

due course, I would suggest that if the Liberal Party had been more responsible when it defeated the government in December, the "due time" would long since have arrived. The decision has been postponed by at least eight months. Following that preamble, my question is: Assuming that the price at which the government may reach an agreement for the next two years is about \$4 a barrel each year—and that is the minimum, I am quite sure, because people are talking now about \$7—

• (1425)

**Senator Olson:** The truth is that it would have been in total something between \$7 and \$11 under the previous government's plan.

**Senator Flynn:** Wait a minute! Don't try to confuse the issue any more than you already have. All right, let us say \$8 a barrel. What would the 9 per cent tax mean? Am I correct in saying that it will probably amount to something in the order of 20 cents to 24 cents a gallon? I suppose that a ready answer is too much to expect. Take the question as notice.

**Senator Perrault (Leader of the Government):** Honourable senators, I will be pleased to take that question as notice, but let me say that during the many months of inaction on oil pricing by the previous government, to use a gasoline analogy, they were "unable to get the lead out."

**Senator Flynn:** There is an unparliamentary word I could use to describe your reply.

[Translation]

**Hon. Arthur Tremblay:** A supplementary. As a follow-up to the extremely optimistic answer given by the Leader of the Government about the success of the negotiations going on, are we to understand from that optimism that the government has already excluded using the legislation which would allow it to set the price of oil itself?

[English]

**Senator Perrault:** Honourable senators, at least in the initial stages the main emphasis is certainly going to be on negotiations conducted in the best spirit of co-operation.

[Translation]

**Senator Tremblay:** Another supplementary.

I understand that it is at that initial stage that optimism applies but that using the legislation I referred to is not excluded in a second stage?

**Senator Lamontagne:** Why not?

**Senator Tremblay:** I want to know if it is excluded or whether it is the intention of the government to use that special, not to say very peculiar, legislation?

**Senator Asselin:** Senator Lamontagne just asked "why not?"

[English]

**Senator Perrault:** Honourable senators, may I say that this government will not proceed on the assumption that there is going to be failure. We have great faith in the ability of

[Senator Flynn.]

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## FOREIGN AFFAIRS

### FISHERIES—CANADA-UNITED STATES NEGOTIATIONS

**Hon. Jack Marshall:** I have a question for the Leader of the Government in the Senate. Yesterday in the House of Commons there was unanimous consent of all parties to the stepping up of negotiations between the United States and Canada on the ratification of the fisheries boundaries. Could the Leader of the Government indicate what plans the government has for stepping up these negotiations and coming to the final agreement which is so necessary to the fishing industry in Canada?

**Hon. Raymond J. Perrault (Leader of the Government):** The question will be taken as notice. However, there were discussions relating to fisheries matters during yesterday's meeting between Mr. Vance and Canadian officials. I will take the question as notice and endeavour to obtain a statement which can be made on the subject as a result of this meeting.

• (1430)

**Senator Marshall:** I thank the leader, but I should also like him to inquire and include in the statement information about the loggerhead situation between Canada and the United States in respect of seabed mining—law of the sea. Would he have that included in the statement?

**Senator Perrault:** I would be pleased to obtain that additional information if it is available.

## INCOME TAX

### UNINCORPORATED BUSINESSES—DEDUCTION OF SALARY PAID TO SPOUSE

**Hon. Duff Roblin (Deputy Leader of the Opposition):** Honourable senators, I should like to ask a question in connection with the recent statement in the other place on the budget. As I understand it, one of the highlights of that statement was a new tax regulation for professional businesses such as carried on by doctors and lawyers which permits the deduction of salaries to be paid to spouses. Can the Leader of the Government tell me if this is, in fact, part of that arrangement?

**Hon. Raymond J. Perrault (Leader of the Government):** Honourable senators, of course, to term the statement made by the Minister of Finance the other day as "a budget" is a misnomer; it was not a budget.

**Senator Flynn:** Why would you say that?

**Senator Perrault:** As far as the technical aspects of the question are concerned, the speech made by the Minister of Finance stated that this government will introduce several of the other notices of Ways and Means motions tabled last December, including the measure providing for the deduction of salaries paid to spouses by persons carrying on an unincorporated business and the temporary small business develop-