

*Oral Questions*

will be needed to be incurred in any case, so it is pay me now or pay me later.

Why does this government refuse to act co-operatively, and I stress the world co-operatively? Why will this government not invest in Canadian municipalities and Canadian jobs not tomorrow but today?

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, with respect to the reference the hon. member made to the first minister's meeting and the exploration of ways and means to finance projects like the improvement of the national highway system, I remind the hon. member, as I am sure he has been reminded before, there is only one taxpayer and what we are attempting to do is explore ways and means to fund these projects in the most effective way possible.

It is one thing to say yes we will go ahead, it is another thing to try to identify the funds and the source of those funds so that these projects can go ahead.

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**GOODS AND SERVICES TAX**

**Mr. Chris Axworthy (Saskatoon—Clark's Crossing):** Mr. Speaker, my question is for the Minister of Finance. It concerns the GST and water.

In a March 10 bulletin the Department of Finance admitted that the application of the GST on water had been unfair. However, 2,000 Saskatchewan families in Martensville, Warman, Dalmeny and Osler still pay the GST on their water in spite of the government's promise not to charge the GST on basic necessities when the tax was introduced.

Why will the minister not include water within the definition of basic groceries, which is surely where it belongs, so that these Canadian are treated fairly?

**Hon. Otto Jelinek (Minister of National Revenue):** Mr. Speaker, the hon. member knows that this government made a commitment even prior to the introduction of the GST when it replaced the old federal manufacturers' sales tax to review any item and any industry and any sector where improvements could be made to the systems. Numerous improvements have already been made.

The hon. member refers to one specifically. I believe that a level playing field has been found in respect to the sale of water.

If the hon. member has any specific recommendations to make, we would be very happy to take them under consideration because this government is committed to making any improvements on this and any laws that are before us today.

**Mr. Chris Axworthy (Saskatoon—Clark's Crossing):** Mr. Speaker, I am glad the minister is prepared to look into making changes because these 2,000 families in Saskatchewan still pay the GST on their water. That is not fair and the Department of Finance bulletin said so.

My supplementary is for the same minister. In spite of the Saskatchewan government's offer to ensure that the federal government does not lose any revenue on the GST and water situation, the Minister of Finance is insisting on changes in the way Sask-Water Crown corporation does business, changes that will result in significant further increases to these 2,000 families.

Will the minister undertake to ensure a resolution of this matter which takes into account the Saskatchewan situation and ensure that these Canadians are treated fairly and will not have them paying more GST for their water?

**Hon. Otto Jelinek (Minister of National Revenue):** Mr. Speaker, I already answered the specific question with the hon. member's first question.

Let me make a point in so far as Saskatchewan is concerned. If the hon. member is really concerned about the citizens of Saskatchewan, he should go to his provincial government and let it know that as a result of it withdrawing from the harmonization of the provincial sales tax with the GST that in fact every citizen of Saskatchewan is suffering as a result of that withdrawal by that government.

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**HUNTING AND FISHING**

**Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington):** Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.