

THE ECONOMY

Mr. Garth Turner (Halton—Peel): Madam Speaker, I would like to keep the same minister on his feet for a minute.

The government has a lot of credibility riding on its ability to achieve its deficit targets. After years of spending cuts, the GST, and sometimes painful restructuring so our trade can increase, Canadians want to know if the government is on track with the deficit or not.

I would like to ask the minister if he can give a report on Canada's fiscal position to this House.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I can tell the hon. member that we have set goals for deficit reduction and we feel very confident that we can reach the \$27.5 billion deficit figure for 1992-93.

There are so many encouraging signs in the economy today.

Some hon. members: Oh, oh.

Mr. McDermid: Well, I listen to my friends on the Liberal benches who are guffawing about trade figures. In the month of April we had a record export figure of \$12.8 billion. This is the fifth month in a row of increase. And I might say that of that amount, \$10.8 billion went to the United States, which is also a record. The free trade agreement is working. We are going to reach our deficit figures because the economy is improving, interest rates are falling. We are pleased with the signs that we see.

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WATER

Mr. Sid Parker (Kootenay East): Madam Speaker, my question is for the minister answering on behalf of the Minister for International Trade.

In Kootenay East my constituents face dangerously low water levels in the Columbia River reservoirs and they are suffering serious economic, recreational and environmental damage.

In 1961 the Right Hon. John Diefenbaker signed the controversial Columbia River Treaty which gave the Americans the right to drain fresh water out of B.C. regardless of local needs. In 1988 the Tory government

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signed the free trade agreement which further erodes Canadian control over our fresh water resources.

Now the government threatens disaster by completely giving in on Canadian control over our water resources to the U.S. and Mexico in the North America free trade agreement.

Will this government pull out of the current NAFTA negotiations in order to ensure that Canada can regain control of our precious fresh water supply?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, the short answer to that question is no, we will not withdraw from the NAFTA negotiations. That would be foolish. The hon. member's colleague just said that we should be there to assure that textile workers and garment workers are protected. So you can't have it both ways.

Second, Canadians have control over their water resources. It was proven during the free trade agreement debate time and time again. We still have control, and we are not going to negotiate anything away at all. The hon. member knows that.

Mr. Sid Parker (Kootenay East): Madam Speaker, the minister may say that, but the reality is that the flow was increased a month ago from 8,000 cubic feet per second to 22,000 cubic feet per second. That is the kind of control that the free trade agreement has brought in. Now they are not going to be able to cut back because you cannot cut back on areas where you have made commitments in the past.

My question is this. Will the minister at least assure Canadians that he will specifically exclude fresh water as a commodity in the NAFTA negotiations?

• (1500)

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I know the free trade agreement inside out. I do not know where it says anything about river flows or fresh water exports or anything else to the United States.

It has absolutely nothing to do with the free trade agreement or the North American free trade agreement. The NDP is putting up another red herring in front of the Canadian people.