

The Department would agree with the United States Embassy that, generally, nationalization measures should not discriminate against nationals of any particular state. It is the Department's view that the issue of discrimination does not arise. In any event, as the State Department is aware, there are Canadian as well as a number of foreign interests involved in the Saskatchewan potash industry, any or all of which might be approached by the Saskatchewan Government.

With respect to compensation, it will be noted that the Saskatchewan legislation provides for payment of compensation, for arbitration of disputes about compensation, and for appeal of decisions of any Arbitration Board to the courts of Canada. It is the Department's view that these provisions meet the procedural requirements of international law.

The Department is confident that the United States Administration would share Canadian concern about the effect on Canada/United States relations of misunderstanding in the United States of the nature of the Saskatchewan action on potash. An example of such misunderstanding would be the Sense of Senate resolution which was recently passed by the United States Senate which had the effect of comparing Saskatchewan's actions on potash with those of OPEC with respect to oil.

The Department of External Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

OTTAWA, March-22, 1976