

12.18 hrs.

### RICE-MILLING INDUSTRY (REGULATION) REPEAL BILL\*

*[English]*

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : I beg to move :

"That the Bill to repeal the Rice-Milling Industry (Regulation) Act, 1958, be taken into consideration".....*(Interruptions)*

12.20 hrs.

[ SHRI NITISH KUMAR *in the Chair* ]

Sir, this Rice-Milling Industry (Regulation) Act, 1958 was enacted at a time when there were shortages in the country and it was desired that the rice-milling industry be regulated in order to ensure adequate supply of rice and also to ensure that modern equipments were established in our country.

From 1958 till now, this industry has developed in a big way. In 1958, we hardly had any rice-milling mill in this country and today, the figures has crossed 34,000 in different parts of the country. Most of these mills are modern and production of rice has increased.

We have now liberalised our economy and as a result, it is felt that there is no need to regulate the rice-milling industry any more. It is now expected that those people who wish to establish rice-milling mills can do so without any fetters and this Bill, which has been a great hurdle in development of rice-milling industry, be done away with. That is the short purpose of moving this Bill in the House. I am sure that the Members of the House will agree with me that the time has come to repeal the Act, which is in force, now. I, therefore, request the House to agree to repeal this Act. This is a very short Bill and I do not think that much discussion is required on this Bill.

MR. CHAIRMAN : Motion Moved :

"That the Bill to repeal the Rice-Milling Industry (Regulation) Act, 1958, be taken into consideration."

*[Translation]*

SHRI MEHBOOB ZAHEDI (Katwa) : Mr. Chairman, Sir, I thank you for having given me the opportunity to speak on this Bill meant for repealing the Rice Milling Industry (Regulation) Act, 1958. This Repeal Bill has been introduced at a very appropriate time. We have made a lot of progress in the field of production. Just now I was listening to the statement given by Hon'ble Minister wherein he had said that the number of mills have gone up from 34000 to 94000. However in the statement of Objects and Reasons of the Bill, it has been stated that if milling of 65 per cent of the total production of paddy is to be taken up, more rice mills

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would be required and we will not be able to set up these rice mills.

Secondly, more and more modernisation is taking place and more modernisation work should be taken up. But the Government should pay attention to this aspect also that whereas production is abundant, the rice mills are unable to produce as much. Uneven development is taking place. On the one hand, more paddy is being produced and on the other hand, fewer rice mills are being set up in the country. The rice mills should also be modernised. But there are three issue involved herein. Firstly, such persons having the financial capacity to modernise the operations, can modernise the mills. However there are some such rice mills also which are lagging behind in the matter of production and have lesser machinery and the money required for modernisation is beyond their financial capacity.

The government should also take care of the funds required in this purpose. The Union Government as well as the State Government will have to look after the work of modernisation of rice mills otherwise no development will take place in this sector and these mills will stop functioning.

Sir, along with modernisation, the Government have to pay attention towards several other matters. Bran is a byproduct in the processing of paddy, and bran oil is produced therefrom. If this bran is made available to farmers, the poor farmers can earn a little money by selling this bran. Keeping this objective in mind, more and more mills should be modernised. I also want to state that modernisation should not be introduced at such places where it can affect the small husk mills. Husk mills are situated throughout the country in large numbers and they are functioning as per the old system. I want these husk mills to be modernised by fitting of rubber seals otherwise we would face a lot of difficulties. The reason being that most of the husk mills are situated in rural areas and when rice is produced from the paddy, it contains some bran contents. Bran has iron content. If you use rubber seal in these mills, the poor farmers will be benefited and they can make a profit from the bran also.

Hence I support this Repeal Bill. The Government are lifting the bans imposed on this sector. The Government should pay utmost attention and extend its support for the development of such areas where uneven development is taking place and where the processing system is weak. With this I conclude and support the Bill.

MR. CHAIRMAN : The time has not been fixed in advance for this bill. One hour's time could be fixed for discussing this bill.

SHRI SUNIL KHAN (Durgapur) : Mr. Chairman, Sir, I support the bill introduced by Hon'ble Minister to repeal the Rice Milling Industry (Regulation) Act, 1958. Earlier those who used to set up mills by their investment even where the needy areas were concerned, they were not able to do so. Hence Hon'ble Minister wishes to repeal it. We also support it. More than 65% paddy is produced but there are no mills for dehusking it. An act was framed in 1958 in this regard. By repealing the act, we can take up more and more modernisation and we can set up rice mills. With this

legislation, the farmers and labourers would dehusk their paddy and thus produce more rice. The modernisation of the process was required because we know that 50 gram bran per kilogram of rice is wasted and it is lost in the processing. This bran can be utilised to produce bran oil. It is quite costly also. Another by-product of husk is used in cold storage and for other purposes also. Now we also require cold storages. Please pay attention towards this aspect also. I welcome this bill.

I would like to say some points in this regard. Licence was not issued for husking mill in my village. Earlier this regulation was in force that the second husking mill would not be set up within a radius of five kilometers. Now with the present legislation, such mills could be easily set up. If financial corporations provides loans to the unemployed, many more mills can be set up and the unemployed would also become self-dependent.

12.32 hrs.

[SHRIMATI GEETA MUKHERJEE *in the Chair*]

Two-three varieties of paddy are produced in a year in West Bengal which require dehusking. Such mills are required to be set up after every one-half kilometer. Hence the Government wishes to repeal the Act. The unemployed youth would be given loans by the financial corporation for modernisation of these mills and for setting up rice mills. They can set up such mills with the help of loans. Financial Corporations should provide loans for this purpose. I welcome and support this bill and I thank you for having given me the opportunity to speak

[English]

MR. CHAIRMAN : Now, Shri Nitish Kumar - not present.

I think Mr. Nitish Kumar did not expect him to finish so quickly. Shri Raghavan.

SHRI V.V. RAGHAVAN (Trichur) : I only want to congratulate the hon. Minister for bringing this legislation. It is a very timely legislation. Now, there is no need for any kind of regulation for the rice mills because they are to be developed. I wholeheartedly support the Bill and request the House to adopt it as soon as possible.

[Translation]

SHRI RAM KRIPAL YADAV (Patna) : Madam, Chairperson, I rise to welcome the Bill brought by the Government. Earlier, it was necessary to take the permission of the Government for setting-up a rice-mill due to which people were put to so many difficulties and obstacles.

So far, there are 40 modern mills throughout the country. Paddy is grown in many parts of our country and according to the data available with us, the farmers have stepped-up the production of paddy substantially over the years. In view of this, there is a need to open more rice mills in order to

attract the paddy growing farmers. The Government, in their wisdom, have freed this industry from the requirement of licence. This step will produce good result and encourage the farmers to maximise the production of rice. I think, providing facilities to farmers is necessary not only by the Government but also by the mills. It is with this objective that the Government is drafting this scheme and making rules which is indicative of the *bona fide* intention of the Government. This includes providing irrigation facility to the paddy growing farmers. Bihar is not the only rice growing state in the country but in many parts of Bengal and Uttar Pradesh, paddy is produced in abundant quantity. The facilities which the farmers of these areas deserve, are not fully available to them. I, therefore, request the Government to take this issue seriously and give maximum facilities to the farmers of those areas where due to shortage of irrigation water, paddy field can not be watered properly. There, the State Government should be given full support by the Centre. The Centre should extend assistance to the states as per their requirement. This will encourage the farmers to produce more quantity of paddy than they are growing at present.

Madam, Chairperson, the farmers require fertilizers also to ste-up the paddy production but they do not get timely supply of fertilizers. I request the Government to ensure that fertilizers is available in adequate quantity and at reasonable prices in the paddy growing states. As of now, there is shortage of fertilizers in the market which is resulting in black-marketing thereof and causing great inconvenience to the poor farmers. In view of this, the Government should formulate such a policy under which the poor farmer can get fertilizer on time which, in turn, will automatically increase production of rice. We have got a very old system of dehusking the paddy which is a quite difficult process. There has been a traditional system of dehusking in which paddy is put in a mortar and it is thrashed by a pounder to get the rice. There are two kinds of rice, one is *Usana* and another is called *Arova*. Our farmers and agricultural labourers who work in their fields and barns are faced with a lot of difficulties. Now, that licence system is being put to an end and various rice-mills are being set-up in Bihar, and throughout the country the farmers are likely to get the benefit thereof as now less labour will be involved in thrashing their paddy. They will be producing better quality of paddy and that too in more quantity with much more enthusiasm. This Bill, which has been brought by the Government, will pave the way to set-up more rice-mills in the entire country and help removing the problem of unemployment. With setting up of a new mill many people get jobs in it. This Bill, therefore, deserves welcome from many points of view. We will be getting husk from the machines which is used in many industries. It will be used as fodder for the animals. Besides that we will be getting many more benefits from it. This Bill deserves welcome and therefore I do welcome it and I also congratulate the Government for having introduced it.

[Shri Ram Kripal Yadav]

At the same time I request that they should provide more facilities to the paddy growing farmers in order to encourage them so that the production of paddy is increased to the maximum possible level and the country becomes self reliant in foodgrains

SHRI NITISH KUMAR (Barh) : Madam, Chairperson, I rise to support Rice Milling (Regulation) Repeal Bill, 1996 which is being discussed in this House... (Interruptions) The whole Nalanda region is a rice bowl. We are producing paddy and pulses also... (Interruptions). We are producing everything there. I want to welcome this Bill.

Madam, Chairperson, I feel surprised on certain things. Such a good Bill has been brought by the Government but it is a pity that the hon'ble Minister could not even express his views in favour of this Bill. This Bill had to be introduced by Shri Dulip Kumar Ray but I do not know where is he, and why is he not present here. He must be in the cabinet. Had he not been in the cabinet, it would have come to our knowledge through newspapers. This is a major achievement during his tenure but even at this moment he is not present here and the Bill had been introduced by the Minister of Law on his behalf. Though it is an old law which is being repealed but it seems as if the Minister of Law does not have much knowledge about it. Though, he is a scholar of law yet he failed to understand the objectives and essence of this Bill... (Interruptions)

[English]

MR CHAIRMAN : The Law Minister will answer.

[Translation]

SHRI RAM KRIPAL YADAV : I know that the Law Minister is an expert in matters of law. He is also an agriculturist and he knows the things... (Interruptions).

SHRI NITISH KUMAR : That I have come to know. Had he been a farmer, he would have delivered a good speech on it. It is not a new demand, rather it has been a long standing demand of the farmers that this regulation should be repealed. Several farmers organizations have been raising this demand, irrespective of their party affiliation. Shri Ram Kripal Ji is speaking. Shri V. P. Singh ji has been yours as well as our leader. He has also been raising this demand since long. You must be remembering that when wheat was being imported we had gone to the ports to sit on SATYAGRAH against the move. Any way, it is no use now to discuss that affair but now again you are going to import wheat. Earlier you had gone to oppose that move but now you are going to import it. I do not know as to how to adjudge your stand in this matter, very often it surprised us and puzzled us and at the same time we feel sorry over it. This is such a good Bill which the people from all quarters have been demanding. The organization of farmers have been demanding it, even these people have been demanding it who are least interested in agriculture. Whenever any matter pertaining to the Ministry of Agriculture was debated, it was not only one member in this House but several hon'ble Members took part in that debate. The Standing Committee on Agriculture had been discussing since its formation whether to repeal it or not. And since you are likely to repeal this Bill, you should

have at least, discussed the things properly but you just stood-up, as if reluctantly, and merely read out the objections and reasons. You have failed even to mention your achievements. The Prime Minister claims that he is a humble farmer. Now since this Bill has been brought during the tenure of a humble farmer, what kind of a humble lawyer you are that you did not succeed even in pleading your case. I am surprised and astonished to note as to how this Government is surviving.

It seems to me that there is no Government today in this country.

SHRI RAM KRIPAL YADAV : Mr. Chairman, Sir, I would like to know whether the hon'ble Member is dwelling on this Bill or delivering a political speech? It seems to me as if he too does not have any specific knowledge about this Bill. This Bill should be passed without any further consideration.

SHRI NITISH KUMAR : I am speaking only on this Bill. It is O.K. that it should be passed without any consideration, which it deserves but at the same time people should know through the House as to what is happening in this regard. It deserves no discussion and there can not be any controversy in this respect. But, since it is a good thing we must highlight its merit. You are saying that the Bill should be passed without any discussion and we are saying that it deserves our praise. Now when I am on my legs to praise it, you are saying that I am delivering political speech. What kind of a Government you are? You have not been successful in pleading your side and now when someone is extending his support to you, you have started saying that this should be passed without any discussion. I am unable to understand as to whether there is any Government at all? The Government run by you people are not a Government. What I want to say is that though this is a very good Bill and through it a good step has been taken by the Government but there is no preparation on the part of the Government to speak something in favour of this Bill. It is a simple thing that when a farmer is producing foodgrains in his village, he is not getting the benefit thereof because the existing regulatory Act hinders them from doing anything for their benefit. The present Act stipulates a lot of restrictions in paddy thrashing work. There is a scope for the concerned officers to visit the site and file a suit any time against the rice mill. So, the farmers have been facing a lot of problems so far.

There was no value-addition. Value addition which should had reflected in the agro-produce was not there, that is why its benefit was not reaching to the farmers. Once the present Act is repealed, the farmers will get benefit, value-addition will be there. The prices of their product will also increase, their margin of profit will go-up and ultimately the farmers will be benefited. This Bill was necessary and, when this time, it has been brought the Government is not able to express itself properly on this score. How the Ministry of Agriculture or the Department of Food Processing functions, we read about it today itself in the newspapers. They are importing wheat just because the production of wheat is less. This will wreck the backbone of farmers but it hardly matter for them. However, it is a different subject. Right now, we are discussing the rice-milling and value addition which was referred to by Shri Ram Kripal Yadav. He has referred to 'Usna' variety of rice. You might have read in the newspaper

today that a foreign company has got that variety of rice patented in some other country. What knowledge do they have about 'Usna' rice. It is eaten by our people in Southern and Eastern India. If you see, you will find that people in the Western part of Patna do eat 'Arwa' rice and if you go beyond Western part, you will find that people there eat 'Usna' rice. The method to get 'Usna' rice is that first the paddy is boiled then dried and after that it is pounded then we get the 'Usna' rice. The news regarding patenting of this rice has been reported in the newspapers. You are doing a very good job today and, therefore, think also something to safeguard our farmers. You have freed the rice milling from regulation, hence, now anybody can start his work.

This will certainly work but there are certain other restrictions. Since the hon'ble Minister has mentioned about 'Chiwda' therefore, I would like to say that problem pertains to, both, 'Usna' and 'Chiwda'. You have done a commendable job but what is this? This 'Kellog' company belongs to America and it was already selling cornflex in this country. Now, I have learnt that this company would also sell 'Chiwda'.

May I know whether any American has so far eaten 'Chiwda'. Some people in our country are selling curd as 'Yoghurt'. Since the olden times it has been known as curd but now it has become 'Yoghurt'. Since this Bill pertains to rice-milling which is why I am drawing the attention of the Government towards this problem as this Government usually do not take any action. I do not know whether they are aware of the things or allowing deliberately to let the things go on. The economy of the country has been opened for the Multi-National Companies and the companies are entering the consumer sector due to which the country is likely to suffer less because these companies will earn huge profit and take it to their respective countries. Since certain foreign companies are trying to get 'Chiwda' patented in some other countries, I would like to know from the hon'ble Minister the factual position in this regard. He has done a very good job by bringing this Bill as the same will produce good results for farmers but what is his position in respect of patenting of 'Chiwda' in other countries? What are the steps proposed to be taken by the Government to protect our farmers? Whether the Government propose to oppose this move? Whether the Government propose to take concrete steps to oppose this patenting move? Whether the Government would convince this House and through this House, the people of this country that it will take all necessary steps to oppose this move?

I cannot visualise the difficulties expected to come-up after the patenting of above rice variety in foreign hands. I can not say whether this rice will be available in our homes and hotels. In the emerging situation, which is expected after patenting of the rice in foreign countries, if we will be cooking this rice in our homes then what will be the fallout of that patenting – this would like to know from the Government. Today, when we are doing a ver good job, it would be better if the Government provide sufficient information in this respect. Whether the Government have decided to take any action or not? The Minister of Agriculture is not present in the House. We would like to know from the Government as to what steps they propose to take in this regard? We feel it proper to put this point before the House so that we can get the reply of the Government in this regard. We want the Government's

response in this regard. With these words I support this Bill but at the same time I also request the Chair to take note of the points raised by me. This is a Bill which pertains to the rice milling industry through which Government want to give more facilities and benefits to the paddy growing farmers but on the other hand there have been talks which may harm the farmers and it is because of this I would like the Government to place its views clearly on this issue. With these words, I extend my thanks to you for giving me the opportunity to speak.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Madam, Chairperson, I also rise to support this Bill. But I do not know why it has been delayed. To repeal this Act, I think, a decision was taken about two or three years back. I find from a news item, that the decision to this effect was taken by the Cabinet in 1995. In 1995, the Cabinet approved the repeal of Rice Milling Industry (Regulation) Act 1995.

So, it should have come to this House much earlier. The Bill also is of 1996. I have expressed my concern earlier also about the way the business is being organized, processed and brought before the House. In fact, there is a lot of debate required, if need be with having longer sittings of the House - not in terms of hours every day but in terms of days which should be considered.

There is no meaning because in 1995 it was approved by the Cabinet, it was drafted and then the Bill was prepared in the early 1996. And then, in 1997, we are discussing it.

This Bill was earlier there with the main objective to ensure organised growth of rice milling industry, to see that there is no haphazard growth of the rice milling industry and at the same time the industry is modernised also. What happens is that unless we have modern equipment fitted in these rice plants and mills, there would be a loss to the nation.

In Japan today the recovery rate, that is, from paddy to rice, is more than 82 per cent. If we put 100 kgs of paddy to the mill, we get about 82 kgs of rice. But, in the case of India in the old mills it was around 64 to 65 kgs and in very very old mills it was less than 60 kgs. That is why this modernisation was emphasized upon. The main objective behind this Act which we are going to repeal today was also modernisation, no haphazard growth and growth of the industry in a scientific manner.

The existing rice milling capacity in the country is estimated to be about 184.2 million tonnes per year with a utilisation capacity of about 53.2 per cent. So, there is a lot of scope for improvement. Many mills are not working for their full capacity. As Shri Nitish Kumar said, I also cannot expect an instant reply from the Minister who is in charge of Law, Justice and Company Affairs. He might be having the information, but he might not also have any direct knowledge of the functioning of FCI mills.

The Food Corporation of India was having a number of modern and costly mills. They had established twenty-five modern rice mills during the period from 1968 to 1977. Over a period of nine years, twenty-five modern rice mills were set up and I know one of them was located in my constituency at Hirakud, at the foothill of the world famous Hirakud Dam

[Shri Sriballav Panigrahi]

Project. With that dam having been completed there is also a large ayacut area and naturally the food production has been augmented. Considering that angle, probably the FCI set up a very modern rice mill at Hirakud. But it hardly functioned. They made loss and finally sold it out to some private people who made profits. You will be surprised to know that none of these mills is now under the control of the FCI. They have disposed of thirteen rice mills. What are the reasons for the loss which ultimately led to the closure of these mills?

1300 hrs.

According to a reply given by the then hon. Minister on the floor of Parliament, it was because of non-availability of millable paddy, particularly in Andhra Pradesh and Tamil Nadu. I do not understand how paddy was not available in required quantities, in required measures, to the FCI for milling but how in those localities private millers did prosper. It is because of obsolete plant and machinery of the FCI and modern rice mills of private millers. The reasons attributed to the failure of the FCI mills have been given as 'obsolete plant and machinery, frequent power cuts' and all those things. Anyway, we know that, in our country, because of mismanagement, because of lack of involvement, these public sector units do not prosper. On the other hand, they also make losses.

At the beginning, I said that there is no reason to oppose this Bill. There are a large number of mills everywhere. The milling capacity is so much that the capacity utilisation is less. We have to encourage the farmer to freely process their own produce and market the rice at their own will. This would facilitate the producer in that direction. This measure will also directly benefit the farmers as intermediaries like traders and private millers would be bypassed. Of course, it cannot be done to the extent of hundred per cent, but at least to some extent in some areas.

I would request the Minister to take note of this. It is not a question of big, modern mills. That is naturally the arena of rich traders. It is the question of small mills and hullers. Even some affluent cultivators can think of setting up small mills in some areas on a partnership basis. They have to be given encouragement. There was also a scheme to provide for this.

MR. CHAIRMAN : Excuse me, Shri Panigrahi. It is one o'clock now. Would you finish it in two more minutes?

SHRI SRIBALLAV PANIGRAHI : If you give me five minutes, I will conclude.

MR. CHAIRMAN : All right, you can conclude in five minutes.

SHRI SRIBALLAV PANIGRAHI : This hullers scheme would give more benefit to the farming community. A subsidy scheme was also formulated to modernise the existing huller rice mills. I do not know what the present status is. I would request the hon. Minister to take note of it and see that these hullers are also modernised. Otherwise, the recovery will not be there. The percentage of broken rice also would become more. There is a loss because of this. If the recovery

rate is less, then, it becomes a national loss.

I would say that a time was there during our freedom movement when there was a saying - Gandhiji led the freedom movement and he led it successfully - *kuti khao kati pindho*. That was the economic philosophy advocated by Gandhiji. Also, that dealt a severe blow to the British Raj. The British were a group of traders who came to this country as the East India Company. They took control of our entire trade and commerce.

That is why, Gandhiji said that we should boycott foreign goods, foreign cloth, etc., and not to depend on mills. He impressed upon everybody to go in for hand pound rice because that was playing a major role in the rural economy. Of course, there is no use now in crying over the split milk. Hand pound system has disappeared by and large. Instead, hullers have been set up and even in the villages, small farmers are going in for hullers. The same is the case with weaving. That is why, Gandhiji said, "*Kuti khao, kati pindho*". That means, you weave your own cloth. So, the clothes that we were getting from abroad, from Buckingham, London - there was a fanfare as you know - were set on fire during the freedom struggle. We should not go by the letters, at least, we have to keep the spirit in mind, in today's situation.

Gandhism, Gandhian economic philosophy and Gandhian economics are always relevant and it does not lose its relevance at any point of time, particularly when population explosion is there in our country, unemployment is looming large and is threatening. Naturally Gandhian economy and Gandhian philosophy are very much relevant today also.

I would conclude by saying something about procurement. This is an area where cultivators are exploited very much by the traders. FCI is the monopoly procurer, the procurement agent in many States including Orissa. FCI does not go directly for procurement of foodgrains, of paddy, etc., from the producers in different rural areas. Instead, they again engage rice millers as their sub-agents. At least in FCI some intermediary should procure directly from the producers. So, it will go a long way in checking the price rise and to see that distress sale is not there.

In remote areas where there is not much good communication facilities, good road communication facilities, there are complaints of distress sale. FCI has to rise to the occasion to prevent distress sale and exploitation of farmers. So, FCI should behave in such a way that it is regarded as the friend of the producers or farmers. The position is not so today. Again, there is a lot of gap between the procurement price and the issue price. Paddy is procured at a certain price per quintal; it is processed, it is milled, it is transported and it is taken to, may be, different centres for supply. By the time it reaches the poor people, by way of public distribution system, the rates are almost doubled. It should not be so high. That is why, there should also be a liberal provision for procurement of rice directly from the farmers so that they would get higher prices.

Secondly, millers are there; they are milling it and taking it. They have their own mills and they are the agents

appointed by the FCI to procure. They do not procure and they do not encourage procurement of rice from the producers. They will take it to their mills, they will mill it and they will get milling charges, transportation charges twice. These things are going on. Therefore, they are the millers on the one hand and agents appointed by the FCI to procure foodgrains on the other.

That is why they do not encourage procurement of rice but they insist on paddy. This should not be allowed to happen. Keeping all these aspects in view only, we are now repealing it thereby giving encouragement for setting up of more mills without the requirement of any licence or any control from anywhere. But on the other hand, if we do not take this into consideration and make sufficient provision for procurement in the form of rice only from the producers, then there will be exploitation and even it will go on increasing.

With these words, I lend my support to this Bill. There is no controversy about it. But these points, which I have mentioned, should be taken note of by the Government and they should also try to find out some solution in the interest of the farming community.

1310 hrs.

*The Lok Sabha then adjourned for Lunch till Ten Minutes past Fourteen of the Clock*

1421 hrs.

*The Lok Sabha re-assembled after lunch at Twenty one minutes past Fourteen of the Clock*

[SHRI P. C. CHACKO in the Chair]

RICE-MILLING INDUSTRY (REGULATION) REPEAL BILL –  
*Contd.*

[English]

MR. CHAIRMAN: Let us now resume the discussion on the Rice-Milling Industry (Regulation) Repeal Bill, 1996

Shri Anant Gangaram Geete

[Translation]

SHRI ANANT GANGARAM GEETE (Ratnagiri): Mr Chairman, Sir, I rise to support the Rice-Milling Industry (Regulation) Repeal Bill, 1996. This Bill is going to fulfill the long-standing demand of the farmers. I have been elected from Konkan region of Maharashtra. Paddy is the main agricultural crop of my area and there are also a few rice-mills. For several years, the small farmers have been demanding that to set-up new rice-mills in that area. Earlier rules promulgated by us for opening a rice-mills were causing many difficulties to the farmers. Traditionally, we thrash paddy to get rice. Due to this, farmers suffer a heavy loss and they also do not get the quality rice. This Bill has paved the way for the persons who are interested in setting up their new industries in the field of rice milling. The farmers are also likely to get much benefit from this. Through the traditional method of milling, we do not get at least 60 per

cent rice from paddy. But now we are adopting new techniques and new equipments. This is likely to increase its productivity. The loss of rice, which is currently 40 per cent, will come down to merely 15 per cent. After that, we will be getting 80 to 85 per cent rice through the new method of rice-milling. This will be one benefit from this Bill and another benefit will come in the form of good quality of rice. The farmers had to incur a lot of losses as there were heavy shortage of rice-mills. So far there used to be only one rice-mill in the whole of the *Taluka*, that is Tehsil. Which was beyond the reach of the farmers.

They could not sell their rice in the market, however now, through this Bill and with the setting up of new mills, they would be benefited. The new industries will have better opportunities. With this, the superior quality of rice would be available in the market. If a rice mill is set up within closer proximity, of the villages, the farmers would find it easier to carry their paddy upto mills and also their rice right up to the market. This way, he will get a better price for his produce. Rice is produced in large areas in our country, especially in Konkan and Vidarbha areas of Maharashtra. They would be benefitted by this Bill.

With this, I support the Bill and conclude my speech.

SHRI RAMASHRAYA PRASAD SINGH (Jahanabad): Mr Chairman, Sir, the Rice Milling Industry (Regulation) Act was framed in 1958 and is being repealed in 1996. The introduction of this Bill would be hailed by the farmers throughout the country because their requirements would be met by this Bill. When this technology was not introduced in our country, the poor farmers used pounders to separate rice from the paddy. A sizeable quantity of paddy was also wasted therein and when development took place, huller machines were introduced. The big farmers used these machines in their homes to get a produce of 200-400 quintals of rice. The rice obtained thus was not of a very good quality and we were disadvantaged as a result thereof. Thereafter, after enactment of this act in 1958, the broad objectives were achieved to an extent. You say that it was zero in 1970 and has reached the 34163 mark in 1996. How much development has taken place? After this much development, we are repealing it. It is a good step and I welcome this act.

Mr Chairman, Sir, my second point is that it would benefit both the farmers as well as the mill owners. The husk left behind after separating the rice grains, is sold at Rs. 400 per quintal and cooking oil is extracted therefrom. Thirdly, more paddy would have to be produced because when more mills would be set up, they would require more raw material for their production. Hence I would like to draw the attention of the Minister of Industry and the Minister of Law in this regard. The Minister of Industry and Minister of Agriculture should work in co-operation so that these mills could be run properly. If we increase the production, only then we will be able to run the mill properly. Our land is very fertile but irrigation facility is not available there. Who is responsible for it? In order to run the industry properly, the Department of Agriculture would have to ensure progress in the agricultural sector. Until the agriculture production is not increased, we will not be able to run the industry in a better way. I have noticed that rubber is

[Shri Ramashraya Prasad Singh]

being fitted in place of iron in the rice milling industry. Now we have realised as to how much loss we were incurring earlier. This rice fetches a price of Rs. 10-15/- per kg in the market. Now it weighs more. Earlier it was partially damaged. But now the full quantity of rice is available as a result of this rice milling.

Hon'ble Minister has introduced this Bill at an appropriate time and also an essential Bill. Now more and more rice is being produced in our country and we are getting superior quality seeds. In this way we are reaping a lot of benefits in the agricultural sector. With this, I conclude my speech and support the Bill.

SHRI BRIJ BHUSHAN TIWARI (Dumariaganj) : Mr. Chairman, Sir, first of all, I would like to congratulate the Minister of Law for having presented a historic Bill in the House for the benefit of farmers and the country.

Sir, last time, we had raised a demand in the House that it is an injustice to the farmers of our country that at the time when the policy of liberalisation is being implemented at a very large scale in the Industrial sector, those desirous of setting up a rice milling industry in the rural areas for the benefit of farmers, were required to get licence for it and we know that how much corruption and injustice is involved in the matter of procuring licences. Hence I have continuously been making this demand that at least the farmers should be freed from the legal procedures because this would not only lead to an increase in the rice production but would also encourage the farmers. With this, I would like to request that the technique in this regard should develop progressively.

The European countries have small milling machines which are mobile. They visit various localities in small vans and process the paddy. Several people get employment in this way. Hence the legislation that has been moved here is beneficial for the farmers as well as the country and this step would remove the injustice being done to the farmers.

Hence I support this Bill whole-heartedly.

KUMARI MAMATA BANERJEE (Calcutta South) : I support this bill but I would like to have clarifications regarding two-three points. The Minister of Food is not present here. He was to reply to my queries. (Interruptions)

[English]

AN HON. MEMBER : The Minister is having food.

KUMARI MAMATA BANERJEE : I do not know whether he is having his food or lunch. I do not know where he is. ... (Interruptions)

The law Minister is going to reply to the debate on this Bill. I think, it would have been better if the Minister of Food replied to this debate. (Interruptions) There is no harm in your replying to the debate on this Bill. There is no such Constitutional bar.

[Translation]

But the Food Minister should have been present here and should not have taken it casually. Sir, it is true that I have a little experience. But I have heard the speeches of all the Hon'ble Members. Everyone has praised it, which is a good

thing. But I have two or three points which I would like to raise.

Firstly, if you withdraw controls on the rice mills and delicense them, then it would benefit the rich farmers. The poor farmers can also be benefitted if you assist them through co-operative like the Government of Maharashtra has mobilised them through co-operative movement. Even in Gujarat, they have got a lot of help from the Co-operative movement. It costs a lot to modernise a mill. Modernisation of even a small mill would cost at least Rs. 25 lakh. How can a poor farmer afford to spend Rs. 25 lakh. Only those people will be benefitted who have got black money. If the Government does not strengthen the cooperative movement, the objective would not be achieved. Co-operative Movement is lagging behind in our country. The Government should try to unite the farmers through the co-operative movement. If panchayat Raj administration and the Government jointly form a co-monitoring system, then we can achieve the success. However, if the Government does not ensure such a system, the poor farmers are not going to be benefitted. It is true that there are very few rice mills in our country and to counter this, the Government can extend help through the co-operatives. The Government should make available bank loans to the poor farmers @ 4% interest. The poor farmers are facing the problem of unemployment. The Government can help them in this way. Everyone can not get a job but if they are offered help to some extent, hundred people can come together to start a joint venture.

My second point is that Government should have a monitoring process so that this facility is not misused. If you delicense the industry, those having black money would be benefitted however those, for whom you would be making this provision, would not be benefitted. Inflation is rising in our country. The ration system is not a Union subject. It comes under the purview of the State Government. Such commodities as rice, sugar and wheat are not being provided under the Public Distribution System. You say that those the below poverty line would be issued red Card, yellow card, green card. I am not aware as to what kind of discrimination you are going to make. ... (Interruptions)

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI DILIP KUMAR RAY) : Do you have a ration card?

KUMARI MAMATA BANERJEE : Yes, I have got the ration Card.

[English]

MR. CHAIRMAN : We have very limited time. Please do not answer the queries. Please conclude.

KUMARI MAMATA BANERJEE : Sir, I am raising a vital point but they are not listening to it.

MR. CHAIRMAN : Please make it. They are listening to it.

[Translation]

KUMARI MAMATA BANERJEE : Public Distribution System comes under the State Government. However the situation today is that nothing is available in ration shops. The Government had taken a decision that w.e.f. 26th January, the 35 per cent people below the poverty line would be issued

new cards and thereafter the Government would give them two kilos of rice at half the rates. But you can see for yourself as to how many State Governments have implemented this scheme so far. It has not been implemented in my state and I am not aware which State Government has implemented it. If the Union Government wishes to ensure the successful implementation of any policy, it is essential to monitor it also. When the funds are released, why the work is not done?

[English]

MR. CHAIRMAN : We will get time to discuss that matter later. Please come to this Bill.

KUMARI MAMATA BANERJEE : I am coming to the Bill. This is related to this Bill.

MR. CHAIRMAN : No.

KUMARI MAMATA BANERJEE : Yes, it is related to the Bill.

MR. CHAIRMAN : Public distribution system is different.

[Translation]

KUMARI MAMATA BANERJEE : Rice is covered under it. At present people are not getting rice, wheat, sugar or any other item through Public distribution system. I would like to know as to how poor persons will be issued ration cards under the new arrangements proposed to be introduced through this Bill. There is no mention about it.

[English]

MR. CHAIRMAN : Please do not talk about the public distribution system. About distribution, we will discuss later. You have to talk only about the milling of rice. Have you finished?

[Translation]

KUMARI MAMATA BANERJEE : I would not like to say much on this Bill, but the Government should ensure that the system which you are going to introduce through this Bill should not be misused. Its implementation should be monitored by the Government and this should be linked with the cooperative movement. So that farmers could get remunerative price for rice.

SHRI VIRENDRA KUMAR SINGH (Aurangabad) : Mr. Chairman, Sir, I support the Rice Milling Industry (Regulation) Repeal Bill, 1995. In view of the paucity of time, I have been given instructions to conclude in a short while, I would like to say that I agree with the views expressed by my friends earlier here. Earlier de-husking of rice in mortars pounders was a laborious and time consuming exercise. This Bill will encourage the setting up of more rice mills and as a result thereof labour and time spend in de-husking of rice would be saved. With the introduction of this Bill the number of mills will increase and more people will get employment.

Most of the people eat rice in our country. Earlier de-husking of rice was done in villages manually or in small mills and in this process upto 40 per cent rice grains used to break which is called 'Khudi'. Poor people in the country are compelled to eat 'Khudi'. With the increased number of rice mills, the quantity of broken rice will be less and people will not be compelled to eat 'Khudi' this is the main achievement of this Bill.

Though, I wanted to speak further on this Bill but for paucity of time while supporting this Bill I conclude and thank the Government for this introducing it.

[English]

MR. CHAIRMAN : Thank you very much, the discussion is over. Now the Law Minister will reply.

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : At the outset, I express my gratitude to all Members who have been so kind enough to support this Bill wholeheartedly.

A few points have been raised, particularly, by Shri Nitish Kumarji, who came very heavily upon me, raising points like absence of preparation on my side while moving this Bill for consideration. I was really taken aback by the statement of the learned Member, Shri Nitish Kumar and I was very eager to hear him say something more than what I had stated in this Bill or what the original objectives that were laid down in the Bill that was placed before the House.

Sir, I went, therefore, through the Report of the Standing Committee, of which my friend, Shri Nitish Kumar was the Chairman, and I have tried to spend at least an hour on the entire report which comprises of almost about 23 pages in fine print. I found that hon. Member, Shri Nitish Kumar, even in that bulky report of his, has not referred to any other aspects which I have not referred to while requesting this House to consider this Bill.

In fact, half of this Report comprises only a copy of the old Act, that is, the 1958 Regulation. And then, in fact, there is one paragraph only which can be quoted. That is paragraph 19 and if you permit me I will read that paragraph.

"The Committee note that the Government have introduced the Rice-Milling Industry (Regulation) Repeal Bill, 1995 with a view to repeal the Rice-Milling Industry (Regulation) Act, 1958 (RMI Act). The Committee note that the Rice-Milling Industry (Regulation) Act, 1958 was originally enacted to regulate the establishment of rice mills for ensuring adequate supply of rice and also for ensuring the modernisation of all rice-mills."

That is what I said, in fact, in my opening remarks.

"The Government have informed the Committee that the number of modern rice mills have increased manifold and no compulsion through legislation is required any longer to ensure modernisation, as the commercial rice-millers are now aware of the advantages of utilising the modern technology for achieving quality out-turn. Besides, the quantity of rice available for supply at present is much above the demand in the country. The Committee also note that the RMI Act enacted in 1958 was to provide reasonable facilities for the development of hand-pounding industry which provided employment to rural population. The Committee have been



[Shri Ramakant D. Kalap]

informed that the hand-pounding industry has now given way to modern rice mills due to rural electrification and it is actually on the way out and its presence in the country is negligible."

That is what he had said in the Report. I have said the same thing. The 1958 Act was enacted when we were going through what is called the Permit-Raj and everything was controlled. Even if an ordinary farmer wanted to start a small huller in his village had to go and ask for a licence. It is but harassment. In fact, by repealing this Act what is sought to be done is to remove all the controls that have been put on a simple industry like rice industry. Let the farmer breathe in free air. In fact, now we are going all hog for liberalisation and in these days to continue with the Act like the 1958 Regulation would be an anachronism on the liberty of the people. So, there is a purpose of having this.

The hon. Member also referred to the Patent Bill. I do not know how it comes under this particular aspect. Hon. Kumari Mamata Banerjee spoke about the Public Distribution System. All right. When the original 1958 Act was enacted, PDS was very much forgotten. Those were the days when we were producing enough rice in this country. Today we are surplus and we must allow everybody to - not only Delhi - day products from rice, but also to see that the rice produced by the farmers is taken to every corner of this country. When we were dealing with all the regulations how can one talk of calling upon the Government now to monitor. If at all they are talking about giving incentives to cooperatives, who has stopped them from going ahead with this? Cooperatives in the entire country have different problems in establishing industries now, once the regulation is taken away. They shall not need any permission or permit. There is no control whatsoever. Therefore, even if an individual wants to start an industry, or a group of people wants to start its own industry or a cooperative venture wants to start its industry it can really go ahead and do that work. I think the impetus to cooperatives can really be given by the people and all of us can do the work also.

SHRI SYED MASUDAL HOSSAIN (Murshidabad) : We should check the fake cooperatives also.

SHRI RAMAKANT D. KHALAP : That is altogether a different matter. Whether it is a fake cooperative or a real cooperative, we are not considering at this stage here. That can be sorted out. There is a different machinery for it.

Now, as a result of this the whole concept is gone and the hand-pounding industry which had existed in those days was very much needed. Mahatma Gandhi talked about during the freedom struggle and it was one of the main points raised by Shri Sriballav Panigrahi. But those days are no more existing. We have come over the last forty years. Electricity is available in every nook and corner of the country and hand-pounding industry has become obsolete. So, talking about those days does not lead us anywhere. Let us look ahead where we are taking the country, and our advances would be in the interests of this country.

This Bill should have been passed long long back. It is coming today after a pretty long time. While thanking the

Members once again, I may mention that the hon. Members - including those who had objected - may kindly be rest assured that no problem whatsoever will be faced by the farmers, by the general public and least of all by the Members of this House.

So, I request the hon. Members to take into consideration and pass this Bill.

[Translation]

SHRI NITISH KUMAR : He is a good lawyer.

[English]

MR. CHAIRMAN : Shri Nitish Kumar is also satisfied. So, it is good.

[Translation]

SHRI NITISH KUMAR : He is a good lawyer and will not lose any case.

[English]

MR. CHAIRMAN : The question is :

"That the Bill to repeal the Rice-Milling Industry (Regulation) Act, 1958 be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN : The House will now take up Clause-by-Clause consideration of the Bill.

The question is :

"That clause 2 stand part of the Bill."

*The motion was adopted.*

Clause 2 was added to the Bill.

#### Clause 1

Amendment made:

Page 1, line 3,

for "1996" substitute "1997" (2)

(Shri Ramakant D. Khalap)

MR. CHAIRMAN: The question is :

"That Clause 1, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 1, as amended, was added to the Bill.*

#### Enacting Formula

Amendment made:

Page 1, line 1,

for "Forty-seventh" substitute "Forty-eighth" (1)

(Shri Ramakant D. Khalap)

MR. CHAIRMAN : The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

*The motion was adopted.*

*The Enacting Formula, as amended, was added to the Bill.*

MR. CHAIRMAN : The question is:

"That the Long Title stand part of the Bill".

*The motion was adopted.*

*The Long Title was added to the Bill.*

SHRI RAMAKANT D. KHALAP : Sir, I beg to move :

"That the Bill, as amended, be passed."

[Translation]

SHRI NITISH KUMAR : Mr. Chairman, Sir, he has not explained as to why the concerned Minister did not come and why he has to move the Bill on his behalf.

SHRI RAMAKANT D. KHALAP: Today is his wedding anniversary.

[English]

MR. CHAIRMAN : Nitish Kumarji, a very convincing reason is there.

[Translation]

SHRI NITISH KUMAR : He will also get the charge of that Ministry.... (Interruptions) There is no objection in it.

[English]

MR. CHAIRMAN : On such occasion, you should excuse anybody.

The question is:

"That the Bill, as amended, be passed."

*The Motion was adopted.*

1453 hrs.

[English]

### SEAMEN'S PROVIDENT FUND (AMENDMENT) BILL\*

MR. CHAIRMAN : Now, we take up item number 11. Shri G. Venkatraman Tindivanam may move the motion for consideration of the Seamen's Provident Fund (Amendment) Bill, 1996.

THE MINISTER OF SURFACE TRANSPORT (SHRI T. G. VENKATRAMAN) : I beg to move :

"That the Bill to amend the Seamen's Provident Fund Act, 1966, as passed by Rajya Sabha, be taken into consideration."

With your permission, I would like to say a few words while moving the Seamen's Provident Fund (Amendment)

Bill, 1996 for consideration and approval. The Seamen's Provident Act, 1966 *inter alia* provides that the Board of Trustees will administer the provident fund. The Director-General of Shipping has been appointed by the Government as Chairman of the Board of Trustees in accordance with the provisions of sub-section (3) of section 5 of the Act. The Seamen's Provident Fund Commissioner is the Chief Executive under this Act.

In the process of implementing the provisions of the Seamen's Provident Fund Act, 1966, certain difficulties have been experienced from time to time, for example, only one bank had been nominated for operation of accounts of the organisation under section 4, maximum scales of pay have been provided in section 7, the fixed rate of contribution has been indicated in section 8 etc. Besides, the Merchant Navy Officers Association have been demanding that they should also be included within the purview of this Act so that Provident Fund Scheme is also applicable to them.

The main purposes of the amendments are.

(i) Bring certain other categories of crew such as master navigating or engineering officer etc. within the definition of 'seamen', (amendment of Section 2(B));

(ii) Allow deposit of the funds with an approved bank instead of SBI (amendment of Section 4 (3) .

(iii) To streamline employment of officers in the Seamen's Provident Fund Office (amendment of Section 7 (2) and (4)).

(iv) To lay down rate of contribution of 10 per cent or such higher rate as may be specified (amendment of Section 8);

(v) Provide for increased penalty for defaulting payments by the employers (amendment of Section 15(3) and 16(1).

In the circumstances, I move this Bill for consideration.

MR. CHAIRMAN : Motion moved:

"That the Bill to amend the Seamen's Provident Fund Act, 1966, as passed by Rajya Sabha, be taken into consideration."

SHRI T. GOVINDAN (Kasargoda) : Mr. Chairman, Sir, on behalf of my party, I support the Bill. It is a simple piece of legislation to improve the service and monetary conditions of seamen.

The shipping industry in our country is one of the most important areas and it is one of the most potential industries for employment also. The number of training centres has not been increased for a long time. So, I demand that the Certificate Training should be given to more people.

The shipping industry is sick now, because it has not been expanded. More seamen can be employed if our shipping companies are expanded. The Shipping Corporation of India is in no mood of expansion. They are not acquiring more ships.

Then, the Merchant Navy staff also have to be included within the purview of the Seamen's Provident Fund Act.

\* Published in the Gazette of India, Extraordinary, Part-II, Section-2, dated 21.2.97