

would be suspicion in the country that they have buckled under the pressure of the United States and the P-5 powers.

SHRI SOMPAL : Sir, there is no question of succumbing to any pressure. This has been stated by the Prime Minister time and again.

DR. SUBRAMANIAN SWAMY : Please spell out the stand.

SHRI SOMPAL : It is very well spelt out. The Prime Minister has already stated that India will not be coerced to signing these two Treaties. We cannot accept the demand that CTBT be signed unconditionally and immediately. So, we have declared that India would be willing to consider being an adherent to some of the undertakings of the CTBT. However, these decisions cannot be taken in a vacuum but will depend on reciprocal responses and under this CTBT...(Interruptions)

DR. SUBRAMANIAN SWAMY : This is a dilution of the earlier stand...(Interruptions)

MR. SPEAKER : Let him complete.

SHRI SOMPAL : Sir, it is very clear. There is no dilution.

SHRI MURASOLI MARAN : The main reply states : "This approach reflects the hegemonistic mentality of a by-gone era in international relations and is completely unacceptable and out of place in the present world". Thus, it is condemning. What is the use of condemning it in this House, inside India? I would like to know from the Minister whether he has lodged a complaint with the US and whether he has conveyed the position to China. If do, what is the position?

SHRI SOMPAL : It is a repeat of the same question and phrases which have been used by the hon. Members earlier while asking supplementary on this question. I would like to re-state the position that we have taken it up with all the friendly countries.

SHRI MURASOLI MARAN : Has the Minister lodged a protest with the US Government? Has the Minister conveyed it to China?

SHRI SOMPAL : At all diplomatic levels, we have taken it up with both the countries.

SHRI K. VIJAYABHASKARA REDDY : I would like to know from the Minister whether he will take the Parliament into consideration before taking any decision on CTBT.

SHRI SOMPAL : On this issue there is a convergence of opinion and complete unanimity. There is no question of by-passing the Parliament...(Interruptions)

PROF. P.J. KURIEN : Sir, I have a very important question to ask.

MR. SPEAKER : No, we have already taken 20 minutes on one question.

(Interruptions)

MR. SPEAKER : I have passed on to the next question.

Co-operative Credit Institutions

*603. SHRI R. SAMBASIVA RAO : Will the PRIME MINISTER be pleased to state :

(a) whether the Union Government propose to compensate the losses of Co-operative credit institutions to make them more viable and expand their credit operations in rural areas; and

(b) if so, the details thereof and the name of the States where this scheme is likely to be undertaken?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL) : (a) and (b) A scheme proposing a Rehabilitation package for revamping of the Co-operative Credit Structure is under consideration of the Government of India.

SHRI R. SAMBASIVA RAO (Guntur) : The loss of Co-operative Credit Institutions amount to Rs. 6604 crore at present. In the year 1995-96 the recovery rate at the level of regional rural banks was 54.44 per cent which declined to 33.17 per cent in 1996-97. The hon. Minister has said that the rehabilitation package for revamping of the cooperative structure is under consideration. I would like to know from the Minister whether the Government propose to write off this amount during the Ninth Plan period to enable these banks to become viable and expand the credit operations in the rural areas.

SHRI SOMPAL : Mr. Speaker, Sir, the package is precisely aimed at achieving this objective.

SHRI R. SAMBASIVA RAO : It appears that the State Governments of Andhra Pradesh and West Bengal have already implemented the Mutually-Aided Cooperative Societies Act. I would like to know whether the Government propose to implement the Mutually-Aided Cooperative Societies Act at the grassroot level in all the States so that the cooperative sector could have healthy growth for serving the wider sections of the agricultural sector more efficiently.

SHRI SOMPAL : Yes, this is a mutually-aided package and this is aimed at revamping the credit structure at the grassroot level and taking it to the primary agricultural credit societies as well as the district cooperative credit banks. It will be a mutually agreed upon thing between the States and the Centre as well as the District Cooperative Banks and the State Cooperative Banks. This is likely to be revamped and this will be implemented during the Ninth Plan.

SHRI R. SAMBASIVA RAO : I would like to know whether all the State Governments will implement this revamping package?

SHRI SOMPAL : Yes, all the States will implement it but this assistance will not be across the board. This would

be given on the basis of an MoU to be signed with the cooperative institutions and only those institutions which can be revamped, which can be made viable, would be assisted. The package has already been formulated. This was considered by a Committee of Secretaries earlier in April this year. This has been referred to the Finance Ministry and is awaiting clearance of the Cabinet. Very soon, we will take the note to the Cabinet and take a decision. It will not take more than two to three months.

SHRI R. SAMBASIVA RAO : Sir, the hon. Minister has just now promised that he is going to write off the outstanding credit.

SHRI SOMPAL : I have already said that this amount of Rs. 6,600 and some crore is proposed to be allocated and used for the purpose of writing off the losses only.

SHRI C.P. RADHAKRISHNAN : Mr. Speaker, Sir, is the Government aware that most of the cooperative credit banks or institutions are corrupt, and still it is beyond the reach of small farmers to get credit easily? What are the measures taken by the Government to check corruption so that the small farmers can get loans easily?

SHRI SOMPAL : Mr. Speaker, Sir, it is a well-known fact that the cooperative credit system and structure play a great role in providing loans and credit to the farmers, particularly the marginal and small farmers, and tribals. So far as corruption is concerned, the package contains a list of condition and practices which the cooperative institutions would be required to observe and only subject to those, assistance would be provided. It will be passed on an MoU with every credit institution at the State level.

[Translation]

SHRI C.D. GAMIT : Mr. Speaker, Sir, farmers are not getting any loan for cultivation. Most of the farmers have to take loan from money lenders and hence they are unable to do farming properly. Even the loan they get is not received timely. I would like to know from the hon. Minister about the concrete steps that have been taken to provide loan to the farmers in time?

SHRI SOMPAL : Mr. Speaker, Sir, comment of the hon. Member that the farmers do not get adequate and timely loan is correct. So far as the Cooperative Institutions and especially Cooperative Financial Institutions are concerned, they play a vital role in this regard. All these activities were to provide adequate and timely financial support to the maximum number of farmers in the form of loan. We have brought a new package to revamp and improve the cooperative credit structure and to look into the losses incurred by all the cooperative credit societies.

Secondly, capital base of NABARD has also been increased. An additional amount of Rs. 500 crore has been

given to them in this Budget. I.R.D.F. for rural infrastructure has been increased to Rs. 3000 crore. Besides, directions are issued by the Reserve Bank from time to time to all the Commercial Banks to provide a fixed percentage amount as loan to farmers. In Eighth Five Year Plan it was 18%...
(Interruptions)

SHRI C.D. GAMIT : These directions are not implemented...
(Interruptions)

SHRI SOMPAL : I have admitted that this drawback has been there. After sometime we will bring it on the rail.

SHRI RAMDAS ATHAWALE : Mr. Speaker, Sir, I would like to know from the hon. Minister the number of Cooperative Institutions of Scheduled Castes and Scheduled Tribes in India? Has the Govt. any plan to compensate Scheduled Castes, Scheduled Tribes Cooperative Credit Institutions further? If there is no such plan, whether the Govt. is going to formulate such plan? I would like a reply from the hon. Minister for expeditious formulation of the plan.

SHRI SOMPAL : Mr. Speaker, Sir, data with regard to the number of Scheduled Castes and Scheduled Tribes Cooperative Credit Institution is not available right now. But if hon'ble Member ask I can give the data regarding number of total Cooperative Institutions. It is correct that some targets have been fixed to provide loan especially to the weaker sections. And these are equally applicable to the Commercial Banks, Cooperative Institutions and other institutes like NABARD etc. The package to revamp the cooperative institutions includes a provision to provide adequate and timely loan to the Scheduled Castes, Scheduled Tribes especially the weaker sections.

PROF. PREM SINGH CHANDUMAJRA : Mr. Speaker, Sir, I would like to know from the hon. Minister that farmers are being plundered by the financial institutions and Banks in the name of third party payment. Is the Govt. ready to stop the third party payment system?

Secondly, I would like to know the time by which Kisan Credit Card Scheme will be introduced? I would like to know these two things from the hon. Minister.

SHRI SOMPAL : Mr. Speaker, Sir, I am not clear about 'the third party payment' concept of the hon. Member...
(Interruptions)

PROF. PREM SINGH CHANDUMAJRA : Hon'ble Minister knows it but he does not want to disclose it. The hon. Minister himself is a farmer. Payment of loan is not made directly to the farmers by the Cooperative sector rather it is made through a media for. The farmers are being plundered. Sales Tax is being realised from the farmers...
(Interruptions)

MR. SPEAKER : Do not do it.

SHRI SOMPAL : It seems that hon. Member is of the opinion that farmers should not be given loan directly rather companies should be given the amount of the loan for sprinkler set and drip irrigation. Perhaps the hon. Member is talking in that context. I have not understood the concept of third party payment...*(Interruptions)*

PROF. PREM SINGH CHANDUMAJRA : Loan is not given in cash to the farmer. If the farmer has to purchase a trolley, or an equipment...*(Interruptions)* fake bills are prepared therefor ...*(Interruptions)*

[English]

MR. SPEAKER : Prof. Chandumajra, please take your seat.

(Interruptions)

SHRI N.K. PREMCHANDRAN (Quilon) : Mr. Speaker, Sir, thank you for giving me this opportunity.

The cooperative credit societies are playing a vital role in the development of rural sector. Many cooperative societies are getting financial assistance from the NCDC. I would categorically like to know from the hon. Minister, what are the criteria and norms for getting financial assistance by the cooperative credit societies from the NCDC. I would also like to know from the hon. Minister, is there any proposal pending before the Ministry in regard to the waiver of Section 11 of the Act.

SHRI SOMPAL : Mr. Speaker, Sir, yes, the NCDC provides assistance to the cooperative financial institutions and cooperative enterprises in various States.

The basic requirement is that the project should be viable. Secondly, it should be a cooperative project. Thirdly, the State must recommend the project. Fourthly, there are certain norms. The return ratio and other things are taken note of. There is a uniform code which is applied in all these cases.

I think, the hon. Member is talking about Section 11 of the Banking Regulation Act. I would like to say that this Section puts some stress and which impinges on the eligibility of the cooperative credit societies. We are trying to include this in the package that this should not be strictly enforced in the case of cooperatives...*(Interruptions)*

[Translation]

SHRIMATI SURYAKANTA PATIL (Hingoli) : Mr. Speaker, Sir, atleast one woman should get the opportunity ...*(Interruptions)*

SHRI V. DHANANJAYA KUMAR (Mangalore) : Just a minute. I am asking about you only.

MR. SPEAKER : Please sit down.

(Interruptions)

SHRI V. DHANANJAYA KUMAR : Sir, this Government is committed for enhancing the credit to the rural sector as well as the agricultural sector. But the Scheduled Banks are not taking it kindly in giving credit, especially, to the agricultural sector. I would like to know from the hon. Minister whether the Government is going to approve a proposal for setting up a National Cooperative Bank at the apex level with sufficient credit facilities to be distributed among the agriculturists as well as for the rural sector in various States.

SHRI SOMPAL : Mr. Speaker, Sir, a need has always been felt to establish an apex bank at the Central level which can take a lead role in rural credit. So far, there is no concrete proposal. But I accept that the need is there.

SHRI V. DHANANJAYA KUMAR : Sir, there is a proposal pending clearance from the Central Government.

SHRI SOMPAL : If there is a proposal pending, then I undertake to look into the same.

[Translation]

SHRIMATI SURYAKANTA PATIL : Mr. Speaker, Sir, through you I would like to ask a very specific question from the hon. Minister. Ninty percent population of the country is engaged in agriculture. The issue of agriculture has been raised in the House many times. Hon. Minister himself is a farmer. Therefore, I would like to ask from the hon. Minister whether he would bring the Agriculture sector in the priority list for which the nationalized banks find themselves helpless to give loan to farmer? Would you try to bring Agriculture sector in the priority list? If not, what are the reasons therefor.

SHRI SOMPAL : Mr. Speaker, Sir, through you I would like to inform the hon. Member that Agriculture is already included in the priority sector. Though...*(Interruptions)*

SHRIMATI SURYAKANTA PATIL : I am asking about industrial sector...*(Interruptions)* For which we face problems in getting loan and we find ourselves helpless in the nationalized banks...*(Interruptions)*. The farmer of the country is unable to get loan. Would you try to bring agriculture in priority list?

SHRI SOMPAL : Mr. Speaker, Sir, I am saying that agriculture is already there in the priority sector. Though the party to which hon. Member belongs, could not achieve the target of giving 18 percent of loan inspite of keeping it in the priority list. We will definitely endeavour to achieve the target.

SHRIMATI SURYAKANTA PATIL : It was not expected from you that you will neglect us like this...*(Interruptions)*

[English]

MR. SPEAKER : Madam, please take your seat.

(Interruptions)

[Translation]

MR. SPEAKER : This is not a Zero hour.

(Interruptions)

SHRI SHAKUNI CHOUDHARY : Whenever we talk about the farmers you try to evade it...(Interruptions)

[English]

MR. SPEAKER : Please take your seat.

(Interruptions)

Compensation to Farmers

*604. SHRI MUKAL WASNIK : Will the PRIME MINISTER be pleased to state :

(a) whether the Chief Minister of Madhya Pradesh alongwith several other courted arrest in Delhi on July 3, 1998 to demand payment of Rs. 5000/- per acre compensation to farmers whose crop had failed or damaged;

(b) whether a delegation had also met the Prime Minister in this regard;

(c) whether the Government had sent any team to assess the extent of damage to crops in Madhya Pradesh and other States;

(d) if so, the details of its recommendations and the reaction of the Government thereon;

(e) if not, the reasons therefor; and

(f) the decision of the Government in respect of paying Rs. 5000/- per acre compensation to farmers whose crops had failed or had been damaged?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL) : (a) to (f) A statement is laid on the Table of the Sabha.

Statement

(a) to (f) On 3.7.1998, there was a demonstration of farmers of Madhya Pradesh under the leadership of Chief Minister of Madhya Pradesh, in New Delhi District to demand payment of Rupees Five thousand per acre compensation to farmers, whose crop had failed or damaged. The demonstrators, including Chief Minister of Madhya Pradesh, were detained under Section 65 of Delhi Police Act at 1145 hours and released at 1415 hours. A delegation headed by the Chief Minister of Madhya Pradesh subsequently met the Prime Minister the same day in connection with various memoranda submitted by the State Government of Madhya Pradesh in the wake of natural calamities which have affected the State in the recent Past.

2. On receipt of memorandum from the States seeking additional financial assistance from National Fund for Calamity

Relief (NFCR), a Central Team is normally deputed only in a case in which the situation is prima-facie considered as one of rare severity. Twenty-three Central Teams have been deputed to thirteen States so far, since 1st April, 1997, to assess the extent of damage under various Sectors including crops and requirements of relief and rehabilitation measures. In case of Madhya Pradesh, four Central Teams have been deputed during the above period. An amount of Rs. 67.76 crore has been released from the NFCR to the Government of Madhya Pradesh. Their request for relief measures due to heavy rains in the winter of 1997 will be considered by the National Calamity Relief Committee shortly.

3. Based on the report of the Expert Group constituted as a follow up of the recommendations of the Tenth Finance Commission, the Government of India adopted the norms of input subsidy to the farmers at the rate of Rs. 500 per ha. The State Level Committees can enhance it by 25%. The Government of India has set up a Committee to review the items and norms of assistance for relief in the wake of natural calamities, this Committee is expected to submit its report in about three months' time.

[Translation]

SHRI MUKUL WASNIK : Mr. Speaker, Sir, such a reply was not expected from a learned minister. I am very sorry to say that my question regarding compensation to the farmers has not been replied to properly. In part 'f' of my question I have asked what decision have been taken by the Government to pay compensation at the rate of rupees 5000 per acre to the farmers whose crop had failed or had been damaged? In this connection, the hon'ble Minister has only stated that a committee has been constituted. I want to know from the hon'ble minister whether he is aware that the workers and leaders of the Bharatiya Janta Party during the previous Lok Sabha elections had demanded compensation at the rate of rupees five thousand per acre to the farmers in Madhya Pradesh whose crops had failed or had been damaged. In view of that demand, the present Prime Minister and the then candidate for the Lok Sabha elections, had publicly said that if the Bharatiya Janta Party formed the Government at the Centre, we would give compensation to the farmers at the rate of rupees five thousand per acre. If he is aware of this fact then why a reply has not been given in this regard? I also want to know whether it is also a fact that the hon'ble Chief Minister of Madhya Pradesh had led an agitation in Delhi and held a meeting with the hon'ble Prime Minister and demanded that the Union Government must provide Rs. 2960.32 crores to the State Government for providing compensation to the farmers. Despite this demand the Union Government have provided Rs. 67.76 crores to the State Government. The hon'ble Minister should give a reply in this regard.

SHRI SOMPAL : Mr. Speaker, Sir, it is true that the hon'ble Chief Minister of Madhya Pradesh Shri Digvijay Singh had