickly as possible.

**डा. रामकृपाल सिंह :** श्रीमान् मैं आपके ध्यान में यह बात लाया था कि सरकार ने एक योजना बनाई थी कि छात्रों के लिए अभ्यास-पुस्तिकाओं के वास्ते और सरकारी काम के लिए व्हाइट पेपर की आवश्यकता होती है और इसलिए पेपर मिलों को बताया गया था कि सरकार इतना कटौत सरकार ले लेगी अमुक कीमत पर या 1500 रुपये टन पर और उसको डीलर्स को दिया जाएगा और छात्रों को कॉपीयां और पुस्तकें सस्ती दर पर मिलेंगी, लेकिन कुछ मिलों ने, जैसे बंगाल की ऑरिएन्ट पेपर मिल ने, साल भर डीलर्स को लटकाए रखा और उनको सरकारी कटौत का माल एक बहाने या दूसरे बहाने नहीं दिया। बख्शी साहब जो वहां गवर्नमेंट के अफसर हैं उन्होंने भी लिखा। तो मैं यह जानना चाहता हूँ कि जो कटौत फिक्स किया कि इतना गवर्नमेंट ले लेगी तो मिलों ने उस कटौत में से करेन्ट ड्यूर में, 1974-75 में कितना अभी तक सरकार को दिया? इस समय पेपर की शार्टेज की स्थिति है। बिहार में बांस है, समल के पेड़ हैं, वन-संपदा है, सवाई घास है, बेगास है—एक अशोक पेपर मिल वहां थी वह भी आसाम में चली गई—तो मैं जानना चाहता हूँ कि इतनी बड़ी पॉसिबिलिटीज को देखते हुए ट्राइबल बेल्ट में पेपर बोर्ड बनाने की कटौत इंडस्ट्री लगाने की सरकार की कोई योजना है और पेपर मिल लगाने की कोई योजना है? इस तरह दो पॉइन्ट हैं एक कटौत के उपयोग का और दूसरा पेपर बोर्ड की योजना के बारे में।

**MR. CHAIRMAN :** The only question is whether it is able to serve tribal area.

**SHRI T. A. PAI :** So far as paper for exercise books and other requirements for the students community are concerned, we shall ensure that there is a proper distribution system. We have now entrusted the quota to the State Governments. We have received some complaints that the distribution is not properly made and I have addressed letters to the Chief Ministers of States requesting

them to ensure that proper distribution arrangements are made.

**DR. RAMKRIPAL SINHA :** Mr. Chairman. I seek your protection. During the last session in this House, I raised this problem of Orient Paper Mill. I had then brought it to your notice. I would like to know what steps have since been taken by the Government in this regard.

**SHRI T. A. PAI :** The problem is to ensure that paper is made available to the students. The problem is not whether the dealers get paper from the mills and whether they should give it to the students. This particular complaint I am not aware of. What I am concerned with is that as many intermediaries between the manufacturers and the actual users must be eliminated. I do not think any specialisation is required for distribution of paper.

**SHRI B. RACHAIAH :** Out of the various kinds of papers that are being manufactured, I am given to understand that newsprint paper is very much in shortage.

In Karnataka, M/s. West Coast Paper Mills Ltd. and M/s. Bhadravati Paper Mills Ltd. have asked for a licence for starting a newsprint plant. Will the Government consider their request?

**SHRI T. A. PAI :** We have considered the request of M/s. West Coast Paper Mills to convert a part of their capacity for producing white paper into newsprint and this has already been agreed to. But, so far as M/s. Bhadravati Paper Mills Ltd. is concerned, I have advised them to apply. But the application is yet to be received.

**SHRI KHYOMO LOTHIA :** Sir, I want to know whether the paper plant in Tuli in Nagaland is going to be shifted to another site and, if so, why. What is the amount of money that has so far been spent for this plant and when is it going to be completed?

**SHRI T. A. PAI :** Sir, originally one site was selected in Nagaland. But there

are some technical difficulties on account of the suitability or unsuitability of the land, etc. and we have referred the matter to the Engineering Research Unit, Roorkee, and we have requested them to come out with specific recommendations regarding suitability, because this would make a lot of difference to the capital cost. On getting the technical data, we shall be able to come to a decision and I hope to do it quickly.

**SHRI SUBRAMANIAN SWAMY :** How much money has been spent ? That is the question.

**SHRI T. A. PAI :** I am not able to say at the moment as to how much money has been spent. Anyway, even if a small amount has been spent so far, if ultimately the project justifies the cost, I think it should be spent and whatever changes are necessary should be made and I think the honourable Member will agree that a wise decision even at a later stage is much better.

**SHRI G. LAKSHMANAN :** Sir, there is a lot of blackmarketing going on in the selling of paper. It starts from the place where paper is produced. Actually, when the paper is being distributed to the agents, a lot of money is given which is not billed and these people give more money and they get more allotment. More allotment is made to those who give more money. When we purchase paper from the local market, they give bills, but they also take more money for it and this money remains unaccounted and it is black money. In order to stop these things, will the Government consider the question of nationalising the paper industry in India ?

**SHRI T. A. PAI :** I am aware that this is one industry where there has been a lot of what we call "on-money" right from the manufacturer down to the point of distribution. But I do not know whether this extreme step has to be taken for this reason only. Anyway, the entire distribution system is being reviewed and we shall take appropriate steps to see that this evil is avoided.

**MR. CHAIRMAN :** Yes, Mr. Rajnarain. Please be brief.

**श्री राजनारायण :** मैं यह जानना चाहता हूँ कि सरकार इस समय जो कंटेनर्स खड़ी हैं नेशनल सेक्टर और पब्लिक सेक्टर की, इस को नेशनल सेक्टर में ले जाने के लिए तैयार क्यों नहीं हो रही हैं जब कि मंत्री जी की वह एक खास प्लानिंग है ?

**SHRI T. A. PAI :** Actually, when the shares of most of these units go above 51 percent, I think the Government will have a greater control over these industries.

**SHRI RAJNARAIN :** Are you satisfied with the reply, Sir ?

**DR. R. K. CHAKRABARTI :** Sir, I understand that the main delay in setting up new industries is the lack of machinery required for such industries. In this connection, may I know from the honourable Minister why a particular unit in Calcutta has been lying idle and has been remaining closed down for the last four years which is capable of making textile machinery, paper machinery and road-roller machinery ? When we are passing through this crisis and when we find it difficult to set up paper mills, why has this particular engineering firm been allowed to remain idle which is capable of making crores of rupees worth paper-manufacturing machinery ?

**SHRI T. A. PAI :** I am not sure whether this particular unit is capable of making paper machinery and I am not aware whether it is even licensed to do that.

**DR. R. K. CHAKRABARTI :** It is capable of making paper machinery, textile machinery and so on.

**SHRI T. A. PAI :** So, the question of paper and the relevance of this particular unit do not come in now. All that I am saying is that it is not enough if these units have the capacity. I will be satisfied if we have the capacity to make paper-making machinery within the coun-

try. But the problem is that people may not come forward to invest and place orders for buying them.

MR. CHAIRMAN : All right. Next question.

#### Unutilised industrial capacity

\*67. SHRI JAGDISH JOSHI : †

SHRI BABUBHAI M. CHINAI

SHRI KALP NATH :

SHRI NAGESHWAR PRASAD  
SHAHI :

SHRI NATHI SINGH :

Will the Minister of INDUSTRY AND CIVIL SUPPLIES be pleased to state:

(a) whether Government have made a study of the unutilised industrial capacity in the large and small scale sectors;

(b) if so, what is the extent industry-wise, of non-utilised capacity; and

(c) what measures Government propose to take to ensure full utilisation of the capacity ?

THE MINISTER OF INDUSTRY AND CIVIL SUPPLIES (SHRI T. A. PAI) : (a) to (c) A statement is laid on the Table of the House. [See Appendix XCI, Annexure No. 12].

श्री जगदीश जोशी : क्या माननीय मंत्री जी यह बतायेंगे कि जिनकी क्षमता पूरी नहीं हुई है उनकी क्षमता को पूरा करने के लिए विभाग ने क्या कदम उठाये हैं ?

(Interruptions)

What steps are being taken to see that those units which have not completed their capacity utilize their capacity fully ? What positive steps are being taken in this direction ?

†The question was actually asked on the floor of the House by Shri Jagdish Joshi.

SHRI T. A. PAI : Sir, for the first time we are realising that the capacity installed in the country has got to be utilized. In all these three years we were having greater pleasure in adding to the capacity than looking to the utilization. But the figures clearly show that the capacity remains unutilized. The little progress that we have been able to make during the last three months is on account of the efforts made in several industries to remove the bottlenecks that they may have, so that there has been a greater growth possible, and we wish to concentrate on seeing that as many industries as possible get every encouragement so that the capacity is fully utilized.

श्री जगदीश जोशी : क्या माननीय मंत्री जी यह बताने की कृपा करेंगे कि क्या विभाग ने इस बात की जांच की है कि निजी क्षेत्र और सार्वजनिक क्षेत्र के बीच किस क्षेत्र के यहां अधिक क्षमता का उपयोग नहीं हो सका और कौन क्षेत्र अपनी क्षमता का अधिक आलसी बनाये बैठा है ताकि उत्पादन न बढ़ सके और उसके रोकने के लिए चाहे निजी क्षेत्र हो या सार्वजनिक क्षेत्र हो उसमें गतिशीलता लाने के लिये क्या कानूनी या अन्य अनुशासनात्मक कार्यवाहियां विभाग प्रस्तावित कर रहा है ?

SHRI T. A. PAI : Sir, we are making this study, industry to industry...

SHRI JAGDISH JOSHI : What is the proportion between the two ?

SHRI T. A. PAI : I am not in a position to say now what exactly is the proportion. Even in the public sector it varies from industry to industry. All that I am saying is that there is considerable capacity which can be utilized to greater advantage of the country, and we are concentrating on it. During the last two years...

SHRI KALYAN ROY : You are talking of increasing industrial production, but you are allowing J. K. Singhania concern to be closed down. You are importing aluminium. Does it mean utilizing the installed capacity ?

(Interruptions)