

enough to acknowledge that there is a problem that requires the attention of the government. So far the leader has left them—because they make inquiries of me to try to find out what the government is doing—with the impression that the government is not going to do anything.

Is that what I can report back again this week?

Senator Roblin: Wait and see.

Senator Frith: That's the answer.

Hon. Hazen Argue: I think Senator Olson has painted very well the difficult position of the oil industry. We can bleed for them and we can cry for them! Undoubtedly, some of the independents are in serious difficulty. I think it is terrible for the people of Canada because parts of the oil industry may be going broke and the consumer is paying virtually the same price even though there has been a collapse of world oil prices.

My question is rather simple, and I hope not naive, and is: When might we expect some drop in gasoline prices at the pumps? It has gone down 2 cents a litre, but it looks as though the international price of oil has dropped by \$15 a barrel and the consumer is lucky to get a \$2 or \$3 drop per barrel on a fill up at the pumps. When will the next move to lower prices be made by Exxon, Shell, and Petro-Canada?

Senator Roblin: I think my honourable friend will find that, as the cheaper oil hits the refineries and gets into the distribution system, there will be further reductions in the price of gasoline.

Senator Argue: From what I have been reading, the time has come for that, and it is getting through the system. I remember when it went the other way; it took about five minutes to get through the system.

I was in Florida a few weeks ago—

Some Hon. Senators: Oh, oh.

Senator Argue: Well, many people go to Florida. I went on very little; I drove my old Chev. My wife and I were coming back about three weeks ago and we pulled into an Exxon station, one of the big ones—it was the only credit card I had or I would have gone to another one—and there were four or five cars lined up at the pumps. They were waiting. I asked what the delay was about. The people who were lined up told me that the attendants were putting down the price of gasoline at the pumps. They had just gone down on the international market three days earlier, and now the attendants were putting the prices down at the pumps. They lowered the price to 89 cents for an American gallon, which is cheap gas, even when one takes into consideration the smaller U.S. gallon and the exchange rate.

My question is: If Exxon can put it down in the United States in 72 hours, why can they not do the same thing in Canada, or does it take longer to get through the pipeline in Canada than it does in the United States?

The consumer in Canada is being screwed by the oil companies, and it is a shame because that is not what is happening in the United States.

[Senator Olson.]

Senator Roblin: I do not care very much for being placed in the position of defending the oil companies for their handling of the price of gasoline—

Senator Frith: It goes with the territory—

● (1520)

Senator Roblin: —because I have to admit that my friend's arguments find a sympathetic ear over here. However, as we all know, when the interest rates change, the banks are not too swift to raise the rates they pay their depositors, but they are certainly pretty swift to raise the rates they charge to borrowers. If that is a libel on the banking system, it is certainly a widely-held view, and I must say that, so far, I share it. I might be convinced otherwise.

I cannot appear to defend the activities of the oil companies here, but I think there is a reasonable explanation which my friend might wish to examine, and that is that it is a question of contract. If you are able to buy spot oil at these reducing prices, then you can, quite properly, bring your price down to reflect that spot price. If you are dealing in a matter of contract where prices were set some time ago, and that contract still holds good and that costly oil is still flowing through, that is another question.

However, I am not telling my honourable friend that that is the reason because I do not know, but I am telling him that that is the best explanation I can offer him at the moment.

Senator Argue: That is a speculative explanation and it does not carry the weight of the government. In fact, I think it is the minister's own personal explanation. What I cannot understand is why every filling station and every company in the United States has access to a spot price while, at the same time, no one in Canada, apparently, has access to a spot price. Why are we hamstrung by contracts that are consistent for everyone—this seems to be the tenor of the answer, although I doubt it very much—while in the United States they do not have that kind of a system? Could the reason be that American law says there shall be competition and, in Canada, this government, with the agencies it has out there, is condoning a monopoly system that is gouging the consumer, even when some producers are suffering because of the collapse in international prices? You cannot have it both ways.

Senator Roblin: No, you cannot, but when you have a spot price system in the United States, when the prices are going up, the reverse happens. I heard nothing from my honourable friend when that happened. However, I will say to my honourable friend—

Senator Argue: I did not like the prices going up overnight and the oil companies gouging me on their inventory. I never liked that.

Senator Roblin: I am glad to know that that is the case. However, I want to tell my honourable friend that the system we have in Canada with respect to the oil industry is not something that was developed overnight. The system we have in this country has been the operative system for many a long year.