

and the people of the country, has either minister been in touch with the companies concerned and can either minister report to the House on any such conversations or any proposals the government intends to make?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I can report that another of the major companies has indicated that it will follow the increases. As far as the eastern market is concerned, the indication from the companies is that the cost reflects the increase in the international price of oil of about 20 cents. In western Canada the cost not only reflects the competitive value of oil but also the cost increase in refinery operations. On that basis we are accepting that these increases will hold.

Mr. Stanfield: Mr. Speaker, I did not hear the end of the minister's reply. Did he say that the government is accepting this explanation?

Mr. Macdonald (Rosedale): Mr. Speaker, we are accepting the fact that costs have increased in the refinery operations and that in due course these costs will have to be reflected in the price of the product.

Mr. Stanfield: May I ask the minister when he is going to announce his national energy policy so that others outside the government and the Canadian people generally can have a context in which to assess this type of price increase? I ask this question particularly because my recollection is that he promised the announcement of such policy by the end of 1971 and again by June, 1972.

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. gentleman that I became minister in January, 1972—

An hon. Member: We know it, don't we?

Mr. Macdonald (Rosedale):—so his statement is not correct. However, I expect to be able to put some documents before parliament some time during the course of the spring.

INQUIRY AS TO COMMUNICATION FROM BIOMASS
ENERGY INSTITUTE ON ENERGY DEVELOPMENT ON
RENEWABLE BASIS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources on this subject. Has he received any communication from the Biomass Energy Institute requesting an answer to their offer to enter into a research and development program for the development of energy on a renewable basis?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I shall have to make an inquiry in that regard and respond to the hon. gentleman.

• (1420)

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, would the minister also inquire of his colleague the Minister of Agriculture and ask him to free this corre-

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spondence from the civil service level and bring it up to the ministerial level for decision?

Mr. Macdonald (Rosedale): Mr. Speaker, I will make that inquiry.

GASOLINE AND FUEL OIL PRICE INCREASES—
INVESTIGATION OF REASONS BY DEPARTMENT OR
NATIONAL ENERGY BOARD—ADEQUACY OF SUPPLIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. As three major oil companies have now raised the price of gasoline one cent a gallon and the price of home heating fuel oil by two cents a gallon, while at the same time paying to their producing companies an increase of 20 cents a barrel on top of the 10 cents a barrel increase of last November, has the minister's department or the National Energy Board investigated this matter to see whether or not these price increases are warranted or whether they are based entirely on the fact that there is a shortage in the United States and a more attractive market in that area so that, consequently, Canadians are being asked to pay for the increased price in the United States?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I just indicated to the Leader of the Opposition, approximately just under half the Canadian market is not supplied by Canadian oil but by offshore supplies. As I indicated, the price increases, I am advised, are principally for the recovery of the increased cost of the raw material coming from offshore. With regard to the increases in the market west of the Ottawa Valley, it is true that the price there is affected by the increased price for western Canadian oil production, in part arising from the markets for this product in the United States.

Mr. Douglas: In view of the widespread hardship in some parts of the United States because of the shortage of home heating fuel oil, in view of the fact that the Alberta authorities estimate that the consumer demand for February will exceed by 15,000 barrels a day the productive capacity of the Alberta fields and the fact that the province is shipping daily to the United States at present over a million barrels of crude oil and condensates, what steps are the minister's department and the government taking to ensure that there will be no shortage of home heating fuel in Canada this winter?

Mr. Macdonald (Rosedale): Mr. Speaker, I point out to the hon. gentleman that the source he referred to indicated that the Alberta authorities expected no difficulty whatsoever in meeting Canadian demand despite very high shipments to the United States. I made it clear to the Alberta authorities and the industry, as I indicated yesterday, that the priority so far as the government of Canada is concerned is that existing Canadian refineries should continue to have feed stocks. If the industry fails to take steps to assure this, then, of course, it is faced with the prospect of regulations with regard to oil, as it is now faced with regard to gas.

Mr. Douglas: A further supplementary question, Mr. Speaker—