

LOK SABHA DEBATES

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LOK SABHA

Monday, April 22, 1985, Vaisakha 2,
1907 (SAKA)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Schemes to Strengthen Cooperative Credit Movement for Farmers

*528. DR. KRUPASINDHU BHOI :
Will the Minister of AGRICULTURE AND
DEVELOPMENT be pleased to state :

(a) the schemes drawn up to strengthen
the co-operative credit movement for farmers
during the Seventh Plan;

(b) the salient features thereof; and

(c) how far these schemes will go in
helping the farmers to obtain credit from the
co-operative sector ?

THE MINISTER OF AGRICULTURE
AND RURAL DEVELOPMENT (SHRI
BUTA SINGH) : (a) to (c). A statement is
placed on the Table of the House.

Statement

The following schemes are under consi-
deration :

- (i) Comprehensive scheme for the de-
velopment of short-term co-opera-
tive credit structure.
- (ii) Scheme for the development of

long-term co-operative credit struc-
ture.

- (iii) Special scheme for co-operatively
weaker States and Union Territories.
- (iv) Special scheme for Scheduled Castes
and Scheduled Tribes.
- (v) Extension and Training.
- (vi) Credit Planning and monitoring.
- (vii) Emergency fund scheme for weaker
sections.
- (viii) Pilot scheme for strengthening the
credit delivery system.
- (ix) Failed well fund scheme.
- (x) Agricultural Credit Stabilisation
Fund.

2. The main objective of all these
schemes is to strengthen co-operative credit
structure at all levels particularly at the
village level to step up credit support for
agricultural production programmes with
larger flow of funds to weaker sections and
less developed regions. It is proposed to
transform the primary agricultural credit
societies in a phased manner into multi-
purpose service organisations capable of
handling not only credit but all other supply
and services including marketing and pro-
cessing of agricultural produce and distribution
of consumer goods. The basic idea is to
provide all types of credit including con-
sumption credit to farmers. Importance is
also given for mobilisation of deposits for
augmenting resources of co-operatives.
Under the schemes, financial support is
proposed for the provision of physical
facilities like office building, godown, strong-
room and iron safe, cash counters, staff
support, rehabilitation of overdues, simplifi-
cation of procedure, extension and training.
Measures are proposed for opening fresh line
of credit to small and marginal farmers who
are saddled with excessive debt burden by

rehabilitating overdues and providing financial assistance to cover infructuous investment like failed wells. Special emphasis will be given to strengthening the credit structure in the co-operatively weaker States in North-Eastern region. Financial assistance will be available for co-operative organised mainly for SC/ST to improve their performance. Grant and subsidy are also proposed for members belonging to Scheduled Castes and Scheduled Tribes for purchase of shares of co-operatives.

DR. KRUPASINDHU BHOI : I must congratulate the Minister for initiating the comprehensive scheme for the development of short-term and long-term co-operative measures. He has stated on page 2 of his reply that "measures are proposed for opening fresh line of credit to small and marginal farmers who are saddle with excessive debt burden etc." According to your observation and observation of the many members, after the Land Ceiling Act, all the farmers are small and marginal farmers, if you take like that. In drought prone areas also, they are saddled with so many overdues. Will you take this part into consideration or not? Is the Minister thinking to reorient, that is, advise the State Governments and different co-operative societies to change the administrative pattern or the administrative structure because bank Managers and Secretaries are much less qualified to propagata the norms of this co-operative movement in our country?

SHRI BUTA SINGH : Both the parts of the Hon. friend's question are very good suggestions. No doubt about them. Farmers, whether they are marginal or small farmers, the need for credit is very much felt, and he is quite right in observing that almost all the farmers are to be treated like marginal and small farmers. So far as the spirit goes, it is very good. But unfortunately the resources are very limited with the credit institutions that for the time being we have to go by priorities so that the weakest of the weaker sections gets more consideration.

MR. SPEAKER. Can we leave priorities at any time? You said 'for the time being'?

SHRI BUTA SINGH ; As far as the

second part of the question is concerned, yes, we are having pilot schemes which will set apart in all the States methods by which we have more expert officers. This idea of having credit on administrative grounds, going to the bank instead going to the others, is good and now the credit must go to the farmers' field. This approach has to be made, this orientation has to be given. There should be more trained people. But training scheme will be a good scheme, which I am sure, all the State Governments will try to copy.

PROF. N. G. RANGA : Very good.

DR. KRUPASINDHU BHOI : The Hon. Minister inaugurated the silver jubilee celebrations of the National Cooperative Land Development Banks Federation and the board meeting of International Raiffeisen Union at Bonn. The Minister called upon the banking institutions to reorient their policies, procedures and programmes. What is the comprehensive scheme this international federation has got, where Mr. W. Schiffgen, IRU Secretary-General had attended? What is his comprehensive formula which he is propagating in our country? And, according to the Minister's observations he has promised in that meeting that in the Seventh Five Year Plan they are going to implement this short-term and long-term measures and at the same time the land development banks are being assigned a credit programme of about Rs. 38,000 million in the Seventh Plan. So what is the actual result of the deliberations, what is their scheme and in which capacity are you going to diversify the cooperative movement in our country?

SHRI BUTA SINGH : It is a fact that I attended the silver jubilee celebrations of the National Cooperative Land Development Banks and IRU; and there we made a broad policy statement about encouraging land development banks in the country and also providing more credit on a long term basis, through their net work to help the farmers. The Land Development banks are increasing their lending programmes from Rs. 555 crores in 1984-85 to Rs. 1,000 crores in 1989-90. This is possible if long cooperative credit structure is considerably strengthened. Most of the land development banks are having problems due to overdues. As on 30-6-1983 only 517 out of 1,833 Primary land develop-

ment banks were eligible for unrestricted loans. Look at the percentage. Out of 1,833 land development banks at the primary level, only 517 are eligible! That means the rest of the banks are not eligible; because of their overdues they are not capable of mobilising sufficient capital, they are not able to maintain their offices. Therefore, this very vital link for the credit supply has gone down and there is a need for reviving this very important institution. As many as 726 primary land developing banks have been having overdues above 26 per cent and they are having only very nominal lending programmes. As a result of the reduction in their share capital and other resources most of the land development banks have been weak, and recently the margin of interest available to the banks also was reduced by the National bank for Agricultural and Rural development. There is no stabilisation arrangement which is very important. There is no adequate stabilisation arrangements, with the banking establishments in the rural areas for the benefit of farming sector. At the moment this aspect of our credit giving institutions is totally negligible.

We are trying to see that this stabilisation capital is given to all these banks so that they can run their credit loaning facilities on a longer perspective.

SHRI KOLANDAIVELU : The Tamil Nadu Government has come forward to write off the cooperative loan to the small and marginal farmers to the tune of more than Rs. 200 crores. But here credit is given to small and marginal farmers at a higher rate of interest. Is there any proposal before the Central Government to give free of interest loan to the small and marginal farmers because of the fact that they are having five acres or less holdings and that too dry land holdings?

SHRI BUTA SINGH : In the cooperative sector the rate of interest on loans, both short-term as well as long-term, was reduced in 1983. Last year also a marginal reduction was effected keeping in view the overall economic position of the country and constraints on the capital that we have in the cooperative sector. At the moment, it is not possible for me to hold out any promise.

SHRI SOMNATH RATH : The farmers

are not supplied with credit in the cooperative sector in time, with the result the credit is not utilised for productive purposes. Will the Minister take suitable steps to see that the credit is given to the farmers in time so that this can be utilised for productive purposes?

SHRI BUTA SINGH : We are also trying to introduce a pilot scheme. We are trying to re-organise the entire structure. The present system of cooperative loaning in the country has almost worn out. We have to rejuvenate it. There is no denying the fact that the present system is very much dilapidated. The position of land development bank and the cooperative banks is not very good. We are examining it and we are going to streamline the institutions. We will see that the cooperative banks instead of allowing the farmers to come to their offices, generate sufficient enthusiasm so that the experts go to the farmers, study their needs and apply psychological treatment than the bureaucratic attitude which has so far been going on in this country.

Export of Indian Films

*530. **SHRI VIJAY N. PATIL :** Will the Minister of INFORMATION AND BROADCASTING be pleased to state :

(a) whether the export of Indian film has shown decline during the last five years;

(b) if so, whether Government have appointed any task force to consider ways and means to further promote export of Indian films; and

(c) if so, what are its findings?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI V.N. GADGIL) :

(a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

MR. SPEAKER : Remarkable. What a variety?

SHRI VIJAY N. PATIL : The reply is