

SHRI SHYAM LAL YADAV : Whenever such complaint is received, action is taken, but so far no such complaint has been received.

[*English*]

Realisation of Interest on Agricultural Cooperatives Advances

*905. **SHRI DIGVIJAY SINGH :** Will the Minister of AGRICULTURE be pleased to state :

(a) whether a national policy is proposed to be adopted to further liberalise recovery of agricultural cooperative's advances in view of the severe drought conditions in several States;

(b) whether realisation of interest on such advances is proposed to be adjusted against fresh advances; and

(c) whether any decision has been taken to give seeds to farmers on "Taccavi"

[*Translation*]

THE MINISTER OF AGRICULTURE (SHRI BHAJAN LAL) : (a) to (c). In view of recurrent and severe drought condition Government have announced several essential concessions with regard to realisation of cooperative dues. Because of these there would be no difficulty for farmers in getting fresh loans in these areas. Besides under the 'B' component of Crop loans given by Cooperative farmers can have the facility of getting seed.

[*English*]

SHRI DIGVIJAY SINGH : Sir, the first question is—it will be very useful for not only me, but for other hon. Members of Parliament here who suffer three years of drought—what are the several essential concessions. If they are circulated, it will be very useful to all, who come from the seven States having recurring drought.

Secondly, the (b) portion of my question is whether realisation of interest on such advances is proposed to be adjusted against fresh advances. That has not been replied. May I ask this then ?

[*Translation*]

SHRI BHAJAN LAL : Mr. Speaker, Sir, you will recollect in the conference of

the farmers of the country held under your chairmanship in Andhra Pradesh, some announcements were made by the Hon. Prime Minister, which have since been implemented and which I would like to repeat here for the benefit of the hon. Members. The Hon. Prime Minister announced recovery of loans in seven years in the areas affected by continuous drought for the last two years. In the areas which have been affected by drought or floods, consecutive three or more years the recoveries will be made in 10 years. As far as the question of interest is concerned, if the interest amount exceeds the principal, then the interest amount over and above the principal will be written off.

In addition to this there is a proposal to bring down rates of interest. On the first Rs. 5,000 loan interest rate has been reduced to 10 per cent from 11.5 per cent charged earlier, thereby providing a relief of 1.5 per cent to the borrowing farmers. On loans amounting to Rs. 5,000 to Rs. 7,500, interest rate has been reduced by 2.5 per cent to 10 per cent from 12.5 per cent. On loans amounting to Rs. 7,500 to Rs. 10,000 concession of one per cent has been given by reducing the rate of interest from 12.5 per cent to 11.5 per cent. On loans of Rs. 10,000 Rs. 15,000 rate of interest has been reduced to 11.5 per cent from 12.5 per cent to 14 per cent per annum. This much reduction has been made in the rates of interest and on the recovery side period has been extended from 7 to 10 years.

Secondly, if new loans are sought then the amounts overdue will not be a handicap.

[*English*]

SHRI DIGVIJAY SINGH : The second question I would like to ask is, that when a farmer asks for fresh advances, will that be adjusted against his earlier dues—this is what has been asked in part (b)—so that he does not have to pay back the balance from borrowing money at tremendous rate of interest from some traders, in order to get a new loan.

Secondly, bullocks in all these States are totally unhealthy and many of them are unfit for ploughing. Can some extra funding be given for buying bullocks ?

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, under the present system credit limits have been fixed for all kinds crop loans. Now the loans outstanding will not be a bottleneck in the fresh loans sought by the people. If the credit limit of the earlier loan was Rs. 5,000, then it will remain unchanged and one can get fresh loan of the same amount. There will be no difficulty in it because those amounts have been due because of drought situation. The loans have been rescheduled and instalment refixed.

[English]

SHRI CHINTAMANI JENA : Sir, the hon. Prime Minister's announcement of conversion of agricultural loans to more years is really commendable and it has brought encouragement among the farmers who are residing in drought affected areas as well as areas affected by several types of natural calamities. May I know from the hon. Minister, whether the concession announced by the hon. Prime Minister would be applicable also to the farmers affected by other natural calamities like flood, cyclone etc.

Besides, may I know from the hon. Minister whether it is a fact that the Reserve Bank of India has put some restriction on such conversion. After getting the crop assessment report only, they say, conversion will be allowed, But in many areas, particularly in the State of Orissa, this crop assessment report is only available after the months of April, after the crop harvesting by which naturally the cooperative bank and societies are realising the loans from which the farmers are facing much hardship. In this connection, may I know what is the reaction of the Government on this issue ?

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, as I have explained, both drought and floods are covered in it.

The hon. Member has said that the Reserve Bank of India and other Banks create some difficulties an in the case of Orissa mentioned by him. I want to inform the august House that the on the advice of the Government of India, the NABARD,

and the RBI have advised the State Governments to follow the guidelines of the Government of India. If the hon. Member has received any specific complaint, then he may forward it to the Ministry for remedial action.

[English]

PROF. N. G. RANGA : There is qualitative difference between cooperative loans and the Taccavi loan. The Taccavi loan is what is being advanced and what is supposed to be advanced to the farmer by the Government direct and it has always been advanced at a specially low rate of interest, never more than 6% whereas cooperative loan can charge up to 10-11% also. Therefore, I would like my hon. friend to realise the distinction between these two loans. I am glad the questioner has raised this point whether Government would consider the advisability of advancing direct this Taccavi loan to the farmers at least in regard to the purchase of seeds and fertilisers, so that the farmers will be able to get it at a much lower rate of interest than what is being advanced by the cooperatives.

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, there is no question of increasing the rate of interest already reduced. I have already given details of reduction in different rates of interest and they will remain in force.

Sir, the hon. Member has suggested reduction in the rates of interest on the loans sanctioned for purchase of fertilisers and seeds. In this connection, I want to submit that the State Governments are competent to reduce the rates in interest in flood and drought conditions. They should extend as much relief as they can. However, if they write to the Government of India for any assistance, financial or otherwise, the same will be considered sympathetically.

New Sugar Mills in U.P.

*906. SHRI RAM SINGH : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government of Uttar Pradesh has sent proposals to set up new sugar mills during 1988, 1989 and 1990;