

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 60/14

INDUS WATERS SETTLEMENT

A statement to the House of Commons by
Mr. Howard Green, Secretary of State for
External Affairs, on February 29, 1960.

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...

S/c