

Oral Questions

foods, things like that, and what is not taxable; basic groceries. Where that borderline comes together is difficult.

We have asked the finance committee to review this. We have asked members of the Restaurant Association and the food industry to provide us with advice on this. The borderline that we have today is the fairest borderline that we have been able to come up with, based on the advice we have been provided.

Right Hon. John N. Turner (Leader of the Opposition): I think that Members of Parliament, and what restaurants we have still open, ought to tax Wilson's cooked goose.

[Translation]

Let's make this clear, Mr. Speaker. On September 1987, the minister said before the House: "This booklet is very clear. There is no proposal to tax food. That is very clear." Those were the minister's words. If what the minister said is true, our conclusion must be that in his bill, hamburgers are not food, hot dogs are not food, soft drinks, dried fruit, ice cream, salads, fried chicken, pizzas, pies and cheese platters are not food, according to his definition, since the goods and services tax will apply to each of these items. Every week, millions of Canadians buy take out meals or eat in cafeterias. However, according to the Minister, what they are eating isn't food. My question is this: If these items are not food, then what are they?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I refer the right hon. Leader of the Opposition to my statement in December 1987 where I said that basic groceries—

Mr. Turner (Vancouver Quadra): You said food.

Some hon. Members: You said food.

Mr. Wilson (Etobicoke Centre): The statement that I made at that time was that basic groceries were not taxed. I said we are going to have to find the basis of drawing the borderline between what is basic groceries and what is restaurant food.

Is the hon. Leader of the Opposition saying that a meal, which is food, at his favourite restaurant, Wins-

ton's, is taxable or not taxable? What is his position on that?

Mr. Turner (Vancouver Quadra): You said you weren't going to tax food.

Mr. Wilson (Etobicoke Centre): Again, I am getting no answer from the Leader of the Opposition. The Leader of the Opposition is totally devoid of ideas on this matter. The New Democratic Party, to its credit, has at least put up some suggestions as to alternatives. I disagree with those alternatives but I have yet to hear one idea—

Mr. Turner (Vancouver Quadra): That's absolutely pathetic.

Mr. Wilson (Etobicoke Centre): The hon. member says it's pathetic. It's pathetic that the Liberal Party of Canada has not put forward one proposal, one thought, one original idea on the goods and services tax.

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CANADIAN NATIONAL RAILWAYS

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister and it is further to questions asked yesterday in this House about the conduct of Mr. Brian Gallery, vice-chairman of CN.

I have in my hand a copy of a letter dated July 5, 1989 from Mr. Brian Gallery, Acting Chairman of CN, to Brant Ducey, vice-president of public affairs and advertising, CN, in which Mr. Gallery, in the words of an editorial in today's *Montreal Gazette*:

—threatened that if CN did not continue placing the ads in his (Gallery's) magazines, he would intervene to block two lucrative contracts that CN was seeking at the time.

Does the Prime Minister not agree that Mr. Gallery, Acting Chairman of CN on July 5, 1989, appointed by the Prime Minister and his cabinet, and President of the Progressive Conservative 500 Club fund raising organization, acted improperly in putting his private interest ahead of his public responsibility as Acting Chairman of CN?

Will the Prime Minister announce today the resignation of Mr. Gallery as vice-chairman of CN and will he assure this House that a complete and thorough investigation into Mr. Gallery's activities at CN will be conducted by an independent organization and made public?