

(unchanged from 1958), and 19 per cent in other overseas countries (compared to 7 per cent in 1958). The net capital inflow from security transactions with the United States totalled \$473 million in 1959, compared with \$530 million in 1958 and \$561 million in 1957. The movement in 1959 was made up of net sales of \$494 million of Canadian securities (including \$23 million of outstanding bonds and debentures, \$77 million of outstanding common and preference stocks and \$578 million of new issues, offset by retirements of \$184 million of United States owned Canadian securities) less \$21 million net purchases of foreign securities. The sales balance, first since 1950, on account of trade in outstanding Canadian bonds and debentures arose from a marked interest by United States investors in Government of Canada direct and guaranteed issues.

The net inflow from the United Kingdom amounted to \$37 million in 1959, comparing broadly in total and composition with the 1958 figure, but falling considerably below 1956 and 1957, when net movements exceeded \$120 million in both years. Security transactions with other overseas countries produced \$117 million in 1959, up from \$45 million in 1958, and included more than \$68 million net sales of outstanding Government of Canada direct and guaranteed issues.

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### INDUS WATERS SETTLEMENT

On February 29, Mr. Green, the Secretary of State for External Affairs, made the following statement to the House of Commons:

"The House will recall that, on July 9 of last year, I announced with respect to the Indus Waters question that the Canadian Government had agreed in principle to participate in the programme that had been drawn up by the International Bank on the understanding that the funds required for this purpose would be provided as part of our increased Colombo Plan contribution. I said on that occasion that I was confident that the House would endorse the Government's view that it was in Canada's interest to help in the solution of a problem which has stood in the way of better relations between two of our Commonwealth partners in Asia.

"It is a matter of great satisfaction to me to be able to inform the House that good progress has been made in working toward a solution of the Indus Waters question acceptable to the two states concerned, India and Pakistan. These discussions have now reached the point where the Bank and those countries, including Canada, which joined together to help in reaching a mutually acceptable solution have agreed that an announcement on the Indus settlement should be made today by the International Bank in Washington. The Bank's announcement will give full details of the proposed settlement. Meanwhile I should like to mention the major points briefly.

"The Canadian Government, subject to the ratification of a water treaty between India and Pakistan now under negotiation, has agreed to contribute \$22.1 million (Canadian) over the next ten years to the programme for the development of the Indus Waters. Parliament will be requested to approve this grant at the appropriate time.

"In addition to the large loan which the Bank has agreed to make, Australia, New Zealand, the United Kingdom, the United States and Germany have all agreed to contribute funds; the United States has offered to provide additional sums through loans, and India and Pakistan will each make substantial contributions.

"The proposed development programme provides for the construction of very large works which will divide the waters of the Indus in accordance with the treaty which India and Pakistan are currently negotiating. It is estimated that it will take 10 years to complete this project, which will provide water for irrigation and land reclamation, and important potential hydro-electric power resources, as well as flood control works...."

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### ARCTIC SUPPLY FROM HALIFAX

A Department of Transport vessel will load general cargo at Halifax this summer for the annual Arctic re-supply, it was announced recently by Transport Minister George Hees.

Cargo loading for supplying Eastern Arctic ports-of-call is usually carried out at Montreal and Quebec, using both government and government-chartered ships.

The Halifax loading will be in the nature of an experiment, to encourage the shipment of Maritime products to the Arctic, Mr. Hees declared. It is expected that several hundred tons of package freight will be involved.

The CMS "Sir William Alexander" will load at Halifax for Cape Harrison, Resolute Island, Cape Hope's Advance, Payne Island and Nottingham Island.

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### FORCES COMBAT UNEMPLOYMENT

To provide immediate additional work for Canada's labour force and to avoid layoffs that might otherwise have occurred, work will start immediately at Department of National Defence installations in 44 localities across the country. Seventy-five specific items will be involved in the \$886,000 project, the work for the most part involving building maintenance at existing establishments.

All three branches of the armed forces are co-operating in this action to help alleviate the winter and spring unemployment situation to the greatest possible degree and in support of the Government's "do-it-now" policy.