

[Shri T. T. Krishnamachari  
the 15th September, 1964. [Placed in  
Library See No. LT-3756/65].

**INCOME-TAX (AMENDMENT) ORDINANCE**

**The Minister of Communications and Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to lay on the Table a copy of the Income-tax (Amendment) Ordinance, 1965 (No. 1 of 1965) promulgated by the President on the 6th January, 1965, under provisions of Article 123 (2) (a) of the Constitution. [Placed in Library. See No. LT-3759/65].

**RULES UNDER UNIVERSITY GRANTS COMMISSION ACT**

**The Deputy Minister in the Ministry of Education (Shrimati Soundaram Ramachandran):** On behalf of Shri M. C. Chagla, I beg to lay on the Table a copy each of the following Rules under sub-section (3) of section 25 of the University Grants Commission Act, 1956:—

- (i) The University Grants Commission (Terms and Conditions of Service of Employees) Amendment Rules, 1964, published in Notification No. G.S.R. 1255 dated the 5th September, 1964

[Placed in Library. See No. LT-3757/65.]

- (ii) The University Grants Commission (Disqualification, Retirement and Conditions of Service of Members) Amendment Rules, 1964, published in Notification No. S.O. 3586 dated the 10th October, 1964.

[Placed in Library. See No. LT-3758/65.]

**PROCLAMATION BY PRESIDENT UNDER ARTICLE 356 OF THE CONSTITUTION VARYING PROCLAMATION ISSUED EARLIER IN RELATION TO STATE OF KERALA**

**STATE LEGISLATURE (CONTINUANCE OF USE OF ENGLISH LANGUAGE) ACT**

**The Deputy Minister in the Ministry of Home Affairs (Shri L. N. Mishra):** On behalf of Shri Hathi, I beg to lay

on the Table a copy each of the following papers:—

- (i) Notification No. G.S.R. 119 dated the 14th January, 1965, publishing the Proclamation issued by the President under article 356 of the Constitution, varying the Proclamation issued on the 10th September, 1964, in relation to the State of Kerala.

[Placed in Library. See No. LT-3760/65.]

- (ii) The Kerala State Legislature (Continuance of the use of English Language) Act, 1965 (President's Act No. 1 of 1965) under sub-section (3) of section 3 of the Kerala State Legislature (Delegation of Powers) Act, 1964.

[Placed in Library. See No. LT-3761/65.]

**ANNUAL REPORT OF NATIONAL RESEARCH DEVELOPMENT CORPORATION OF INDIA**

**Shrimati Soundaram Ramachandran:** I beg to lay on the Table a copy of Annual Report of the National Research Development Corporation of India, for the year ending the 31st March, 1964, (English and Hindi versions) along with the Audited Accounts and the comments of the Comptroller and Auditor-General thereon, under sub-section (1) of section 619A of the Companies Act, 1956.

[Placed in Library. See No. LT-3762/65].

12.24 hrs.

**PRESS COUNCIL BILL**

**REPORT OF JOINT COMMITTEE**

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri C. R. Pattabhi Raman):** I beg to lay on the Table a copy of the Report of

the Joint Committee of the Houses on the Press Council Bill, 1963.

PAPER LAID ON THE  
TABLE—contd.

NOTIFICATION UNDER BENGAL FINANCE  
(SALES TAX) ACT AS IN FORCE IN  
DELHI

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** I beg to relay on the Table a copy of Notification No. F.4(33)/62-Finance (E) published in Delhi Gazette dated the 17th September, 1964, under subsection (4) of section 26 of the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union Territory of Delhi [Placed in Library. See No. LT-3762/65].

PRESS COUNCIL BILL—contd.

EVIDENCE BEFORE JOINT COMMITTEE

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri C. R. Patlabhi Raman):** I beg to lay on the Table a copy of the evidence tendered before the Joint Committee of the Houses on the Press Council Bill, 1963.

12.26 hrs.

STATEMENT RE. FOREIGN EX-  
CHANGE SITUATION

**The Minister of Finance (Shri T. T. Krishnamachari):** Mr. Speaker, Sir, I crave the indulgence of the House for making this statement on the opening day of the Parliament as I wish to take Honourable Members into confidence, at the earliest opportunity, about the extremely difficult foreign exchange position in which we find ourselves at present. Our foreign exchange reserves have declined more or less steadily during the current fiscal year. Some decline during the months of April-September, when export receipts are usually

low, is a normal feature of our balance of payments. The decline in reserves during April-September 1964, however, was almost twice as large as in the same period of 1963. What is even more disturbing, the decline in reserves has continued during the past 4 or 5 months when we should normally be gaining reserves in order to meet the requirements of the coming lean season for exports. On February 12, 1965, the foreign assets of the Reserve Bank stood at about Rs. 79 crores. As Honourable Members are aware, the Reserve Bank is required to hold as a minimum Rs. 200 crores of reserves in the form of gold and foreign securities. The Reserve Bank has been able, in fact, to abide by this requirement for some time only on the basis of a transfer to the Bank of gold which the Government had acquired over the years.

2. The recent decline in reserves is the result of a variety of factors. In view of shortages of foodgrains in the country and the pressure on prices, we have had to provide for larger imports of food and fertilizers against free foreign exchange. Payments on account of defence imports have also been increasing; and we have had to provide for larger repayment obligations in respect of the growing volume of our indebtedness abroad. While exports have been rising, the increase this year has not been as large as in 1963-64; and it has not been reflected fully in the receipt of foreign exchange. A part of the increase in exports has been to countries with whom settlements in trade and payments are made in rupees, and bring, therefore, no free foreign exchange. There is reason also to believe that export earnings have been slower in coming because of higher interest rates elsewhere. A part of the decline in reserves may, therefore, be short-term in character and may be expected to reverse itself over the coming months. Even so Honourable Members would appreciate that, given the low level to which reserves