

Oral Questions

It is important to note that we have put forth a new bill on environmental assessment to go further than the EARP guidelines and to do the job the way we believe it should be done.

I would urge the opposition to support strongly the bill that we have before this House at the moment.

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GOODS AND SERVICES TAX

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, last night the Prime Minister, in response to a student who protested the application of the GST to books, said the following: "My hope and expectation is that once we get it in and get it implemented, we are going to be able to revise the tax code in such a way as to ensure that the quite sensitive and sensible question you raise can be dealt with, with satisfaction."

My question is for the Minister of Finance. What on earth does the Prime Minister mean? Does he mean that the government was wrong to apply the tax to books in the first place? Does he mean he is going to remove it next year? Does he mean he is going to remove it now? Why doesn't he remove it now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe I have responded to that question. What I have said in previous answers in the House today is that with any tax initiative, particularly a tax initiative of this sort of magnitude, we always review the implementation. We always review the impact of the tax as it affects different people. We are quite prepared to do that in this case, as indicated by the Prime Minister yesterday.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, last night the Minister of Finance discovered the *r* word recession. Prime Minister, in his turn, discovered another *r* word, reversal, reversal of the claim that the GST was revenue neutral.

Will not the government discover the virtue of other *r* words like repent, respond to the people, and renounce the GST?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in response to the hon. member's *r* word, let me talk about another *r* word, revenue neutral and precisely what is meant by that word.

In the course of tax reform we said we would not take additional revenues under the cloud of tax reform, that dollars in would equal dollars out. We would replace an

existing tax with a new tax and would not try to get additional revenues.

As far as the impact of the GST on the economy and on tax policy is concerned, it definitely helps generate additional revenues over what would be the case if we did not have the tax.

For one it will result in a major boost to new investment. That will create jobs and new revenues. In addition, it will reduce a significant amount of tax avoidance amounting to some \$2 billion a year. Again, if we had not brought in the GST we would see that the deficit would go up by \$2 billion.

Those are two very clear reasons as to how the GST will help us reduce the deficit.

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[Translation]

IMMIGRATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. This summer we were supposed to sign an agreement with the Government of Quebec to confirm Quebec's full authority over immigration matters. I am sure you realize that controlling the selection of immigrants and their cultural, linguistic and economic integration is extremely important to Quebec.

Madam Minister, why the delay in signing this agreement?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is of course unfortunate that we cannot sign constitutional agreements as originally planned under the Meech Lake Accord. Nevertheless, our two governments still intend to update the existing Cullen-Couture accord signed in 1976.

Today, however, I cannot confirm on what date inter-governmental talks will be finalized, but I can assure the hon. member that we remain firmly resolved to conclude an agreement.

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SPACE AGENCY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology. Last February, a press conference was held at Saint-Hubert to announce the construction schedule for the Space Agency. At the time it was announced that