

**Hon. Royce Frith (Deputy Leader of the Government):** As I understand it, the honourable senator is seeking more detail as to the actual span of years covered by the \$33 billion in expenditures and a further breakdown of the \$40 billion figure. I do not quite know what he means by "ambiguity" in respect of that figure of \$40 billion. Does he just mean there is uncertainty or lack of detail?

**Senator Marshall:** I will take your word.

**Senator Frith:** I shall endeavour to get that information.

## THE CONSTITUTION

### RENEWABLE RESOURCES—INDIRECT TAXATION BY PROVINCES

**Hon. Jack Marshall:** Honourable senators, I have a question for the Deputy Leader of the Government in respect of the controversy which has arisen over the fact that the Government of Canada would give the provinces the right to impose indirect taxation on their renewable resources. I realize this is a question which he will have to take as notice.

There was a statement by the Minister of National Revenue in Newfoundland that this would be so, and there seems to be, as a result of questioning in the other place, some ambiguity arising out of the answers given by the Minister of Finance and the Minister of Justice.

● (1425)

Could the deputy leader provide us with the government's position on the question of indirect taxation on renewable resources by the provinces, and particularly with regard to hydro-electric power?

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, I noticed too that there does seem to be some controversy on that subject and that the premier of Senator Marshall's home province seems to have some doubt as to whether the powers to be given would include indirect taxation on hydro-electric power. Certainly, I shall endeavour to obtain all the information possible in order to clarify the position of the federal government—which I believe to be that it would include such power to tax.

## TRANSPORT

### CANADIAN NATIONAL RAILWAYS—RECAPITALIZATION

**Hon. G. I. Smith:** Honourable senators, I wonder if I might ask the Deputy Leader of the Government when it might be reasonable to expect a reply to a question I asked on November 12, 1980, which appears at page 1198 of *Hansard* of that date. My question related to some statements reported to have been made by the President of the CNR as to the difficulty in raising capital for the CNR. I directed my question to the deputy leader because the appropriate minister was not present on that occasion.

**Hon. Royce Frith (Deputy Leader of the Government):** Yes, I see the question, and I see that I did undertake to see that it

[Senator Marshall.]

would be directed to the attention of the minister concerned. I assume that that was done, but I shall follow it up.

## ECONOMIC DEVELOPMENT

### THE BUDGET—WESTERN DEVELOPMENT FUND

**Hon. Nathan Nurgitz:** Honourable senators, I have one brief question for the Deputy Leader of the Government arising out of a delayed answer given yesterday to a question originally posed by Senator Murray. The reply appears at page 1238 of yesterday's *Hansard*.

The simple question was whether the \$2 billion being allocated over the next three years to the Western Development Fund would be used for existing programs. If I recall Senator Murray's question correctly, he gave by way of examples the development at Prince Rupert, the purchase of additional hopper cars, and things of that nature.

As I read the answer given by the deputy leader, it appears clear to me that he has not addressed himself to the question. Senator Murray wanted to know whether the \$2 billion would include existing programs, such as the ones I have just named, and the answer given by the deputy leader is that his government has "a particular interest in the areas of transportation and agriculture, water development and industrial diversification."

Well, I am pleased that it does, but I am interested in the answer that Senator Murray wanted, and that is whether it includes existing programs.

**Hon. Royce Frith (Deputy Leader of the Government):** Honourable senators, I think the intent of the answer was to say that the allocation to specific programs, either as to subject matter or as to present or future, is to be decided by the cabinet. In other words, that decision has not yet been specifically made, and will be made by the cabinet. I agree with Senator Nurgitz that the last sentence of the reply could be clarified both as to subject and as to future, and whether it is going to be from time to time or one decision on the whole program. I shall try to find that out.

## INDUSTRY

### IMPORTATION OF AUTOMOBILES

**Hon. G. I. Smith:** Honourable senators, I wonder if I might ask a question of the Deputy Leader of the Government respecting the importation of foreign automobiles into Canada. This is a question I would normally address to the Minister of State for Economic Development.

I understand that when the Minister of Industry, Trade and Commerce was recently asked in the other place whether Canada was considering placing import restrictions on the importation of foreign cars, he said—I am paraphrasing, but I think fairly accurately—that while the department did not currently have such a move in mind, Canada would, of necessity, have to take into account any decisions that the United States might make in respect of such action in that country. I