

Oral Questions

transaction. The minister should know that you cannot continue to Watergate the facts of this deal.

Will the minister table today all of the agreements of purchase and sale, the financial agreements, and all of the consents that were entered into to complete the sale, and the audited statements just prior to the sale of Route Canada?

Hon. Doug Lewis (Minister of Transport): Madam Speaker, I reject completely the premise of my hon. friend's question. My friend knows that this company was losing between \$30 and \$40 million a year. That is good Liberal business practice, but it does not work anywhere else. The only alternative was to shut down the company. We sold it and gave the employees a chance to make a go of it. Under those circumstances, it was a normal business transaction by CN with respect to one of its subsidiaries and that information remains with CN, and not with the government.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I have a supplementary question for the same minister. I appreciate that answer. I really feel that the employees had nothing to do with the success or failure of that company, after it was sold. The success or failure was due to the mismanagement by the Fingold's and Manfred Ruhland.

To verify what the minister has just told us, we need the books and the records of the company. All we are asking is for him to table those records so we can ascertain for ourselves whether the deal was a lousy deal or a good deal.

Hon. Doug Lewis (Minister of Transport): Madam Speaker, my hon. friend knows that those records are with the Registrar in Bankruptcy because the company is going through bankruptcy proceedings. That is where the records are. This is a normal thing. That is why we have a Bankruptcy Act.

Two weeks ago I was in Thunder Bay where there was a demonstration by the grain handlers because they are concerned about the amount of grain going through that port. Yet my hon. friend never raises a question about events current to his riding. I think he should get up to date with the concerns of his people.

TRADE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, my question is directed to the Deputy Prime Minister, who will be well aware now that three Canadian firms are bidding to sell up to 12 million tonnes of water to the city of Santa Barbara, California. This is the first of an ongoing series of bids.

Yesterday, in response to a question from me, the Secretary of State for External Affairs said that the government is opposed to large scale water exports by interbasin transfer. Does this include canal transfers, pipeline transfers and supertanker transfers of water as well?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, in order to respond in detail to my friend's question I think it best to consult the 1987 Water Act. Under that act any proposal to export water must be consistent with the federal water policy of 1987. That policy clearly states the government's opposition to any large-scale water exports by interbasin transfers. The FTA does not oblige Canada to export water to the United States. The hon. member knows that.

In the case of Santa Barbara the situation is quite different. I understand that three Canadian companies were on the city's short list of bidders and the companies will, of course, have to meet the province's licensing requirements. But we are not talking about any interbasin transfers.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, not long ago the Prime Minister was quoted in *Fortune* magazine as follows:

If someone wants to buy a little of our oil, a little of our water—hell, we're in the business. That's what it's all about.

My supplementary question is for the Deputy Prime Minister. With the Prime Minister having said he is prepared to sell our water to the United States, is this government saying that it is prepared to accept massive supertanker sales of Canadian water to the United States?

The government ought to know that once you turn on the tap with the United States, and other cities add on to this tap, there is no way that Canada is going to be able to turn it off.