

delegation of powers so that insurance cases, cases concerning the electricity Board, etc., can be settled in the Lok Adalats without any delay and whether full remission of court fees can be considered.

MR. SPEAKER : And further whether ?

SHRI H.R. BHARDWAJ : I am glad that Mr. Mehta has mentioned, that the lead was taken by Gujarat and since it is the land of Mahatma Gandhi the lead was initially taken by Gujarat, but, other parts of the country are not lagging behind. For example, Rajasthan has taken the lead now in Lok Adalats, having decided more than 40,000 cases, and other areas in the country like Maharashtra are equally going ahead. Even Delhi and the other places are going ahead. But what is important is the change in the attitude of the judiciary in the country, that has made it possible for the Lok Adalats to function properly.

So far as the Government are concerned, I am grateful to my colleagues in the Ministry; they have rendered all cooperation. For example, the Finance Minister instructed the insurance companies and now I am very happy to announce that in every Lok Adalat cheques are given to the aggrieved party. This is a change of attitude, and with our efforts and I hope with the cooperation of all concerned this process of conciliation etc., is being taken care of. I would very soon come here with some figures showing reduction in the arrears.

SHRI G.M. BANATWALLA : The question is about reduction in the workload in courts because of Lok Adalats. Now, with your permission, I want to take the question a little in the reverse gear, and I want to ask, whether it is a fact that the workload on these Lok Adalats is far heavy and they are not in a position to cope up with that particular workload. If that is a fact, what steps have been taken in order to further strengthen these Lok Adalats and especially to see that their functioning is streamlined by having some guidelines? Some Lok Adalats take up cases when the parties are not present and the others insist on the parties being present. Some guidelines should be given.

AN HON. MEMBER : This is too long.

SHRI H.R. BHARDWAJ : I will give the answer. It is not a question of burden on the Lok Adalats, the Lok Adalats are trying to unburden the courts from their heavy arrears. 40,000 cases have been solved through the process of Lok Adalats. Naturally, that very burden has been reduced on the regular courts. They are working on Saturdays and Sundays. Because there was a complaint against the judiciary that they are more accustomed to holidays, they have sacrificed their holidays—two days in a week. How much it comes to? Again it is the initiative of the judiciary. We are only lending them cooperation. It is the Chief Justices and judges of the High Courts and the Supreme Court who go to the masses and sort out their cases. So far as the guidelines are concerned, we never decide cases through Lok Adalats unless both the parties are agreeable to it. That would be forcing a decision on the parties. You take any case. If one party is not present, then we get the case adjourned and fix another date when the other party will be motivated to come. If they do not come, then they try their cases in the regular courts.

[Translation]

SHRI G. BHOOPATHY : Mr. Speaker, Sir, today, lakhs of cases involving killings of Harijans in the country and their land disputes are pending. I want to know whether Government propose to set up special courts to dispose of those cases?

MR. SPEAKER : You leave aside the Special Courts. The entire issue has already been covered.

[English]

#### Viability of Paper Industry

\*432. SHRI K. RAMACHANDRA REDDY :

SHRI YASHWANTRAO GADAKH PATIL :

Will the Minister of INDUSTRY be pleased state :

(a) whether the paper manufacturing industry is suffering from surplus stocks, price reduction and closure of 20 per cent of manufacturing units;

(b) if so, the details thereof; and

(c) the measures taken or proposed to be taken to improve the viability of the industry and availability of raw materials ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : (a) & (b) According to the information available, finished stocks with the large paper mills is estimated at about 15 days production which is not considered high. Different varieties of paper and paper board are produced and marketed by the industry and their prices are different from grammage to grammage and from region to region. It will not therefore, be possible to indicate a general trend at present in the prices for the whole country and for the entire range of paper and paper board. However, according to information available the listed prices announced by different large mills have not undergone any change in the past few months. 25 large and small paper mills are lying closed at present.

(c) A statement is given below indicating the various reliefs and concessions extended to the paper industry to enable it to improve its economic viability and relieve the shortage of raw material.

#### Statement

##### Reliefs and concessions extended to the Paper industry

1. Import of pulp and waste paper has been placed on OGL and allowed free of customs levies.
2. Import of wood log placed on OGL and concessional customs duty levied.
3. Manufacture of writing and printing paper containing not less than 75% by weight of pulp made from bagasse exempted from payment of excise duty.
4. Manufacture of paper and paper

board using unconventional raw materials is charged excise duty at concessional rates.

5. The facility of payment of excise duty on incremental basis for successive slabs is being extended to the small paper mills from 1.4.1986.
6. Flexibility allowed to the industry to manufacture all varieties of paper and paper grade pulp including paper board/straw board within the overall licensed capacity.
7. Requirement of Industrial Licence has been dispensed with in the case of manufacture of writing, printing and wrapping paper from agricultural residues, wastes and bagasse.
8. New units commissioned between 1.4.79 and 31.3.87 are exempted from excise duty upto 50% for five years.

SHRI K. RAMACHANDRA REDDY : The Minister in his answer says that only 15 days production is not considered high in paper industry. And at other place he says that 25 large and small paper mills are lying closed at present. It appears that he is blowing hot and cold in the same breath. Any way, I would like to know from the hon. Minister whether these mills are closed due to import of paper and heavy excise duty on small industry. If so, what action Government is taking to help the paper industry to run smoothly ?

THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI) : The hon. Member would agree with me that now it is the spring season. It is neither hot nor cold. So, I think, let us think of spring. Let us think of better prospects for the paper industry as well as other industries.

What the hon. Member has referred to is the number of the mills that are lying closed at present. There are many factors which have been identified, which are

sometimes local in character, sometimes in character, because of increase in cost of raw materials or due to strike. Sometimes, many paper mills have imported second-hand machines which are facing technical problems in the adaptability of these machines to unconventional raw materials. Sometimes, the yield is low because of technical constraints for adoption of chemical recovery systems by many paper units because of high silica content. Sometimes, the problem is because of inadequate infrastructural facilities being available like power supply, a because of recurrent power cuts in many States. All these have led to the closure of these mills. It does not mean that the Government has not been aware of the difficulties of the unit. If the hon. Member sees the list of reliefs and concessions that have been extended and the steps that are being taken by the financial institutions to grant relief for sick units, I think he will be satisfied.

**SHRI K. RAMACHANDRA REDDY:**  
Sir, the answer to part (c) of the question is that "the manufacture of writing and printing paper containing not less than 75% by weight of pulp made from bagasse exempted from payment of excise duty". My question is that there is only one mill that is making paper from bagasse. I would like to know from the hon. Minister why he does not extend the same facilities to the mills which are manufacturing paper from agricultural produce like straw etc. The same concession that is given to bagasse can be extended to the mills which are making paper out of straw and other agricultural produce. Will the Minister consider this?

**SHRI NARAYAN DATT TIWARI:**  
We will certainly consider this suggestion and we have set up a committee under the Chairmanship of the Secretary. Industrial Development recently to go into this question of financial problems of the small units. This Committee has been called upon to go into the whole excise structure and to examine its role in the long-term growth of paper industry. We have also asked this committee to suggest practical measures for raising captive plantation and also to examine the use of bagasse as an alternative to conventional

raw material, and I think this committee can also examine the suggestion given by the hon. Member.

**DR. G.S. RAJHANS:** Sir, I refer to part (c) of the reply. I would like to know whether the hon. Minister is aware of the fact that a good deal of waste paper which is being imported is not being used as raw material for manufacturing paper but is being diverted elsewhere and recently whether some raids were conducted by CBI in this regard, and if so, the outcome of these raids?

**SHRI NARAYAN DATT TIWARI:**  
Sir, it will be difficult for me to answer on behalf of CBI unless I have the facts. But, certainly we will take this factor into account and see to it that waste paper, wherever imported to be used for production of printing paper, is utilised properly and for the purposes for which it is meant. We will also consider this particular factor.

*[Translation]*

**SHRI NAWAL KISHORE SHARMA:**  
Mr. Speaker, Sir, the hand-made paper industry is in crisis. A large quantity of hand-made paper is manufactured in Sangner and in Kalpi in the hon. Minister's State and according to my information, the imposition of new excise duty will result in the total closure of this industry. Therefore, I want to know whether the hon. Minister will give consideration to it?

**SHRI NARAYAN DATT TIWARI:**  
Certainly, Sir. So far as the hand-made paper industry is concerned, the question raised by the learned Member is quite important. Whether it is Sangner or Kalpi or some other place in any other State, wherever this problem is there, Khadi Gramodyog Commission has been making efforts to solve the related problems. It also finds mention in the Schedule of the Khadi Commission Act. It will be our endeavour and we shall also impress upon the Committee set up under the convener-ship of the Secretary (Industrial Development) to consider this issue and to give their recommendations early. We shall also impress upon the Khadi Commission

in this regard. So far as the question of excise duty is concerned, normally, no excise duty is leviable on hand-made paper, but if the provisions of the excise duty are having any impact on hand-made paper, I shall certainly discuss it with the hon. Minister of Finance.

[English]

**SHRI CHANDRA PRATAP NARAIN SINGH :** Mr. Speaker, Sir, I would like to ask the Industry Minister whether it is a fact that there was a licence pending for the manufacture of paper in Uttar Pradesh in my district when the Minister was the Industry Minister here for making paper from bagasse. Later on, the hon. Minister had shifted to U.P. as the Chief Minister and he has helped a lot in the industrialisation of U.P. Why is there this neglect of making paper from bagasse ?

I have part (b) of my question also. There were directions from the late Prime Minister's office that hand-made paper should be used in offices. Is that direction still being enforced or not ?

**SHRI NARAYAN DATT TIWARI :** As far as this proposal of establishing bagasse paper plant in the eastern districts of UP including Deoria is concerned the feasibility report for Eastern UP and North Bihar was prepared by the Hindustan Paper Corporation but because of resource constraint these proposals cannot be taken up in the public sector in the 7th Plan. Now we have delicensed the production of paper based on bagasse. Everybody is free to set up paper plants based on bagasse. We have given incentive on that and it will be our endeavour to see that bagasse is utilised wherever it is produced whether in Maharashtra or in Andhra or in Eastern UP. We are liberal about it so that it can be used. The problem is, because of short supply of coal, sugar mills want to use bagasse for their own boilers. The main difficulty is this. Therefore bagasse is not available for being manufactured as paper. The Srivastava Committee which has been already set up will certainly look into this matter also.

**SHRI C.P.N. SINGH :** What about the second part of my question ?

**SHRI NARAYAN DATT TIWARI :** That question refers to supply of stationary. The hon. Member will agree that this is not of direct relevance to my department.

**SHRI SURESH KURUP :** There is already a very serious move by the Government of Kerala to sell the raw material earmarked to Hindustan Newsprint Ltd. in Kerala to the Birla owned Gwalior Rayon and to run Hindustan Newsprint Ltd. on imported pulp. That news has appeared in local press. As far as my understanding goes, some Memorandum has been submitted to the hon. Minister by some of the unions there. I want to know what is the reaction of the Government regarding this and what action Government propose to take in this matter ?

**SHRI NARAYAN DATT TIWARI :** I want a specific notice in this regard. This is a separate question.

#### Judicial Reforms

\*436. **SHRI C. MADHAV REDDI :** Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether in the matter of judicial reforms, besides the study entrusted to the Law Commission, Government also propose to involve public spirited bodies and Bar Councils etc., to help in their respective fields of legislation; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) :**

(a) and (b) The Law Commission has been entrusted with the work of studying and reporting on Judicial Reforms on the following terms :—

(i) The need for review and decentralisation of the system of administration of Justice by suitably modifying the infrastructure e.g. by introducing Nyaya