

operations. However, the Government wishes to obtain firm assurances that full compensation for all damages, as well as the cost of clean-up operations, will be paid by those legally responsible. The Government is reserving all its rights in this matter and is examining all the legal options which may be available to protect Canadian interests.

We are especially concerned to ensure observance of the principle established in the 1938 Trail Smelter Arbitration between Canada and the United States. This has established that one country may not permit the use of its territory in such a manner as to cause injury to the territory of another and shall be responsible to pay compensation for any injury so suffered. Canada accepted this responsibility in the Trail Smelter case and we would expect that the same principle would be implemented in the present situation. Indeed, this principle has already received acceptance by a considerable number of states and hopefully it will be adopted at the Stockholm Conference as a fundamental rule of international environmental law.

However, even the best compensation arrangements cannot be a substitute for effective preventive measures. We shall, therefore, continue to press vigorously for measures in respect of the Juan de Fuca Strait and Puget Sound areas which will avoid the danger of spills of oil that would cause damage to Canada's waters and shoreline.