

- 22.000 fair price shops are functioning in different States. Information about the fair price shops already opened since 1st April and likely to be opened up to the end of May has been called for from the State Governments and will be laid on the Table of the Sabha on receipt.

MESSAGE FROM THE PRESIDENT  
IN REPLY TO MOTION OF  
THANKS

MR. CHAIRMAN: I have to inform hon. Members that the following message has been received from the President:

"I have received with great satisfaction the expression of thanks by the Members of the Rajya Sabha for the Address I delivered to both the Houses of Parliament assembled together on the 13th May 1957."

STATEMENT RE STARRED QUESTION No. 35 ANSWERED ON  
16TH MAY 1957.

THE MINISTER FOR IRRIGATION AND POWER (SHRI S. K. PATIL): With your permission I beg to make a statement on the up-to-date position regarding the canal water dispute between us and our neighbour:—

The House will recall that I had given some information relating to the recovery of Canal Water Dues from Pakistan when answering supplementary questions on the Starred Question No. 35 in the Rajya Sabha on the 16th May 1957. The issue of Canal Water charges, besides being technical, is of a complex nature. I therefore feel that I should supplement the answers I gave to the House on the 16th May 1957 by a further statement clarifying the position in somewhat greater detail.

The Governments of India and Pakistan entered into an Inter-

Dominion Agreement on the 4th May 1948. Para 5 of the Agreement reads as follows:

"The West Punjab Government has agreed to deposit immediately in the Reserve Bank such *ad hoc* sum as may be specified by the Prime Minister of India. Out of this sum, that Government agrees to the immediate transfer to East Punjab Government of sums over which there is no dispute."

This Agreement regulates the recovery of Canal Water charges on account of supply of water to the Central Bari Doab and Dipalpur canals in Pakistan. The Canal Water charges are intimated quarterly to the Government of Pakistan in accordance with the provisions of the Agreement referred to above. The 'undisputed' and 'disputed' charges consist of the following items:—

'Undisputed' charges:

(i) Proportionate working expenses for the Madhopur and Ferozepore Headworks, Main Canal and Branches and distributaries in respect of the Central Bari Doab and Dipalpur Canals; and

(ii) interest charges at 4 per cent. of:—

(a) part present capital cost of the proportionate value of Madhopur Headworks, Main Canal and Branches and distributaries calculated at twice the booked capital outlay to end of 31st March 1947.

(b) full present capital cost of the proportionate value of Ferozepore Headworks calculated at twice the booked capital outlay to end of 31st March 1947; and

(c) proportionate capital cost of Madhopur and Ferozepore Headworks, Main Canal and Branches and distributaries in respect of the Central Bari Doab and Dipalpur Canals as booked after 31st March 1947.

**'Disputed' charges:**

(i) Difference on account of interest charges at 4 per cent. of the present capital cost calculated at:—

(a) four times as claimed by India,

(b) twice as accepted by Pakistan

of the booked capital outlay on the Madhopur Headworks, Main Canal and Branches and distributaries in respect of the Central Bari Doab canal;

(ii) seigniorage charges in respect of both the Central Bari Doab Canal and the Dipalpur Canal.

The 'disputed' charges have been paid by the Government of Pakistan regularly upto 30th June, 1950. No payments under 'disputed' have been made by them after June 1950. The payment made, so far, is held in "Escrow" with the Reserve Bank of India.

The amount in "Escrow" cannot be withdrawn by either the Government of Pakistan or the Government of India without the consent through an instrument or a legal engagement by both the parties. The question of payment of the 'disputed' charges after June 1950 is under correspondence with the Pakistan Government.

Towards the end of 1951, the World Bank offered its good offices to the Governments of India and Pakistan for the preparation of a comprehensive plan for the development of water resources of the Indus Basin so that the river supplies effectively available to each country would be increased substantially beyond what they had ever been. The representatives of the two countries not having been able to evolve an agreed comprehensive plan, the World Bank put forward in February 1954 its own proposal according to which the waters of the three Eastern rivers viz. Ravi, Beas and Sutlej were allocated for the exclusive use and benefit

of India and those of the three Western rivers, viz. Indus, Jhelum and Chenab to Pakistan, except the insignificant volume of Jhelum flow presently used in Kashmir. The present phase of the co-operative work with the participation of the World Bank that has now been extended up to the 30th of September, 1957 is only in regard to the apportionment of the waters of the Indus Basin. The Terms of Reference for resumption of co-operative work which were released to the public on 13th December 1954 do not include any item of the Canal Water charges. This is quite a separate issue which is governed by the May 1948 Inter-Dominion Agreement.

---

**MOTION FOR ELECTION TO COMMITTEE**

**THE DEPUTY MINISTER FOR FOOD (SHRI M. V. KRISHNAPPA):** Sir, I beg to move:

"That in pursuance of Resolution No. F. 16-72|47-Policy, dated the 8th November, 1948, of the Ministry of Agriculture (now Food and Agriculture), as subsequently amended, this House do proceed to elect, in such manner as the Chairman may direct, one member from among themselves to be a member of the National Food and Agriculture Organisation Liaison Committee."

**MR. CHAIRMAN:** The question is:

"That in pursuance of Resolution No. F. 16-72|47-Policy, dated the 8th November, 1948, of the Ministry of Agriculture (now Food and Agriculture), as subsequently amended, this House do proceed to elect, in such manner as the Chairman may direct, one member from among themselves to be a member of the National Food and Agriculture Organisation Liaison Committee."

The motion was adopted.