

fact, paid outside Canada and not to Canada? Specifically, would he confirm that most of the \$228 million paid in taxes by the five major chartered banks last year went outside Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, to refer back to the earlier question, the hon. member asked if I could explain why it was possible that taxes for a particular bank decreased. I said I would have to study the matter in order to know the condition of the bank but that one possible way it could decrease its tax liability would be its use of the small business development bond which extends benefits to small businessmen at about half the commercial rate. That is one possible way, and I would ask the hon. member to consider it seriously.

The hon. member asked several other academic questions about how it is that banks pay their taxes abroad. He knows the answer to that as well as I do. He has probably also had in his briefing book the old saw that you do not ask a question unless you know the answer.

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WESTERN DEVELOPMENT FUND

GUIDELINES FOR SPENDING OF MONEYS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I propose to ask the President of the Treasury Board a question to which, unfortunately, I do know the answer. It deals with a matter in the litany of broken promises made to western Canada by this government, specifically, the Western Development Fund. The minister tabled his estimates for the current fiscal year in the House on February 26. At that time he indicated that \$350 million would be spent this year under the Western Development Fund and that the details of the fund were to be tabled in the supplementary estimates later this year.

In view of a report in yesterday's *Winnipeg Free Press* that the bureaucrats in the federal government are trying to scuttle the Western Development Fund, could the minister tell the House whether any progress has been made toward establishing guidelines for the expenditure of this money? In view of the fact that it seems the money will not be available this year because of the lack of guidelines, can he give a commitment that the moneys that were to be spent this year will accumulate and be carried over until next year?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I thank the hon. member for that question. As he knows, under the system of expenditure management the expenditure of those funds is addressed by the Economic Development Committee. I tabled the estimates and I stand behind them, but as President of the Treasury Board I am not responsible for every item in the blue book.

Oral Questions

CONSULTATION WITH PROVINCES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, unfortunately I cannot find any minister who is prepared to take responsibility for this fund. It is one reason why the Liberal party is becoming the laughing stock of western Canada.

Since the Minister of Employment and Immigration does not know anything about this topic, I should like to put a question to the Minister of Finance. There has been a series of broken promises to western Canada, including double tracking, the payment for the Soviet grain embargo, energy policies which are an attack on western resources, and the economic development policy for Indians. I could go on and on. The minister said that there would be consultation with the provinces of western Canada with respect to the expenditure of this fund. When will this consultation take place? When may we expect a conclusion of that consultation, and when may we expect action with respect to the Western Development Fund?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will recall that there was an indication of consultation with western Canada. That consultation would probably be with the program ministers when any particular project is to be approved or financed.

Mr. Hnatyshyn: Scandalous.

PROJECTS TO BE FUNDED

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Finance. Could he outline to the House what projects the government intends to fund with the money that is supposed to be going into the Western Development Fund? From time to time the Minister of Indian Affairs and Northern Development has stated in western Canada that the money from this fund will be available for a particular project in which he is interested. Rail lines, ports, airports and a number of things have been mentioned as possible projects. In fact the amount of money talked about politically is probably higher than the highest estimate of the size of the fund. Could the minister indicate what projects will be funded through the Western Development Fund?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I already indicated to the hon. member who asked a question earlier that particular projects would have to be put forward in any area by the program ministers. That is something that I am not able to indicate on their behalf this afternoon.

COMPOSITION OF FUND

Mr. Jack Murta (Lisgar): Somebody must be in charge of the fund, Madam Speaker. What has happened to it? It appears that it is another attempt by the Liberal government