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Is Water an Agricultural Trade Issue? Examining the Montana – Alberta Dispute

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The Boundary Waters Treaty of 1909 set out conditions for the sharing of water between Canada and the United States of rivers that crossed the border. In 2003, the Governor of Montana claimed that Montana was not receiving its fair share of the boundary waters that flowed into Alberta and requested the International Joint Commission (IJC) to investigate. This dispute called into question the ability of the century-old treaty to resolve contemporary disputes, particularly in view of the extent to which economic circumstances in the two countries have changed since the treaty was signed.

After seven years of study, meetings, task forces and negotiations, a definitive solution to the dispute has not been found. Although Alberta water users have been receiving more water than have Montana users, it has been determined that users in both countries have been using less water than their individual entitlements. This result was due more to the differences in diversion, conveyance and storage infrastructure on both sides of the border than to any inherent unfairness in the treaty itself. The scale and scope of activities for which irrigation water is a key input have expanded steadily since 1909. This has raised concerns among special interests who want to halt or reverse this expansion for ecological, environmental or other reasons.

While the Boundary Waters Treaty has endured for more than a century, distortions in the way the shared water is used and conserved affect the comparative advantage of agricultural production in the two regions. This highlights the need for further study of the economic consequences of surface waters that flow across international boundaries.