

should be faced with increased flooding and with the prospect of large-scale pollution that would cause damage to health and property in Canada. Because of this, Canada has raised objections to the project on the basis of the Boundary Waters Treaty of 1909, which provides that neither country will pollute waters flowing into the other to the injury of health or property.

Since 1969, the Governments of Canada and the United States, as well as the governments of Manitoba and North Dakota, have exchanged information and held numerous discussions on this issue. We have particularly welcomed working closely with the government of Manitoba on this subject and have appreciated the continuing support and participation of the Manitoba authorities in our dealings with the United States. I think this issue provides an excellent illustration of federal-provincial co-operation in dealing with an international problem.

At the technical level, the enormous amount of information exchanged has meant that the Canadian authorities have been kept fully informed on all technical aspects of the project, including its timetable and progress. The United States side has been kept fully informed of the technical analysis that supports the Canadian case against the project. At the political level, the various exchanges have kept each side fully aware of the other's intentions, strategy and concerns.

What has been the value of this practice of regular consultation and exchange of information? It has allowed a fluidity of approach to the positions of both sides that has meant that the hardening of positions on considerations not central to the issue involved has been avoided. It has also precluded the kind of conflict that can arise when positions are taken on the basis of misinformation. The tactic of confrontation at the political level has been avoided. The political position of both parties depends on answers to highly technical questions of water-quality, water-management and agricultural techniques. If confrontational tactics had been indulged in, the whole issue could have escalated to the political level long before the essential technical work had been done and a political deadlock with little room for manoeuvre could have resulted. It is also worth noting that those portions of the project that directly affect Canada have not, so far, been constructed.

Another kind of issue on which progress has been made with the United States is the problem posed by the United States Trading With the Enemy Act, and in particular the United States Cuban Assets Control Regulations administered under the Act. This act, which can deter Canadian companies that are subsidiaries of United States