

Some Hon. Members: Hear, hear!

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is to the Minister of Finance. Last week we were told by the food services industry that the cost of restaurant meals and basic food services would increase by at least 8 per cent and that other foods would have little change in price.

Given that the average Canadian family spends 39 per cent of its food dollar on meals outside of the home, this means that the over-all impact of the goods and services tax will increase the price of food. Why does the Minister of Finance not come clean and admit to Canadians that the goods and service tax will increase the price of food?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have made quite clear that prepared foods such as would be served in restaurants will be subject to the tax. There is no surprise there. It is very clearly set out in the technical paper. But what we also said in the technical paper was that we were going to sit down and consult with the food industry to discuss with them whether the line between taxed and non-taxed foods should be based on the type of preparation, the type of foods they are, or whether it should be based on the establishment where the food is acquired. Those consultations still must continue and once they have been completed then we will have a response on that.

Mrs. Marleau: Mr. Speaker, the minister's own staff and his own department cannot tell us the definition of a basic grocery. Regardless of where the government decides to tax food based on where it is sold or what kind of food it is, there is no doubt that the tax will be unfair to Canadians and a nightmare for store owners. Will the minister agree to scrap the tax and come back with a proposal that is fair to all Canadians.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have considered all of these aspects and we have put the proposal to the Finance Committee. We believe very firmly, very strongly, that that proposal is a balanced proposal, a carefully calculated proposal, in terms of its impact on various people in society and that is why people have said that it is one of the fairest forms of a sales tax system that is available in the world today.

Mr. Lapierre: Who has said that?

Oral Questions

Mr. Wilson (Etobicoke Centre): The hon. member says who. I just quoted someone who said that. There are many others too. I will give the hon. member more quotes.

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FISHERIES

OVERFISHING ON GRAND BANKS

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is addressed to the Prime Minister. This summer the Prime Minister, the Secretary of State for External Affairs, the Minister for International Trade and the Minister of Fisheries have all failed to convince the European Community to stop their overfishing on the nose and tail of the Grand Banks. Our fishermen are now without fish, stocks are depleted, workers are unemployed and plants are closing. How critical must the situation be for people in Atlantic Canada before this government takes decisive action to protect our fish stocks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a very serious problem in the fishery in Atlantic Canada. That is why the government of Canada has entered into extraordinary negotiations with officials of the European Economic Community. That is why we have taken our case to NAFO, to the North Atlantic Fisheries Organization and where we have had some success in terms of quotas not with the European Economic Community, but with others. That is why the Prime Minister has established a committee which he has asked me to chair, to look into questions with relation to cod stocks and to also consider other questions in the fishery.

We have enjoyed, I might say, very constructive co-operation from provincial governments in Atlantic Canada who realize the seriousness of this matter and who realize that it is too serious to be treated as simply a matter of partisan accusation and debate.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): We are dealing here with a matter which goes to the heart of the livelihood of Atlantic Canada. That is recognized by provincial governments in Atlantic Canada. That is recognized by this government. That is why we are acting in ways that are unprecedented in Canada, and we hope to be able to make some progress.