

Eye on Washington by Nicholas F. Benton

Will Canadians scuttle Free Trade Pact?

Spurred by British Prime Minister Margaret Thatcher's outcry against the proposed "Europe 1992" economic integration, forces in the Canadian parliament may be giving the U.S.-Canada Free Trade Pact some serious second thoughts.

The U.S. Congress ratified the pact Sept. 20, and President Reagan telephoned Canadian Prime Minister Brian Mulroney to present the news. When I asked White House spokesman Marlin Fitzwater what Mulroney had to report to Reagan about progress toward ratification in his country, Fitzwater glossed over the issue, saying only, "He's optimistic."

The United States is clearly the dominant producer of all the key commodities that both nations export. That means that with the ratification of the free trade pact, the Canadians will sign away their ability to protect domestic producers of agricultural and manufactured goods from becoming the victims of price manipulations by the mega-cartels based in the United States.

The effect of this on the wages of Canadian industrial workers and farmers has begun to awaken genuine political ferment against the deal, and there is no guarantee of smooth passage through the parliament now.

Some opponents of the pact in Ottawa have used the water issue to stop ratification. They've been led to be-

lieve that the pact will open the door for U.S. exploitation of the enormous Canadian resource of fresh water.

Despite assurances from Mulroney that the pact does not permit such exploitation, these forces have been led to underscore their point with the introduction the "Canadian Water Preservation Act," which would make it a federal crime, punishable by three years in prison, for any Canadian to export a substantial amount of water to the United States. These forces have sought to capitalize on the renewed interest in Canadian water that this year's drought has created.

Especially with the emergence of dire warnings that the drought is a harbinger of a new long-term trend, there is new interest in Washington in looking to long-term solutions.

This is why the revival of the so-called North American Water and Power Alliance (NAWAPA) concept, developed by the Ralph Parsons Company of California in the early 1960s, has gotten significant attention. It is a carefully mapped-out plan to divert over 150 million acre-feet of fresh water from the northern-flowing rivers of Canada and Alaska southward to the Canadian plains states, the lower 48 U.S. states, and northern Mexico.

The plan is enormous in scale and yield, and would totally transform the growth potential of the water-short regions of the continent. It was gaining widespread support in the U.S. Senate in the mid-1960s, led by Frank Moss (D-Utah), when the anti-growth forces of so-called environmentalism seized the political agenda to kill it.

Thus, some forces opposing the U.S.-Canada free trade bill have been persuaded to use the prospect of renewed interest in NAWAPA to try to frighten Canadians into believing the United States is coveting the idea of stealing surplus Canadian water.

NAWAPA: alternative to free trade

In reality, it is the U.S. cartels, the architects of the free trade pact, which originally killed NAWAPA and are desperate to see that nothing like it ever gets built in North America, or anywhere else in the world for that matter. Wiser opponents of the free trade rip-off see in NAWAPA a strategy for strengthening Canadian political and economic sovereignty.

The concept is simple. Unlike the free trade pact, with NAWAPA, Canada is not the victim of U.S.-based producer cartels which can manipulate prices below the level of parity—cost of production plus a reasonable margin for profit and reinvestment—for the Canadian producer.

Think about it: The Canadians have the water, if they develop NAWAPA, and the United States does not.

Thus, with NAWAPA, the relations between Canada and the United States will be more like those between OPEC and the United States. One nation has the precious commodity that the other nation desperately needs.

If this year's drought is, in fact, the beginning of a trend, then water will soon become a more valuable commodity than oil.

Water is the one commodity that the international cartels do not control, except through strategies to make it unavailable. Just as they have thwarted NAWAPA, so have they used the International Monetary Fund and World Bank to mitigate against large-scale projects for irrigation and flood control that could have ended famine decades ago in Africa and Asia.

These cartels now worry that once provoked against their free trade pact, Canadians will also begin to see through their schemes to hold back the water.