

*Oral Questions***ORAL QUESTION PERIOD**

[English]

TRADE**CANADA-UNITED STATES FREE TRADE AGREEMENT—WATER RESOURCES**

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of National Revenue. The Minister knows that I have been arguing for some time that Tariff Schedule Item 22.01 of the trade deal with the United States covers ordinary natural water of all kinds, and thus will allow for the eventual export of Canadian water to the United States. The Minister also knows that his colleague, the Minister for International Trade, has argued that Item 22.01 applies only to bottled mineral water—he talked about Perrier with great gusto in the House of Commons.

The Minister of National Revenue has issued the official explanatory notes on the harmonized customs tariffs for the Canada-U.S. trade deal. I quote from his document where he states that the official explanation for Item 22.01 is “ordinary natural water of all kinds other than sea water”. It seems pretty clear.

Will the Minister explain why his explanation of the customs Item 22.01 contradicts flatly the rejection of our argument of the past number of weeks here in the House of Commons that the trade deal does not contemplate the inclusion of water within its ambit?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the position is exactly as has been stated repeatedly, and is very clear from the free trade agreement. The free trade agreement does not apply to water in its natural running state. It does not apply to any diversion of water from any natural basins of this country. It applies principally to bottled water.

Let me tell the Hon. Leader of the Opposition the following. If he checks the same agreement, he will see in one of the schedules that compressed air is included. That does not mean to say that Canada is in danger of losing its air, certainly as long as the Leader of the Opposition is around.

Some Hon. Members: Oh, oh!

● (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think the air pressure in this House will stay well above normal as long as the Minister sticks around, and that won't be for too long.

Some Hon. Members: Oh, oh!

[Translation]

POSITION OF MINISTER OF NATIONAL REVENUE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that may be the Minister's point of view, but I want

to repeat the official interpretation given by his colleague. Under the law, the Minister of National Revenue is responsible for providing an official interpretation of all questions related to Customs. This official explanation by the Minister says that tariff item 22.01 covers water of all kinds except sea water.

Now the Great Lakes are not sea water, any more than Lake Winnipeg, Lake Athabasca, Lake Nipigon or Great Slave Lake or the St. Lawrence River. The waters of these lakes are covered by this tariff item in the Canada-U.S. Free Trade Agreement, despite the claims and statements by the Minister for International Trade. Does the Minister of National Revenue deny having sent this official explanation to his Customs officers and how can he reconcile his official interpretation with the statements made by his colleague, the Minister for International Trade?

[English]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, might I refer again, in our attempt to keep the Leader of the Opposition on a factually correct road—I know he would not intentionally distort the facts—to an interview shown on television on Sunday, May 1. Mr. Craig Oliver along with Pamela Wallin interviewed Ambassador Clayton Yeutter on CTV.

Mr. Yeutter was asked—he, of course, is the United States trade representative who negotiated this deal—a question:

Did you see this deal as leading to a system by which the United States can also have easier access to Canadian supplies of water?

And he said:

I don't see the free trade arrangement being used as a vehicle to accomplish that, but I can certainly see there might be U.S.-Canada discussions on access to water supplies over the next 10, 20 or 50 years.

That is exactly the same point which the Leader of the Opposition in his famous book made a number of years ago when he said he could see water being used as an item of trade as a natural resource.

Mr. Yeutter went on to say:

I happen to know the issue of water well because I did my PhD. dissertation on water law and water administration, but I don't see it being an FTA issue. I see it being a separate issue that will inevitably draw attention in time.

And so on. Here is the chief trade representative of the United States who said that the free trade arrangement has nothing to do with the question of water, that it is a separate issue that will inevitably draw attention in time.

When it does, this Government has a policy that we will not permit—which was enunciated in November, 1987, for the first time by any Government in Canada—inter-basin transfer of water from Canada to the United States or anywhere else. We have got the policy. We are only in danger if the hon. gentleman opposite gets into power.

Some Hon. Members: Oh, oh!