

such specifications would necessarily apply to only new engines.

Unfortunately, such factors as accumulated mileage, altitude, general operating conditions, and so on, can modify octane requirements in a given engine substantially, thus rendering original specifications of little use. Should octane declarations be required, a laboratory analysis program of gasoline samples would be necessary to determine compliance levels and provide the basis of enforcement action. We are advised that there are presently two government agencies in Canada involved in routine octane testing of gasoline, the quality engineering test establishment of the Department of National Defence and the Research Council of Alberta. Those are the only two which have this capacity.

Consequently, unless sampling programs are very restricted or private, or petroleum industry laboratory facilities are enlisted, government-sponsored analytical capabilities appear to be very seriously limited. This argument is meaningful, but it would not be if the cost benefit to the consumer were not worth while. I think the fundamental point is whether, in fact, the benefits would be worth the effort involved and would be beneficial to the individual consumer. Our investigations suggest that the approximate cost of laboratory octane analysis on a per sample basis would be in the range of \$70 and requires, apart from preliminary time required for preparation of test equipment involving special internal combustion engines, about one man-hour per sample. It is apparent that the cost of an extensive compliance testing program involving some 19,000 retail gasoline outlets in Canada would be very high. Even the testing of only 10,000 samples on an annual basis would run in excess of \$700,000.

In Canada, the Research Council of Alberta co-ordinates the operation of what is known as the Canadian Co-operative Fuel Exchange. This 35-member exchange is comprised of oil refining companies and provincial and federal research agencies. Each month, a different oil company circulates two samples of its production, normally a motor fuel and some other fuel product, to each of the other 34-member agencies for analysis. In the case of gasoline, octane rating and a number of other, qualitative tests are carried out. Results are reported and circulated to all members to serve as a means of industry-operated quality control.

Due to lack of knowledge on the part of the average consumer concerning the basic meaning of octane number, declaration of these numbers at retail outlets would appear to be of limited benefit to consumers without an extensive educational or explanatory program. The cost to all oil companies of providing octane rating declarations at all retail outlets may well be passed on to consumers in the form of increased gasoline prices.

We have not received any real indication of consumer desire for more information concerning gasoline quality, nor have we received any complaints which would serve to suggest that there may be a need for consumer protection in this area. In view of the current debate and continuing investigations respecting environmental pollution problems, and the ongoing modifications by automotive manufacturers to the automobile engine, it is questioned whether federal regulations should be imposed at this time to

Gasoline Labelling

require a declaration which may be subject to considerable change in the near future.

In the United States, the American Society for the Testing of Materials has recently established a system which employs the numbers one through six declared on gasoline pumps to denote the different grades of gasoline offered for retail sale. The grades are based on the minimum octane rating specifications which have been established in the six categories as lowest grade, unleaded grade, standard grade—which is regular grade—intermediate grade, premium grade and super premium grade.

In accordance with this system now used by several states, the owner's manual for some United States models of 1975 cars now specifies the correct grade number or numbers to be used in each vehicle. The co-ordinating research council in the United States, sponsored jointly by the American Petroleum Institute and the Society of Automotive Engineers, conducts a comprehensive series of tests and user surveys on each year's new car models under a wide range of operating conditions across the United States to determine actual gasoline octane requirements. Information gathered indicates which rating levels are preferred by users for the various types of vehicle and operating conditions and the relative volumes sold.

The data is then made available to oil companies to permit them to produce the ratings and volumes necessary to effectively meet market demands. On balance, because of the degree of self-regulation existing within the industry, and because of the likely costs of monitoring any mandatory disclosure requirements, it would be preferable not to proceed with Bill C-217 without a very thorough examination of the need for such legislation in light of other priorities in the consumer protection field.

I wish to say, Madam Speaker, that in the Department of Consumer and Corporate Affairs we do not look lightly at this bill and its proposal. We believe that anything that can be done to provide more information to consumers at a cost which they can afford and which will not increase the basic cost of the commodity itself is very worth while. At the same time, however, we must recognize a very simple principle. I think it could be best enunciated by quoting G. K. Chesterton, who one time said that every vice is a virtue gone mad. What he meant by that was that it is quite all right to have a good, valid program or plan; but if you apply it without discrimination and draw it through to its appropriate conclusion, you will end up with something that is counter-productive. In this case, that is very apropos to our particular department.

● (1700)

For example, you see concern expressed by consumers, and even by members of the House about some regulations, for instance, in connection with car seats, saying that we should provide more protection for babies in cars. However, we must watch that we do not end up with such high standards for that kind of thing that the cost of a child's car seat will be \$100, or even more, in order to provide the kind of protection that we would all like our children to have. We would then find out that we had a perfectly safe car seat but that no one, or very few people, could afford to buy it.