

All facilities have been provided in the new court building at Tis Hazari which are expected to be completed in the near future.

Estate Duty

263. **Shri Ganpati Ram:** Will the Minister of Finance be pleased to state the number of cases of evasions of Estate Duty that have been detected since the Estate Duty Act, 1953 came into force?

The Minister of Finance (Shri T. T. Krishnamachari): So far no case of total evasion, in the sense of estates liable to duty under the Act being altogether omitted, has come to notice. There have been, however, many cases of understatement of valuation of properties, failure to disclose all assets in the form of jewellery, cash in hand etc all of which could be viewed as varying degrees of evasion. In the vast majority of these cases, the value of the properties has been increased by the Estate Duty authorities, often with the concurrence of the accountable person. Additions have also been made in some cases for cash in hand and jewellery. Information regarding the number of cases in which such additions have been made is not readily available.

Translation of Arabian Nights

264. **Shri Tangamani:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the Sahitya Akademi propose to translate into regional languages the Arabian Fable '1001 Nights'; and

(b) if so, the steps that have been taken for translating the same in Tamil?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) and (b). A statement is laid on the Table. [See Appendix I, annexure No. 110.]

12 hrs.

PAPERS LAID ON THE TABLE

PLANTATION INQUIRY COMMISSION'S RECOMMENDATIONS ON TEA, WHICH HAVE NOT BEEN ACCEPTED, AND THE REASONS THEREFOR

The Minister of Commerce (Shri Kanungo): I beg to lay on the Table, in pursuance of an assurance given in reply to Supplementaries on Starred Question No. 5 on the 15th July, 1957, a copy of the statement showing the Plantation Inquiry Commission's recommendations on tea, which have not been accepted and the reasons therefor.

[Placed in Library. See No. S-139/57]

INCOME-TAX (SEARCH OF PREMISES AND SEIZURE OF DOCUMENTS) RULES

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to lay on the Table a copy of the Income-tax (Search of Premises and Seizure of Documents) Rules, 1957, published in the Notification No. S.R.O. 1953, dated the 15th June, 1957.

[Placed in Library See No. S-138/57]

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

CANAL WATER DISPUTE

Shri Raghunath Singh (Varanasi): Under rule 197, I beg to call the attention of the Minister of Irrigation and Power to the following matter of urgent public importance and I request that he may make a statement thereon—

"Present position of the Canal Water Disputes."

The Minister of Irrigation and Power (Shri S. K. Patil): Sir, with your permission, I beg to make a statement on the Indo-Pakistan dispute on canal waters.

The House is aware that on the 4th May, 1948, the Governments of India and Pakistan entered into an agreement on the canal waters. The two Governments then agreed to approach the problem in a practical spirit on the basis of India progressively

diminishing supply to Pakistan canals in order to give reasonable time to enable Pakistan to tap alternative sources. The question, however, still remains unsettled due to the unwillingness of Pakistan to settle it in the only manner possible, namely, by developing supplies through alternative sources to replace the pre-Partition historic withdrawals of the Pakistan canals from the three eastern rivers.

In 1952, a Working Party comprising an Engineer each from India and Pakistan and a representative of the Bank, was set up, at the instance of Mr. Eugene R. Black, President of the World Bank to work out a Plan of 'specific engineering measures, by which the supplies effectively available to each country will be increased substantially beyond what they have ever been'. Intensive engineering studies were undertaken but all efforts to find an agreed basis for a settlement ended in failure. It was, however, clear that there was enough water in the Indus basin rivers to meet the requirements of both India and Pakistan. The Bank Representative, thereupon, put forward, on February 5, 1954, a proposal for the consideration of both sides to serve as a basis of agreement. This proposal, as is well known to the House, envisaged that the three western rivers (Indus, Jhelum and Chenab) except for minor uses in the State of Jammu and Kashmir, would be available for the use and benefit of Pakistan, and the three eastern rivers (Ravi, Beas, and Sutlej) for the use and benefit of India. It also envisaged a transition period of roughly five years, during which Pakistan was to build link canals to replace the waters received by some of its canals from the eastern rivers. India was to contribute towards the cost of the link canals.

In the interest of a speedy settlement, we accepted the proposal notwithstanding the fact that its acceptance involved extremely heavy sacrifices from us. Pakistan, however, did not accept the Bank proposal. Later, it was agreed at the instance of the

Bank that both sides would co-operate in working out a Plan, taking as a starting point the division of waters envisaged in the Bank proposal. Although a considerable amount of useful work was done, the Bank found itself unable to bring about a settlement between the two parties.

In May, 1956, the Bank handed over to both sides an *aide-memoire* in which it reiterated its conviction that the division of waters proposed by the Bank in 1954, afforded the best prospects of a settlement. The Bank also felt, on the basis of a study carried out by its consultants, that it might be necessary to provide some storage as a part of the replacement plan to meet the uses that the Bank had adopted for this study.

Though the talks were extended to 31st March, 1957, the Bank again found it difficult to make much progress because of the attitude of the Pakistan representative who would not co-operate in working out a plan, on the basis of the Bank proposal and the *aide-memoire*. In April, 1957 the Bank suggested that the co-operative work should be extended up to the 30th September, 1957, to give the Bank and the Governments of India and Pakistan an opportunity to review the situation.

In June last, a Bank Team headed by Mr. W. A. B. Iliff, Vice-President of the Bank, visited India and Pakistan and held consultations with the Prime Ministers and Ministers concerned in both countries. Before leaving for Washington, Mr. Iliff handed over to both sides a letter in which he has asked for the views of the two Governments, in writing, on certain heads of agreement which should form the basis of an approach to an international water treaty. These heads of agreement follow generally the Bank proposal of 1954, but seek to provide some machinery for resolving points on which the Bank may be unable to secure an agreement. After receiving the views of the two Governments, the Bank would obtain the comments of each Government on the views of

[Shri S. K. Patil]

the other. The Bank would then decide whether the employment of its good offices could make any further contribution and if so, along what lines the work should proceed.

During the recent months, there has been a good deal of propaganda by and on behalf of Pakistan, aimed at mis-leading world opinion by suppression and distortion of facts. Among other things, it has been alleged that India has cut off, or is threatening to cut off, canal supplies to Pakistan; that India is constructing a dam on the river Sutlej which would convert the whole of West Pakistan into a 'dusty bowl', and that Pakistan's economy is in danger unless it continues to receive supplies from the three eastern rivers.

The statements made against India have not only no basis in fact, but are completely misleading. Ever since the Agreement of May, 1948, to which I have already referred, there has not been a single occasion when supplies were cut off from Pakistan. For the two years ending 31st of March, 1957, three agreements were executed through the good offices of the Bank, and formed the basis of regulation of canal waters between the two countries. Under these ad hoc transitional agreements India agreed to restrict her additional withdrawals for the Bhakra canals in accordance with Pakistan's ability to replace supplies. There is no such agreement, however, from April, 1957 as no request was made for one. It is understood that the three link canals already constructed in Pakistan are capable of replacing all the waters that the new Indian canals would withdraw during the current *kharif* season.

The Bhakra Dam which has been under construction since 1945 will go into operation with partial reservoir capacity in 1958. By 1960, it would operate with full capacity. This will not have any effect on the Pakistan canals as the dam would store supplies only during the flood season when ample supplies are available. On the other hand, such storage would

reduce flood hazards and damage by floods in Pakistan.

A dam on the Sutlej cannot in any event hold up waters flowing into the Indus, the Jhelum and the Chenab which carry 80 per cent of the waters of the Indus system. At present, only about 10 per cent of the irrigation in West Pakistan depends on the waters from the eastern rivers. The fact is—and this has been generally recognised by those who have studied the problem—that the three western rivers (Indus, Jhelum and Chenab) have such a large irrigation potential that Pakistan would be able to undertake, in addition to replacing supplies hitherto received from the eastern rivers, extensive new developments for many years to come. To say, in these circumstances, that the whole of the irrigated area in West Pakistan will revert to desert by the withholding of waters from the eastern rivers is a grave distortion of facts.

It was in a spirit of good neighbourliness that we accepted the Bank proposal although it meant giving up our rights on certain vital supplies flowing through our territory. In the same spirit, we voluntarily imposed on ourselves restrictions on the utilisation of the waters flowing through our rivers although in the context of the tremendous problems of rehabilitation following Partition, we would have been fully justified in rapidly extending irrigation to areas which depend for their development on the waters of the eastern rivers. And, in our anxiety to see that the Pakistan cultivators were not penalised for the faults of their Government, we have continued to supply water from the three eastern rivers although the Government of Pakistan, contrary to the agreement of May, 1948, have defaulted in the payment of the canal water charges the arrears of which have steadily mounted up to over a crore of rupees. There is, however, a limit to our patience. India will not wait indefinitely for a settlement, ignoring the needs of her own people.