

Mr. Chairman,

On July 11, I appeared before this Committee as its first witness. Since then, the Committee has received over 50 submissions and heard from 53 witnesses in approximately 85 hours of testimony. Canadians owe a debt of gratitude to members of the Committee for their diligence, and to those who made submissions to the Committee for their participation, in this important step in Parliament's consideration of the FTA implementing legislation.

This Committee's work comes at the end of a decade of study and debate on the concept of free trade, starting with the Senate Foreign Relations Committee's recommendation of Canada-U.S. free trade in June 1978. Since the release of the FTA legal text in December 1987, we have had eight months of study and debate on the free trade agreement. And, it has been more than two months since the legislation to implement the agreement was tabled in Parliament.

Mr. Chairman, the Committee is about to begin clause by clause consideration of Bill C-130. A number of amendments have been proposed. Let me speak first about those amendments that the government supports.

### Water

The FTA does not oblige Canada to export water to the U.S., nor could it be used to compel us to do so. That is implicit in the agreement, and has been recognized publicly by both parties to the agreement.

The confusion and distortion that has been thrown up by opponents of the FTA regarding an imaginary threat to our water resources has centered on the reference to water under tariff heading 22.01. The amendment proposed on behalf of the government provides a definition encompassing this reference in line with accepted international practice.

The amendment expressly states that the FTA does not apply to water, except water packaged as a beverage or in tanks. Specifically, the FTA does not apply to natural water, except to require Canada to eliminate existing tariffs on imports from the U.S. No other provision of the agreement, not the National Treatment Article, nor the Proportional Access Article, applies to natural water.

Put simply, the Free Trade Agreement places no constraints on Canada's ability to manage its water resources. We remain free to prohibit large scale water exports. It is this government's policy to prohibit such exports. Soon legislation will be introduced in Parliament to incorporate that prohibition in statute.