

**PARLIAMENTARY COMMITTEES—
SUMMARY OF WORK**

Secretary: Sir, I beg to lay on the Table a copy of the Parliamentary Committees—Summary of work, pertaining to the Seventh Session of the Second Lok Sabha

**BANKING COMPANIES (AMEND-
MENT) BILL**

REPORT OF JOINT COMMITTEE

Shri C. R. Pattabhi Raman (Kumbakonam). Sir, I beg to present the Report of the Joint Committee on the Bill further to amend the Banking Companies Act, 1949

**STATE BANK OF INDIA (SUBSI-
DIARY BANKS) BILL**

REPORT OF JOINT COMMITTEE

Shri Mohammed Imam (Chittaldrug) Sir, I beg to present the Report of the Joint Committee on the Bill to provide for the formation of certain Government or Government associated banks as subsidiaries of the State Bank of India and for the constitution, management and control of the subsidiary banks so formed, and for matters connected therewith, or incidental thereto

**STATE BANK OF INDIA (AMEND-
MENT) BILL**

REPORT OF JOINT COMMITTEE

Shri Mohammed Imam (Chittaldrug) Sir, I beg to present the Report of the Joint Committee on the Bill further to amend the State Bank of India Act, 1955

**EVIDENCE ON BILLS—LAID ON
THE TABLE**

Shri C. R. Pattabhi Raman (Kumbakonam): Sir, I beg to lay on the Table a copy of the evidence tendered before

the Joint Committee on the Bill further to amend the Banking Companies Act, 1949

Shri Mohammed Imam (Chittaldrug) Sir, I beg to lay on the Table a copy of the evidence tendered before the Joint Committee on the Bill to provide for the formation of certain Government or Government associated banks as subsidiaries of the State Bank of India and for the constitution, management and control of the subsidiary banks so formed, and for matters connected therewith or incidental thereto

**CORRECTION TO ANSWER TO
STARRED QUESTION NO 1945**

The Deputy Minister of Home Affairs (Shri. Matl Alva): Sir, in reply to a supplementary raised by Shri T Sanganna on Starred Question No 1945 answered on the 21st April, 1959, whether the recommendation of the Central Advisory Board for Tribal Welfare regarding writing off of the debts of Adivasis related to private loans or loans advanced by the respective State Governments I had stated that it applied to all loans. In fact, the recommendation of the Board was not intended to cover taccavi loans or loans advanced for other welfare purposes by Government for the economic and social development of the Scheduled Tribes. The intention of the Board was only to save the Scheduled Tribes from the clutches of the money-lenders who charged interest from them at an exorbitant rate and thereby exploited them.

12:50 hrs.

**STATEMENT RE INDO-PAKISTAN
CANAL WATERS DISPUTE**

The Minister of Irrigation and Power (Hafiz Mohammad Ibrahim): In my statement of 1st September, 1958, concerning the negotiations on

[Haftz Mohammad Ibrahim]

the Indo-Pakistan Canal Waters question, I brought to the notice of the House that the plan of replacement works submitted by Pakistan at the London meeting of July 1958 was under examination. Our comments on the Pakistan plan were conveyed to the Bank when the talks were resumed in Washington in December, 1958. Along with our comments the Indian representative put forward an alternative plan of replacement works. An important feature of that plan was the diversion of the waters of the Chenab at Marhu through Indian territory for supply to Pakistan at suitable points. It was much less expensive than the Pakistan Plan and had the merit of enabling the replacement works to be completed in a relatively short period. But it was not acceptable to Pakistan.

Although in the course of the discussions in Washington Pakistan signified, for the first time, its unconditional acceptance of the division of waters as suggested by the Bank in its proposal of 1954, it continued to have reservations on some of the other features of the Bank proposal. As there was no prospect of an agreement between the parties, the Bank felt that it should put forward, for consideration by India and Pakistan, its own proposals for a settlement of the dispute.

In May 1959, Mr. Eugene Black, President of the Bank, visited New Delhi and held consultations with the Prime Minister and the Ministers for Irrigation and Power and Finance. In the course of the discussions he put forward certain general principles as furnishing a basis for the implementation of the Bank proposal of 1954 for the division of waters of the Indus Basin. He also visited Karachi and held similar consultations with the representatives of the Pakistan Government.

The position as it has emerged from Mr. Black's discussions in Delhi and Karachi may be briefly summarised as follows:

- (a) The Government of Pakistan have conveyed to the Bank their willingness to go forward with a system of engineering works to be constructed by Pakistan, one of whose purposes would be the replacement, from the three Western rivers, of the pre-partition supplies of those canals in Pakistan which were dependent on supplies from the three Eastern rivers. Particulars of these works have not been furnished to India as India will have no concern with their planning, construction, costs or operation.
- (b) The Bank has reached an agreement, in principle with the Government of India on the amount of financial contribution to be made by India.
- (c) The transition period, that is to say, the time required by Pakistan to construct and bring into operation the works mentioned in (a) above and after which India would be entitled to the exclusive use of the waters of the three Eastern rivers, will be approximately 10 years.
- (d) These elements of agreement are contingent on the Bank being able to secure for Pakistan adequate financial assistance from friendly Governments for the construction of these works in Pakistan.

The House will recall that the Bank proposal of 1954 provided for a transition period of about five years. This estimate was based on a system of replacement works which consisted mainly of link canals and did not include any storages. It was later felt

that this estimate was somewhat optimistic and limited storage may be necessary. The engineering works now proposed are materially different from the replacement works formerly contemplated and according to the Bank, they will also provide for replacement of the waters now drawn by Pakistan from the Eastern rivers though it will take about ten years to construct and bring them into operation.

We would not have accepted a transition period of ten years as the basis of a settlement if it was calculated to postpone unduly the date we had in view for the opening of the Rajasthan canal. We have agreed to it on the clear understanding that the link canals, already constructed in Pakistan, would be operated from 1960 onwards to their full designed capacities. We have also been assured that the Bank would try to obtain the necessary financial assistance for the construction of a dam on the Beas to make available perennial supplies to the Rajasthan canal well before the expiry of the transition period now suggested.

The running of the link canals in Pakistan to full capacity will enable India to adhere to the target date for opening the Rajasthan canal in 1962, or even earlier, if the canal can be completed earlier. But for the first few years, this canal, like the Bhakra canal, will have to function largely on a non-perennial basis. The Beas dam may take seven or eight years to complete but limited perennial supplies will be available for the Rajasthan canal in about six years when the dam can be expected to begin impounding water, although not to its full capacity.

On the basis of the understandings reached by the President of the Bank with the Governments of India and Pakistan, discussions will be resumed on the 8th August in London between the representatives of India, Pakistan and the World Bank with a view to working out Heads of Agreement for

an International Water Treaty. The talks will also cover matters connected with the regulation of supplies from the Eastern rivers during the transition period and with the uses which must be reserved for India in the upper reaches of the three Western rivers before they enter Pakistan.

The House will agree that the acceptance by the parties of certain broad principles as the basis of an agreement constitutes an advance towards a settlement of this difficult question. This satisfactory result has been achieved by the unremitting labours of the World Bank and the personal interest of its President whose contribution to the success of the recent talks it is difficult to overestimate. While there may be reasonable grounds for optimism, it cannot be said that from now on everything is smooth sailing and that there are no difficulties ahead. Many hurdles have still to be crossed before a final settlement of the Indus Waters Question can be reached.

12.58 hrs.

ELECTION TO COMMITTEE

COMMITTEE ON OFFICES OF PROFIT

The Deputy Minister of Law (Shri Hajarnavis): I beg to move the following

“That a Joint Committee of the Houses to be called the Joint Committee on Offices of Profit be constituted consisting of fifteen members, ten from this House and five from Rajya Sabha, who shall be elected from amongst members of each House according to the principle of proportional representation by means of the single transferable vote;

that the functions of the Joint Committee shall be—

- (1) to examine the composition and character of all existing