

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 which 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 which 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 which directly affect Canada have not so far been constructed.

Another kind of issue on which some progress has to be 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 serves to deter Canadian companies which are subsidiaries of United States firms from conducting normal export business with Cuba clearly has extra-territorial effect. You will be aware of the recent cases illustrating this problem. Although Canada is not the only country affected, the extent of United States business interests in Canada makes it a particular factor in Canada-United States relations. Clearly Canada cannot accept extra-territorial application of the laws of any other nation.