colleague, who, apparently, is in total agreement with the actions?

Senator Roblin: I will have great pleasure in referring this specific question that my friend has just asked to the Minister of Finance to see what answer he gives me. However, my honourable friend understands perfectly well, I think, that as I do not hold that portfolio, I am not in a position to give an authoritative answer on my feet and on the spur of the moment.

INCREASE IN INTEREST RATE

Hon. H. A. Olson: I have a supplementary question, honourable senators. Surely the Leader of the Government accepts the responsibility to answer in this chamber for the whole government, including the Minister of Finance.

Senator Flynn: No.

Senator Olson: He does not? I might say that Senator Flynn has learned a lot of things in the last short while, because when he sat on this side of the chamber, he expected the senators occupying the front bench on that side of the chamber to answer every time. However, we can disregard Senator Flynn since he has a different view from day to day.

I would like to ask the Leader of the Government whether or not he is aware of the consequences of what has happened. As a result of what Senator MacEachen was talking about, Canadian business is now paying somewhere around 4 percentage points more in interest charges than the rate charged for similar loans in the United States, now that our prime rate in Canada has gone up to 12.5 per cent. Does this government expect Canadian business to compete on that basis?

Hon. Duff Roblin (Leader of the Government): My honourable friend knows perfectly well that there is a very close trade-off between interest rates and the price of the Canadian dollar. When one affects the other, you must expect those consequences to follow. That is just as clear as day follows night. When my honourable friend was on this side of the chamber, he was giving those answers very effectively.

Senator Olson: No, your honourable friend was not giving those kinds of answers. Nevertheless, I would not want Senator Roblin to expect Canadian business to rely on what the failings of the previous government or the Leader of the Government in the Senate may have been. I want to know now what they can expect from this government. The fact is that the delay in the action taken by the Governor of the Bank of Canada and the Minister of Finance, in other words the decision to intervene in the market, has, in fact, moved the interest rate up approximately 2.5 percentage points from 10 to 12.5 per cent. I would also like to point out that it has not moved up that much in the United States during that same time, so that the spread has widened substantially and thereby changed the competitive position between Canada and the United States. I would like to ask whether that is acceptable to the government.

Senator Roblin: No, it is not acceptable to the government any more than it was acceptable to this party when interest rates, under the direction of my honourable friend, were 15, 16 and even as high as 21 per cent. We remember it all very well, and we are quite pleased that during our term of office, so far, interest rates have come down as markedly as they have done. I think that has been a satisfactory outcome as far as Canadian business and the Canadian economy is concerned.

However, if my honourable friend is asking me if I think interest rates are too high, of course I think they are too high. Furthermore, I think that having stabilized the dollar as we have and reinforced our position, I look forward in the relatively near future to interest rates in Canada declining somewhat, thereby reducing that gap between Canadian and American interest rates of which my honourable friend speaks. However, I must say that when I consider the record of this administration in respect of interest rates, I feel very pleased and I have nothing to apologize for.

Senator Olson: Honourable senators, I will then report to the people who have made inquiries of me that the government is satisfied with their performance and that Canadian business being compelled to pay anywhere from 60 to 70 per cent higher interest rates in Canada vis-à-vis the United States is satisfactory to this government. That is what my honourable friend has said.

Senator Roblin: Honourable senators, that is not what I said. When my honourable friend asked me the direct question, did I think interest rates were too high, I said yes. Why does my honourable friend not admit that?

Senator Olson: I asked my honourable friend if the spread was satisfactory to this government, a spread which has widened very dramatically in the last ten days.

● (1420)

Senator Roblin: No, it is not satisfactory, and we are going to do our best to get it down.

ENERGY

OIL PRICING

Hon. H. A. Olson: Honourable senators, I would like to get some information from the Leader of the Government today, since I have already been trying to do so for two weeks. The March spot price for crude oil is now down to under $16.

Does the government feel that it is down far enough now so that they need to indicate some positive action with respect to this, or do they hold the view, as some commentators and, indeed, some people in the government are saying, that these lower oil prices will, in fact, have a positive effect on the Canadian economy?

Hon. Duff Roblin (Leader of the Government): If I were to get into an economic argument with my friend, and I do not intend to do so, I could make an argument for higher oil prices being good for some and bad for others; and lower prices being