

Oral Questions

do? What is it that prevents the Government from standing up for Canada for once?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, these theatrics are not very impressive. The position is this. I am answering these questions as Acting Secretary of State for External Affairs. This has nothing to do with trade matters.

If the U.S.-Canada Free Trade Agreement had never come into existence, if it had never crossed anyone's mind, if it did not exist, if it was up on the Moon or Saturn somewhere, we would still have this problem of the proposal by the Governor of Illinois to divert these waters and we would be handling it in the same way. It has no connection at all to the Canada-U.S. Free Trade Agreement, which is an agreement governing commercial relations to increase our access to the U.S. market, to make our people more prosperous, to give Canadians a chance to show what they can do in competition with the Americans, to help Canada and Canadians.

It has no connection whatsoever with the free trade agreement and we do not need to approach the Americans about the free trade agreement. This is a different issue to be treated differently by a different Minister.

REQUEST FOR AMENDMENT TO AGREEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will direct my question to the same Minister. If he had read the agreement he would know that Article 409 provides for a full sharing of goods and services. The interpretation given by the Minister of National Revenue to his customs officers includes natural water as part of that definition of goods and services. It is therefore part of the agreement.

The Minister can solve the problem very simply by proposing an amendment that would exclude water from being subject to Section 409. The Minister says he cannot do that because the deal is final. The fact is that the U.S. has not completed its legislation. It has not tabled its Bill yet. The Minister is not describing the state of affairs accurately to the House. Considering Article 409 and the official interpretation given by his colleague, why does the Minister refuse to propose the kind of exclusion required to ensure that water will not be included as part of the trade agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the only way in which water is touched upon in the free trade agreement, and I will say this again for the record, or any trade in water as a commercial good, is under the heading "beverages, spirits and vinegar". Vinegar is certainly apt when we hear these repetitious questions, these same feeble attempts to alarm the Canadian people, day after day, week after week.

• (1440)

Water itself as a natural resource is not dealt with in the free trade agreement. There is nothing in the free trade agreement which requires or obliges or directs or orders or permits the diversion of water to the United States. The policy of this Government, contrary to the last Government, enunciated in November, 1987, is that there shall be no transfer from Canada of water as a natural resource.

We have ignored the advice of the Leader of the Opposition in his book from which I quoted a few minutes ago. We do not buy that policy. We are not going to permit water to be given away like that.

The exact analogy is to compressed air which is also dealt with as a commercial good. Compressed air—does that mean that Canadians are now in danger of being cut off from the air because some Government is going to sell all the Canadian air? For heaven's sake, stop the childish nonsense.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like the Hon. Minister to add a document to his reading list as part of his remedial reading program. That document is one provided by his colleague, the Minister of National Revenue, which in the explanatory notes to the customs tariffs which apply to Section 401, says the following very clearly on Article 22.01:

Waters, including natural or artificial mineral waters . . . This heading covers: (A) Ordinary natural water of all kinds . . .

It is not mineral water, not the Minister's hot air, and none of the other spurious comments he is making.

The fact of the matter is that under the present proposed agreement Section 409 includes goods and services. This custom tariff classification clearly includes natural water as part of that definition. In order to ensure that there is no future demand under the trade agreement for access to our water there is only one serious, responsible way of proceeding, that is, to propose an amendment, which the Minister has every right to do because the deal is not yet finalized. The Americans are still considering their amendments.

Why does the Minister stand time after time and refuse the logical, honest, responsible way of dealing with a matter which is very important to Canada? Is it simply that he knows the real reason and he is prepared to sell out Canada and its water?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, obviously the hon. gentleman's remedial reading is confined to *The Toronto Star*.

The situation in Canada with respect to beer is unchanged by the free trade agreement. Wine changes and liquor changes, but beer is not included. Even though it trickles along or flows out if you turn the bottle upside-down, up, just like water, it is not included. That does not mean to say that Canadians have