

these things because I am in close touch with the association of LPG users in Bombay and they have drawn the attention of the Ministry a number of times stating that this type of malpractice is going on because the hotel owners, commercial users and industrial users are hand in glove with suppliers. I would like to know what type of common procedure you will adopt to avoid this.

SHRI BRAHMA DUTT: I think, what the hon. Member means by a common procedure is to have the same rate.

SHRI ANOOPCHAND SHAH: I am not talking of same rate. What I am telling is that there must be some definite differential between the two types of cylinders.

[*Translation*]

It is not possible to use the cylinders meant for domestic purposes. If they do so, they can easily be traced.

SHRI BRAHMA DUTT: The hon. Member is advised to see the last part of the Statement. The blue banding cylinders are provided to the non-domestic consumers and that is an adequate provision. It can be instantly known from it whether it is for domestic or non-domestic consumption.

[*English*]

SHRI ANOOPCHAND SHAH: It is not with all companies. Some companies have adopted this blue-banding and others have not adopted this.

SHRI BRAHMA DUTT: All companies will adopt it.

Rise in Prices of Paper

*908. **SHRI BALWANT SINGH RAMOOWALIA:** Will the Minister of INDUSTRY be pleased to state:

(a) whether there has been a steep rise in the prices of different varieties of paper

over the last few years, particularly during 1988-89;

(b) if so, the percentage of increase in prices of paper during 1988-89 and the reasons therefor;

(c) whether there is a shortage of paper in the country; and

(d) if so, the steps taken by Government to check the rising trend in the prices of paper and also to ensure full utilisation of the installed capacity in the paper industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (**SHRI M. ARUNACHALAM**): (a) to (d). A statement is given below.

STATEMENT

(a) and (b). Increase in the prices of paper has been noticed from the beginning of 1988. Since January, 1988, the increase in price of different varieties of paper reportedly range between 16.4% and 42.8% , and is mainly on account of the substantial increase in the prices of various input that go into the production of paper and paperboard.

(c) No, Sir.

(d) There is no statutory control over the price of paper and paperboard. In order to increase the production of paper and paperboard in the country and to enable the industry to achieve fuller utilisation of installed capacity, various steps have been taken by Government. These include:

(i) In addition to the installed capacity of 30.14 lakh tonnes at the beginning of 1989, a capacity of about 13.55 lakh tonnes for manufacture of paper and paperboard has been approved by way of Industrial Licences/ Letters of Intent and registration.

(ii) The need for non-MRTP/non-FERA

Companies to obtain industrial licences has been dispensed with, except for projects involving an investment of more than Rs. 50 crores, if they are located in Centrally declared backward areas, or more than Rs. 15 crores if they are located in non-backward areas, subject to fulfilment of certain standard conditions.

- (iii) Flexibility to manufacture all varieties of paper and paper-grade pulp, including paperboard/straw-board within the overall licensed capacity.
- (iv) Flexibility to existing paper mills to take up manufacture of newsprint.
- (v) Facility of import of wood pulp, chips, logs and waste paper under OGL.
- (vi) Excise concession for 5 years for units commissioned between 1.4.1979 and 31.3.1990.
- (vii) Excise relief/concessions for use of non-conventional raw materials.

SHRI BALWANT SINGH RAMOOWALIA: The Minister has admitted that there has been an unprecedented rise in the price of paper. Due to that the school-going children, the writers, the Press and the publishing industry, everybody is facing difficulty. The Minister has said that to ease the rise in price the Ministry has taken certain measures in which flexibility to existing paper mills to take up manufacture of newsprint, facility of import of wood pulp, chips, logs and waste paper under OGL are there. Despite that, the cost of imported pulp has gone up during the last 12 months by about 20% from \$750 a tonne to \$ 950 a tonne. The rupee-dollar parity had also gone up by the 25%. Similarly the cost is increasing.

As I myself belong to peasantry, can I ask the Minister whether instead of depending upon imported pulp giving more foreign

exchange, the Ministry will think if maximising the use of eucalyptus? Eucalyptus is being sold at throw away price. The Government of India and all the State Governments inspired the peasants and farmers many many years back that they can have Rs. 2 lakhs or Rs. 1/1/2 lakh yield per acre by having eucalyptus in their fields. But now eucalyptus is not being purchased. Eucalyptus can be used for manufacturing of paper.

Will you make it necessary for every new applicant that eucalyptus should be used so that we may get rid of imported pulp and also be able to help our farmers by using eucalyptus?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): ON the same question there was a Calling Attention motion on 5.5.89. I made a detailed statement on this. As mentioned by Shri Ramoowalia, paper is a de-controlled item; we de-controlled it. There is no statutory power to control its licence.

The eucalyptus now we are growing is not sufficient to all the paper mills in the country. We are short of raw materials because the Government of India and the State Government are not giving land for plantation purpose to the paper mills. That is why they are not able to plant their own trees. The rayon mills also purchase eucalyptus for rayon pulp; not only the paper mills.

He mentioned about text books for children. That is the duty of Human Resource Development Department. They must subsidise this amount to the paper units; then they will do it.

SHRI BALWANT SINGH RAMOOWALIA: I am thankful to the Minister because at least he has assured that some mills will be using eucalyptus.

33% paper is produced by four mills of Andhra Pradesh. They are Bhadrachalam Paperboards, AP Paper Mills, Shree Rayalaseema Papermills and the Sirpur Paper Mills. 33% of the total paper required by the

country is produced by these four mills. But these mills are also producing at under-capacity because bamboo is not being supplied to them. What steps are you taking to supply bamboo to them?

SHRI J. VENGAL RAO: Mr. Ramoowalia's supplementary is correct. The Government of Andhra Pradesh is not supplying bamboo to them. What can I do? Intentionally, they are not supplying sufficient paper. One mill was closed down. (*Interruptions*) In 1974, the royalty on bamboo was Rs. 3/-. Afterwards it was increased to Rs. 30/- and then it was increased to Rs. 60/-. Now the present Government has increased the royalty to Rs. 560/- per tonne. Even at that rate, they are not supplying it to the paper mills. That is the trouble.

SHRI CHANDRA PRATAP NARAIN SINGH: Sir, the shortage of newsprint is leading to disinformation or misinformation of India, as the lack of reading material, naturally, leads to lesser education of the masses. Will the Government, especially the Minister of Industry, look into the aspect of a major by-product of sugar factories, i.e. bagasse, which is today being burnt by sugar factories? If the Ministry of Industry would see to it, like in Tamilnadu and Karnataka where this bagasse is being used for the production of paper, we would be able to save lakhs and lakhs of rupees that we spend on importing paper; secondly, a lot of newsprint would be available. So will the Government look into this fact sugar factories, especially, in U.P. and Maharashtra, are provided with the necessary infra-structure or financial help so that this bagasse could be used for the production of paper?

SHRI J. VENGAL RAO: I agree with the hon. Member's suggestion. We have already granted for letters of indent for mills using bagasse. In anybody wants to start units based on a bagasse-content, we will issue them. There is no excise duty on paper, manufactured using bagasse. All the concessions are given. If anybody is ready to start mills, we are ready to give more letters of indent.

SHRI BASUDEB ACHARIA: The price rise of paper is not because of low capacity utilisation of paper industry in paper mills. But there is indeed a crisis in paper industry in our country. A number of paper mills either have become sick or are closed down. In West Bengal, at least three paper mills have been closed down for the last several years. May I know from the Government whether there is any proposal to reopen one of the biggest pioneer paper mills, that is Titagarh Paper Mill of West Bengal?

SHRI J. VENGAL RAO: If the management is interested in opening the mill, we will certainly help them.

SHRI BASUDEB ACHARIA: You take over the management and open it.

DR. CHANDRA SHEKHAR TRIPATHI: Sir, the Central Government has introduced a very important scheme, universalisation of elementary education and adult education throughout the country. But it has been found that these schemes are not running well because of the deficiency of reading materials, which is because of the lack of required quantity of paper. May I know from the hon. Minister what steps the Ministry is going to take so see that the demand of the paper for preparation of reading materials would be met. The adult education and the universalisation of elementary education in the country should be done in a effective way.

SHRI J. VENGAL RAO: This question should be answered by the Department of Human Resources. Anyhow, I will answer it. The total demand for exercise books is 1,50,000. Now they are taking only 80,000. Even for this 80,000, They are not in a position to pay the market price. The mills are earning profits. They are not charitable institutions. They must pay the difference between the market price and the subsidised price and then the mills will supply sufficient quantity.

Import of LPG

*909. **SHRI RAMPYARE PANIKA:** Will