

Until now the entire irrigation system was largely dependent upon seasonal variations of river flow. Both India and Pakistan, faced with rapidly-expanding populations and a constant threat of food shortages, wanted to add to the area under cultivation. India needed the water of the three eastern rivers for use in development programmes; however, West Pakistan depended upon these same waters for continued irrigation of her own arable land. To divert water from the western rivers to replace that needed by India called for a vast and imaginative scheme of dams and link canals and meant that Pakistan would require foreign aid for its implementation.

The International Bank therefore conceived a plan by which a number of friendly countries interested in a settlement of this problem were asked to participate. The Bank has been using its good offices to facilitate negotiation since 1952. Its proposal made in 1954, together with a 1959 engineering survey of the construction necessary to carry it out and a method of financing, was finally accepted in principle last year by both India and Pakistan. The Bank then sought assurances of the necessary financial help from friendly countries and, in March of this year, was able to announce that promises of adequate financial aid had been made.

Indus Waters Treaty

The Indus Waters Treaty 1960 seeks to bring about satisfactory use of the Indus River system and to fix and delimit the rights and obligations of India and Pakistan concerning the use of the waters of this system. Provision is made for the negotiated settlement of all questions that may arise in regard to the interpretation or application of the provisions of the Treaty. The Treaty provides that, after a transitional period of ten years from its effective date (April 1, 1960), India shall enjoy almost exclusive use of the waters of the eastern rivers and Pakistan shall have the same right over the waters of the western rivers, subject to a certain limited use of them by India in areas upstream of the Pakistan border. During the transitional period, India will continue to allow Pakistan water from the eastern rivers as stipulated in the Treaty but, as the system of storage dams and link canals to be constructed in Pakistan nears completion, thus replacing eastern water with western water, India will be entitled to draw increasing amounts of water from the eastern rivers. Towards the cost of these replacements works India has agreed to pay Pakistan approximately \$170 million in ten annual instalments, to compensate for the loss of the water of the eastern rivers. In the event that Pakistan is unable to complete the replacement works during the ten-year transitional period, the Treaty provides for an extension up to three years of this period, subject to repayment to India of approximately 5¼ per cent of the total Indian payment for each year of the extension period.

To establish and maintain arrangements for implementing the Treaty and to serve as a regular channel of communication on all matters arising out of it, the Treaty creates a permanent Indus Commission consisting of a representative