

of three Notifications of the Ministry of Defence (Navy Branch), under section 185 of the Navy Act, 1957. [Placed in Library. See No. LT-92/67].

# REPORTS OF THE PUBLIC ACCOUNTS COMMITTEE (1966-67)

SECRETARY: Sir, I beg to lay on the Table a copy of the following Reports:—

- (a) Sixty-seventh Report on Appropriation Accounts, 1964-65 and Audit Report, 1966 relating to the Government of Kerala.
- (b) Sixty-eighth Report on Appropriation Accounts (Civil), 1964-65, Finance Accounts, 1964-65 and Audit Report (Civil), 1966 relating to the Ministries of Finance, Health and Family Planning, Information and Broadcasting, Iron and Steel and Supply, Technical Development and Materials Planning etc.
- (c) Sixty-ninth Report on Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), 1964-65.
- (d) Seventieth Report on Para 10 of Audit Report (Defence Services), 1966—Manufacture of Engines.
- (e) Seventy-first Report on Appropriation Accounts (Defence Services), 1964-65 and Audit Report (Defence Services), 1966.
- (f) Seventy-second Report on Appropriation Accounts (Railways), 1964-65 and Audit Report (Railways), 1966.

## MESSAGES FROM THE LOK SABHA

### I. NOMINATION TO THE COMMITTEE ON PUBLIC ACCOUNTS

### II. NOMINATION TO THE COMMITTEE ON PUBLIC UNDERTAKINGS

### III. THE APPROPRIATION BILL, 1967

SECRETARY: Sir, I have to report to the House the following messages received from the Lok Sabha, signed by the Secretary of the Lok Sabha:—

(I)

"I am directed to inform Rajya Sabha that Lok Sabha, at its sitting held on Monday, the 27th March, 1967, adopted the following motion:—

"That this House recommends to Rajya Sabha that they do agree to nominate seven members from Rajya Sabha to associate with the Committee on Public Accounts of the House for the term ending on the 31st March, 1968, and communicate to this House the names of the members so nominated by Rajya Sabha."

2. I am to request that the concurrence of Rajya Sabha in the said motion, and also the names of the members of Rajya Sabha so nominated, may be communicated to this House."

(II)

"I am directed to inform Rajya Sabha that Lok Sabha, at its sitting held on Monday, the 27th March, 1967, adopted the following motion:—

"That this House recommends to Rajya Sabha that they do agree to nominate five members from Rajya Sabha to associate with the Committee on Public Undertakings of the House for the term ending the 31st March, 1968, and communicate to this House the names of the members so nominated by Rajya Sabha."

I am to request that the concurrence of Rajya Sabha in the said motion, and also the names of the members of Rajya Sabha so nominated, may be communicated to this House."

## (III)

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Appropriation Bill, 1967, as passed by Lok Sabha at its sitting held on the 27th March, 1967.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

Sir, I lay a copy of the Bill on the Table.

THE BUDGET (GENERAL), 1967-68—GENERAL DISCUSSION

SHRI DAHYABHAI V. PATEL (Gujarat): Sir, the Union Interim Budget presented by the Finance Minister presents a grim picture of the general state of the economy of the country. I hope as a result thereof the measures that the Finance Minister will adopt will be kinder than those adopted by him three years ago. I recall very vividly the arguments that he had with Members of his own side and on this side of the House, particularly the late lamented and respected Rajkumari Amrit Kaur with whom the Finance Minister had not exchange of words when the lady Member expressed views very similar to the views that we hold and we express. Falling production, both in the agricultural and industrial sector, a rising spiral of prices, signs of recession in demand, deterioration in exports accompanied by rising debt services with consequent depletion of the country's international reserves reflect the sluggish conditions in the economy

of the country. As has been rightly pointed out by the Finance Minister, "the pace of the price increase is the most disturbing fact which Government will have to keep in focus in formulating its financial and economic policies", and that Government's "policies and expectations in the short-run must necessarily be based on a realistic assessment of the current situation".

Agriculture, especially foodgrains, production holds the key to the successful solution of the economic problems facing the country. Not only has it been mainly responsible for aggravating the inflationary pressures and slowing down the rate of industrial production especially of agro-based industries but also for the deterioration in our balance of payments position due to the large imports of foodgrains and a fall in the exports of the products of our agro-industries. Foodgrains production during 1966-67 is expected to be as low as 76 million tonnes and industrial production during April-November, 1966 showed an increase of only 2.6 per cent. over the corresponding period of the preceding year.

It is indeed unfortunate that despite the momentous step of devaluation taken in June last year, neither industrial production nor exports have shown any marked improvement. In fact, our export earnings, expressed in U.S. dollars, fell from \$1,690 million in 1965-66, the financial year preceding devaluation, to an annual rate of \$1,460 million during the six months following devaluation. Government's halting policy in regard to the follow-up action consequent on devaluation has been one of the primary reasons for the stagnation and even deterioration in our export earnings. It is for that reason that "the liberalisation of licensing policy has not yet had an impact on the actual flow of imports" and did not push up the production of our export-oriented industries. In the domestic sphere too, scarcity of agricultural raw materials has affected production in industries