

Punjab seeks Centre's help for clearing rural debts

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There is finally some official word on the deepening crisis of rural indebtedness in Punjab and the havoc it is playing with farmers' lives in the state. Disturbed by soaring suicide cases and the outstanding rural debt amounting to over 24,000 crore, the Punjab CM has decided to seek Centre's intervention in the matter.

The decision comes following the April 3 Tribune story on farmers' suicides in the state.

The CM has also ordered a detailed ground assessment of the situation to ascertain the extent of farmers' suicides, their causes, the role of loaning agencies in the issue and the possible solutions.

During an unofficial meeting held at the residence of Deputy Chief Minister Rajinder Kaur Bhattal whose own constituency Lehra Gaga in Sangrur is infamous for debt-fuelled peasant deaths, Capt Amarinder Singh said he would approach Prime Minister Manmohan Singh with a request to help the state tide over the crisis.

He said the problem of rural debt in Punjab was so phenomenal that neither the state government nor the farmers and their families could solve it on their own. "The issue cannot be resolved except with the

Centre's help," the CM said, before asking the Chief Secretary to formulate a detailed proposal in this regard within a week.

While the proposed plan is to ask the Centre for a relief package to clear the existing debt, it may not prove to be a sustainable solution to the problem which has permanent nature. Experts have long advocated the need to strengthen cooperative credit lending policy and encourage "just" structure of debt repayment.

In a statement issued today, Mr M.S. Gill, MP, whose expertise on the cooperative movement is well known appealed to the Punjab CM to restore Sir Chhotu Ram's effective policies of debt conciliation in letter and spirit. He highlighted the need of the state's intervention in preventing police and commission agents hobnobbing to rob farmers of their basic means of livelihood.

Speaking to The Tribune he said, "Punjab should immediately set up Debt Conciliation Boards in every district. Lead should be taken from the Punjab Relief of Indebtedness Act which was passed following the efforts made by Sir Chhotu Ram in 1934."

The salient feature of the 1934 Act was that if a debtor had repaid the creditor an amount twice that of the principal or more he stood

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M.S. Gill for debt conciliation boards

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Congress member of the Rajya Sabha M.S. Gill has urged Punjab Chief Minister Amarinder Singh to constitute debt conciliation boards to mitigate the problems of farmers.

He stressed that these boards should be set up all over the country to end suicides of farmers weighed down by debt and lift them out of the vicious stranglehold of money-lending sharks. In the past these boards had the power to waive high interest rates of 30, 40 and 50 per cent.

"I appeal to the Chief Minister to apply those laws and if these have been erased from the statute

books then the Punjab Government should come forward with a legislation expeditiously," Dr Gill said. The civil administration and the police should not be used to take away the land of small farmers in Punjab.

Noting that indebtedness of farmers is fundamental to the country, the former Chief Election Commissioner maintained that farmers must be taken out of the clutches of money lenders.

He warned that if this was not done then it could lead to social unrest in Punjab.

Regretting that farmers' suicide was never the case in Punjab, Dr Gill said the situation was grave and top priority had to be accorded to remedial measures.