

Department of June 7, 1973 (which was read into the record of public hearings of the Maine Board of Environmental Protection), and in further diplomatic correspondence and repeated and frequent contacts at the political and official levels, culminating in a diplomatic Note of February 26, 1981.

In recognition of these Canadian concerns, the Maine Board of Environmental Protection attached to the permits granted the Company in 1975 the condition that the Company must secure the permission of the Canadian Government for tanker traffic in Head Harbour Passage. In a letter to the Vice-President of Pittston on December 1, 1976, the Under-Secretary of State for External Affairs officially informed the Company that "in view of the well-established Canadian position, it will not be possible for the Canadian Government to enter into such arrangements, extend such approval, or grant such permits. Regulations to give effect to our position will be issued, should this prove necessary." Nevertheless the Company proceeded to secure its required federal permits within the U.S. regulatory process.

Although the immediate effect of the regulations is thus to prohibit the volume and type of tanker traffic contemplated by the Eastport refinery proposal, it should be noted that they do not apply solely to this project but to any and all proposals to carry oil in large tankers in the waters of Head Harbour Passage, with consequent risk to the environment. The 5000 cubic metre limit represents the maximum quantity of oil which has generally been carried in the area to serve local needs. It should also be noted that the Canadian Government remains sympathetic to the energy needs of New England, and is prepared, if necessary, to consider with the Government of the United States alternative methods of dealing with this problem.

However, the Canadian Government cannot accept any proposal which would involve the carriage of large volumes of oil in tankers in an area wholly unsuited to it, which would place at risk the environment, the economy, indeed the very way of life of Canadians in the Passamaquoddy region, as well as a significant portion of the natural heritage of all Canadians. Recent developments have made it necessary, in accordance with the Government's previously and repeatedly announced intention, to enact suitable regulations to prevent any such possibility. This position has the full support of the Government of New Brunswick.