

**SHRI SHANTARAM NAIK:** Sir, even where computers have been installed, some experts say that there is still scope for manipulation and thereby for corruption. Have you, as Railway Ministry, studied this aspect and found out as to where, despite installation of computers, there can be a scope for manipulation? If so, what are the instances, if you are not revealing any secrets?

**SHRI MADHAVRAO SCINDIA:** Sir, this matter is always under constant study and we have, as I said, greatly minimised malpractices that did take place at pressure points. This is an on-going process, a continuous process. As people find new loopholes in the new system, we will have to plug those loopholes and this will continue in the future also.

[Translation]

**MR. SPEAKER:** Anti-bodies find a place in it.

[English]

### Representations for Agricultural Loans

\*322. **SHRI C. MADHAV REDDI:**

Will the Minister of FINANCE be pleased to state:

(a) the number of representations received in his Ministry during 1987 and upto 31 October, 1988 from poor farmers for agricultural loans, month-wise and State-wise; and

(b) the number out of them forwarded to the concerned banks/authority?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) and (b). A Statement is given below.

### STATEMENT

Applications for bank loans are normally addressed to concerned banks from which the applicant desires to avail loan facilities. However, sometimes representations relating to loan from banks are received in the Ministry of Finance also and the same are forwarded to the concerned bank for disposal in accordance with the RBI guidelines. Whenever any non-observance of these guidelines is alleged the matter is got looked into for necessary remedial action. The present system of maintaining records at Government level does not generate sectorwise and amountwise classification of such applications and hence it is not possible to give specific figures relating to applications for agricultural loans received from poor farmers.

**SHRI C. MADHAV REDDI:** Sir, the question which I put was different from what is printed here. My question was with regard to the writing off of agricultural loans, interest, etc. There is no meaning in the question as it is because no application is received by the Government for sanctioning loans to the farmers. These applications are received by the banks. So, my question is whether the Government has received any representations for the writing off of interest on the loans to poor farmers, and if so, what is the attitude of the Government with regard to the writing off of interest on agricultural loans, particularly with regard to certain States which were affected very badly due to drought conditions.

**MR. SPEAKER:** That part of the question which has been omitted has already been replied.

**SHRI EDUARDO FALEIRO:** Sir, this really does not arise from this question but, with your permission, I would like to say that as far as the farmers are concerned who are subjected to natural calamities and as a

result of which the crops suffer, the banks have all the sympathy and, therefore, a series of measures are contemplated in such cases, like the re-schedulement of loan, not levying penal interest not levying compound interest. There are a series of measures which are envisaged in these circumstances. However, we are not in favour of writing off of loans as a matter of principle because getting the loans reimbursed is really the crux and is inherent in financial institutions. Loans by their very nature are to be reimbursed, but in the case of calamities, the most sympathetic approach must be taken.

**SHRI C. MADHAV REDDI:** Sir, in the case of calamities, such as the cotton growers faced who suffered heavy losses because of pests, have any representations been received and wherever such representation has been received, what action has been taken by the Government.

**SHRI EDUARDO FALEIRO:** Sir, as far as cotton growers in certain districts of Andhra Pradesh, like Guntur and Prakasam, for instance, are concerned, Government have really taken a view in this matter that they must be helped, and as such, unprecedented step was taken to form a Task Force led by a Deputy Governor of the Reserve bank of India, Dr. Ojha, who visited this area. The Reserve Bank Deputy Governor along with the other members of the Task Force, visited that area and then prepared a plan to help them. The plan was intimated to the banks. It contained provision for re-schedulement and softer approach in the matter of repayment of loans. The details I do not have at the moment. I have myself asked the banks, including the lead bank with whom I had a meeting, that is, the Andhra Bank, to implement these recommendations of the Task Force strictly for the benefit of the farmers affected.

**SHRI K.S. RAO:** Mr. Speaker, Sir, if

there is a loss of Rs. 200 crores to Shri Rajendra Sethia, the banks will write off. If there is a loss of a couple of crores of rupees to a businessman or a trader due to his godown being gutted, they will write off or they will compensate the loss. For any big businessman or an industrialist who suffers loss which is being compensated either by the Insurance Company or being written and if not it is being kept pending in the books or the registers of banks which is not recovered for years or decades. The poor farmer not once or twice or thrice but for four years consecutively when he suffers loss, it is not written off. For example, in Prakasam and Guntur districts, the poor farmers had suffered not by their mistake but the mistake of nature and by the mistake of the Government for supplying the adulterated pesticides and other things. We requested you to consider the Prakasam and Guntur districts only leaving the other districts where cotton is grown in the State, particularly keeping in view 42 suicides that had taken place in these two districts as a specific case, not consider it in general, giving the theory that everybody will ask in the country and every farmer will ask for the writing off of the loans—I wish that the Minister should not take shelter under that. I would like to know from the hon. Minister whether he would consider this specific case of Guntur and Prakasam districts where 42 persons committed suicide to write off not the principal amount but at least the interest.

**SHRI EDUARDO FALEIRO:** Sir, I would say here that we have special sympathy for the farmers and particularly for the poor farmers. As part of our general approach in respect of the weaker sections, they must be helped above all and therefore it is not correct to say so and I strongly refute this allegation when it comes to industry, large scale industry. We take sympathetic view in the case of farmers. It is not correct to say so and I strongly refute it and I will not go into details. Now, as far as the specific point

raised by the hon. Members is concerned, I have already said that the soft terms to help the farmers of these two districts have already been announced and I don't have details with me at the moment. I will do one thing. I will myself go as soon as possible to the State of the hon. Member and see how things are being implemented to help these farmers.

[Translation]

SHRI VIJOY KUMAR YADAV: Mr. Speaker, Sir, the Hon. Minister has assured to adopt sympathetic attitude towards the farmers and to take some effective measures in this regard. All the Members in the House would support the initiatives to be taken in this regard, since it is a matter of concern for all, the ruling as well as the opposition parties in the country. I would specifically like to know whether the Central Government propose to take some policy decision regarding the recovery of loans from the poor and marginal farmers, leave aside all the farmers, who are facing crisis for the last few years due to natural calamities and are under debt?

[English]

SHRI EDUARDO FALEIRO: I will begin with the request to all the hon. Members not to create this kind of culture or this impression among the people and do not encourage them to put these demands of sundry nature across the board for writing off the loans. I say this because if we encourage these demands without looking at the causes as a matter of sympathy of all sections of the people, then we are affecting the very viability of the business of the banks themselves. We are affecting the financial viability of these institutions and we are damaging the financial institutions. If these institutions are damaged, then the entire people including the people whom we prefer to help, will suffer. Therefore, across the

boards, such demands should not be made. But when demands are made and the fact that the farmers have suffered from calamities, these demands will be justified. There is a policy to help them. Details are not here and there is a policy, however, to help them. We must see that this policy, We must that is implemented. I can give the details to the hon. Member. Please bring to our notice if these policies are not implemented by the banks. They must be implemented.

SHRI V. SOBHANADREESWARA RAO: Sir, the Minister's reply clearly expresses his attitude towards the farmers. We only feel so sorry for that; he has not gone through the press reports which appeared only yesterday. This year also the cotton growers are going to incur a loss of Rs. 330 crores. Kindly go through the paper of yesterday. My question to the hon. Minister is this. Contrary to the present guidelines of the Government of India, have some instances come to the notice of the Government that in Chittoor District in Andhra Pradesh small farmers who are given a few hundreds of rupees loans, even after paying a few thousands of rupees they were put behind the bars for non-payment of the few hundreds of rupees which are yet to be paid? Have any such instances come to the notice of the Government? If so, what action has been taken against the concerned bank managers for playing with the lives of the poor small farmers, some of whom belong to the Harijan community also?

Another question is, you are aware that the present crop loan is not enough in several areas. So, the farmers many a time pledged their gold ornaments also and took loans before the harvest of the crop for some purposes. In respect of the crop loan the interest part is less, but then when we take the gold loan taken by the farmer to be utilised also for agricultural purpose, the interest rate is more.

MR. SPEAKER: Don't they have cooperatives there?

SHRI V. SOBHANADREESWARA RAO: In spite of the cooperatives, Sir. But when we take loans in the commercial banks they charge higher rate of interest and for every three months they compound it also. So, my question to the Government is whether the Government is aware of this particular aspect that because the present scale of financing of the crop loans is not up to the mark and to the requirement of the farmers, the farmers are taking gold loans to utilise that money in the agricultural sector. If so, I would like to know whether the Government will treat these gold loans also on par with crop loans before the harvest of the crop and charge lesser interest and apply the same rules which are followed for the agricultural crop loans.

SHRI EDUARDO FALEIRO: Sir, I would like to say this that there is no question of poor farmers who have been hit by the calamities being harassed in pursuit of request for loans from banks. Banks will not take up these matters in a manner where the farmers are put in jail. They will not do it. If such cases come to our notice ..

SHRI V. SOBHANADREESWARA RAO: It was brought to your notice by Mr. Janga Reddy. I am very sorry you have not taken any action

SHRI EDUARDO FALEIRO: No; if there are any such cases please bring it to my notice, I will definitely inquire into it and take necessary action in this matter.

Secondly, as far as gold ornaments which are pledged with the banks are concerned, we have issued instructions that in respect of gold ornaments, though the loans and security have not been paid, gold ornaments will not be auctioned. (*Interruptions*).

On the third point, the rates of interest are fixed by the Reserve Bank. However, I will look into the matter.

### Proposal to set up Trade centre in Singapore

\*323. SHRI SHANTILALPURSHOT-TAMBHAI PATEL†:  
SHRI S.M. GURADDI:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government are actively considering a proposal to set up a trade centre in Singapore for promoting economic cooperation;

(b) whether the proposal has been received from Government of Singapore; and

(c) if so, the time by which the centre will be set up and the benefit to accrue from it?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). No proposal has been received from the Government of Singapore. However, one of the suggestions made during the Ministerial meeting with trade in Singapore in August 1988, was the need for establishing a trade centre in Singapore.

[*Translation*]

SHRI SHANTILAL PURSHOT-TAMBHAI PATEL: Mr. Speaker, Sir, what initiatives have been taken by the Government for setting up the proposed trade centre in Singapore.

SHRI P.R. DAS MUNSI: Mr. Speaker, Sir, the Ministry of Commerce held discussions with the Government of Singapore and their officials of the Chamber or trade have