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## MOTION FOR ADJOURNMENT

SITUATION ARISING OUT OF GRANT OF  
MORATORIUM TO CERTAIN BANKS

**Mr. Speaker:** There is a notice of an adjournment motion tabled by Shri A. K. Gopalan, Shri Vasudevan Nair and Shri Punnoose relating to the following:

"The serious situation that has arisen in Kerala due to the failure of the Government of India to protect the depositors and banking public from the serious economic and financial crisis that has arisen by the issue of moratorium on five banks in that State and the consequent distress caused to lakhs of people."

When was this moratorium issued?

**Shri A. K. Gopalan (Kasergod):** It was not issued on all the banks at the same time. One after another, there was a moratorium issued, and as a result of the moratorium, there is another situation that has arisen. As far as the co-operative credit banks are concerned, the functioning of these banks also, in respect of giving loans, has stopped, because there is a rule that sums above Rs. 2,000 must be deposited in some bank which the Government permits. The Government said that amounts above Rs. 2,000 must be deposited in banks which the Government permit. So, the functioning of co-operative credit societies has stopped.

As far as trade and business is concerned, there is a serious financial crisis there. The issue of moratorium, one by one, took place some days back. As far as the co-operative credit banks or societies are concerned, this difficulty has arisen, and it is agitating the minds of all sections of the people of Kerala.

**The Minister of Finance (Shri Morarji Desai):** No serious situation

has arisen as suggested by the hon. Member. The moratorium that has been given has been given at the instance of the banks themselves, because they wanted to strengthen their position. When moratorium is given, it is done with a view to amalgamate them either among themselves or with some other bank. That requires some time. It is proposed to be done as quickly as possible. As a matter of fact, the arrangements are almost over and they will soon be declared. Then there are other banks which are also functioning. So, it is not a question that everything has come to a standstill.

Then again, some necessary amounts which are required as salary or ten per cent of the deposit are also to be paid during the moratorium. It cannot be that this sort of serious situation could have arisen. There is no question of any serious situation arising in Kerala on account of this.

**Shri A. K. Gopalan:** May I seek a clarification? Does the Minister say that as far as the banking public and the depositors are concerned and also as far as the trade and business in Kerala are concerned, there is absolutely no serious crisis at all?

**Shri Morarji Desai:** Agitation is one thing and a serious situation is another thing.

**Mr. Speaker:** He only wants to know whether there is difficulty for the ordinary business to be carried on.

**Shri Morarji Desai:** I cannot say that there are no difficulties. I only say that there was no serious difficulty. That is what I said.

**Shri A. K. Gopalan:** Is there a rule that as far as the credit societies and banks are concerned, the Government has asked them to deposit amounts above Rs. 2,000 in a certain bank, and if there is a moratorium, is it not the responsibility of the Government to help them also?

**Mr. Speaker:** The hon. Member may have another opportunity to raise this point, perhaps in the debate on the President's address.

**Shri Hem Barua (Gauhati):** May I draw the attention of the hon. Finance Minister to a statement made by the Finance Minister of Kerala to the effect that this moratorium has resulted in great difficulties for the public there and if so, whether the Finance Minister of Kerala had a discussion with the hon. Finance Minister here and, if so, with what result?

**Shri A. K. Gopalan:** May I also inform the House that in Kerala, the Chief Minister and others and some of the Assembly members also have passed a resolution to the effect that Kerala should be saved or something like that? There is a campaign run by some of the M.L.As. So, it is not a question that it is not a serious thing when the Kerala Government—the Chief Minister as well as the Finance Minister—have given a statement about it.

**Shri Morarji Desai:** I had some discussion with some of the Ministers of Kerala and I asked them what they proposed to do. They said there was some difficulty; not that there was something like a crisis or anything like that. I asked whether they propose that the moratorium should be lifted. They said 'No'. I said: "What do you suggest that I should do?" They said "We cannot say". What am I to do under these circumstances? Some difficulties do arise, but new arrangements have got to be made and there are some difficulties, but there is no serious situation as is alleged. That is all I have to say.

**Mr. Speaker:** Very well. The hon. Prime Minister.

**Shri Braj Raj Singh (Firozabad):** What about the adjournment motion, Sir?

**Mr. Speaker:** Enough has been said about this motion. I do not allow the motion.

12.06 hrs.

#### STATEMENT RE: SITUATION IN CONGO

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** For the last many months, as the House very well knows, the situation in the Congo has been a worsening one, a deteriorating one.

I shall not, at the present moment, go into the details of that, but throughout this period, we have been drawing the attention of the countries concerned, and of the United Nations, towards the situation, and suggesting various steps and measures to be taken. One of the principal ones that I suggested, and I myself mentioned it in the United Nations when I was there, was the reconvening of Parliament there to decide what kind of Government they wanted, and to prevent outside interference. The Government or the authorities that were functioning there at the time were the President, Mr. Kasavubu, and Mr. Mobutu. Mr. Mobutu came on the scene by a *coup d'etat* and not by legal or constitutional method. Mr. Kasavubu had a certain legal standing because he had been elected as President just as Mr. Lumumba had been elected as the Prime Minister. They both had a certain constitutional standing. Subsequently they fell out and attempted to take action against each other, each one of them trying to dismiss the other from his high office. The Parliament met—that was the last occasion that the Congolese Parliament met—and they did not agree with these respective dismissals and asked both of them to carry on, one as President and the other as Prime Minister. That was the last time when the Parliament came into the picture. Then other things happened which have no semblance of legality and Mr. Mobutu came into the picture with control of the so-called National Congolese Army.

Since then, every attempt was made by Mr. Mobutu, first of all that Parlia-