

From

**Letter written by Sh. Jain on 19-5-81 as Leader of Opposition in Haryana
Vidhan Sabha to Governor Reserve Bank of India
regarding Discrimination against farmers**

Dated 19-5-81

To

The Governor
Reserve Bank of India.
New Delhi,

Subject: Discrimination against farmers in the matter of distribution of loans to them

Dear Sir,

This is regarding instructions of the Reserve Bank of India to commercial Banks and the Central Co-operative Banks in the states that the cheques for loans to be advanced to farmers should not be in the names of the farmers but in the names of third parties. The reason given is that farmers misutilize the loans if the loans are given in cash direct to them. The third party is selected because that party gives certificate that the farmer has purchased the tractor or electric motor or the thrasher etc. for which loan has been advanced to him).

2. There is great resentment in the farmers against this policy of the Reserve Bank of India. The reason is that the third party always charges between 15-25% of the loan amount from them. Even commercial banks, whenever they advance loans to the agriculturists, follow this policy.

3. The presumption that farmers tend to misutilize their loans, is absolutely wrong. It is also most humiliating and insulting. It is strange that crores of rupees advanced by the Life Insurance Corporation or the various National or State Financial Corporations to businessmen and industrialists are never given to third parties, even though crores of rupees of loans become bad debts and some businessmen and industrialists do not at all pay their loans. I know this from my personal experience of Haryana Financial Corporation when I was Chairman of the Haryana Public Undertaking committee. In that capacity, I examined the working of the Haryana Financial Corporation. It was brought to my notice that loans worth crores of rupees advanced to scores of industrialists were not being returned and most of the amount had become bad debt. A few days ago, the National Press reported that millions of rupees given by way of loan to many factory owners will not be returned as many of those factories had become sick mills. As compared to these rich persons, the total amount of bad debts advanced to agriculturists must not be more than 10%—15% of the loan advanced to the industrialists. Why then such discrimination and distrust of the agriculturists?

4. As stated earlier, the 3rd party either charges a big commission from the farmer or the farmer has to pay at least 25% more price for the purchase of required machinery from the so-called approved shops for which loan has been sanctioned to him. All this is due to wrong instructions issued by the Reserve Bank of India. It is high time that the Reserve Bank changes this policy and withdraws the instructions regarding issuing of the cheques to the third party instead of direct to the loanee farmer. The matter requires urgent action and I shall be grateful, if I am informed of the action taken at an early date.

Yours Faithfully,
(Mool Chand Jain)

Dated, Chandigarh, the 19th May, 1981

No. LOP-81/38

A copy is forward to all the M. Ps from Haryana, for information
(Mool Chand Jain)

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Dated, Chandigarh, 19th May, 1981

A copy is forwarded to all Heads of political Parties in Haryana, for information
(Mool Chand Jain)

Important letter written by Shri Jain as Deputy Chairman

State Planning Board, Haryana,
on 23-8-1988

Dear Sh. Vishwanath Partap Singh Ji,

I understand that the important work of chalking a programme for the Smajwadi Janta Dal National Front, has been assigned to you. The National Dailies reported a 71 point programme chalked out for adoption by the National Front.

2. However a cursory reading of this programme shows that it did not include the following :-

(a) Re-organisation of the existing States and formation of Smaller States. Several opposition parties have already included this important item in their election manifestoes, I particularly remember about the Lok Dal and Janta Party Manifestoes. Besides this, eminent persons in the country have also pleaded for smaller States. Haryana and Himachal have shown the way, as tremendous progress has been achieved in these states after their formation. The states of the size of UP cannot be managed as at present. If a population of above 25 crores of USA and USSR can have about 50 States, why cannot a population of 80 crores of this country have 50 or more States?

b) "Right to work" is not included as a fundamental right in our Constitution. with the result that neither the Central Government nor the State Governments take responsibility for providing jobs to millions and millions of unemployed educated and other youths. The Haryana Assembly unanimously passed a resolution during the last session recommending G.O.I. for including the right of work amongst the fundamental rights in the constitution. I sincerely believe that the National Front should include this in their election manifesto.

c) There is another important question viz. that of violation of oath by the Ministers and Legislators. The Constitutional oath taken by Ministers provides that they will act without fear, favour, illwill or affection. However, public life is so much deteriorated that many a Ministers, both in the Congress, as well as in the Non-Congress Governments hardly care for their oaths. Moreover, there is no penalty for violation of oath either in the Constitution or in the Representation of Peoples Act. I firmly believe that in order to improve public life, there must be a provision for punishing violation of oath. In this connection, I have written a letter to the Law Minister Sh. H. R. Bhardwaj and I am enclosing a copy of this letter to you for ready reference. I feel that our election manifesto should include this point also.

(d) Another important point is about provision of constitutional guarantee of holding Panchayats and Local Bodies elections. At present, the State Government has the powers to postpone elections of these bodies for as much time as they think fit. In several States, Municipal elections have not been held for the last 10-15 years. In Haryana, the present Government ordered Municipal elections after about 15 years. So is the case of Panchayats elections in several States. Therefore I suggest that the election manifesto of the National Front should give an assurance to the people that Constitution will be amended to provide statutory guarantee of holding elections in all the Local Bodies after a fixed period given in the Constitution.

3. However, I may make it clear that the views contained in this letter are my personal views, of course, based on my experience of 50 years of active public life.

4. May I suggest that these points be discussed in the next meeting of National Front?
With deep regards,

Your Sincerely,
Sd/-
(Mool Chand Jain)