

Senator Olson: It is not. Not in the way it is being administered now.

Senator Roblin: I am talking about the question of competition, monopoly and things of that sort. That is what I am talking about. I am not talking about other aspects of the matter which may be the concern of my friend.

However, I must tell the house that, in speaking for the government, I have no information that can throw on this situation the light that my honourable friend seeks. All I can tell him is that, at the present time, it is our policy to let the economic forces take their course. We have some confidence in thinking that that will result in a reduction in prices before long.

Senator Argue: I think that is an abdication of the government's responsibility. I am rather simple minded; I think that when there is a collapse of the oil prices, there should be some action taken by the government to see that those lower prices flow through the system. Obviously, there is no action; the minister says that there is nothing new. To me, it is very new to have a drop in price from a high of \$31 a barrel last fall to a low of under \$13 per barrel today. If the price went down to zero, do you think we would get any benefit from that? Apparently not, since with two thirds of the price gone, we have gained a reduction of two cents. Perhaps we could look forward to another cent reduction under this trickle-down theory. Perhaps because of the cold weather, the oil does not get through those pipelines we have heard so much about. I think the whole thing is a scandal.

Senator Olson: I have a supplementary question. I wonder if the Leader of the Government in the Senate could tell us what the government intends to do. He has been trying to explain what the companies ought to do and the reasons for their actions in terms of getting rid of the inventory and so on. Does the government intend to take any action with respect to this problem?

Senator Roblin: I think I should make it quite clear to my honourable friend that one of the principles which guide this government in its policy is that it is not interventionary into the economic system where it does not need to be.

Senator Olson: Then you are abdicating your responsibility.

Senator Roblin: No, we are not.

Senator Frith: Laissez faire; good old Tory laissez faire.

Senator Roblin: It is not laissez faire either. It is a judicious application of the market principle insofar as that is possible to support. If we find a case where we do not think it is possible to support the market in any particular matter, we will intervene, but we do not think it is necessary for us to intervene in either of the instances we have been discussing.

Senator Olson: The market that is out there now is as a result of some political decisions such as those made by Sheik Yamani and others. Is it the government's position that we must live by that, rather than by what we do in Canada?

Senator Roblin: It will be interesting to see what Sheik Yamani does. He will get the world price down to \$10 per barrel, if he has his way.

REQUEST FOR ANSWER

Hon. Peter Bosa: Honourable senators, I would like to ask a question of the Leader of the Government in the Senate. On November 26, 1985, I put a written question on the order paper seeking some statistical information that ought not to be too difficult to compile.

Because of persisting rumours that Parliament will prorogue and that, therefore, questions on the order paper may die, I wonder if perhaps the Leader of the Government would intercede on my behalf and have this information conveyed to me.

Hon. Duff Roblin (Leader of the Government): If the question is on the order paper, it is not generally handled by me; it is handled by the Clerk of the Senate, and I am sure he has taken note of my friend's observation.

BANKING

PROMOTION OF INTERNATIONAL BANKING CENTRES

Hon. Jeremiah S. Grafstein: Honourable senators, perhaps the Leader of the Government could inform the Senate why the government and the Minister of Finance, in his Budget address, chose to deny the representations of the Mayor of Toronto and the Province of Ontario to allow Metro Toronto to become an international banking centre, while, at the same time, granting the representations of the City of Montreal and the Province of Quebec that will allow Montreal to become an international banking centre through the use of discriminatory tax measures.

Hon. Duff Roblin (Leader of the Government): I am not sure that the Minister of Finance is guilty of the charges laid by my honourable friend. In fact, I would hazard a guess that he is not. However, I will take my honourable friend's question as notice.

Senator Grafstein: If my premise proves to be correct, would the Leader of the Government in the Senate advise the minister that this is a very dangerous precedent in what could be a series of government policies that would discriminate between cities and thereby trigger a very costly tax incentive war between the various cities and provinces in this country? I say to my honourable friend that this is a very dangerous precedent and I hope that the Leader of the Government in the Senate, aided by his colleagues from cities across the country, will ask the Minister of Finance to change his mind on this very important and dangerous precedent.

Senator Frith: But this government is not interventionist. They are going to let the market forces play.

Senator Roblin: I do not think that the fear my honourable friend raises will prove to be substantial.