

purport to speak to the press on behalf of the government, it is a matter which should be taken up by the government to determine whether there are leaks from the department and whether there is any validity to the reported accusations.

I would therefore ask the minister to bring further information to the chamber when he is able to ascertain all the facts.

Senator de Cotret: I can assure the honourable senator that his concern over this type of leak is surpassed only by my own concern, and I will certainly endeavour to look into this matter.

THE ECONOMY

MONITORING OF PROFITS RESULTING FROM INCREASES IN INTEREST RATES AND OIL PRICES

Senator Frith: Honourable senators, I should like to ask a question arising out of the first question posed by the Leader of the Opposition. Part of his question dealt with the matter of what appear to the Canadian people to be undue profits reaped by the oil companies. Some weeks ago I asked the minister what criteria were being applied in the government's monitoring of those profits. I wonder if he could tell us when we might expect to find out what criteria the Department of Finance uses in deciding whether oil company profits are undue.

Senator de Cotret: I undertook, honourable senator, to obtain an answer to that question. I have not received the answer in my office as yet, but as soon as I do I shall be more than happy to provide the details of the monitoring process.

● (1420)

Senator Frith: Would the minister also at the same time ask the Department of Finance when they might be expected to produce that answer to him, so that he in turn can produce it for us and for the Canadian people?

Senator de Cotret: Yes.

ENERGY

ATLANTIC PROVINCES—GULF CANADA LIMITED—EFFECT OF DIVERSION OF OIL SHIPMENTS

Senator McElman: Honourable senators, my question also relates to the undue profits and practices of some of the oil companies, and I direct it to the same minister.

Two weeks ago it was reported that Gulf Canada had diverted some 400,000 barrels of crude, destined for its refinery at Point Tupper in Nova Scotia and the east coast market, to the European Community spot market. As the minister is well aware, Gulf Canada is the company that has now been cut off from Iranian supplies, and could thereby reflect a shortage, particularly of heating fuel, for the Atlantic provinces this winter.

My question is: As the government calculates the subsidies to be paid out of the Canadian treasury to east coast refineries, would it take into account the spot market profit that obviously must have been made on this shipment, which at a conserva-

[Senator Perrault.]

tive estimate would have been, on 400,000 barrels—since the spot market would be at least \$10 higher—in the area of \$4 million; and in the light of the undue profit effected in such an irresponsible fashion by this particular firm by means of this diversion from the Atlantic provinces, which face the prospect of being short of oil, including heating oil, this winter, would the government consider making some appropriate deduction from its subsidies?

Senator de Cotret: Honourable senator, I would first of all like to verify the allegations that Gulf did divert that amount, and that the diversion was no more than a pre-arranged swap of one nature or another. I will endeavour to ascertain the facts of the matter and give you the appropriate answer.

IMPERIAL OIL LIMITED—ANNOUNCED INCREASE IN PRICE OF GASOLINE

Senator Perrault: May I ask the Honourable Minister of Industry, Trade and Commerce whether any reports have yet been received from his colleague, the energy minister, Mr. Hnatyshyn, with respect to his meeting with the President of Imperial Oil, Jack Armstrong, to find out why Imperial raised its prices nationwide by 1.4 cents to 3.4 cents a gallon?

Senator de Cotret: Honourable senators, the answer to the question is no. As you are no doubt aware, the minister was off to Paris shortly after his meeting with the President of Imperial Oil to attend the meeting of the International Energy Association there. He is expected back this afternoon. We have a meeting scheduled for tomorrow morning to cover a fairly wide range of topics related to energy, and presumably we will be able to discuss the matter you raise in your question at that time.

GRAIN

INTERIM PAYMENTS BY CANADIAN WHEAT BOARD ON CURRENT CROP—INCOME TAX BURDEN ON PRAIRIE WHEAT FARMERS

Senator Steuart: Honourable senators, my question is directed to the Minister of Industry, Trade and Commerce. It relates to the issue raised in this chamber several times by Senator Argue with regard to the income tax problem being created by the government for many western farmers.

Quite simply, the problem is the adjustment payment presently being made by the Canadian Wheat Board on grain delivered by the farmers from the beginning of this crop year up until October before the initial price was raised. This applies to all deliveries, both those made on a straight cash basis and those made on a deferred income basis.

I ask the indulgence of the Senate while I give a brief outline of how this situation developed. For many years farmers would refuse to deliver grain in the latter part of the calendar year if they felt they had had a good year, and it would increase their income tax problem. They acted no differently in this regard from any other businessmen all across the country. The Wheat Board, and the government