

A great deal of consideration has been given to the priorities, of which there are a number such as transportation, which has been mentioned a number of times, economic and industrial diversification and so on. However, I cannot answer my honourable friend's question as to what specific projects have been on the agenda of a cabinet meeting.

Senator Smith: He did not ask you that.

Senator Olson: My honourable friend knows very well that, when announcements are agreed to and ready to be made, they will be made, but we do not discuss what is on the agenda of a cabinet meeting.

Senator Roblin: My honourable friend reminds me of a prairie chicken trailing her wings to lead the fox away from the nest, because that is exactly what he is doing.

Hon. Raymond J. Perrault (Leader of the Government): It is better than dragging in a red herring.

Senator Roblin: If there are red herrings to be dragged in, my honourable friend, the Leader of the Government in the Senate, is the best red herring dragger in this chamber. I stand second to no one in making that assertion. He is an expert in red herrings. He can even tell which ocean they come from. To him red herrings are the staff of life. He would not be able to answer a question or get through a speech if he could not deal with red herrings. There was a famous American who talked about the mackerel stinking and shining in the moonlight, and I think there may be some reference to that which escapes my honourable friend opposite.

However, to come back to my point, what I am saying is this: Statements have been made by some that the rapid transit grant of \$60 million to Vancouver was part of the Western Development Fund; and statements have been made by some that the Winnipeg core area development program, which is also a large one, is part of the Western Development Fund. From what my honourable friend has said tonight, I presume that is not the case, that they are not funded by this fund, and that they must be funded from some other source. My question is: Where are those two projects funded now?

Senator Olson: Honourable senators, as a result of a cabinet decision, those two projects are funded within the budget of the economic development envelope. There is no question about that.

They have probably been identified as prime targets for the use of the Western Development Fund, but I stand by what I said a few moments ago, that there have not been specific allocations from the Western Development Fund.

If I have to repeat myself several times, it is only to attempt to enhance the learning process of the honourable senators opposite, but it does not change one iota the validity of what I said a few moments ago—that is, the high level of responsibility felt by this government is such that we do not make commitments out of a fund until we know how much is in it.

Senator Roblin: My honourable friend has certainly convinced me that there is no such thing as the Western Development Fund at the present time—none at all. There will not be

a cent in it until the National Energy Program has been settled, but I expect there will be.

Senator Perrault: You may not be invited to the opening ceremony.

Senator Roblin: There is not a cent in it.

Senator Smith: There is a lot of hot air.

Senator Roblin: Hot air comes free and gratis around here. We are all experts at it, and I am not too bad myself.

I would hope my honourable friend would do us the courtesy of letting us know when the Western Development Fund takes on some real form and substance; how much money is being appropriated for it; and, in due course, whether he is going to spend any of that money in western Canada.

Senator Olson: Honourable senators, I would be very glad to assume the obligation to convey that information to my honourable friend. I will not be making the announcement of the specific projects from time to time as they unfold because the ministers directly responsible for administering those projects will, in fact, be doing that.

● (2110)

My honourable friend says that the fund does not exist. If he cannot accept the qualifications that were put on it by the Minister of Finance on October 28 when it was announced, or the several statements made by the Prime Minister since, or what I have repeated here tonight, I am afraid that I despair of his capability to understand plain English.

Senator Flynn: That is what you said.

Senator Smith: I understand a big bluff.

[Translation]

LEGAL AND CONSTITUTIONAL AFFAIRS

REPORT OF THE COMMITTEE ENTITLED "CERTAIN ASPECTS OF THE CANADIAN CONSTITUTION"

Hon. Martial Asselin: Honourable senators, if I may, I would like to put a question to the chairman of the Committee on Legal and Constitutional Affairs. This evening, the Leader of the Opposition referred to a statement by the Right Honourable Prime Minister concerning certain changes which would be made to the Senate in keeping with his plan or ideas for changing federal institutions. Since a Senate committee was set up one year or one-and-a-half years ago and sat for many days or rather many months, even during the summer, under the chairmanship of Senator Goldenberg and his associate, Senator Lamontagne, has a report been tabled in the Senate following the work of this committee which has not been completely discussed?

Hon. Maurice Lamontagne: Not at all.

Hon. Royce Frith (Deputy Leader of the Government): It was tabled in the Senate, but not discussed.

Senator Asselin: You are right, it was tabled in the Senate, but not discussed.

Could the chairman of the committee tell me, or if not, could he ask Senator Lamontagne, whether the Prime Minister has seen this report and discussed it with him? If so, what was his reaction? Of course, if Senator Goldenberg has not done so, I am asking this question indirectly of Senator Lamontagne, who is partly responsible for the report.

Hon. H. Carl Goldenberg: I did not discuss it with the Prime Minister. We tabled the report of the Senate committee, Senator Flynn adjourned the debate, in November as I recall, and he has done nothing about it since.

Honourable Senator Asselin has referred to the comments made by the Prime Minister—and Senator Flynn had already spoken about them—about a possible reform of the Senate. I noted in one of the newspapers this morning that the Right Honourable Joe Clark, Leader of the Opposition, also spoke about a reform of the Senate yesterday and suggested that he would agree to having the approval of the provincial premiers for Senate appointments or an elected Senate. Both leaders have therefore spoken about this.

Senator Asselin: But that does not mean anything.

Senator Goldenberg: No. In answer to your question I can tell you that I did not discuss it with the Prime Minister and I do not see why you should think that I was supposed to discuss it with him. We were supposed to debate the committee report here in the Senate and I am waiting for Senator Flynn's speech.

Senator Asselin: Well, since you did not, may I ask the deputy chairman of the committee, considering that he has been special advisor to the Prime Minister on constitutional matters, whether he has had an opportunity to talk this over with the Prime Minister? I am asking this question because I need to have answers more specific and clearer than those given to me by the Leader of the Government.

Senator Lamontagne: Senator Asselin, I believe there is a dual error in your question because I never was the deputy chairman of the committee. Neither have I ever been, like Senator Tremblay, the advisor—

Senator Asselin: I said "instigator".

Senator Lamontagne: —advisor to the Prime Minister on constitutional matters.

Senator Asselin: How humble you are tonight!

Senator Lamontagne: However, I tabled a report in the Senate, with the co-operation of Senator Goldenberg, as the Senate had asked us to do. I explained the contents of that report in a speech before the Senate in late November. Senator Flynn adjourned the debate and has not seen fit, since then, to resume the debate and contribute, as quickly as possible, to a reform of the Senate.

Hon. Jacques Flynn (Leader of the Opposition): On a question of privilege: I adjourned the debate but I have never stopped anyone from speaking.

Senator Lamontagne: But you yourself never spoke on the issue!

[Senator Asselin.]

Senator Flynn: Because I had nothing to say in the light of the position taken by the Prime Minister, at least at the start, in his proposed constitutional reform where he wanted to limit the power of the Senate to 60 days so that he could eventually abolish it, that is all. Since then, he has had a change of heart and once again, he has new ideas. So, I am waiting; if anyone wants to reopen the debate, he is free to do so. I have never prevented anyone from doing so.

[English]

ENERGY

CANADIAN OIL SUBSTITUTION PROGRAM

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I have a delayed answer in response to a question raised on May 26 by Senator Donahoe which concerned the Canada Oil Substitution Program.

I would like to inform the honourable senator that I have consulted with my colleague, the Minister of Energy, Mines and Resources, who has advised me that this program is not indexed to 1980 costs. I can say, however, that the Canada Oil Substitution Program will be reviewed from time to time and that indexing could be considered at a later date.

SASKATCHEWAN—OIL WELL SERVICING ASSISTANCE GRANT PROGRAM

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I have a delayed answer in response to a question raised on May 19 by Senator Balfour which concerned Saskatchewan's Oil Well Servicing Assistance Grant Program.

My colleague, the Minister of Finance, has informed his counterpart in Saskatchewan that the federal government cannot exempt this grant from federal corporate taxes. There has been a long-standing principle in federal tax policy that, where amounts are received in the form of grants or other government assistance that are in respect of expenses or capital expenditures, taxpayers be allowed to deduct, or write off, only the amounts of their net costs.

The federal government believes that the appropriate way to alleviate the difficulty that some oil well operators are facing for marginal wells is a speedy settlement of the energy issues between the provinces and the federal government. I remain optimistic that this settlement will soon be arranged.

ECONOMIC DEVELOPMENT

FEDERAL AID FOR CONSTRUCTION OF TRADE AND CONVENTION CENTRES

Hon. Raymond J. Perrault (Leader of the Government): Honourable senators, I have a rather long reply to a question asked by Senator Nurgitz on April 9, 1981, concerning the Winnipeg Convention Centre, which I ask be incorporated in the record of today's proceedings.

Hon. Senators: Agreed.

(The answer follows:)