

12.26 hrs.

DISCUSSION UNDER RULE 193

Demand for Waiver of Agricultural Loans

[Translation]

SHRI HARISH RAWAT (Almora): Mr. Speaker, Sir, I would like to thank you very much for giving me an opportunity to speak on this important issue. In the beginning, I would like to say one thing very clearly that from the depth of our heart, all of us are with the farmers. It is due to the hard labour of farmers that today our country has become self-sufficient. The farmer is toiling hard all the times in the fields to make this country self-sufficient. However, the farmers have been facing great difficulties. Naturally, this August House and the Government have a feeling of sympathy for them in their difficulties. Out of that sympathy, I would also like to draw the attention of the Government to certain points and also like to put forward certain demands before the Government. But one thing that I do not understand is that as political workers we all are trying to take political advantage of certain issues, but the progress of the country is also the responsibility of the politicians. Efforts are also being made by the politicians to create problems for the ruling party. It may be the part of the system of democracy but there are some slogans, which may aggravate the difficulties of the Government. But in case these slogans do not create any difficulty for the Government, they are creating great difficulties for the country. If these slogans create a bad atmosphere and unhealthy traditions, we must keep away from such slogans.

It is a matter of regret that efforts are being made to make an issue of the waiver of loan, a political issue instead of making it a point concerning the difficulties of the farmers and the poor people of this country and efforts are being made to raise it as a political issue. Nobody is trying to see the practical side of this problem. Attention is not being paid to this issue.

Mr. Speaker, Sir, I think nobody in this House except you takes so much care of the interests of poor farmers. Nobody else might have struggled that much for the cause of the farmers, as you have struggled for the agricultural labourers. If we see it in terms of the party, no other party have ever protected their interests with that earnestness as the Congress did. It is only the Congress party that had raised the issue of land reforms during the days of struggle for independence. When congress party came to power, top priority was given to the land reforms. Had land reforms not been implemented in this country, I do not think that today our country would have become self-sufficient. But it is a matter of regret that the people who were against the land reforms and who were the living organ of Zamindari system, are now trying to come forward as the champions of the farmers.

Sir, there is the Chief Minister of a State who has been projecting himself as a loan-waiver and champion of farmers. I need not mention his name. Perhaps, he is the biggest Zamindar of his state. Even today, people have been working as a bonded labour in his farm-house. Those people whose party had given the slogan of loan-waiver, are now happy to hear the people call them Raja when monarchy is no more the order of the day. To resist imperialism, thousands of freedom fighters of this country had laid down their lives, and lakhs of people were put behind the bars. To bring change in that system. We take it as a symbol of the glory for our nation. Now these people want to be called feudal lords as a symbol of that feudalism. As the champions of farmers and poor people, they are trying to prop up the slogan of loan-waiving. But, in fact, everybody will feel it that with these slogans they are doing no good to the country.

Mr. Finance Minister, Sir, I have great regard for you. I have seen you as the incharge of various Ministries but I have got great sympathy with you as a Finance Minister because today they are trying to put you in a great difficulty. I would like to point out to the Minister of Finance that present Govern-

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ment of Haryana was voted to power on the basis of this assurance from them that in case their party was voted to power, they would waive the loan of farmers. Now, you may kindly tell us as to how they have waived loans.

Mr. Speaker, Sir, according to the information available with me, they have waived only a very small part of it totalling Rs. 2 1/2 crore. This among included such loans which could not be recovered. Today, it is being projected as an example in the entire country and it has been high-lighted by a person who had also been the Finance Minister. Today he is the Chief of a party. Before this, he was the Finance Minister. It is a matter of regret that a man who was the Finance Minister at one time and who did not take care of the welfare of the farmers at that time, never thought of waiving loans and when people demanded to waive the interest on their loans under I.R.D.P., he used to reply in harsh words to the people in those days that if he waived the interest on loan, what else would be left with the Government. He went to the extent of saying that one should support the Government to recover the amount of loan speedily, from those people who had taken loan under I.R.D.P. Today, the same fellow is now giving the slogan that if his party comes to power, it will waive the amount of loan upto Rs. 10,000 taken by the farmers.

I would like to ask the Minister of Finance to consider the serious consequences of this slogan not from the angle of a political representative but only from the angle of a Financial Manager. You will realise that if the common man is swayed by this slogan, what would happen to the entire financial system of this country. I think that it will collapse the entire financial system and all our traditions will vanish with the shattered values and norms. If some practical suggestions are given on the basis of that slogan or some reasonable suggestions are given to solve the difficulties of the farmers and labourers, then it is all right. However, if the Ministry of Finance adopts a rigid attitude in this regard,

we will also fight against it. There are a number of hon. Members in this House who have demanded that Government should reconsider the issue of loans. There are many representatives of the farmers in this House who have fought within their party to get various concessions for the farmers. They are ready to fight against the Government and the Ministry of Finance but they are not ready to tolerate any such thing by which the entire financial traditions and financial values of our country get shattered or the entire financial system is heavily burdened on that account or which may give the farming community a feeling that they can get their loans waived by the Government. Then they would not repay the loan in spite of their capacity of repayment of loan. They would also like to invest the entire money for some other purpose. You may think of all the probabilities of it. Today, when the representatives of the Government of Haryana go to the farmers for the recovery of loans the farmers find it very hard to pay the entire amount of loan because in case they had repaid the amount of their loan regularly, it would have been at the most Rs. ten, fifteen or twenty thousand left to repay, but now the loan amount has increased manifold. I would like to cite an example. When this slogan was raised by Shri Devi Lal One boy of the youth congress who had taken loan from the Bank for the purchase of a truck came to me. He asked me that if the Government of Devi Lal came to power, whether the loan taken by him would also be waived. His name is Raghvir Singh and he is living in Karnal, you may note down his name. I told him not to commit such a mistake and advised him to deposit the instalment of loan in time, otherwise he will lose all the amount of his savings and the truck would also be taken away by the Government and he would be put behind the bars. The next time when he came to me, he said that I had given him a very good piece of advice, otherwise the slogan of Devi Lal was haunting him and he held the view that in case the Government of Devi Lal was voted to power the loan taken by him for a truck would be waived. Now many political parties have associated themselves with the above slogan, so the people feel that what-

ever amount of loan they have taken would be waived. The people who have taken lakhs of rupees as loan have also started thinking that if a loan of Rs. ten thousand or fifteen thousand can be waived, then later on Government can waive even their loan worth lakhs of rupees if they exert their pressure on the Government. So I think that this august House and all those persons who have deep understanding of financial matters should condemn these cheap slogans because they mislead the people and we should condemn these cheap slogans quite openly and in very clear words and make efforts to warn the people that these cheap slogans will put the country in dire straits and it will not be beneficial for us in any way. If this is not clarified right now, I fear that this will lead to further confusion. That is why I said in the very beginning that it was the right time to clear the things, otherwise farmers may stop repaying their instalments of loans in the hope of loan waiver. But in fact their loans would be multiplied day by day and a time will come when they will have to sell their properties in repaying the commulative amount of loans. Their properties may also be attached. The people who given this type of slogans can not fulfil it. Nor are they capable to fulfil this promise. As a matter of fact, they are neither true to their promises nor to their parties, policies and principles.

While urging the Hon. Finance Minister, I would like to submit that no one can deny the fact that the economic condition of farmers has gone from bad to worse owing to unprecedented drought throughout the country and they are finding themselves in a very tight corner. They have to face many difficulties and hardships and they deserve sympathetic consideration on the part of the Government. I am not advocating that the entire interest on loans should be waived but something should be done, such as interest charged at penal rate should be waived and recovery of loans should be rescheduled so that the farmer could repay the instalments over a longer span of period of 8 to 10 years. I think that the Reserve Bank will also not come in the way as the principles of Reserve Bank and NABARD permit this type of con-

cession. My second submission is about the beneficiaries of I.R.D.P. which was launched by late. Shrimati Indira Gandhi. When this programme was first launched, the people did not understand its significance. Due to shortage of political workers and faulty implementation on the part of the Government officials, the programme did not start well and people were not properly told as to how they could take benefits from this programme. The money advanced to the people on loans at that time was grossly misused and was invested in wrong things and so that beneficiaries under I.R.D.P. are not in a position to repay their loans. They are still facing problems and hardships. My submission is that they should be given a substantial amount of money as second installment of loans. Earlier they were given a very small amount. I would also like to add that interest on loans should be waived. As they are marginal and small farmers, Government should consider as to whether a part of the interest on loans could be written off and if so, up to what percentage. I can say with certainty that a large amount given to big capitalists as loans has been declared bad-debts which the Government have not been able to recover from them. The country does not come to know about it because the Reserve Bank of India refuses to make it public on the pretext that the public interest and the banking rules do not permit it. The amount of interest on loans given to farmers is a fraction of the amount declared to be bad-debts which are not likely to be recovered from the big industrialists.

I would like to draw the attention of Hon. Finance Minister towards an irrationality. When a farmer takes a loan for purchase of a tractor or installing a tubewell or for any other purposes, his land as well as the thing for which loan is taken are mortgaged but in case of industrial loans, only thing for which loan is taken is mortgaged. Suppose somebody takes a loan for a bus, only the bus is mortgaged. Similarly if one takes loan for setting up a shop, only his shop is mortgaged, but if a farmer takes loan for a tractor, his tractor as well as his land both are mortgaged. Mr. Speaker, Sir, as tractors are not used in our area, I do not have much knowl-

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edge about it. If I am wrong, I may be corrected. So far as I understand, tractor as well as his land both are mortgaged. This is an injustice being done to the farmers by the banks. I request the hon. Minister to take steps to stop this injustice.

I understand that hon. Minister of State in the Ministry of Agriculture as well as the Ministry of Agriculture are also sympathetic to this demand. Am I telling a wrong Hari Bhai? Is your sympathy not with us? Once again, I thank the Hon. Speaker for giving me an opportunity to speak on such an important matter. I would like to again urge upon the Finance Minister to give a serious thought to provide relief to the medium, small and marginal farmers and the persons who take loans under I.R.D.P. taking into account their plight.

With these words, I move this motion for consideration of the House.

MR. SPEAKER: Shri Rawatji, you do not want the life-line to be cut forever, rather you want to give life in a proper way.

[English]

SHRI HARISH RAWAT: Thank you very much for summarising my views.

[Translation]

SHRI BALKAVI BAIRAGI (Mandsaur): Mr. Speaker, Sir, I am very grateful to you that you have associated me with the discussion raised by my colleague Shri Harish Rawat in the House. I also gave a notice for half-an-hour discussion on this subject. You have done well by clubbing my notice to this discussion. While sharing the views expressed by Shri Rawat, I would like to submit something different based on my own experiences with regard to problems of farmers.

I want to stress upon this point that you are a benefactor and leader of the farmers in true sense. Farmers feel secure under your

leadership. Mr. Speaker, Sir, through you, I would like to draw the attention of the Finance Minister to the fact that no other sectors except agriculture exceeded the target fixed for it, for which credit goes to our farmers. There are several sectors which lagged behind their targets. Despite producing more than their targets, this is the only sector which never goes on strike. They have never struck their work, no matter what treatment they are meted to by the nature or by the Government or by the society. They produced so much quantity of grains that it has become a storage problem for the Government, as godowns are not available in sufficient number. They have struggled everywhere and it will be observed that they have served the country honestly and they are making every effort to repay the loans. Our farming community is innocent by nature and kind by heart. They do not believe in humbug. But this community was hoodwinked by a political party 2 year ago. I would not like to name any of the Chief Ministers. They do not deserve to be named here. I beg your pardon to raise this issue here but I may tell you that one and half years ago he had said that loans would be waived. Thereafter, another political party went one step farther. This party started a campaign for selling forms costing Rs. 5 each. People were asked to purchase this form and submit it to the official who would give a receipt in lieu thereof. They told the people that their party would come to power at the Centre. At that time, their loans would be written off at production of these receipts. Now the whole thing is clear to you. They are saying that they are about to form their Government at Delhi. I asked your predecessor Finance Minister as to why did he not write off the loans if it was permissible under the Rules? To this, he rebuked me for making such a unreasonable demand and silenced me by saying that he could not write off loan for a single penny even. Sir, I am raising some basic questions and request the hon. Minister lay the replies of all these questions on the table of the House. I would like to know as to which of the State Governments have sent proposals to the Central Government for waiver of loans, the types of loans they propose to write off

and the amount of loan they have since written off during the last four to five years. I would also like to know the names of banks which advanced these loans and whether any approval of the Central Government was taken and, if so, the details thereof. The hon. Minister replied to a question on the 4th instant in this regard. I was in Haryana on 5th. It has been indicated in the reply that the NABARD had submitted a proposal to the Government of Haryana for writing off loans amounting to Rs. 33 crores but the later did not give its consent in writing. This is totally contrary to what their Chief Minister says; i.e. his Government wants to write off the loans but the Central Government does not allow them to do so. Had you been a regular subscriber of Hindi magazine 'Dharmyug' you would have read in an article written by a responsible author 1 1/2 years ago that a very meagre amount ranging from Rs. 3 to Rs. 9 was written off. If you so desire, I can produce the copies of that article. It should be circulated all over the country. A very meagre amount was written off. This caused so much irritation among the farming community that they remitted an amount of Rs. 11 each through M.O. to the Chief Minister of Haryana with the suggestion that the might use this amount to provide milk to his children. This much insult was inflicted to the farmer only due to stubbornness of one individual and we, sitting in the Lok Sabha, silently watched the drama. It is not a happy situation. I would like to make a submission and pose a question to the farmers as to how the banking business will run in the absence of a systematic procedure. For example, if one person deposits the money and other takes loan and his loan is written off, then who will come to banks to deposit money? In this way the farmers have been allured. I want to say that it is a deeper conspiracy of the big farmers who have crores of rupees in the banks. They want to grab powers for themselves by alluring the small farmers so that they could swindle the bank money. What is the character of our banks? I am saying this with all seriousness because I am greatly disheartened to see the functioning of the Banks. It is a normal feature with the banks that big industrialist are sanctioned not only

huge loans amounting to crores of rupees, but they are warmly received by the Bank Managers on their visits to banks, so much so that they are entertained with tea, etc. Not to talk of embarrassing question of position of repayment of loans advanced to them, Bank Managers take interest in future plan of expansion of their factories. Sometime, Managers are offered 20% commission of the loan amount for doing favour. The only thing the Manager is required to do is to append his signature on the loan application. But for a poor farmer, the doors of bank manager remain closed. He has to take numerous rounds for getting a loan of a petty amount of Rs. 5000/-. The Bank Manager has no time for the farmer to meet him. I am saying this on the basis of my personal experience. It is difficult to get a loan of Rs. 5000 but it is easier to take huge loan of Rs. 400 crores. If this system prevails, you have to give a serious thought to it. I do not think that there can be a greater insult to the poor than this. The Bank Manager gives evasive reply to the farmer. If the farmer comes to bank on a week day, the Manager asks him to come on Friday only, when he comes on Friday, he is told to come on Monday as Saturday and Sunday are holidays. If again he comes on Monday, he is asked to come on Friday only. Thus he is made to take rounds of the bank. How helpless are we the Members of Parliament that we are unable to provide a loan of Rs. 5000 to a farmer despite our collective will. But if I make a single telephone call to the Bank Manager in my individual capacity for sanctioning loan to corrupt industrialist, that will do and it would suffice for him to sanction a loan of Rs. 5 crores to the industrialist. Please let us know as to what checks you are going to effect over this system? I am glad that Shri Bhajan Lal has since arrived in the House and with this the Ministry of Agriculture has come to us in its full representative form. I would like to say that the woe of the farmer is not the concern of any particular individual or the Department, rather it is the concern of all individuals and the departments. Under the existing laws of the land, if somebody declares himself insolvent, he is discharged from all financial liabilities. But what about

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the farmers? The political party to which this Government belongs has all along been engaged in the struggle for making the farmers self-reliant for the last 103 years. It is the Congress Party which has been struggling hard for upliftment of farmers and the poor. We never launched any movement for the cause of the rich. In deference to the wishes of our party, our Government has been pursuing a policy for the last 42 years to make the farmers self-reliant. It is due to these efforts of the Government we find that the economic condition of the farmer has undergone a sea-change from the age old bullock-cart to the modern 'Maruti' at their door step. Do you want that he should declare himself insolvent in order to get rid of his loans? Is a situation like this likely to be created under which farmer will be tempted to declare himself insolvent? If a Chief Minister or a former Minister of Finance is conspiring to create a situation like this, it becomes the duty of the Government to give a befitting reply to them. The Government should see that incidents of insolvency among farmer community occur to the barest minimum and they are not tempted to tread the path which leads to this dark-house. You should ensure that this law is implemented strictly. I am sorry to note that all the hon. Members of the opposition have fled away. May I know as to which kinds of loans are being written off? Only loans taken from nationalised banks are being written off. But what guarantee they have given to write off the loans taken from individuals such as these leaders, their money lenders and financiers? Will the loans taken from individuals or private banks be ever written off? It is a conspiracy hatched by the capitalists who want that somehow or the other the nationalised banks should collapse and lose their economic viability so that the poor farmers again fall in the clutches of the money lenders from whom the Congress Party had freed them. They want to suck the blood of the farmer who is trying to become self-reliant. I would like to ask you one thing in this connection. If there is a proposal to write off the loans, whether any criteria have been fixed for that? If so, the extent to which

the loans would proposed to be written off? If somebody exempts the payment of compound interest, that is not a matter of obligation. The farmer is not in a position today to return the principal amount with compound interest on them. But it can be possible if he is given some sort of incentives for making timely payment. A farmer who makes timely payment of the instalments, he should be given some incentives. In my district, Mand-sore, we have made an experiment of this nature. The farmer who cleared his loan on time is offered saropa. We honour him publicly in a gathering of as many as 10,000 people and he is declared to be a an honest person. This type of incentives must be given to people. If at all, loans are proposed to be written off, how the needy persons could be advanced loans? Please explain as to what are the proposals in this regard?

MR. SPEAKER: Bairagiji, if loans are written off, what will be the position of those people who want to repay the loans?

SHRI BALKAVI BAIRAGI: I was just coming to this point.

MR. SPEAKER: Did they ever think as to how the people who want to take fresh loans will get the same if loans are written off? Please ask clarification on this point also.

SHRI BALKAVI BAIRAGI: I am sure that the hon. Minister of Finance has taken note of the observation made by the hon. Speaker.

MR. SPEAKER: You are talking high of him, lest it should have any adverse effect.

SHRI BALKAVI BAIRAGI: I, therefore, want that the Government should come forward with a beacon light and show some ways to us. When our political parties are trying to mislead our prosperous farmers, what will be the fate of the basic economy of this country? What will be our source of strength? I want to draw your attention to this also. I would also like to request you to do something whereby the purchasing power of

the farmer could be increased. The farmer will applaud you for this. Please elaborate the rate of inflation as on date. Today, we have reached to a very critical situation. At this stage we must know what are our advantages and what are the disadvantages. If you increase the purchasing power of the farmer, he will feel obliged for this. Not only the farmer but the entire nation will be greatly benefited by this. When there were no facilities available in the country, the farmer used to mortgage his land for a petty amount, now due to increased prosperity, things have changed. Today, no farmer wants to sell his land. On the contrary, Government land is being encroached upon in every State and every district. Thus new problems are arising. The farmer has encroached upon Government land at a number of places. He has encroached upon the land very meticulously. We have regularised the encroachment at a number of places. In my area, the farmer adopts a very unique method to encroach upon the land. Mr. Speaker, Sir, you have paid visits to my district twice to thrice and blessed us. You might have seen what a unique method the farmer has adopted there. First he encroaches upon a piece of Government land measuring 50 to 100 sq. feet adjacent to his field and then he approaches us for issue of 'Patta' of that land in this favour. When we say that it cannot be issued and advise him to vacate the land, he advances several arguments. When he is told that it is Government land which he should vacate, he pleads that he has already dug a well on that land at a cost of Rs. 50000 on the prophesy of his god who came in his dream to foretell that ground water would be available at that place and is why he dug the well there. It means that a farmer does not hesitate in encroaching upon Government land on the pretence of god and goddess. I don't know why underground water is not found in the land of his own but it is found in Government land. That is why he digs well on Government land. It implies that with the enormous increase in the value of land the temptation has also increased accordingly. You can observe that a neighbouring state, the Chief Minister of the state is challenging the leadership of the Hon. Prime Minister

Shri Rajiv Gandhi and the policies of his Government not on the basis of political strength but on the basis of power gained through deals in land, as a result of which a fund of Rs. 200 crores has been raised. This also goes to the credit of the policies of the Central Government that the value of land has been raised to such an extent in recent years. The farmers may not have much in their pockets now but that is a different matter and I do not want to go into this controversy. However, there can be no two opinions that the Congress Government has boosted the economic condition of the farmers and given them new strength. That is why land has become their principal capital today. If they do not get due returns of their hard work, I think the dreams of Dr. Balram Jakhar, Mahatma Gandhi and Shrimati Indira Gandhi will not be realised. The farmers will also be disappointed. I am happy to put forward this point before the country's ablest farmer. I am referring to the 'Speaker' in this regard. I would like to finally submit that this is the proper time for taking up this matter for discussion in the House. I would like to request you that a positive approach should be adopted in dealing with the farmers so that their condition could improve. The Opposition is adopting a negative approach but the Government should adopt only a positive approach. The farmers have been given repeated assurances in regard to 4 or 5 points. They have always been assured that they would be provided electricity improved seeds, better irrigation facilities and more quantity of fertilizers, but I would like to know from all the Departments of the Government as to when they are going to be assured about the Sixth item? Mr. Speaker, Sir, I would like to know as to when is the Government going to assure them about providing remunerative prices of their produce and proper marketing facilities? Even if they are provided fertilisers, seeds, irrigation facilities fertiliser etc. at subsidised rates, they will not be encouraged to increase their production unless they are paid remunerative prices of their produce. Will the farmers cooperate with the Government when they do not get their dues? Other parties have misguided them with the assurance that

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their loans would be waived. This challenge can be properly met only by enhancing their purchasing power. There is no other way out.

Mr. Speaker, Sir, this Debate was initiated by Shri Harish Rawat under the leadership of the Hon. Prime Minister and under your direction. We are spokesmen of farmers and believe in singing their praise because they constitute 80 per cent of the total population, whereas people like myself are covered under the rest of the 20 per cent. If the requirements of the 80 per cent of them are met, we shall also be fully satiated. If their needs are not met, the country will disintegrate. This is what I want to impress upon. This is my humble submission. Therefore, I would like to urge that this mist should be cleared and the correct position should be placed before us in order to enable us to talk with the farmers directly so that they are not misled and they can return to a life of prosperity, happiness, politeness and modesty.

Mr. Speaker, Sir, I am very grateful to you for providing me an opportunity to speak.

MR. SPEAKER: It is lunch time now. This matter will be taken up after lunch. You may also think over the matter in the meantime. The debate is yet to be concluded. In the meantime you may go into the figures available with you so that you could make your point accordingly as farmers need help on long term basis.

DR. KRUPA SINDHU BHOI (Sambalpur): Sir, it will be very good if the pattern of North Korea is adopted.

MR. SPEAKER: This needs to be given due consideration.

THE MINISTER OF AGRICULTURE (SHRI BHAJAN LAL): Will it be taken up on Monday again?

MR. SPEAKER: Yes, this discussion will be taken up on Monday and it will be

continued today during the post lunch session as well. Therefore, this House stands adjourned till 2 P.M. today. The matter will be taken up after lunch. We shall meet after 2 p.m.

13.00 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the Clock

The Lok Sabha reassembled after lunch at seven minutes past Fourteen of the Clock

[MR. DEPUTY SPEAKER *in the Chair*]

DISCUSSION UNDER RULE 193

Demand for waiver of Agricultural Loans

[*Translation*]

MR. DEPUTY SPEAKER: Shri Ram Pyare Panika.

SHRI RAM PYARE PANIKA (Robertsganj): Mr. Deputy Speaker, Sir, I am very happy and I am grateful to Shri Harish Rawat and to the Hon. Chairman, particularly for taking up such a major problem of the farmers for discussion today. Sir, two of my hon. friends have already made their submissions and while agreeing to their suggestions regarding the waiver of loans, I would like to draw the attention of the hon. Minister of Finance towards some more points. There can be no two opinions regarding the fact that there has been rapid progress in our financial management during the last 4 or 5 years. Although the Government has to face serious challenges on account of the unprecedented drought conditions and other natural calamities, they were met successfully and our economy made substantial progress which was widely appreciated by the economists of the world. I would like to thank the hon. Minister for this. But the Most important Point of concern today is that

in order to gain cheap popularity, some political parties and Chief Ministers of some states are misguiding the farmers and the people by promising them that if they come to power again, their loans will be waived off. Sometimes, people are lured by such slogans and it was due to this slogan that the present Chief Minister of Haryana was able to win the last elections. But what is the real situation? In spite of making repeated announcements in this regard for the past two years, the loans of the farmers have waived. The record shows that not more than Rs. 2 to Rs. 4/- have been written off as waiver of loans. This is a very ridiculous position for which the Chief Minister of Haryana is responsible. Not only this, as has been reported he announced waiver of loans amounting to Rs. 33 crore pertaining to NABARD. But the directives and guidelines issued by the Reserve Bank of India do not allow a Government to write off loans it gives a matching amount to the Reserve Bank or the bank concerned from its own resources. I do not know whether it is possible for the Government of Haryana to do so.

There has been constant increase in the bank deposits over the year, credit for which goes to the effective policy adopted by the Government. Will a policy like this to gain cheap popularity not put an adverse effect on our growing bank deposits? If so, how we will be able to mobilise resources to complete our programmes to be launched in the ensuing Eighth Five Year Plan, as this is the last year of the 7th Five Year Plan? Therefore, a question is agitating our minds as to how the Government should deal with the elements who are misleading the people in the country.

I urge upon the hon. Minister of Finance to let the people know through the House the exact state of affairs in Haryana.

The leader of one political party who has announced to launch a movement has all along been an escapist. He has no courage to face a challenge whenever it is thrown to him when the House decided to hold a discussion on the matter, he ran away. They are

the people who captured power in 1977 by misleading the masses. But not only the people of our country but the entire world knows that during their regime, our economy was totally shattered, agricultural production had gone down by 17 per cent and so was industrial production which went down by 8.4 per cent and the country was pushed to the brink of destruction. When the situation became out of their control they ran away. Over the last 3-4 years, they have been trying to mislead the people through baseless charges that are being hurled at our Government, but they could not muster enough courage to face us when they were offered opportunity to discuss the issue and they ran away from the House.

The Hon. Prime Minister has directed the Minister of Finance and the Minister of Agriculture in this regard which is a matter of pride for the nation. I also make a demand that agriculture sector should be treated at par with industry as has been indicated by him. Then our farmers would no more require waiver of loans, if facilities similar to those provided to industry are given to agriculture sector for irrigation, seeds, fertilizers, reclamation of land with due meteorological support, in addition to infra-structural help at present being extended to them. They should also be given loans on the terms and conditions similar to that of industries, then their problems would be solved. It is a matter of happiness that the Hon. Prime Minister has given in assurance to fulfil this task within a period of 3-4 years to come. The day on which the task is fulfilled would be considered as a golden day.

There are several areas in the country such as drought prone areas, tribal areas, hilly areas, desert areas, cyclonic prone areas which were declared of special category areas in the Second Five Year Plan. I urge upon the Government to set up a special Relief Fund for providing help to the debt ridden poor people belonging to Tribals, down trodden and backward communities living in those areas so that they could be get rid their loans. Besides, in no case penal interest should be charged on the loans of

[Sh. Ram Pyare Panika]

the farmers. Loans are given to farmers on compound rate of interest, as a result of which, a loan of Rs. 5000/- becomes Rs. 20000/-. The House should resolve today that in no case a loan of Rs. 5000/- will be allowed to be doubled. Interest free loan should be given to marginal and small farmers and Harijans and Tribes. The amount of subsidy given under the I.R.D. programme was pocketed by the officers and the bank employees and the beneficiaries were given only the actual amount of loan. The items given to them were of sub-standard quality. The need of the hour is to reform the banking system. There is no doubt majority of the people live in rural areas. Farmers and artisans, whether they are blacksmith or carpenter, do not get loans easily from the banks despite our recommendation, whereas loans are easily sanctioned on the recommendations of rich and resourceful persons. I am saying this with my personal experience. I know one such of my friends who got the loan sanctioned to the people from banks. Rich people have more say than a Member of Parliament. Guidelines issued to banks by the Government with regard to sanction of loans to the farmers, marginal farmers and the needy persons are not at all followed. Bank officials have been sanctioning loans only to those persons who are ready to part a percentage of amount to them as commission. Thus the bank employees are making money and amassing wealth. There is none to check them. What is all this going on? The hon. Minister is requested to get all these things investigated. The Government should issue directions to the banks to strictly follow the guidelines. In my constituency, there has not been a single instance in which a loan of even a petty amount of Rs. 5000 was sanctioned without greasing the palm of the bank officials.

A lot of publicity is given to loan-mela. We are told that a huge amount of Rs. 70 to 75 lakh is to be distributed as loans. But in fact no loans are disbursed to the people. Special camps are organised only for show. Particularly in my constituency, very few

melas have been organised. This can be ascertained from the records, if it is so desired.

Similarly, crop loans are not sanctioned when required. The Government should ensure that farmers are providing crop loans well before the season starts. They are forced to make a number of rounds to the block office. The bank procedure is very complex and the rural farmers and artisans find it difficult to understand it. The procedure is required to be simplified so that people do not find any difficulty in getting loans.

Recovery of loans in the drought affected areas should be postponed for the time being and their repayment be rescheduled. As a number of loans are outstanding against the farmers, they are not in a position to clear all of their loans at the same time. As a result, their tractors and other valuable belongings are being attached. The hon. Minister may get the fact enquired into. He should ensure that no farmer is deprived of his land and belonging such as tractors and bullocks, etc. due to non-payment of instalments of his loans.

There is no doubt that we have taken a number of steps for the welfare of farmers and launched several schemes for their upliftment. It is the Congress Party alone which worked for upliftment of the farmers before and after independence. We can say with pride that our country has made a remarkable progress. Despite unprecedented drought of the century, 170 millions tonnes of foodgrains were produced by the farmers with the help of the Government. We have also achieved success on industrial front accordingly. I mean to say that though the Government have been working for the welfare of farmers but they are being misled through alluring slogans and humbug. You will be surprised to know that some time ago, 4 to 5 officers were locked up in Muzaffarnagar by the members of Kisan Union. This is the nature of the movement launched by them. Our farmer community have a lot of patience and tolerance and it never loses hopes but today they are being misled to

resort to violence. The whole country and the Government in particular should keep a watch on the situation being created by the them and timely step is required to be taken. I do agree that false slogans are raised during the election year. The people have not forgotten the slogan raised in the year 1977 or the slogan given by Shri Devi Lal in Haryana in 1982. Now everybody understands the hollowness of those slogans. It has become a talk of the town that an amount of Rs. 200/- crore is being mobilised from the industrialists in Haryana. It is very shameful that the Chief Minister of Haryana is forcing the industrialist to contribute to his fund at the rate of one per cent of their turn over. So an industrialist having a turn over of rupees one crore will have to pay rupees one lakh as donation to his fund. The persons who murdered the democracy in the country and fled away from this House by resigning their seats are being warmly received. He is giving Rs. 4 lakh and a jeep to each of them. *From where did he bring this money?* I would like the Minister of Finance to hold CBI enquiry into this matter. It is very essential to institute an enquiry against those who are enemies of the democracy who murder democracy and instant to distort the image of India in the world.

In the end, I would like to submit that today farmers are in great distress. In view of these difficulties, as suggested by me, either of the measures i.e. re-scheduling of their loans, waiver of interest, withdrawal of penal rate of interest and creation of a national fund for providing relief to the poor people living in backward areas, be taken so that their condition could be improved.

SHRI JAGANNATH PATTHAIK (Kalahandi): Mr. Deputy-Speaker, Sir, an agitation has been launched by some organisations of the farmers and political parties in support of waiver of agricultural loans of the farmers throughout the country.

The Kisan movements formed part of our freedom movement. Gandhiji launched Kisan movements in Champaran, Kheda and Bardoli. These movements were impor-

tant features of our freedom struggle. But the Government of free India does not have the same sort of attitude to the farmers as they were meted to by the then British Government. From the very beginning, the policy of the Congress Party has been pro-farmers as ours is a rural culture and so is our economy. When India got independence and Pandit Jawaharlal Nehru was made its first Prime Minister, it was said that he believed in western philosophy and was not adopting Indian way of development. But he was a foresighted man. He laid stress on setting up heavy industries to build infrastructure for development of the country. On his initiative, cement, steel and other big factories were set up in every five Year Plan. Had infrastructure facilities not been created and heavy industries such as steel and cement, etc. not set up, India would not have ushered in the era of green revolution in agricultural sector. This could be achieved because of progress made in the field of science and technology. It is because of the policy of the Congress Party towards the farmer that today India is not only self-reliant in foodgrains but also exporting foodgrains. Due to the infrastructure created by Pandit Nehru we were able to become self-reliant in foodgrains for which credit should go to our scientists, technologists, farmers and farm labourers who contributed their best for the country with a sense of national belonging. Therefore, the interest of the farmers is linked with the Congress Party which has all along been associated with their movements. The Congress Party is also in favour of waiver of loans of the farmers but I would like to know as to why they want waiver of loans? They want it so that they could increase their production. In order to increase the production, we want that necessary infrastructure be created so that farmers could be provided adequate power and other facilities such as irrigation etc., only then they will make progress economically and achieve good results. Of course, we are also in favour of waiver of loans but I would like to ask the then Finance Minister as to why did he not write off loans when he was the Finance Minister? Now he is talking about waiver of loans of farmers. They have given only false promises to the

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people. Now they are saying that they will write-off the loans of the farmers when their party comes to power in the Centre. When the Congress Government talks about Jawahar Rozgar Yojana or about setting up new industries, the opposition alleges that these things are being done in view of the elections, but I would like to ask the man who happened to be the Finance Minister of the Government of India as to whether he is not making this demand of waiver of loans taking elections in view? They are trying to buy the voters by making hollow promises. The result of these hollow promises can be seen in Haryana. Many of our friends who are sitting here will say about these things. So the public is not going to be misled by them.

Mr. Deputy-Speaker, Sir, the Nation is supreme over individual or group of individuals. The Government imposes taxes for the development of the country. In a developing country, loans are given by the Government for spread of education and development. But if such feelings develop in the people, the loans will be mistalised, the Government as well as the beneficiaries will become insolvent, as the loans will not be utilised for the purposes they were taken. The international financial institutions from whom we take loans, will also lose faith in us. If our economic condition is not sound, what will be the future of the country. If the loan of the farmer is written off once, no body will give loan to him again, because they will again make the demand fo waiver of loans. This will lead to similar demand by the industrialists and other people. This is a matter of national concern as it will adversely affect our economic policy. So we don't want to make it a political issue.

A question is often raised as to whether farmers will be swayed by false promises of these opportunist leaders. To this, there can be only one answer i.e. 'No', because assurances given to them are impracticable. The waiver of the present loans is no guarantee to the fact that farmer will no longer require loan in future. It will simply lead to misutilisa-

tion of loans and insolvency of the farmer as well as the economy of the country. All this is being done to buy the voters so as to win elections. But their is political awareness in the public and they will not fall in their trap.

Besides, I would like to submit that inspite of severe drought, our agricultural production has been very good for which our farmers, scientists and the Government deserve to be congratulated. It is because of their hard work, we are now self-reliant on food front. My Constituency Kalahandi has been reeling under severe drought for the last 10 to 15 years. The middle class farmers living there are in great distress. Members of Janata Party have launched an agitation there. This agitation is aimed at providing benefit to big farmers only Unless land reforms are implemented, the farmers condition will not improve in this country. Waiver of loans will benefit only 20 per cent of farmers. They don't care for the remaining 80 per cent of farmers. The economic and social condition of the farmer is getting bad from worse in fighting feudalism prevalent in the society. Attention should be paid to improve his lot. On humanitarian grounds, cases of marginal farmers, who are facing successive drought for the last 5 to 10 years, require to be considered sympathetically. I am not advocating for waiver of their loans, but interests on their loans should be written off. Those marginal and small farmers, who are not able to repay loans, become ineligible for further loans and their poverty increases. They should be provided economic and social strength, otherwise they will not be able to come forward. Proper arrangements for seeds, fertilisers, electricity and provision for irrigation facilities should be made for them and some sort of subsidy should also be given. Instalments of loans should be re-scheduled in the drought affected areas of the country. Old loans should also be re-scheduled as farmers are made ineligible for fresh loans on the basis of old records which show outstanding loans against them. We have to reschedule all these things. Though the Government extends help to small and marginal farmers by way of providing subsidies on fertilizers and irrigational facilities,

yet they have a psychological feeling that the Government do for the industrialists and the people belonging to other sections only and it does not care for the farmers. This feeling should be removed. For this, the Government should adopt a clear cut policy towards the farmer and it should tell them in clear terms about the concessions to be given to them. Position with regard to waiver of loans should be made clear. Farmers should be informed of the situation created in Haryana. I hope that hon. Minister will give categorical replies to all these points.

The assurances given in regard to the administrative and social changes to be brought about by the Hon. Prime Minister Shri Rajiv Gandhi, should be implemented. He has given an assurance that more concessions would be given to the farmers and their standard of living would be raised so that they do not develop a feeling that others are being given preferential treatment as compared to them. The future of the country depends upon the farmers. The Congress Party and the farmers are made for each other. Hon. Shri Rajiv Gandhi is making efforts to inculcate this feeling. Farmers all over the country will welcome it. With these words, I conclude.

[English]

SHRI SYED SHAHABUDDIN (Kishanganj): Mr. Deputy Speaker, Sir, it seems to me that this discussion has been reduced to a match between the two Lals of Haryana—Devi Lal and Bhajan Lal. The people have grown wise with the practice of democracy. Whatever the election slogans and whatever the party, the people take these slogans a pinch of salt. I do not think that we should devote this entire discussion to a slogan raised by a particular political party.

The subject that we are discussing today is the question of rural indebtedness. This engaged the attention of the Government even prior to independence. After independence, we had a very large scale all-India survey of rural indebtedness to work out the

schemes of relief for the farmers and the cultivators. Now, I am not aware whether there has been a regular survey either by the Reserve Bank of India or by any other authority in the Ministry of Finance to establish whether the pattern of indebtedness in our countryside among the farmers has been on the rise and whether the debt servicing capacity of rural India has kept pace with the growing indebtedness. That is the essential problem that we are talking about. This problem is related in my view to the question of terms of trade between rural India and urban India, between agricultural products and industrial products.

Finally, therefore, the question boils down to the question of remunerative return for the farmers. Because, if his farming, if his cultivation, if his agricultural production can bring him an income in which he can easily repay the debts, in which he can easily service the capital that he has invested for agriculture—after all modern agriculture needs increasing input of capital, it is becoming increasingly capital intensive—then there shall be no problem. The problem arises because farming as such remains un-remunerative. It remains inefficient. Therefore, the debt burden of the farmer, whatever be the source of credit, whether it is private or public, whether it is the co-operative or the banking system or whether it is the Government—a new administration or the Agriculture Department—all these add to his burden, which he is not in a position to service with the level of income and the prosperity that has been generated in the countryside. So, that is the essential problem, the question of terms of trade between agriculture and industry and the question of the agriculturists' income level, giving him debt servicing capacity which should keep pace with the increasing rural indebtedness in the country.

I hope that the hon. Finance Minister would give us some figures on this subject to establish whether the Government have looked into this aspect of the matter and whether the Government has any definite system of relief for not allowing the situation

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to reach the point, where we can say that rural is about to fall into the debt trap.

There are certain things which are absolutely clear in our minds. I said the other day that independent India has not given a fair deal to our farmers, to our cultivators. Now, Sir, on that basis, I would suggest that whatever be the source of the credit, it must be on soft terms. I think the entire house will agree on that. We cannot really treat the loan that we give from any institution to the farmer to give him sustenance in agriculture, sustenance through agricultural income, and to make the terms so hard for him that he cannot service it. The terms must be soft. The loans must be essentially applied for productive purposes. That also goes without saying because consumption loans obviously will be much more difficult to repay. But one factor is there. The quantum of the loan must be high enough to make it productive. Otherwise, if investment is sub-productive, and the investment does not produce any results, then the farmers will not be able to repay the loan. Therefore, the quantum of the loan must enable the farmer to tide over his capital needs for carrying on his agricultural operations. Thirdly, another point on which, I think, the entire House will agree, is that wherever the area is subject to natural calamities or natural disasters—whether drought or flood—at least the farmers of those areas must be enabled either to re-schedule their loans, or there must be some concessional schemes for them, for relief and for the rehabilitation of their agricultural operations.

I think we make here, from time to time, an appeal to the generosity of the Government. There must be a regular, national scheme which should take into account the fact that there is a recurrent pattern, a recurrent cycle of natural disasters and floods in certain areas. Let us keep the unit as a block. Any block which suffers a natural calamity shall receive, as a matter of course, as a matter of our obligation to rural India, a certain measure of relief which should be on

a national scale, and which should be applicable, say under the guidance of the Central Government.

We fully understand the various institutions that have come into operation. We have, of course, the banking system now in full operation. The Finance Minister tells us that he has introduced a service area approach. That means that every village in the country, every panchayat in the country has access, at least on paper, in theory, to a particular bank. It is good as far as it goes. But I would like to inform the hon. Finance Minister that the manner that these banks are operating, they have become another Thanedar, another element of extortion, another vested interest, another power structure in the country. They have become the Big Power; and they do not listen to anybody. The banks in rural areas have become a State within a State. They are uncontrollable, even by the District Magistrate. District Magistrate after District Magistrate tells me: 'Sorry, I cannot do anything about it.' And there is such a persistent pattern of corruption that it stinks. It stinks, Mr. Deputy Speaker. I think that by and large at least a 25% commission is payable even on a small loan. It will not pass muster, it will not pass through the system unless the poor peasant, who is in need of capital even for his essential agricultural needs, pays up. And at a given time, in a situation of emergency if the loan gets delayed, then the entire loan is meaningless. He is compelled and obliged to pay through his nose. I think this is a matter which the hon. Finance Minister must look into, and must try to correct. Frankly I am not in a position to give him any suggestion on how to go about it. But I think this is a matter which does demand the prompt attention of the Government. I think the corruption in the banking system in the countryside, its exactions, its extortions, its *zulum* is now reaching out to the skies.

We have the cooperative system. Unfortunately, the local moneylender has now captured the cooperative system. I am very happy that the hon. Prime Minister has promised that the Central Government will look

into the working of the cooperative system. I think the time has come when the cooperative system must be, shall I say, re-examined. We have two other sources: we have the development credit, and we have the revenue credit system. The revenue credit system, of course, has been in existence for a long time. In our area, it is called the Tuccavi loan. It is, of course, now a very minor element in the entire credit picture, but the development credit in the form of IRDP has become more and more of a problem. There, I must say something which might not be very palatable to my friends in the countryside. I am afraid that the entire structure of the subsidy system that we have, has become a malpractice in itself. It has led to a complete non-utilization of credit. It has led to transfer of credit from an eligible beneficiary to a non-eligible person without any rhyme or reason. It has led to the exploitation of those elements in the society whom we wish to benefit, whom we wish to give an advantage; because they play into the hands of others. In my view, there should be no subsidy at all, but there should be a loan system in which there is no interest. Give the farmer a loan to purchase something at its market value, so that he knows the value.

He does not pass it on at some sort of a concessional rate to another shark in the countryside; he uses it for himself; he takes loan only if he needs it. Then let him be free of interest obligation so that the development loan is really used for the development purposes by that section of the society to which it is addressed, by the Target Group. Today, the development credit is not being utilised by the Target Group; largely it is being passed on under some impulse, with some profit by the Target Group that we have envisaged to another group which takes advantage. That must be stopped.

I would certainly not argue for a waiver of the agricultural loan, of any loan for that matter, whether it is for industry or whether it is for consumption or whether it is for agriculture, because if that psychology develops that you borrow knowing well you do not

require to repay it; then it will give rise to financial irresponsibility. I think the entire financial structure of the country will collapse under its impact which. I cannot ask for total, absolute, universal waiver of loan, certainly, there are situations in which a certain element of magnanimity, a certain element of stock taking of the situation must come into the picture.

I would like to make a few suggestions on how to go about meeting the credit needs in the country-side. I have the picture of Bihar in my mind. NABARD gave Rs. 300 crores to Bihar year before last for meeting credit obligation in those parts of the State which were hard hit by the floods. Can you imagine that the list of beneficiaries of every village was drawn out of a computer kept in the State Capital? I think Dr. Rajhans will bear me out. What miserly did it lead to? What enormous injustice did it lead to? What delay did it lead to? Therefore, what is more important is that a total decentralisation of the credit system for agricultural purpose must be introduced set up. Today, we are talking of the Panchayati Raj. We are trying to invigorate it. Why can't every Panchayat be statutorily given the status of a Primary Credit Society with full banking support; and in the countryside every body will have an access to his own bank, to his own Panchayat? So, one essential factor that I would like the hon. Finance Minister to look into is that the system of credit for agricultural purposes must be decentralised, must be brought down to the grass-root level; and there the Panchayats must play a role.

My second suggestion is: please stop the police method and replace it by social pressure. You confiscate a hut of a farmer. What do you confiscate from there? If there is a miserly in the countryside, if everybody is starving, how much capital can you finally get back? You only make the people homeless; you only make people run away from the villages; it is happening in our countryside. So, please stop this police method for collecting loans. You make him responsible before the society; you make him responsible before the Panchayat. Social pressure

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would do the trick which your police method will not.

My third suggestion is that the land revenue upto a certain level should be exempted. You know about marginal farmers and small farmers. It is just like income tax. I think Finance Minister will appreciate this point. He can not meet the administrative cost to collect income tax below a certain point if it is not economical. The cost of collection far exceeds what you collect. Exactly, in the same manner, let there be an all India review that all land-revenue below a certain point shall be abolished and above that point, the land revenue shall be collected by the Panchayats only. In fact, the development inputs of Panchayat may be related to the land revenue that they collect; and in that case, you ensure the collection of land revenue from the bigger farmer of that Panchayat and at the same time be just in the distribution of the development outlays. Therefore, I would suggest that perhaps this can also be considered. Finally, there is a collection season. I find that you start collection campaign at a time when the farmer is starving, when he does not have even, as you know, sustenance for keeping his body and soul together. And at that time the Government sends out a circular instruction to the local COs, the circle Officers, asking them to collect the debts. Then the poor man has to make an all out effort to collect 80 per cent or 60 per cent collections. His transfer and his promotion will depend upon the percentage that he shows. There should be a law that the debt collection shall be done immediately after the harvest. There are two clear cut months, two clear cut seasons in the year when the Rabi and when the Kharif crop are harvested. Why can we not make collections in the countryside, whether it is by the banks or whether it is by the cooperatives in those months only when the farmer perhaps will be in a position to pay back some of his debt.

I would like to make one more humble

suggestion which I made many years ago in a different context. Talking about the relationship between the developing countries and the developed world, I said that, at any point the total interest paid on a loan should not exceed the capital. At least let that be applied in our own countryside. If a farmer has been repaying the loan over a period of time, the total interest that you are collecting from him from year to year should not exceed the initial capital. Beyond that the loan should be immediately written off. Once he has paid on interest equal to the original capital the entire loan should be written off.

I would end up by saying that the matter is far more important than the prospect of the next election. It is a persistent and a permanent problem of our countryside. Rural indebtedness is a big constraint to the progress of modern agriculture in our country.

As I said in the beginning agriculture is becoming increasingly capital intensive and I am not speaking of the big cultivator or the *Kulaks*. I do not hold any brief for them. They are like industrialists and they have their access and their influence, and they can always get all the capital that they want. I am concerned with the small farmer, say up to five acres and ten acres. He must have access to the capital at his level, if you really want agriculture to develop in the country and I do hope that the hon. Finance Minister shall take due care of his needs.

MR. DEPUTY-SPEAKER: Shri Vijayraghavan.

[Translation]

*SHRI V.S. VIJAYARAGHVAN (Palghat): Mr. Deputy Speaker, Sir, I congratulate Shri Harish Rawat for initiating this discussion. Waiving of loan of farmers is no doubt a very important issue and it is the prime need of the hour. Although some political parties used it as a means for political propogandas I would say that the Govt. should give it serious consideration.

In many parts of the country the majority of small and medium farmers often find themselves unable to repay the agricultural loan. If the loan is not repaid fresh loan is not available for raising the next crop. Besides, the banks will proceed to attach this property. Thus he will lose his agricultural land. A natural calamity takes place, he will lose his everything he has. The Govt. is giving some financial assistance to the farmers whose crop is damaged due to floods and drought. These do certainly provide relief to them. But what is needed is a national policy in this regard. The Prime Minister has announced that agriculture will be regarded as industry. I welcome it. This will help the farmers to get concessional finance as well as other facilities which are presently available to the industries. This is a welcome step.

Similarly the crop insurance is another step to help the farmers. But the benefit of this measure is not available to all. There is a universal demand that the assessment of damage should be done at village level instead of at the Taluq level. A Committee has been appointed to study this problem and make suitable changes in this scheme. I would request the Govt. to expedite it and implement the suggestion quickly.

Immediate steps should be taken to provide relief to the farmers who are affected by floods and drought. It is they who need real relief. In my district Palghat, there has been drought since 1983. Under the decision of the Govt. loans can be waived if an area suffers from drought for a continuous period of three years. But the loans have not been waived there. This should be looked into.

I would therefore suggest that as a part of the national policy, immediate decision should be taken to write off the loans of farmers who lost their crop due to natural calamities.

[English]

SHRI I. RAMA RAI (Kasaragod): Mr. Deputy-Speaker, Sir, when we talk about

waiver of the loans of the farmers of this country, especially poor farmers, we have to talk about the history of banking industry. From 1969, bank nationalisation has started. A lot of improvements have been done in the credit sector, especially in the farming sector. The total number of bank branches in the country before 1969 was 8262 and it has now gone up to 53700. Out of these enhanced branches, nearly 30000 branches are in the rural areas, as against 550 in the year 1969. You can just imagine how much the Government has taken pains to increase the number of rural branches to cater to the need of the farmers.

There is improvement in loan facilities also. During 1950-51, it was only Rs. 24.23 crores, during 1985-86 it was Rs. 7000 crores and recently it has gone up to Rs. 13000 crores. That is also really to be applauded. Sir, nearly 80 per cent of our population depend on agriculture and twenty per cent of our population depend on other sectors. Rs. 80000 crores is being given as loan for the industrial sector. This proves the huge difference between the two sectors as far as bank advance is concerned.

Sir, the farmers of this country are finding it difficult, especially to develop their profession by new technology. For adoption of new technology, high yielding varieties and other things, the farmers require a lot of investment and they could afford only if the banks give substantial loan. That is what my previous speaker has said. If we look at the production side, then we have to think of loans and investments also. Unless the farmer gets enough money to develop his profession he cannot get real production.

Sir, whenever the waiver question comes, the usual answer is that the Government would consider the suggestion sympathetically, but the sympathy by the banking sector goes usually to the industrial sector.

Forming of NABARD itself is a further step towards funding for the agricultural sector. In 1987, the Chairman of NABARD has said that nearly Rs. 15 crores to Rs. 20

[Sh. I. Rama Rai]

crores were lost, which was allotted for the development and research work in the agricultural sector. Sir, I also happens to be a farmer. Right from our hon. Speaker up to the bank bencher like me, we are all farmers and we have special problems now. At present, different villages are allotted different branches of the nationalised banks. Originally there was a set up and now suddenly these branches are allotted only a particular village or a panchayat. The difficulty of the farmer is that he is not having enough record to prove all his necessities and the eligibility, which are required by the banking officials.

Sir, Saturday is almost a holiday for the banks because banks work only upto 12 noon. Sunday is a holiday for the banks. And on one day, in the rural areas branches, there will be no transactions because the Managers are supposed to go to villages and learn different things. So, out of the remaining four days, when these farmers approach for petty loans, they are not entertained in a proper way.

15.00 hrs

As suggested by Shri Shahabuddin, the principal amount has to be waived if the interest on the loan goes beyond the principal amount. Our learned friends, Prof. Ranga was referring to some legislation of 1953 enacted during Rajaji's regime in composite Madras State whereby debt relief was being given to the farmers. I want to know a categoric answer whether the same is applied throughout the country. Whenever we go to any bank, the standard reply is that write off of any specific loan is permissible only when all the avenues of recovery are exhausted. The farmer is pledging all his land for getting a petty loan. The industrialist is wise enough. He pledges his machinery and gets hefty loan. He will not pledge his personal property. But in the case of a farmer more security is extracted.

I do not want the Government to sacrifice its economic rationality as is the case

with Haryana Chief Minister. In order to gain political advantage he is promising write off of loans.

There must be a record of what is called land rights and loan book. In that book all the particulars should be furnished like the particulars of land, the area, whether he has availed of any loan and whether he is eligible to avail of more loan and if so, how much, so that with that book the poor farmer can go to a bank and get the loan without any difficulty. I hope, Government will give serious consideration to this and find out some remedy so that poor farmers remain out of the clutches of Shylocks who are still existing and extracting the blood of the farmers.

STATEMENT RE: REMOVAL OF DIFFICULTIES FACED IN THE IMPLEMENTATION OF MOTOR VEHICLES ACT

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI RAJESH PILOT): Hon'ble Members will recall that the Motor Vehicles Act, 1988 and the Rules framed under it came into effect from 1.7.89. They have been welcomed all over the country and the response from all over the country is quite positive. The new Act replaced the Motor Vehicles Act, 1939. The formulation of the new Act and Rules were preceded by detailed examination of the needed changes not only by Central Government and State Governments but also by representatives of the transport industry, trade and commerce. Since the enactment of old Motor Vehicles Act in 1939, a sea change has taken place in the transport scenario and in response to these changes, it was considered necessary to make substantial modifications to the provisions of the Motor Vehicles Act, 1939 with a view to promoting road safety, improving the qualification of drivers, prescribing standards for construction of vehicles, controlling pollution and removing some major constraints on the healthy development of the transport