

*Oral Questions***ORAL QUESTION PERIOD**

[English]

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

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I would like to direct my question to the Deputy Prime Minister, and welcome him back to the House from his trip down under.

**Some Hon. Members:** Hear, hear!

**Mr. Axworthy:** I take it that we will not see him appearing in any beer ads in the near future as a result of his experience!

Yesterday the Acting Deputy Prime Minister, after two or three weeks of stonewalling by her colleagues concerning the serious problem of water exports to the United States, finally admitted that there is a serious and grave problem facing this country, and suggested that the Government may introduce legislation, but was totally vague on the specifics as to when, where, or how.

The problem with the answer of the Acting Prime Minister is that it missed the point. We are concerned about the major loophole created as a result of the Canada-U.S. Free Trade Agreement which no legislation can properly fill.

In making a commitment now to bring in legislation, will the Government be bringing in that legislation before final determination or judgment is made on the Canada-U.S. trade agreement in order that we can determine its effectiveness or its application to that agreement, and whether in fact it is able to close that loophole?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I appreciate the Hon. Member's kind remarks on my return from Australia and New Zealand. Quite a topic of discussion while I was down there was whatever happened to the Liberal Party—

**Ms. Copps:** Issue the writ and you will find out.

**Mr. Mazankowski:** —that they find it so difficult in accepting a position on free trade. Whatever happened to that great Liberal Party that once supported free trade? I said that perhaps they would have to come up here and see for themselves and maybe they could talk some sense into them.

● (1420)

The Minister of Communications in her role as Acting Prime Minister yesterday admitted nothing of the sort. There is no loophole. The policy is clearly stated that the free trade agreement provides for no large-scale export of water or no diversion of water.

The policy of the Government with respect to water is very clearly stated as outlined in the November declaration. As a

matter of fact, if the Hon. Member took the time to read the document he would find at page 24 that legislation was in the process of being drafted to implement such policy, which is consistent with the way in which we have followed up on things such as transportation, tax reform, copyright, film and video, and all important issues that face Canadians.

**REQUEST THAT AGREEMENT BE AMENDED**

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I hope the Deputy Prime Minister responding to those thoughtful inquiries by Australians about the future of the Liberal Party told them that we will become the next Government of Canada.

**Some Hon. Members:** Oh, oh!

**Mr. Axworthy:** I must have said something that interested members of the Government, Mr. Speaker.

The Deputy Prime Minister has said that we should read the agreement. I want to quote to him the comments made by the Deputy Minister of the Environment who last night agreed that natural water is included within the tariff classification as part of the Canada-U.S. Free Trade Agreement. That was a senior official of the Department of the Environment. She went on to say that her own departmental officials had been advising trade officials on the possibility of having an exclusion written into the agreement.

**Mr. McDermid:** She did not say that.

**Mr. Axworthy:** When you have that kind of examination in the process by officials, a clear admission that it is part of the agreement, doesn't the Government realize that any unilateral action by the Government itself is not enough, it is too late—you have already signed an agreement—and the only way to get out of it is to amend the agreement to provide an exclusion to protect Canadian waters against the kind of vulnerability that the Minister's own negotiators and colleagues put us into?

Why will the Government not come down to the real solution to the problem, that is, to exclude water from the Canada-U.S. Free Trade Agreement?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I hate to disappoint the Hon. Member but his suggestion that the Liberals may form the next Government was certainly not a view shared optimistically by the people down under. They see it a little differently.

In so far as the Member's legitimate question is concerned, I can only rely on the evidence of Mr. Ritchie when he appeared before the committee which is currently studying the Bill. He said:

that negotiators from both countries agreed that flowing water was not covered by the agreement, so there was no need to write in an exemption.

That has been very clear and has been clearly stated by all parties.