

PROF. MADHU DANDAVATE : I was referring to the question first because the credit deposit ratio shows the total deposits with the banks and the total loans provided by them. However, as far as the question of loan sought by the large and small scale industries and by other areas and vis-a-vis the amount of loan provided to them by the banks is concerned, I do not have figures with me at this time but I shall send the same to the hon. Member.

[*English*]

Impact of Waiving Agricultural Loans

*431. **SHRI MANORANJAN BHAKATA:** Will the Minister of FINANCE be pleased to state the impact of waiving country-wide agricultural loans upto Rs. 10,000 on credit structure, price level and on general economy?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): A statement is laid on the Table of the House.

STATEMENT

Government of India have formulated the Agricultural and Rural Debt Relief (ARDR) Scheme for providing debt relief to farmers, landless cultivators, artisans and weavers upto Rs. 10,000 by public sector banks and regional rural banks. In so far as the banks in the cooperative sector are concerned. State Governments have been requested to frame a scheme on similar pattern. As per reports received, most of the States have accepted in principle the Central Government's scheme for adopting it in respect of cooperatives.

The waiver of loan overdues upto Rs. 10,000 would reduce the past burden on the borrowers and it is expected that the borrowers will service the future loans promptly. As a one time measure debt relief is a positive step which will help relieve the farmers, artisans and weavers of their debt burden due to deterioration in the terms of trade and thus help provide incentive for production and

productivity. The Government also wants to ensure that there is no erosion of the credibility of the banking system. The Government has also made it clear that the above Scheme will not be repeated.

SHRI MANORANJAN BHAKATA: The hon. Minister is not only a very senior Minister but is also a very articulated Minister and I wanted a very truthful answer from him. But, unfortunately he is giving the reply in such a manner by which the main thrust of the question has been diluted.

The question is the impact of waiving countrywide agricultural loans up to Rs. 10,000 and credit structure, price level and general economy. The hon. Minister has not said a single word about the price effect. However, I would like to put my question on the basis of the reply given by the hon. Minister.

The cooperative sector is the responsibility of the State Government. But the States are not having the resources. They are not implementing the programmes. The Central Government and the hon. Finance Minister agree to implement the programme but the States do not have the resources.

I would like to know from the hon. Minister what incentive has been given to the States to implement the programme and how many persons State-wise have been benefited by the scheme.

The responsibility for the Union Territories lies with the Central Government and not with the States. I would like to know what has been done by the Central Government to the Union Territories in this regard and whether the cooperative loans have been waived. So far as my information goes, no cooperative loans were advanced in the recent past because of the default.

PROF. MADHU DANDAVATE: Mr. Chairman, complimenting me for being articulate here also does not mean that I should give truthful answer. I would like to tell the young hon. Member whether articulate or non-articulate, in this House, we are always expected to tell the truth otherwise it is a breach of privilege. He referred to the first part and said that I have not touched the credit structure price level and effect on the general economy. I have already referred to that. But if you want further information, in the course of my reply, I will give that. Now the first specific question is, what incentive and help is being given to the States and also the Union Territories to see that the loan waiver scheme is implemented effectively.

PROF. N.G. RANGA: In the co-operative sector.

PROF. MADHU DANDAVATE: Yes, in the cooperative sector. Our initial scheme wanted that the Centre should take the burden of waiving the loans taken from all the public sector banks and also the regional rural banks because they are in the Central sector. But later on, looking to the difficulties of various States and the cooperatives, we decided that if the States find it difficult to bear the burden of waiving the loans those which were taken from the cooperative societies, cooperative banks and the land development banks, the Centre will be prepared to accept the responsibility of fifty per cent of the expenditure. I am happy to say that after lot of discussion—whether they are Congress States or non-Congress States—most of the States, by and large, have accepted this only after making one more incentive. Many Chief Ministers pointed out that the difficulty is that they have not got adequate funds to pay the fifty per cent of the responsibility of the loans from the cooperative and land development banks. Therefore, we conducted talks with the Governor of the Reserve Bank of India and he agreed that the Reserve Bank should give them advance against the fifty

per cent that they have to pay and that is to be returned in one year. That was said initially. But the Chief Ministers of many States pointed out the difficulty. So, with lot of negotiations, we have finally agreed that whatever amount the Reserve Bank gives to the State. Governments as advance to the banks, that can be returned not in one year but that can be returned in three years. Therefore, almost all the Chief Ministers whether they belong to the Congress States or the Communist States or the Janata Dal States, most of them excepting the three have accepted this. This is a major incentive that we have given.

Secondly, as far as Union Territories are concerned, we will not try to create any difficulties for the Union Territories. If they come to us and point out to us that there are any difficulties, in that case, we will be prepared to give them necessary assistance through the Reserve Bank so that immediately on their economy, there will be no adverse effect.

As far as Madhya Pradesh is concerned, they wanted to liberalise the scheme still further and we assured them that provided they are able to implement the Central scheme, we are prepared even if they liberalise it further at their own cost and we have no objection at all. And now at their own cost, they have decided to be liberal.

SHRI MANORANJAN BHAKATA: Mr. Chairman, Sir, I am happy that the hon. Finance Minister has assured to provide all kinds of assistance to the Union Territories. Though he has not replied to one question, that is, what is the number of beneficiary out of this scheme so far. I think, he will be replying to that when he replies to my second supplementary. I want to know specifically, whether loans advanced to the artisans, weavers and also agriculturists under the IRDP scheme will be covered under this scheme or not and what will be the total amount

under the loan waiver scheme due to this Rs. 10,000 scheme? I would like to know whether the Government will undertake a study about the details since this scheme is going on to really understand the actual effect. I would like to know whether he is going to undertake a study in the matter.

PROF. MADHU DANDAVATE: As far as the total expenditure of the scheme is concerned, we went on liberalising it. Originally it was decided that if only loans upto Rs. 10,000 are taken, then waiving loans upto Rs. 10,000 will be permitted. The size must also be Rs. 10,000 or less. Later on we liberalised it. Further NABARD made it clear that since agriculture includes fisheries also, fishermen also are included in that. Already according to our manifesto the weavers were included. Agricultural landless labour and other kisans are also included in this. Originally we wanted to put a number of conditions. I have mentioned them in this House at least three times. Original expenditure was of the order of Rs. 2845 crores. When we liberalised it, it went to about Rs. 400 crores. Probably I am afraid it may go upto even Rs. 6000 crores. Anyway we will decide that.

Further liberalisation is not possible because it will not be possible for us to undertake heavier burden and therefore we have put some restrictions. Only all those loans on which overdues are upto 2-10-1989 will be included.

SHRI MANORANJAN BHAKATA: Including IRDP?

PROF. MADHU DANDAVATE: That is altogether a different scheme, that is not included in this, that has to be taken separately. You asked earlier a question that whether we have identified the borrowers and the relief given to them. I am happy to indicate that the work is going on vigorously and the number of borrowers identified so far are 60,60,681 and the number of borrowers to whom relief will be there are 21,71,703.

The process will be expedited and if at any stage some of the calculations are found to be incorrect by M.Ps and Legislators. I would request them to point out to the concerned State Govts. so that we will take due note of that and if there are any distortions and aberrations, we will try to correct them.

[*Translation*]

SHRI SHANKERSINH VAGHELA: Mr. Chairman, all parties have provided in their manifestos about the waiving off the loans of farmers and the people of weaker sections. This Government is ten months old now, but nothing has been done even during the past nine months. When we visit our constituency the farmers ask us about their loans. They ask whether these have been waived off or not, and whether the Reserve Bank of India have some reservations about waiving of loans? If not, the number of farmers benefitted so far and whether your scheme will be implemented within one year or in more time?

(*Interruptions*)

PROF. MADHU DANDAVATE: Do you agree that the next manifesto also will be ours...(*Interruptions*)... I have just replied to the question asked by the honourable Member.

[*English*]

The total number of beneficiaries identified are 60.64 lakhs, the number to which relief is already given is 21.71 lakhs, the total credit given to borrowers amount to Rs. 619.91 crores, the number of certificates issued to beneficiaries is 11.14 lakhs or amount written off is Rs. 30.94 crores.

[*Translation*]

SHRI SHANKERSINH VAGHELA: The farmers know that they have go it.

PROF. MADHU DANDAVATE: It is different at different places. We have no problem in respect of those states which have completed the schemes and have informed the Government about it and have written that they are ready to pay 50 per cent amount. Our whole expenses have gone to Reserve Bank and NABARD. We have no problem of refunding in such cases. So far as Madhya Pradesh is concerned, they were modifying and liberalising their scheme. They have included many other people in addition to those whom Central Government wanted to extend benefits under the Central Scheme. So they were a little late in finalising the scheme. But in that case also, whatever is the responsibility of the centre, that would be completed be it farmer or artisan or... (*Interruptions*)

[*English*]

SHRI SHANKERSINH VAGHELA: I want the time-bound schedule. Otherwise nothing is going to happen (*Interruptions*)

PROF. MADHU DANDAVATE: You are thinking about next elections, we are thinking about the present Government.

[*Translation*]

Sir, our friend has asked a question whether we can give a definite period. After discussing with all the Chief Minister in this regard, we will announce an outer date within one week so that bank do not have any difficulty in doing all these works.

[*English*]

SHRI SONTOSH MOHAN DEV: Sir, the hon. Finance Minister in his reply, was trying to assure that proper steps are being taken so that the announcement of the Government regarding waiving of loans, is being implemented and I take it this way that what he is telling, will be imple-

mented in course of time. In view of this, I would like to know from the hon. Minister as to whether his attention has been drawn to one of the statements of the Reserve Bank Governor, in a Seminar where other economists were also present, it has been commented that this step of the Government will ultimately be discouraged; and that those who were good pay masters and who have paid well in the past, when the Government nationalises the regional banks in future, they will distribute loans and that there will be a tendency by the borrower not to pay the loans. In view of this there will be a crunch in the economy of the country. May I know what feed back the Minister has got about it and what corrective steps they are going to take so that such a situation does not arise in the country?

PROF. MADHU DANDAVATE: Sir, the hon. Member has asked a very helpful question. From the point of view of the credibility of banks, I am thankful to him. It is a fact that if proper precautions are not taken, the loan waiver programme can lead to erosion of credibility of the banking system and the cooperative system. Therefore I wish to make it very clear. My Government is very clear about it. Why is it that we have taken this one time programme of waiving of the loans? The reason is, in the past no definite norms were fixed for the fixation of the remunerative prices of the kisans. Therefore, since our Budget and also later on the Cabinet has taken a decision and well formulated tests have been conducted on the basis of which remunerative prices will be fixed. In future, we cannot justify large loans being taken. Now, the loans have been taken because there are no remunerative prices. So, we assure the kisans that this is actually only a one time programme and not to imagine that every year there will be waiving of loan to the tune of Rs. 10,000/-. Therefore we will take precautions on that. We have warned all those who have taken the loans and we will take

proper precautions to see that the credibility of the banking system is not allowed to be eroded along with this one time programme.

[*Translation*]

SHRI KAPIL DEV SHASTRI: Hon. Mr. Chairman, our party had promised in its election manifesto that we will waive off loans of farmers upto 10 thousand crore rupees. According to the statement of Finance Minister, loans upto 6 thousand crores of rupees are to be waived off. Rupees 4 thousand crore still remain to be waived off. When we visit our constituency, we see that the farmers are detained from 4 to 40 days for non-repayment of loans, and as regards rich people, the Minister has told in his statement on 24th August according to him there are 560 such business houses and business institutions which have not paid income tax to the tune of Rs. one crore and there are 140 such business institutions which have not paid the excise duty equal to the same amount. I want to know from the Minister why any action is not taken against them. So I requested the Minister to realise the same farmers and waive off the loans of farmers so that the entire country is thankful to him.

[*English*]

MR. CHAIRMAN: Please conclude. Otherwise, you will not get any reply. If you want an answer, please sit down.

[*Translation*]

PROF. MADHU DANDAVATE: Sir, I have already replied the question asked by the honourable Member. I want to inform him that when we said that the loans upto 2nd October, 1989 would be waived off that does not mean that if a person has taken a loan of Rupees Ten thousand just one day before that too would be waived off. I think

that if all people understand that we have fixed 2nd October, 1989, as cut off date for outstanding waiving off loan then loans upto 2nd October, 1989 will be waived off. We are calculating it on his basis and if there is any miscalculation by any employee or any bank, the complaint will surely be attended to by us. We will do the necessary amendment. But the way we will waive off the loans has already been explained to the people by us. We have taken consent of all Chief Ministers, even Chief Minister of Haryana has also agreed. Thereafter we are implementing this..... (*Interruptions*).

WRITTEN ANSWERS TO QUESTIONS

Telecasting of News in Urdu

*430. **SHRI S. C. VARMA:** Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether Doordarshan is contemplating telecast of news in Urdu on the lines adopted by the Akashvani;

(b) if so, when will the Urdu news telecast begin and what will be its timing;

(c) whether news telecast in Sanskrit would also be started; and

(d) if so, when and what will be its timing?

THE MINISTER OF INFORMATION AND BROADCASTING AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI P. UPENDRA): (a) to (d) Doordarshan Kendra, Srinagar telecasts a daily 10 minute news bulletin in Urdu. However, there is no proposal at present to introduce news bulletins in Urdu or Sanskrit on the National TV Network.