

Canada: Losing Water Through NAFTA

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Under the North American Free Trade Agreement, Canada lost control over its energy resources. Now, with "NAFTA-plus", it could also lose control over its freshwater resources, say experts.

Canada's water is on the trade negotiating table despite widespread public opposition and assurances by Canadian political leaders, said Adèle Hurley, director of the University of Toronto's Programme on Water Issues at the Munk Centre for International Studies.

A new report released Sep. 11 by the programme reveals that water transfers from Canada to the United States are emerging as an issue under the auspices of the Security and Prosperity Partnership (SPP). The SPP — sometimes called "NAFTA-plus" — is a forum set up in 2005 in Cancún, by the three partners, Canada, United States and Mexico.

Economic integration as envisioned by the powerful but little-known SPP is slowly changing the lives of Canadians, says Andrew Nikiforuk, author of the report "On the Table: Water Energy and North American Integration".

The SPP is comprised of business leaders and government officials who work behind the scenes and are already responsible for changes to border security, easing of pesticide rules, harmonisation of pipeline regulations and plans to prepare for a potential avian flu outbreak, Nikiforuk writes.

"The SPP is run by corporate leaders; governments are irrelevant," said Ralph Pentland, a water expert and acting chairman of the Canadian Water Issues Council.

Pentland envisions a future where, in response to ongoing drought problems in the United States, the SPP will make arrangements to dole out millions of dollars of public funds for private companies to build pipelines to transfer water from Canada.

"The SPP is like putting the monkeys in charge of the peanuts," he told Tierramérica.

Massive water diversions from Canada do not make economic or environmental sense, according to water experts. Far better and cheaper is to improve water efficiency and eliminate waste. The United States and Canada lead the world in water consumption and are extraordinarily wasteful, Pentland says.

Moreover, most of Canada's water is in the far north, not near its border with the United States. And even the transboundary Great Lakes are at their lowest levels in 100 years due to climate change, notes Nikiforuk.

William Nitze, prominent member of the SPP and chairman of GridPoint Inc., a company that makes energy management systems, is not in favor of bulk water exports.

"Water management has been poor in all three countries," Nitze said. Canada, for example, favors guidelines over mandatory rules for keeping pollutants out of water. And Mexico needs to double its investment in its water infrastructure, he noted.

Nikiforuk agrees that Canada has mismanaged its water resources. He points out that Canada already ships enormous volumes of water to the United States, in the form its main exports: grain, cattle, hogs, aluminum, automobiles and oil. Each of these requires many tons of water to produce, but the latter is perhaps the most controversial.

Most of Canada's oil comes from the tar sands, a 125-billion-dollar capital project in the boreal forest of northern Alberta province. One million barrels of oil flow south each day to the U.S. making Canada its largest supplier.

However, it takes three barrels of freshwater to produce one barrel of oil from the tar sands, says Nikiforuk.

The project already consumes 359 million cubic metres of water, enough for a city of two million people in Canada. Ninety percent of the water becomes contaminated and has to be stored in vast tailings impoundments. More than 10 of these exist, covering an area of 50 square km.

Members of the SPP North American Energy Working Group met in Houston, in the southern U.S. state of Texas, in 2006, where they talked about the "pipeline challenge", a proposed a five-fold increase in production at the tar sands, said Nikiforuk.

"No mention was made of water at the meeting, but there isn't nearly enough water in the region for this kind of expansion," he said.

Under NAFTA rules, Canada cannot reduce its energy exports to the United States, according to Gordon Laxer, director of the Parkland Institute, a research network at the University of Alberta. "The U.S. is the most energy wasteful nation on Earth. And Canada is sacrificing its environment to feed America's addiction to oil," Laxer said in an interview.

"Respected energy analyst Matthew Simmons told me Canada should stop furthering the U.S. addiction to liquid fuels and make it illegal to use fresh water in tar sands," said Nikiforuk.

There is ample evidence that environmental standards and stewardship in Canada and Mexico have plummeted since NAFTA went into effect in 1994, and "accelerated trade under the SPP means accelerated environmental abuse," he said.

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