

PM - FARMERS
BM

83 (P)
KUALA LUMPUR, SEPT. 3 (BERNAMA)--THE GOVERNMENT IS TUDYING THE FEASIBILITY OF INITIATING COLLECTIVE FARMING THROUGH INTEGRATION OF CONTIGUOUS PLOTS OF LAND TO FORM ESTATES OF A SIZE THAT MERITS USE OF SOPHISTICATED MACHINERY AND MANAGEMENT TECHNIQUES.

ANNOUNCING THIS TODAY, PRIME MINISTER (DATUK SERI DR. MAHATHIR MOHAMAD ASKED BANKS TO COOPERATE IN THE PROPOSED MOVE THROUGH NOT ONLY THE FINANCING ASPECT BUT ALSO THE FEASIBILITY STUDY AND MANAGEMENT ASPECTS.

TOWARDS THIS END, BANKS SHOULD SET UP ADVISORY UNITS COMP- RISING PERSONNEL WHO UNDERSTOOD AND WERE SYMPATHETIC TO PROBLEMS OF FARMERS AND WHO SUPPORTED THE COLLECTIVE FARMING CONCEPT.

SPEAKING AT THE LAYING OF THE FOUNDATION STONE OF THE MALAYAN BANKING BUILDING IN BUKIT MAHKAMAH HERE, HE SAID ESTATES SET UP UNDER THE CONCEPT SHOULD ESTABLISH ACTIVITIES UTILIZING NATURAL RESOURCES AND LOCAL MANPOWER.

+BANKS SHOULD HELP IDENTIFY THE TYPES OF PROJECTS SUITABLE FOR THEM; CARRY OUT PRELIMINARY FEASIBILITY STUDIES AND EXTEND THE LOANS REQUIRED,+ HE ADDED.

+IF POSSIBLE, CERTAIN UNITS IN THE BANKS SHOULD HELP ENSURE THE MANAGEMENT OF THE PROJECTS IS RUNNING SMOOTHLY.+ --MORE 1835/MD

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HE BELIEVED THAT THE PROPOSAL WOULD BOOST NOT ONLY INCOME OF FARMERS BUT ALSO NATIONAL PRODUCTIVITY AND THE ECONOMY.

BANKS, ON THEIR PART, WOULD BENEFIT FROM ACCELERATED DEVELOPMENT OF THE RURAL ECONOMY.

HE SAID THAT ANOTHER WAY OF INTENSIFYING RURAL PRODUCTIVITY WAS THROUGH MECHANIZATION AND THIS WAS WHERE FARMERS WOULD NEED BANK LOANS TO BUY AND MAINTAIN THE MACHINERY.

IN THIS REGARD, IT WAS NECESSARY FOR BANKS TO HAVE AGRICULTURAL MANAGEMENT EXPERTISE BECAUSE, ACCORDING TO HIM, MANY FARMERS TEND TO PURCHASE AGRICULTURAL MACHINERY WITHOUT FIRST CONSIDERING WHETHER THEIR LAND WAS OF A SIZE ECONOMIC ENOUGH FOR MECHANIZATION.

+THEY USUALLY FORGET THAT THE BUFFALOES OF TRADITIONAL FARMING DO NOT REQUIRE MAINTENANCE, CAN PROPOGATE AND CAN BE SLAUGHTERED FOR MEAT WHEN TOO OLD TO WORK WHILE MACHINERY REQUIRES MAINTENANCE, DEPRECIATES OVER TIME AND HAVE TO BE EVENTUALLY WRITTEN OFF,+ HE SAID. -- MORE 1900/MB

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ZCZC N125 (F/S)
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THE PRIME MINISTER STRESSED THAT FARMING DEBTS WOULD ACCUMULATE IF NO PROVISIONS WERE MADE AT THE EARLY STAGE TO PURCHASE MACHINERY SPARE PARTS.

HE ALSO SAID THAT THE CALL TO BANKS TO PROVIDE BIGGER LOANS TO THE RURAL SECTOR SHOULD NOT PROVE A BURDEN BECAUSE BANKS IN THE COUNTRY HAD BEEN GENERALLY RECORDING DOUBLE-DIGIT GROWTH RATES SINCE THE EARLY 1970'S.

THE CURRENT ECONOMIC RECESSION HAD NOT AFFECTED THIS TREND, HE ADDED.

+ECONOMIC SECTORS THAT CAN AFFORD TO HELP THE GOVERNMENT BOOST THE NATIONAL ECONOMY FURTHER SHOULD DO SO AS NATIONAL STABILITY AND PROSPERITY WILL BENEFIT THE PEOPLE INCLUDING BANKERS AND BANK EMPLOYEES.+

DATUK SERI DR. MAHATHIR SAID THAT THE AGRICULTURAL ECONOMY AND KAMPUNG ECONOMIC ACTIVITIES WOULD REMAIN IMPORTANT ELEMENTS OF A BALANCED DEVELOPMENT OF THE COUNTRY.

AGRICULTURAL ACTIVITIES WOULD NOT ONLY MEET THE FOOD NEEDS OF THE NATION BUT ALSO IMPROVE THE ECONOMY AND QUALITY OF LIFE OF THE RURAL POPULATION AND FULFIL NATIONAL ASPIRATIONS INCLUDING THE OBJECTIVES OF THE NEW ECONOMIC POLICY. -- BERNAMA 1908/MB