

Trading Water: Water is in the Deal

Despite what the government has been saying for years, water is covered by the North American Free Trade Agreement (NAFTA).¹

Even American trade representative Michael Kantor, who negotiated the Free Trade Agreement between the US and Canada, and later NAFTA, says: "when water is traded as a good, all provisions of the agreements governing trade in goods apply,"²

The NAFTA provisions that will apply

Chapter 3 National Treatment

This section states that American and Mexican companies must be treated like Canadian companies in access to goods and markets. Trading water cannot be limited to Canadian companies nor can we place limits on how it is traded, how much is traded or who it is traded with.

Proportionality

This provision means that we can never end trade in water regardless of the environmental effects in Canada or the needs of Canadians.

Chapter 11 Investor - State

This chapter on investment allows investors from outside Canada to sue the Canadian government should it pass a law that interferes with its ability to make profits now or in the future. The process is secret and companies could even sue if they were considering investing in an enterprise affected by new legislation.

- Recently the government of Canada was forced to pay Ethel, an American chemical company, \$20 million in compensation for lost profits and repeal a law banning MMT, a gasoline additive the government concluded could be harmful to Canadians.
- Currently Sunbelt, a company from California, is suing the government of Canada for \$220 million because the Government of British Columbia, who has constitutional jurisdiction over its water, passed a law banning bulk export of water. **If we allow bulk exports of water now it will mean future generations will have to pay billions in compensation just to govern our own resources.**

Act Now to protect Canada's water

- Call, write or fax your MP, or Minister of Trade Sergio Marchi and tell them to **Put A Cork In Water Trade.**
- Call The Council of Canadians at 1-800-387-7177 to find out about Water Watch activities in your area.

¹ NAFTA defines a good for the purposes of the agreement's obligations, "as understood in the General Agreement on Tariffs and Trade", which includes, "waters, including natural or artificial waters and aerated waters...;ice and snow" GATT Harmonised Commodity Description and Coding System 22.01

² Letter from the office of Michael Kantor, October 28, 1993