

(a) whether Government's attention has been drawn to the statement made by the Governor of the Reserve Bank of India in Calcutta on May 8, 1967, to the effect that if the Central Bank of the country had the initiative of deciding the quantum of deficit financing, the present inflationary situation disrupting the price stability could perhaps have been avoided; and

(b) if so, what are Government's reactions thereto?

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI R. DESAI): (a) Yes, Sir.

(b) Government has already emphasised the importance of strict observance of financial discipline by both the Central and the State Governments.

MORATORIUM ON CENTRAL LOANS

104. SHRI M. S. OBEROI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some State Governments have unilaterally imposed moratorium on their loans taken from the Central Government; and

(b) if so, the names of those State Governments and the reaction of the Central Government to their action in this regard?

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI R. DESAI): (a) and (b) The Government of India are not aware of any unilateral decision of a moratorium by any State Government. However, the Government of Bihar recently sought postponement of the repayment of Central loans. The State Government have been advised that they should adhere to the terms of repayment.

OBITUARY REFERENCES

MR. CHAIRMAN: Since the House adjourned last, three of our old colleagues, Shri M. S. Patel, Shri V. K. Dhage and Shri K. L. Narasimham, have passed away.

Shri Patel was a sitting Member. He was first elected in 1960 and re-elected in 1962. He participated in the freedom struggle. He was the chief mover of national movements in South Gujarat in 1930 and suffered incarceration more than once. He was actively associated with the cooperative movement in Baroda and in this field he made significant contributions. He was an active member of this House and we all miss him.

Shri Dhage was a Member of this House till 1962. He represented many cultural and educational societies of Hyderabad. He actively participated in the proceedings of this House and had endeared himself to all his colleagues by his pleasing manners and friendly approach. He was also a member of the Public Accounts Committee, 1955-56. He passed away at the age of 59.

Shri Narasimham was one of the founders of the organised Trade Union Movement in Andhra and was the office bearer of several Trade Unions in Madras State. He was a devoted worker with many endearing qualities. It is a pity that a person of his calibre should have passed away at a comparatively young age of 53.

I would request the Members to rise in their seats and observe two minutes' silence as a mark of respect to the memory of the deceased.

(Hon. Members then stood in silence for two minutes.)

MR. CHAIRMAN: I shall ask the Secretary to convey to the members of the bereaved families the sense of grief and profound sympathy of this House.