

Oral Questions

Does he not agree that the dam should not be allowed to fill while the panel is sitting?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, my friend from Skeena typically asked in his preface an easy question, when he knows very well that in the area of the environment when dealing with very difficult issues there are no easy answers.

As far as this issue is concerned he will also know that we must first determine what our legal basis is to act before we go forth, especially may I add, when we are dealing with other jurisdictions. We must be careful in the way we undertake our duties in these areas to delimit areas of responsibilities. That is the spirit in which we are examining this issue.

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TAXATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Deputy Prime Minister and Minister of Finance.

For a long time now we have been advised that the federal government has been negotiating with the provinces for harmonization of the goods and services tax with provincial sales taxes.

Last week the New Brunswick Minister of Finance announced in the budget that there would not be harmonization of the New Brunswick provincial tax with the goods and services tax. In fact, he announced that agreements would be struck with the federal government for federal customs officers to collect the provincial sales tax on alcohol and tobacco at the border.

What is the special nature of the agreement to be reached with New Brunswick? Does this indicate the end of federal efforts to seek harmonization of the GST program with provincial sales taxes?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, no it does not mean an end to our desire to work with all provinces in seeking harmonization of the GST.

It is ultimately in the best interests of all provinces, both from the standpoint of improving the competitive position of their manufacturing and processing sector and in terms of administration and the removal of duplication and overlap.

I am disappointed that after a series of lengthy discussions with the province of New Brunswick that it saw fit not to make a decision to move toward harmonization. I would not interpret that as an outright rejection. Discussions will be going on.

We are continuing to work with the provinces to collect provincial sales taxes, offering to do that at the border and also with respect to the collection of the alcohol and tobacco tax.

We will continue to work with all provinces to endeavour to provide a harmonized system that will be easier to administer and more efficient not only for individual Canadians but also for the economy as a whole.

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TRADE

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the national trade ministers are meeting in Montreal today in negotiation of the North American free trade agreement, about which Ambassador Ney of the United States says a deal must be done by the end of this month because of the U.S. elections.

Meanwhile, *The Financial Times* among others says that a deal done in 1992 would be a bad deal for Canada, that Canada would take a major beating.

I ask the Deputy Prime Minister: Does the government agree with Ambassador Ney? Is Canada going to have a rushed, half-baked deal with no elections because the Americans are going to have elections?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I can assure my hon. friend that we are not going to rush any deal. We are going to negotiate the best possible arrangement for Canada.

We are going to improve our access to the U.S. markets still further and to Mexican markets still further, to be a preferred site for investment and to add in our trade with Mexico, a dispute settlement mechanism.

All of those objectives are what we will achieve in these negotiations and we will not rush doing it.

Mr. Howard McCurdy (Windsor—St. Clair): Last week the finance minister said that concern about the North American free trade agreement was overblown because Mexican trade consisted of about only 1 per cent of Canadian trade.