

The Legislative Committee on Bill C-130 is moving into the final stages of its work with the tabling of amendments today by members of the Committee. The Committee is to report by August 10. I wish today to indicate that the government will accept amendments regarding water and the override clause 8 to be tabled by Mr. John McDermid.

### Water

There has been a great deal of hullabaloo in recent weeks about the alleged impact of the Canada-U.S. Free Trade Agreement on Canada's water resources. This concern, although genuinely felt by some, is misplaced and is the result of misinterpretation of the Agreement.

I have explained that the FTA clearly involves no obligation on Canada's part to export water to the United States. Furthermore, the FTA does not apply to large scale water diversions in any event. Such diversions have never been an issue in the GATT. The Minister of the Environment set out the government's policy prohibiting the export of water by interbasin diversions in a statement tabled in the House of Commons on November 5, 1987. However, I want Canadians to understand clearly that the Free Trade Agreement places no constraints on our ability to manage our water resources.

For greater clarity, however, the government will support the amendment to be proposed by government members of the Legislative Committee examining Bill C-130 to state expressly that the Free Trade Agreement does not apply to water, except for provisions for removal of existing tariffs on imports of water by Canadians from the United States. "Water" is defined to mean "natural surface and ground water in liquid, gaseous or solid state, but does not include water packaged as a beverage or in tanks". No other provision of the Agreement, whether it be the national treatment article or the proportional access article, applies to water. Thus, the amendments make clear that Canada's only obligation regarding water is to eliminate existing tariffs on imports of U.S. water.