

as vice-chairman, certainly he should not remain on the board of directors.

[*Translation*]

**Hon. Benoît Bouchard (Minister of Transport):** Mr. Speaker, of course, if I receive this information before question period, I will produce it in the House. I simply want to inform the Liberal House Leader that he is prejudging certain events or facts, I do not want to, and I would ask him once again to have the decency to wait for the chairman of the board's assessment. I think that is a basic courtesy we owe to any Canadian before making any judgment whatsoever, Mr. Speaker.

[*English*]

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, it is unfortunate that the minister himself did not take the action to remove Mr. Gallery from CN instead of waiting for Mr. Gallery to resign.

My question is for the Minister of Transport. In Mr. Gallery's letter of July 7, 1989 he makes references to two companies that have potential business with CN: Cast and Maersk.

Has the Minister of Transport entered into an investigation to determine whether or not Mr. Gallery in fact followed through with his suggestion in the document that as a good friend of these people he would ensure that CN would not get the contracts?

**Hon. Benoît Bouchard (Minister of Transport):** Mr. Speaker, I will just repeat what I said to his friend in the Liberal Party. The chairman of the board investigates.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I have a supplementary question.

Would the Minister of Transport agree to table in this House the copy of any correspondence received by him from the chairman of CN with regard to this investigation?

Furthermore, would he agree to communicate with the chairman today to insist that part of his investigation include an investigation of whether or not Mr. Gallery talked to the two individuals involved?

### *Oral Questions*

**Hon. Benoît Bouchard (Minister of Transport):** Mr. Speaker, I hope my friend understands that I will not direct the chairman of the board of CN to determine what are my facts in terms of that case.

• (1440)

He will determine himself what he will investigate. He will report to me, and I will advise at that time.

Once again, it is not I but the chairman of the board who will determine which facts he will consider.

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### GOODS AND SERVICES TAX

**Mr. J.W. Bud Bird (Fredericton—York—Sunbury):** Mr. Speaker, I have a question for the Minister of Finance about the goods and services tax program.

**Some hon. members:** Oh, oh!

**Mr. Riis:** Here it comes.

**Mr. Bird:** You are not going to like this question, but why not listen?

The existing manufacturers' sales tax is already prepaid primarily at 13.5 per cent on a large volume of stocks and inventories being carried by many Canadian companies, many of them in small business.

On January 1, 1991 under the GST program, the existing tax will be terminated and refunds will be made to these companies for the amount of tax then being financed on their inventories on hand.

What will the impact of these refunds be on the cash flow of Canadian companies? Will these refunds be processed and paid in a timely fashion?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, as the hon. member has pointed out, there will be a rebate of taxes paid on inventory held by companies as of January 1, 1991. That amount is difficult to be precise about at this time, because we do not know exactly what the inventory will be. Our guess is that it will be of the order of \$2 billion.

It will be paid out in part immediately, but there will be a hold back, which I expect would take about three to six months to confirm, and then that final amount will be paid.