

ORAL QUESTION PERIOD

[English]

ENERGY

OIL AND GAS—GOVERNMENT MONITORING OF PRICE INCREASES EAST OF OTTAWA VALLEY LINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, who said in the course of his statement that east of the Ottawa Valley line the price of gasoline and home heating oil would immediately be increased by an average of 2 cents a gallon although the price would vary from company to company depending upon cost. I ask how he proposes to have the government involved in monitoring those price increases.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, judging from the experience we have had in the last several months, there will be a very quick reading as to how prices will be involved. There will, of course, be some adjustment in margins at the retail level, but in effect I would anticipate that the price leaders whose prices will be somewhere just under 2 cents will probably, at least for those higher than 2 cents a gallon, dictate the price level. We would expect to have the kind of feedback we had earlier when restraints were put on but which fell off afterwards. Normally we would get an early reading as to particular prices of particular companies.

OIL AND GAS—TIMING OF ANNOUNCEMENT OF PRICE INCREASES IN QUEBEC AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, would the minister tell us when he proposes to make a further announcement as to the next round of price increases in Quebec and the Atlantic provinces based upon the anticipated increase in crude prices mentioned by the minister tonight, which might well be higher than the price increase he has just announced? When does the minister propose to let the next shoe drop?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that will depend very much upon the kind of proof the companies can bring forth, if indeed they have had additional costs. In the normal course it will take some time before the price increases of last week find their way through to inventory.

HOME HEATING FUELS—APPLICATIONS FOR PRICE INCREASES WEST OF OTTAWA VALLEY LINE—GOVERNMENT CRITERIA IN CONSIDERATION THEREOF

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have one further supplementary question, and perhaps I might really get an answer to this one. The minister has stated his willingness to accept applications for price increases in respect of home heating fuels west of the Ottawa Valley line but he did not indicate the basis upon which applications for increases would be accepted or rejected. Would the minister now indicate to the House the basis, or the criteria the minister would use in deter-

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mining whether an increase in the price of home heating fuels west of the Ottawa Valley would be granted by the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might read to the hon. gentleman that portion of my statement which related to this. I pointed out as follows:

A significant part of the market for home heating oil in the central Ontario area is supplied by imports of home heating oil from overseas.

This has been the case for a number of years. To continue:

The rapid increase in demand for international supplies of home heating oils with the consequent price increase has made it difficult for Ontario suppliers . . .

An hon. Member: Don't read so fast.

Mr. Macdonald (Rosedale): I agree that I would have to read it very slowly and with great precision to make an impact on the Leader of the Opposition.

Some hon. Members: Oh, oh!

An hon. Member: Be serious.

Mr. Macdonald (Rosedale): To continue the quotation, Mr. Speaker:

The rapid increase in demand for international supplies of home heating oils with the consequent price increase has made it difficult for Ontario suppliers to secure adequate supplies before the close of navigation in December.

In these circumstances it is the government's intention to entertain requests by marketers for immediate price increases in home heating oils west of the Ottawa Valley line and particularly in Ontario and British Columbia.

This is where the same criteria applies. Basically, if there are additional costs indicated by particular importers into Ontario, and we have had some indication from independent importers of this previously, at a price level that makes it difficult for them to import and sell at a cost which would enable them to recover their cost, of course we will entertain an application of that kind. This will depend very much on the situation of individual companies. Obviously, I think it is fair to say that anyone who has a western Canada supply and has not incurred the same cost increase as an independent would not be in the same position to get compensation for increased costs.

Mr. Stanfield: Mr. Speaker, I have one further supplementary question on this point. I would point out that the minister did not say that in his statement, although he tried to give the impression that I ought to have understood this.

Mr. Macdonald (Rosedale): Mr. Speaker, I read the statement.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. The minister did not indicate in his statement the criteria on which an increase would be granted, although he has done so now. I should like to ask whether he is now saying, and intends it to be understood to mean, that an application for an increase would be accepted or granted only where there is indication or proof of increased costs.