

Lament for a Nation (Part II): the taking of Canada's Water

August 1994 Column – Country Life in BC

Wendy R. Holm, P.Ag.

A hot, sultry August afternoon. The kind of a day when your truck tires — parting heat waves that rise like a standing blanket from the tarmac — feel like they're running on shag. When even *thinking* of wrapping your body around the seat of a hot tractor starts a prickly rash creeping along the back of your neck. When the dog wouldn't come with you even if you called him. When it's too hot to work and, for the first time in close to a week, you don't really have to. Time to kick back, pull up some shade, and make a dent in that stack of reading material that seems to grow up quicker than weeds in a summer orchard.

Water. Crystal clear, plentiful, renewable B.C. water. Our most precious resource. What better choice for a late summer column? (And, as readers who know me will readily attest, the absence of *any* reference to water in my first five columns evidenced *amazing* discipline which cannot *possibly* be sustained...)

O.K., so in truth, the admittedly-spectacular view from my office on the north coast of Bowen Island provides further inspiration... Gambier and Anvil islands to the west; the huddled-together, craggy peaks of the Coast mountains to the east; and the majestic Garibaldi and Tantalus ranges to the north. Rising steeply from the shores of Howe Sound, they gently encircle its clear blue waters like a lover's hand on a waist. The tallest, sporting sparkling crowns of snow-pack — impressive evidence this hot July day of Mother Earth's water conservation and storage schemes. Inspirational stuff.

And so, to quench your summer thirst, some "plain facts" on water and agriculture:

FACT: Hidden U.S. subsidies to irrigation contribute significantly to the level of American farm supports.

In the U.S., farm irrigation is administered under programs related to water rather than programs related to agriculture. Hence, subsidies which exempt farmers from capital and interest costs associated with the irrigation components of large water projects are buried within the budgets of the U.S. Department of the Interior, the U.S. Bureau of Reclamation and various state water departments.

A B.C. study conducted in the mid-80's showed that when *all* costs are included, irrigation subsidies to Washington State farmers under the Columbia River Basin Development project amounted to 28.6% of direct federal government assistance and 12% of total direct and indirect federal and state assistance in 1982-3. (Table 7.3, Government Assistance to Agriculture in the USA, Arcus Consulting Limited, 1985, B.C. Ministry of Agriculture.) It is unlikely that these figures have changed significantly in the interim.

FACT: Accurate calculation of total support to American farmers (including irrigation subsidies) could do much to "level" the subsidy playing field.

According to the same report, when all costs are considered, B.C. farmers actually received considerably lower government subsidies than did their U.S. counterparts.

Total government assistance to agriculture during 1982-3 averaged \$12,283/farm in British Columbia as compared with \$26,601/farm in Washington State, \$13,681/farm in Oregon and \$36,009/farm in California (\$ Cdn).

Put another way, total subsidies to B.C. farmers that year equalled \$88 for every man, woman and child in the province. U.S. federal and state governments were somewhat more generous with their tax-payers' purse — subsidy payments to California farmers totaled \$120/capita that year and a whopping \$224/capita in Washington State.

FACT: Water is a critical input to agriculture. Hidden U.S. subsidies for irrigation water to American farms had no where to go but up. And, they are clearly production-distorting. Instead of capitalizing

on the weakened U.S. position re water (insisting the Americans drop these subsidies and in doing so, increasing the competitive advantage of Canadian farmers by raising U.S. farm production costs) , Canadian negotiators — with agonizing consistency — simply gave away the farm. By giving the Americans full rights to Canada's water under the FTA and the NAFTA, we took a critical competitive edge and gave it up as a bargaining chip.

FACT: Despite what you may have heard, the joint press statement issued last December by Chretien, Clinton and Salinas on water resources under the NAFTA (*"Unless water, in any form, has entered into commerce and become a good or product, it is not covered by the provisions of any trade agreement, including the NAFTA"*) did nothing to resolve the problem. Its chilling corollary: Once water, in any form, has entered into commerce and become a good or product, all provisions of the NAFTA apply. And despite political bleatings to the contrary, the Yanks *do* have the right to turn on the tap.

FACT: Absent quick and effective action by Canada's First Nations' communities — who have the only real card left to play on this one — Canada's capitulation on the water issue is a done deal.

Since the feds failed to secure a Memorandum of Understanding between the parties to both the FTA and the NAFTA which said, in effect, "wording notwithstanding, nothing in this Agreement applies to water beyond bottled form" Canada has effectively relinquished sovereignty over water. It is simply another resource, like oil and gas, for the taking.

FACT: The provincial government's recently-announced one year extension of the present moratorium on the issuance of new licenses for coastal tanker exports does not constrain exports under existing licenses, nor does it address interior water export issues (e.g. the North Thompson diversion proposal, the unregulated withdrawal of interior groundwater for bulk tanker truck export by Clearly Canadian).

FACT: For a comprehensive overview of the water issue, call the Canadian Environmental Law Association (416- 960-2284) and ask them to send you a copy of their fall 1993 report NAFTA AND WATER EXPORTS. At a cost of \$10, it's well worth it.

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