

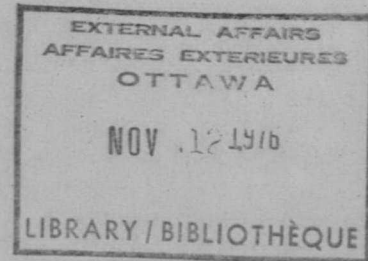


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CHICAGO DIVERSTON

DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

The Secretary of State for External Affairs, the Honourable Don Jamieson, announced today that a diplomatic Note concerning the proposed increased diversion of water from Lake Michigan at Chicago was transmitted on October 8, 1976 to the U.S. State Department in Washington. Following is the text of this Note.

"The Embassy of Canada presents its compliments to the Department of State and has the honour to refer to the passage by the United States Congress on October 1, 1976 of the Water Resources Development Act of 1976 which contains a section authorizing a demonstration project involving an increased diversion from Lake Michigan at Chicago to the Mississippi River system. The Department of State is well aware of Canada's long-standing opposition to any unilateral increase in the diversion of water from Lake Michigan. This position has been clearly and repeatedly outlined in Canadian Government Notes of November 2, 1961, June 10, 1964 and June 8, 1973. The Government of Canada wishes to reemphasize its continued adherence to this well-known position and wishes to make the following additional points.

The Government of Canada is extremely concerned that legislation of this nature was passed without prior consultation with Canada and particularly so because as recently as September 21, 1976 at a Canada-U.S. meeting on Great Lakes levels, Canada agreed to a U.S. proposal that joint consultations be held with a view to considering a possible Article IX reference to the International Joint Commission on the effects of consumptive uses and diversions into or out of the Great Lakes Basin. A demonstration project such as the one proposed should be considered in the context of these Canada-U.S. consultations and should not be the subject of unilaterally passed legislation or action.

The Embassy observes that one of the reasons given in the Act for increasing diversions at Chicago is to alleviate shoreline damage due to high water levels in Lake Michigan and the other Great Lakes. The Embassy wishes to point out that the initial effects of the increased diversions will be small in terms of relief to riparian interests and that such effects will not be felt in the lower Lakes for two to three years. It may well be that these delayed effects will coincide with a period of low levels, thus producing problems for navigation not only in downstream international channels but in the Canadian Section of the St. Lawrence River. Canada shares the concern of the U.S. Congress over damage to shore property owners, but believes the two countries should work together towards solutions to this problem, as recommended by the International Joint Commission.

The Embassy wishes to advise the Department of State that if the demonstration project envisaged in this legislation is carried out on a unilateral basis, there will be significant adverse economic

and environmental consequences affecting particularly Ontario and Quebec. Not the least of these would be a much greater consumption of fossil fuels with serious economic and environmental costs, to replace power lost at Niagara, Cornwall and on the Canadian Section of the St. Lawrence. Very large compensation costs could be involved and Canada expects that the U.S. would provide such compensation. In particular Canada would expect that the U.S. power developments at Niagara Falls and Barnhart Island would absorb the full effect of any resulting lessened flow of water and that full reimbursement would be received for power losses at Beauharnois. If the project is carried out, early consultations will be necessary to establish mechanisms for considering compensation questions including, if necessary, the formation of an appropriate tribunal.

By this Note the Government of Canada wishes to ensure that the United States Government is fully aware of Canada's long-standing opposition to unilateral increases in diversions from the Great Lakes system.

The Embassy of Canada avails itself of the opportunity to renew to the Department of State the assurances of its highest consideration."