

**Annual Report (Ending 30th June, 1974)  
of the Board of Directors of the  
Industrial Finance Corporation of India  
on the Working of the Corporation and  
Related Papers**

SHRIMATI SUSHILA ROHATGI: Sir, I beg to lay on the Table, under subsection (3) of section 35 of the Industrial Finance Corporation Act, 1948, a copy (in English and Hindi) of the Twenty-Sixth Annual Report of the Board of Directors of the Industrial Finance Corporation of India on the working of the Corporation for the year ended the 30th June, 1974, together with a statement showing the assets and liabilities of the Corporation as at the close of the year and the Profit and Loss Account for that year. [Placed in Library. See No. LT-8938/75.]

**STATEMENT *RE* ESSENTIAL  
DRUGS AND COMMON HOUSE  
HOLD REMEDIES IDENTIFIED BY  
THE COMMITTEE ON DRUGS AND  
PHARMACEUTICAL INDUSTRY**

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI C. P. MAJHI): Sir, on behalf of Shri Ganesh. [beg to lay on the Table a statement (in English and Hindi) regarding the Essential Drugs and Common Household Remedies identified by the Committee on Drugs and Pharmaceutical Industry. [Placed in Library. See No. LT-8967/75.]

**REPORT OF THE COMMITTEE  
ON PETITIONS**

SHRI KRISHAN KANT (Haryana): Sir, I beg to present the Forty-fifth Report of the Committee on Petitions.

**CALLING ATTENTION TO A  
MATTER OF URGENT PUBLIC  
IMPORTANCE**

**Reported failure of talks between the  
Governments of Karnataka, Tamil Nadu  
and Kerala on sharing the waters of  
Cauvery**

SHRI VEERENDRA PATIL (Karnataka): Sir, I beg to call the attention of the Minister of Agriculture and Irrigation to the reported failure of talks

between the Governments of Karnataka, Tamil Nadu and Kerala on sharing the waters of Cauvery.

THE DEPUTY MINISTER IN THE MINISTRY OF AGRICULTURE AND IRRIGATION" (SHRI KEDAR NATH SINGH): Sir, the river Cauvery and its tributaries flow through the States of Karnataka, Kerala and Tamil Nadu. Cauvery waters are fully utilised at present. All the three States, however, have plans for additional utilisation of the Cauvery waters. This is feasible only if savings are effected in the existing uses or additional water is found by increased conjunctive use of surface and ground water if the existing uses are not to be adversely affected. There have been differences amongst the three States regarding use and development of the Cauvery waters. The Chief Ministers, Ministers of the States have held five meetings during 1970, one meeting in 1972 and two meetings in 1973 to discuss the various issues involved. The 1892 and 1924 Agreements between the princely State of Mysore and the Province of Madras stipulate the 'Manage' in which Cauvery waters are to be regulated and utilised between them. The provisions in certain clauses of 1924 Agreement expired at the end of the 50-year period, namely 18th February 1974, and became open for reconsideration in the light of the experience gained and further possibilities of extension of irrigation etc. With the re-organisation of States, the former princely State of Coorg, which was partly in Cauvery Basin, merged with Karnataka and some of the areas of erstwhile Madras State in Cauvery Basin formed part of Kerala. During the period 1928—1971, the development of irrigation in Tamil Nadu, using Cauvery waters, has been faster as compared to that in Karnataka. Kerala has hardly developed irrigation facilities in Cauvery Basin.

In the meeting of May 1972, consensus was reached amongst the three States that serious attempt should be made to resolve differences by negotiations. A Fact-Finding Committee was set up to collect relevant data pertaining to availability and use of Cauvery waters. The Report of this Committee was considered at Chief Ministers' meeting in April, 1973 and the Committee was revived in May, 1973 to review the

•data supplied by the State Governments and to undertake necessary verification. The Committee submitted the additional report in August 1973. The additional report was discussed with the Chief Minister of Karnataka and Ministers of Kerala and Tamil Nadu in October 1973. It was agreed that it was necessary to effect economies in the present as well as contemplated utilisation. As desired by the States, such a study was entrusted to the Additional Secretary in the Ministry of Irrigation and Power.

A meeting was held by the Minister of Irrigation and Power in June 1974 at Madras with the Chief Ministers of Karnataka and Tamil Nadu and the Minister of Works, Kerala. During this meeting, several measures for effecting savings in the existing uses and for additional sources of water were discussed.

The Minister for Agriculture and Irrigation convened a meeting of the Chief Ministers of the three States on 28th and 29th November, 1974. Consensus was reached in this meeting with regard to possible savings in the use of Cauvery waters by Karnataka and Tamil Nadu and their allocation amongst the three States. Consensus was also reached for setting up of a Cauvery Valley Authority for regulation of supplies and monitoring of savings to be effected. Based on these discussions, a draft agreement was prepared by the Department of Irrigation and its copies given to the Chief Ministers.

The Minister of Agriculture and Irrigation had another meeting with the three Chief Ministers on 15th and 16th February, 1975, with a view to consider the draft agreement. Mutually acceptable settlement could not be reached. The matter is being examined further and it is intended to make efforts to arrive at an amicable settlement of this complex problem.

SHRI VEERENDRA PATIL : Sir, the sharing of the Cauvery waters unfortunately has a long and chequered history. I believe the officers might have already briefed the hon'ble Minister. The dispute arose for the first time in the year 1890 when the then Mysore State wanted to build a reservoir across Cauvery, Mysore City. Then the

Madras State objected to this and negotiations started between the then Mysore State and also Madras State, but unfortunately the negotiations dragged on for a decade, the matter was referred to arbitration, and the arbitration tribunal gave an award which the Madras State did not accept. Ultimately the Madras State being a State at that time and the Mysore State being princely State, the Mysore State was in a disadvantageous position. So an agreement was thrust upon the Mysore State in the year 1924, and very reluctantly Mysore had to sign the 1924 agreement.

Sir, after the agreement—as the hon'ble Minister has just now said—uptil 1964 no attempts were made by the then Governments to utilize the waters which Mysore was entitled to under the 1924 agreement. It was only in 1964 that the State Government took up the construction of Hemavati, Harangi and Kabini in full swing. The clearance of these projects unfortunately is still pending with the Government of India, although these three projects are envisaged within the 1924 agreement.

Sir, Harangi is a non-scheduled river. The agreement does not come in the way. Although the Harangi project report has been submitted to the Government of India as far back as 1964, till this day, although it is a non-scheduled river, the project report has not been cleared and the Government of India and the Central Water and Power Commission have not technically and administratively cleared the project. So I want to know who is to be blamed, whether it is the Mysore Government or the Karnataka Government or the Government of India. So far as Cauvery is concerned, it is an off-set reservoir. According to 1974 agreement, Mysore State is entitled to construct reservoir of 60 per cent of the storage reservoirs built in Tamil Nadu. So it is an off-set reservoir. So far as Hemavati is concerned, the capacity of Hemavati is 25 to 26 tm. eft. Under the 1924 agreement, the Mysore State is entitled to construct reservoir with a storage capacity of 45 tm. eft. That means, it is well within 45 tm. eft. So I want a categorical answer from the hon. Minister why the Government of India is sleeping over these three projects which were well within the provisions of the 1924 agreement and why they did not dear

[Shri Virendra Patil]

the projects which were submitted to the Government of India in 1964. Sir, although these projects were started in 1964 and the Governments of Mysore and Karnataka have already spent nearly 60 crores of rupees on these 3 projects, and they are in the advanced stage of completion, not even a pie of Central assistance has been given to the State Government. I want to know. Sir, whether it is not a fact that irrigation percentage of Karnataka is the lowest compared to other States in the South. It is 8-5 per cent as against 45 per cent in Tamil Nadu. I also want to know whether it is a fact that in the meetings of the Chief Ministers held in May 1972, the Chief Ministers agreed to give up the revenue under the 1924 agreement in favour of the overall project, to settle the dispute amicably. I also want to know whether it is not a fact that on the basis of 50 per cent dependability, the yield in the Cauvery river is 740 tm. eft. and on the basis of 75 per cent dependability, it is 670 tm. eft. I would like to know why not allocate water on the basis of 50 per cent dependability which is going to satisfy all the three States concerned.

I would also like to know whether in the meetings held on 28th and 29th of November, 1974 the Chief Ministers have not agreed to the following :

- (a) Setting up of a Cauvery Valley Authority; and
- (fr) Utilisation figures, 489 in the case of Tamil Nadu; 177 in the case of Karnataka and 5 tm. eft. in the case of Kerala.

Tamil Nadu has agreed to save 103 tm. eft.; Karnataka, 25 tm. eft. from the present use and out of this saving, whether it is not a fact that Karnataka has agreed to get 87 tm. eft., Kerala 34 tm. eft. and Tamil Nadu only 4 tm. eft. Is it a fact that in the meeting held on the 15th and 16th of February, Tamil Nadu insisted that their utilisation is not 489 tm. eft. as agreed in the month of November 1974 but is it 566 tm. eft. and they insisted that utilisation figure should not be mentioned in the agreement ? Is it not a fact that Tamil Nadu agreed to give a cut of 100 tm. eft. at Mettur to Kerala once it is assured of water, to come from all the three

tributaries, that is, Hemavati and Bhawani and Kabini ? If Tamil Nadu's suggestion is accepted, then Kerala would have to draw its entire share of 34 tm. eft. from Kabini which is going to adversely affect the rights and interests of Karnataka. Is it not a fact that Kerala wants to utilise their share of water for generation of power ? If that is so, what is the attitude of the Government of India in this respect. Is it not a fact that in Tamil Nadu, in the commanding areas of Cauvery, there is 100 per cent heavy irrigation taking 2 to 3 crops a year which is again the accepted norm of cropping pattern ? The cropping pattern as approved by the Planning Commission and also by the Government of India under all irrigation projects in the entire country, is 10 to 20 per cent heavy irrigation and 80 per cent light irrigation.

In Tamil Nadu in the Cauvery basin it is 100 per cent heavy irrigation. If Tamil Nadu follows this pattern and also taps sub-soil water then, there is plenty of water for all the States. I want to know whether the Government of India is going to enforce this crop pattern on Tamil Nadu. According to press reports Tamil Nadu insists on referring the matter to a tribunal or else they have threatened to go to the Supreme Court. What is the reaction of the Central Government to this ? To come to an agreement in 1924 it took nearly thirty years from 1890 to 1924. I want to know whether any fresh attempts are going to be made to find out a satisfactory solution. If the Government of India are inclined to refer the matter to the Tribunal, may I know whether they are going to refer the matter to the Tribunal after clearing all the three projects which are pending with the Government of India since 1964 ?

SHRI KEDAR NATH SINGH : The hon. Member has raised several questions. He referred to the clearance of some of the projects which are still pending with the Central Water and Power Commission. The Harangi is a tributary of the Cauvery and unless the Cauvery water dispute is settled amicably and finally, these projects may not be cleared.

SHRI VEERENDRA PATHI : On a point of order ...

MR. DEPUTY CHAIRMAN : Let him complete.

SHRI VEERENDRA PATIL : I said that Harangi is not a scheduled river under 1924 agreement. There is a schedule listing the tributaries which form part and parcel of the agreement. The Harangi is not a scheduled river and it is not a part of the 1924 agreement. When this is the case, why did they not clear the Harangi project.

SHRI KEDAR NATH SINGH : I was just referring to one project. The hon. Member has raised several questions about the water which is being used by Tamil Nadu. Tamil Nadu is using this water for the last more than hundred years. Karnataka could not develop its potential or it could not use the water because of its irrigations difficulties.

SHRI VEERENDRA PATIL : No, not because of irrigation difficulties. It is because you slept over these projects for the last ten years or twelve years and you are now blaming that Karnataka has not utilised this water. I want to know what prevented you from clearing (his project in 1964 itself.

SHRI KEDAR NATH SINGH : T may just mention here that the 1924 agreement expired only a few months before.

SHRI VEERENDRA PATIL : I may say that this kind of clarification is no going to satisfy me.

MR DEPUTY CHAIRMAN : Let him answer. Let him complete his answer. On every sentence you cannot interrupt.

SHRI VEERENDRA PATIL : At the end of his reply I will seek further clarification.

SHRI KEDAR NATH SINGH : The role of the Central Government in this dispute is not that of an arbitrator. Simply the Central Government is trying to see that the parties concerned come to an agreement. For this purpose several meetings were held and the three Chief Ministers agreed basically to resolve the dispute through negotiation. As we all know, the Tribunals which we set up take some time and even after their awards are given the State Governments do not usually implement them. The three Chief Ministers

agreed basically that there should be settlement by negotiation. The Central Government is still trying to resolve the dispute. At this stage I can simply appeal to the hon. Member. He happened to be once the Chief Minister of Karnataka State. He should try and help the Central Government and see that this matter is settled amicably. Still we have not lost hope. We are still trying to call another meeting of the three Chief Ministers to resolve the dispute. As regards the clearance of certain projects, I have already mentioned that the projects, if they are cleared, will create certain more problems in settling the dispute. And I feel—and the Government of India feels—that this Cauvery dispute is a very important matter for all the three States.

As regards the Cauvery Valley Authority, the three State Governments have specifically and fundamentally agreed that there should be a Cauvery Valley Authority. But the sharing of the water is still under dispute, and we are trying to resolve that. And again, because the Government is not satisfied about sending the matter to a tribunal, we are making efforts.

SHRI VEERENDRA PATIL : I do not think anybody would be satisfied with the reply that the hon. Minister has now given to the House. I have put certain specific questions in order to elicit information. I wanted to know why these three projects are not cleared. I said that these projects are well within the 1924 agreement. He said that the Government of India is trying to find a solution, that it is trying to find some sort of agreement among the three Chief Ministers. The agreement has been entered into by Madras and Mysore in 1924 itself. Certain provisions have expired after 1974—I agree to that. But in the year 1964 itself, three projects were submitted to the Government of India through the Central Water and Power Commission for clearance. And as I said at the beginning itself, all the three are well within the 1924 agreement. Then what was the difficulty in clearing them? If they had been cleared and if they had been given financial assistance, by this time all the three would have been completed and the water utilised, and the Government of India would have had no grouse that the State of Karnataka was not in a position to utilise these waters.

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[Shri Veerendra Patil]

And I wanted certain other information also. ( I want to know—again I repeat—whether at the meeting held in the month of November, the Tamil Nadu Government has agreed to the figure of 489 so far as utilisation is concerned and whether now they are wriggling out of the situation and are now claiming that their utilisation is not 489 but it is 566. Also I want to know whether it is not a fact that they are insisting that the figure of utilisation should not be included or mentioned in the draft agreement.

SHRI KEDAR NATH SINGH: About the figures quoted by the hon. Member— at this stage when we are still trying to find a certain settlement—I do not agree that these figures are so correct. We do not like to divulge or be a party in the dispute. It is not in the interests of the solution of the problem. I feel that these figures are not so correct.

SHRI G. LAKSHMANAN (Tamil Nadu) : Sir, on a point of order. Shri Veerendra Patil has given some figures. These discussions were confidential. And from which source has he got the figure?

MR. DEPUTY CHAIRMAN : Shri Kadershah will be asking some clarifications later on. Let him raise the point then. Mr. Mulka Govinda Reddy.

SHRI MULKA GOVINDA REDDY ((Karnataka) : The Minister while answering his question did not give the reasons why the three projects that were sent for clearance to the Central Government were not cleared. It is true that the States are decrying each other of excessive utilisation of water in their respective States. It should be understood that when the 1924 agreement was imposed, it was imposed by the then Central Government on a Part B State, and Madras was a Part A State. After 1956, Madras lost the Andhra area and the South Canara District, and Mysore has become much larger. Therefore, it should be recognised that the needs of Mysore are much larger than the needs of Madras. Madras has 45 per cent irrigation whereas in Mysore it is only 8 or 9 per cent. It is understood that at the last meeting held in November—the Minister may not divulge what really

happened—It was agreed to by all the three State Chief Ministers in the presence of the hon. Minister for Agriculture and Irrigation that with 75 per cent dependability there would be 671 t. m. c. ft. of water available. And 489 t. m. c. ft. was utilised in Tamil Nadu. 177 t. m. c. ft. in Karnataka and 5 t. m. c. ft. in Kerala. Their requirements were: Karnataka-138 Kerala-53 and Tamil Nadu-4. It was also agreed that Tamil Nadu would make a saving of 100 t. m. c. ft. and Karnataka, 25 t. m. c. ft. And the total of 125 t. m. c. ft. should be utilised in the proportion of 138:53:4, that is. 871. m.c. ft. for Karnataka, 34 t. m. c. ft. for Kerala and 4 t. m. c. ft. for Tamil Nadu. The recent meeting of the Chief Ministers on the 15th and 16th has not borne fruit. According to the newspapers, it has ended in a failure. Now, both Karnataka as well as Tamil Nadu are making statements that the understanding that was arrived at has not been fully implemented. And some of the States have said that there was no understanding as such. But whatever the States may say, it should be the duty of the Central Government to see that this Cauvery River Valley Authority is constituted and the allocation of water to be shared by each State, if the States do not come to any understanding, should be done by the Central Government. We have seen that for the last 10 years or more, many irrigation projects are not cleared because of these river valley disputes, not only in Karnataka, Kerala and Tamil Nadu but in other States as well. So, it is high time that the Government took a positive stand on these issues and impose a decision on the States whether they like it or not. Otherwise, we are now obliged to go to foreign countries for import of foodgrains. If these projects are cleared and if river valley authorities are constituted for different regions, this problem will be solved once and for all. I would urge the Government to seriously consider reconvening a meeting of the Chief Ministers. And if the Chief Ministers do not come to any understanding, they should amend, if necessary, the River Water Disputes Act and by an Act of Parliament constitute a Cauvery Valley Authority as well as other river valley authorities and allocate sharing of waters between the different States.

SHRI KEDAR NATH SINGH : Sir I fully share the concern of the hon. Member and I fully agree with him that a meeting should immediately be called to settle the dispute. Some figures were mentioned by the hon. Member about the present uses in the respective States. The entire dispute does not lie on the Cauvery Valley Authority. Basically, as I said, State Governments have already agreed on the formulation of the Cauvery Valley Authority. Still, some differences are there on their present uses and on their savings. Efforts are still being made to resolve those differences and therefore I do not share the view that the talks have failed. We are hopeful that the State Governments shall respond to our request and they shall come to a settlement about the present savings and their uses afterwards.

An impression has gone round that because the talks have failed and therefore the projects should be cleared. The hon. Member remembers that if the dispute is not settled, then ultimately the only course will be to refer to a tribunal. But we have not lost hope and we still hope that the three Chief Ministers will come to an agreement and resolve their disputes amicably.

SHRI MULKA GOVINDA REDDY : Sir, he mentioned about referring the dispute to the tribunal, if the talks fail. We have seen enough of these tribunals and therefore it should not be referred to the tribunal. The dispute should be settled by themselves.

MR. DEPUTY CHAIRMAN : It is an opinion.

SHRI SUBRAMANIAN SWAMY : (Uttar Pradesh) : The Cauvery dispute is a classic case study of the Central Government's bankruptcy of policy in handling any inter-State water dispute. There are 124 water disputes today in the country and these disputes have held up 155 irrigation projects causing a loss of Rs. 4,000 crores in terms of foodgrains output. This is because of delay and bankruptcy on the part of the Government. It is probably easier for the Government to settle international water disputes than to settle their own domestic water disputes. This perhaps shows in some ways Government's sense of priority and perhaps this also explains 953RSS/74-S

why the Karnataka Government—I want the Minister to say whether it is true or not—has hired an American lawyer to represent it in the inter-State water dispute.

SHRI VEERENDRA PATIL : They wanted to hire, but the Government of India did not permit them.

SHRI SUBRAMANIAN SWAMY : They wanted to hire, but the Government of India, as a rare act of wisdom, did not allow. Is it true that there has been a fact-finding report on the exact nature of the inter-State water dispute regarding Cauvery? If so, will the Minister tell us when this report was submitted to the Government and whether he would place it on the Table of Parliament so that other Members of Parliament can see it and study it?

On the 5th January 1973, Dr. K. L. Rao announced from Trivandrum that a settlement of the Cauvery dispute was imminent and it was going to take place very soon. But nothing happened till November 29, 1974 when Shri Jagjivan Ram before the Press, in a highly expansive mood, said that a major break-through had taken place in the Cauvery dispute. But this major break-through, in retrospect, has turned out to be a major flop. I would like to know what are the reasons that compelled Shri Jagjivan Ram to think that there was a major break-through round the corner and what really converted it into a major flop. Is it true that perhaps following on the Congress alienation from the DMK in Tamil Nadu, the Government decided that perhaps the settlement would adversely affect their political interests and therefore decided to change their mind. May I know whether a settlement was reached and the Karnataka Cabinet approved it? Later on, Sir, the Karnataka Government goes back on what it approved. I would like to know what transpired between Bangalore and New Delhi which made the Karnataka Government do a somer sault on a decision which was already taken. Sir, I have only one or two more questions to ask. Is it a fact that the Karnataka Government has threatened to impound the Cauvery waters, part of the Cauvery waters, and, if so, has the Karnataka Government executed this threat of impounding the Cawvery

[Shri Subramanian Swamy]

waters? Is it also a fact that Government has now decided to give up the idea of establishing a Cauvery Valley Corporation on the pattern of the DVC and if not what is the exact situation regarding the same and what are the exact proposals ?

Sir, I think the issue has been confounded because we have failed to take a national production approach to our water resources. We have simply to see how much of the Cauvery waters should be allocated to the different States in order to maximise production not only of foodgrains, but also of electric power, and we are not to allocate it in terms of demand and supply and we should not say that so much demand has come from the different States and this is the supply and how to tackle the problem to reach a settlement. A common sense approach and a scientific approach are needed based on a proper systems analysis in which the total resources, the demand and the supply and the priority are taken into account. Before concluding, Sir, I would urge upon a few Members here who have influence with the Government to do two or three things. In particular, Sir, I would urge upon the Tamil Nadu Government not to insist on the 1924 Treaty which was signed when the Government of India was not an independent Government. We have to look upon this situation in a modern post-1947 context. Therefore, the Tamil Nadu Government should not keep on referring to the 1924 Agreement because, after all, this was concluded when we were not independent. I would also request the leaders of the Karnataka State like Mr. Veerendra Patil not to make irresponsible statements which would fan the feelings of regionalism. For instance, Sir, he said that Karnataka would be converted into a reservoir to irrigate Tamil Nadu for all times to come. Now, Sir, what kind of feeling will this statement create ? It will only create animosity between Karnataka and Tamil Nadu and I would urge upon him not to make such irresponsible statements and I would also ask the Minister whether it is not a fact that part of the problem is due to this ...

SHRI VEERENDRA PATIL: Mr. Swamy, from where are you reading that statement of mine ?

SHRI SUBRAMANIAN SWAMY: This is from your own speeches and I have got the whole transcript of your speeches and if you like, I can show them after this discussion. Do you deny having said this ? That is the question.

SHRI VEERENDRA PATIL Sir : if this goes on record without any contradiction from my side, the meaning or the impression then will be that Karnataka has been unreasonable all along and that they are taking a parochial attitude. For the information of the honourable Member, Sir, I said that all these three projects were well within the 1924 Agreement and they were prepared to go to the Government of India for clearance and the Government of India slept over it for a period of more than twenty years or so. This is what I said.

SHRI SUBRAMANIAN SWAMY : Did you or did you not say that Karnataka will be converted into a reservoir to irrigate Tamil Nadu for all times to come ? Did you say this or not ? That is the question Mr. Patil.

SHRI VEERENDRA PATIL : You are taking a single sentence out of a whole speech.

SHRI SUBRAMANIAN SWAMY : The question is whether you said this or not.

SHRI VEERENDRA PATIL : You should not take out a single sentence. You must know the context also.

SHRI SUBRAMANIAN SWAMY : There is no context. This is the statement that has been made.

Now, Sir, I would like to tell one or two things within the time that you have generously allowed me. I made this statement because an impression should not be created that the people of Karnataka are regional-minded and that is why I am urging upon the Karnataka leaders, amongst whom I include Shri Veerendra Patil also, not to make such irresponsible statements which will complicate the problems between two States of the same country.

Sir, I think much of the problem has been caused because of our lack of water resources in the country and I have urged upon the Minister to do what the scientists have

been saying for a long time, that is, to set up a Water Resources Commission which would go seriously into the question of the actual water resources in the country, collect the necessary data and so on.

SHRI KEDAR NATH SINGH : Sir, as regards the question of hiring an expert from outside by the Karnataka Government, the request came from the Karnataka Government, to engage a lawyer from outside to assist them in certain issues. But that has been rejected by the Central Government and the question, therefore, does not arise.

As regards the fact-finding Committee, Sir, it was appointed by the Government of India in 1972 and it submitted its report in the summer of 1972. Again, the Chief Ministers met and they again requested this Committee to review the situation in the light of its findings. Again this Committee was revived in May 1973 to review the data supplied by the Governments. They gave their Report in August, 1973. As regards this, at the appropriate time, it shall be presented.

SHRI SUBRAMANIAN SWAMY : The Report was submitted in August, 1973...

SHRI KEDAR NATH SINGH : Still some issues are involved. At appropriate time, this Report of the fact finding Committee will come before the House. Still efforts are being made to persuade the Governments . . . *(Interruption)* There is a dispute, Some issues are involved. On the basis of the Report of the fact finding Committee, discussions are being held between the States and, therefore, it is not an appropriate time to put it before the House. Still efforts are being made and as I have earlier stated, the State Governments are being persuaded to come to a settlement. As regards the Cauvery Valley Authority, as I informed the House, they have agreed to set up a Cauvery Valley Authority ...

SHRI SUBRAMANIAN SWAMY : Have the three Chief Minister! agreed ?

SHRI KEDAR NATH SINGH : Yes, they have agreed. And the Government of India also. Both have agreed to set up the Authority. Now, the dispute that remains to be solved is the sharing of the water and how the saving is to be effected by the present users because, there is no water left

now. The water is being used by Tamil Nadu and Karnataka. So, unless the economies are effected, the water cannot be saved. And after saving the water, it shall be distributed. On this the main hitch is there. Therefore, we are persuading the State Governments to come to a settlement.

SHRI M. KADERSHAH (Tamil Nadu): Sir, as Mr. Swamy pointed out, there are more than a hundred major and medium irrigation projects on the country's disputed rivers which have been gathering dust for years. For example, the Narmada water is flowing wastefully into the Arabian Sea simply because New Delhi is unable to muster the political will to resolve the rival claims of Madhya Pradesh and Gujarat. There is a dispute on the Godavari waters between Andhra Pradesh and Maharashtra. Even the utilisation of the Ganges waters between India and Bangladesh is not yet been settled. The dispute over the Krishna waters between Karnataka and Andhra Pradesh in which Karnataka has gone even to the extent of engaging an American lawyer to plead its case before the Tribunal has not yet been settled.

Sir, I would like to point on,; lure that Tamil Nadu is not against the setting up of the Cauvery Valley Authority, nor has it gone back on its willingness to save 100 TMC feet of water. But what we want is that this reduction should be in a phased manner, on an average of 20 TMC feet in five years, on an average of 60 TMC feet in ten years and on an average of 100 TMC feet at the end of 15 years, as suggested by the Government of India. Sir, the Government of India should bear the whole responsibility for not settling the issue at the appropriate time. If the Government of India had taken proper action, Karnataka would not have started to construct a reservoir in Kabini. I would like to know, even without the Planning Commission's clearance, how did Karnataka begin to start their project ? Karnataka has impounded 11 - 5 TMC feet of water and this is a gross violation of the 1924 Agreement. The severe drought in Tamil Nadu and Karnataka's impounding the Kabini water had been a severe blow to the farmers of Tanjore district, the rice bowl of Tamil Nadu. Our objective is to protect and safeguard the existing rights of the Aya-cut that has been developed over the ages.

*public importance*

[Shri M. Kadershah] Sir, Tamil Nadu has agreed to effect a reduction of 100 TMC in the inflow at Mettur on an average out of an average of 378 TMC, average based on data collected for 38 years, in a period of 15 years by execution of a suitable programme of works to effect economies in the use of water. The Tamil Nadu Government, for purposes of discussions, was also willing to accept the figures as worked out by the fact finding Committee appointed by the Government of India with the consent of all the Chief Ministers concerned and had emphasized that the fresh requirements of Karnataka and Kerala will be met by a reduction in the inflow at Mettur. But, in the draft minute which later has been described as a draft agreement, the figures of utilisation were stated as 489 for Tamil Nadu out of a total of 671 TMC. Immediately, this was objected to and the matter was taken to the personal notice of the Union Minister that figures of utilisation incorporated in the draft were not as agreed by Tamil Nadu. During the latest discussion a draft without mentioning the figures was suggested by the Government of India officers as a compromise with a suggestion that the differences in regard to figure of utilisation could be settled separately.

The draft produced by the Government of India officials after the meeting in November mentioned that the surplus over 671 TMC will be shared pro rata with reference to the present use. In the current round of talks the Government of India went back on this and initially backed the suggestion of the other States, that this surplus will be shared in the same proportion as that proposed for savings. Tamil Nadu could not obviously accept this proposition, by which after curtailing the base figure of utilisation, it is denied a fair share of the surplus. The ratio for apportionment of the savings four for Tamil Nadu, 138 for Karnataka and 53 for Kerala is itself very unfair to Tamil Nadu because it does not take into account the requirements for its projects which it has taken up within its territory and also the requirements for industrial and domestic purposes. So, in view of this, I would like to appeal to the Government that the dispute should be settled.

SHRI KEDAR NATH SINGH : Sir, the hon. Member has given so many figures but

we do not agree with those figures. Efforts are, however, being made to resolve the dispute.

AN HON. MEMBER : What are your figures ?

SHRI KEDAR NATH SINGH : I told you that at this moment it will not be proper to give the figures because we are still trying to bring the parties to this dispute together and see that the matter is settled.

SHRI NIREN GHOSH (West Bengal): Sir, of the three Governments concerned, two are Congress Governments.

SHRI KEDAR NATH SINGH : No t two.

SHRI NIREN GHOSH : What is C.P.I. ? C.P.I. is just a Congress Government.

Two are Congress Governments and one is a non-Congress Government. I would like to know whether the two Congress Governments of Karnataka and Kerala agree or not. This is the first question that I would like to know. Hon. Members from both Karnataka and Tamil Nadu have regaled us with figures. Are those figures correct or incorrect ? They have just quoted some figures out of their brain or implanted on their brain. Are these three Governments behaving like three independent States ? It is not a question of regionalism as far as I understand. It is a question of nationality based States. Each nationality is trying to save its interests and, perhaps, being chauvinist also. So, I would like to know whether the Government would invite a conference of all the major political parties of the three States and try to hammer out a consensus, think that would be a better procedure as it could take into consideration all the factors of public opinion in the three States concerned. Have a round table conference so that they can hammer out a consensus. Why are you going on interminably with this problem for years and years and years ? After all, their good sense may prevail and a compromise may be arrived at on the basis of give and take.

SHRI KEDAR NATH SINGH : Sir, I disagree with certain observations of the hon. Member, namely, that there are two Congress Governments and one D.M.K.

Government. Karnataka has a Congress Government. In Kerala there is a coalition Government and Tamil Nadu has a D.M.K. Government. The hon. Member may feel that they are developing chauvinism but as we have been informed these Chief Ministers of three States are in consultation with their respective opposition parties and they are all trying to resolve the dispute. We take the Chief Ministers as the heads of those Governments. For political parties, it will be very difficult for us to call a meeting of the political parties on party basis on this issue.

SHRI H. S. NARASIMHA (Karnataka) : There is a report, a rumoured report that consequent on the failure or temporary failure of the negotiations, the matter should be referred to the tribunal for adjudication. On this point my submission would be that no State has got the right, as the law exists, to get it referred to the tribunal. Any State that is dissatisfied with the negotiations can only request the Central Government to examine the position and then refer the matter through the Central Government to the tribunal. There, under the Act, Sir, the Central Government gets an absolute responsibility to satisfy itself that all its efforts to bring about a kind of negotiated settlement has not been possible and then only the issue can be referred to the tribunal.

Now at this stage I am glad that the Central Government has taken upon itself the responsibility to see that this matter among the three States is brought to some kind of consensus and settlement. And there I appreciate the efforts put in by the senior Cabinet Minister, Shri Jagjivan Ram, who by way of his authority, stature and administrative ability was almost about to succeed in bringing about a sort of consensus between these three contending States. Sir, this consensus, I must point out, was evolved not by imagination available in the heads of the three respective State Governments but on the basis of the facts and data that have been made available to this Conference by the two Committees—one the fact finding committee that was constituted and which has given reliable data with reference to the utilisation of waters and the other the Patel Committee which has also given its fact finding report with reference to the estimated

availability of the Cauvery waters of the three States. The figures that were almost agreed to were : The estimated availability of the water is 671 tmc. ft. of which Tamil Nadu had actual utilisation of 489 tmc. ft., Karnataka had 177 tmc. ft. and Kerala had 5 tmc. ft.; thus making a total of 671 tmc. ft. This was the consensus that was arrived at as a result of the efforts of the Central Government in its November sittings of the last year but when it came to a finalisation stage in the sittings of the February this year, it is rather unfortunate that the Tamil Nadu which had agreed to the figure—according to me and according to the reports which is 489 tmc. ft.—resiled from the decision and insisted upon 566 tmc. ft. being taken into consideration. That is one point of dispute.

Again, Sir, with reference to surplus waters, 70 tmc. ft. was estimated as the waters available for surplus usage. Here also Tamil Nadu took the stand this time that there are no surplus waters available anywhere. This is what I wanted to point out, that whatever the differences that have arisen, I am glad the hon. Minister at the Centre has given an assurance that we need not give up the hope of bringing about some kind of compromise and making a further effort so that the Chief Ministers are brought in to see the force of facts and to see the force of reasoning. I am sure the Central Government will succeed in its efforts.

With your permission, Sir, I would like to refer to one other point. This Act itself unfortunately has got its own structural defects in the sense that the Act does not contemplate the power of review or the power of appeal or remission within the ambit of its provisions but there is one word, called "Explanation" which is not defined in the Act. This is being interpreted in different ways and under the guise of this each State Government is seeking clarification of the points arising out of the report that has been presented by some of these tribunals. Now what I would like to submit is that this referring the matter to a tribunal is admittedly a time consuming factor not that Karnataka is afraid of going to a tribunal nor that it has no case or merits, but because it is a time consuming factor. It is highly time-consuming and it is harmful for all the States. Several of the irrigation

projects that are pending will be held up. production will be affected and it will be a great national loss. I might request the Central Government to use its good offices to see that the differences that have arisen are removed and a settlement is reached among the three component States.

SHRI KEDAR NATH SINGH : I fully agree with the hon'ble Member that efforts should be made, and efforts are being made, to bring all the parties again to the negotiation table and see that the matter is resolved.

**REFERENCE TO CREDIT  
AVAILABILITY TO COTTON  
CORPORATION OF INDIA AND  
STATE COOPERATIVE AGENCIES**

MR. DEPUTY CHAIRMAN : Mr. Deorao Patil, you wanted to make a mention.

SHRIDEORAO PATIL (Maharashtra): Sir, I am grateful to you for the permission given to me to mention the matter regarding "the grave situation arising out of the absence of cotton purchase policy of the Cotton Corporation of India and also adoption of the deferred payment scheme in respect of cotton procurement by the Government of Maharashtra; and the Central Government not coming forward with the price support and not allotting sufficient funds to the Cotton Corporation of India and to the Maharashtra State."

Sir, it is important to appreciate that cotton is a fully marketable farm produce. It is evident that the Cotton Corporation of India was organised to smoothen this process of cotton moving from the field to the mills. The Government of Maharashtra has also its own scheme under which the *Kapas* is collected, processed and sold under the monopoly scheme. The urgent problem is the limitations placed upon them due to financial resources. It is estimated that the CO would need Rs. 300 crores, while the monopoly scheme would need about Rs. 150 crores, to regulate the turnover of the *kapas*.

As against their requirement, the CCI (*i.e.* Cotton Corporation of India) is provided with Rs. 10 crores, and Maharashtra Scheme Rs. 20 crores, by the Government of India.

The Cotton Corporation of India has not been able to take up any market operations during the current season. Considering the total value of the cotton crop in India, the marketing operations of the CCI have been adversely affected by the tight credit policy of the Government. To manage the entire purchase, the Maharashtra State Government adopted deferred payment system under which 30% of the price is paid to the farmers, at the time of delivering the *kapas* at the collecting centre. Another 50% of the price is adjusted against the loan recoveries of the cooperatives, if any. The balance is paid to the farmers in June or August. Such time-schedule of payment leaves very little money in the hands of the farmers. It is pertinent to note that in the first six months of the agriculture year, the social and economic ramifications of the peasantry's life needs resources. The inadequacy of the funds with the State monopoly scheme therefore results in strains on the rural economy and their social life.

Since the farmer needed ready cash, he took to smuggling his own product to the neighbouring State where he received 100% cash payment. On 26th January, 1975 the cotton growers in Maharashtra launched a novel satyagraha "KAPAS GHYA and TICKET DYA" at several railway stations in Vidarbha.

Unsold cotton is lying in cotton growing States such as Gujarat, Andhra Pradesh, Madhya Pradesh. Four and five lakh bales of cotton are lying unsold in Andhra Pradesh and Gujarat States, respectively. The growers were agitated and wanted the Cotton Corporation of India to buy the stocks. In the State of Maharashtra, cotton growers are entitled to get 30% cash as advance price at the time of tendering the *kapas*. Of course, the Maharashtra Government can easily implement this if it finds funds only for four months from the Central Government to make cash payment to the farmers for purchase of *kapas*. Therefore, I request the Central Government, through you, Sir, to make credit available to the Cotton Corporation of India and the Government of Maharashtra and the State cooperative agencies in the other States to enable them to enter into the market.