

one in eight people are employed by government in Canada. One person in eight is now somehow employed in government at either the provincial, municipal or federal level! As we know, the number one employer is the federal government, and here we have them lunging ahead to employ more civil servants, in more bureaucracy, so they can bring in what they say is a more competitive marketplace.

I would suggest that they do not accurately understand the marketplace at the present time. Let them look at the entire economic fabric of Canada; let them have another royal commission on banking, such as that which was commissioned by the Conservative government in 1961, to get the facts on what is competition in Canada and how it can be freed.

I would say that any chartered bank in Canada can restrict or open up competition more than any other force that we might consider. Not only do I feel that the government does not fully comprehend the problems they are attempting to deal with but, most unfortunately, I think they perhaps inadvertently do not realize that the more they submerge business with bureaucracy, the more they lessen competition. How often have members of this House been told by small businessmen that they cannot carry on, and the final straw that breaks their backs is mounting governmental supervision and paperwork that they have to keep filing with some bureaucracy, mainly at the federal level. I have a client in my law office who is also a constituent and he has written to me in desperation.

Mr. Speaker, I see it is almost ten o'clock, but perhaps I could continue because I should like hon. members to know the plight of this relatively small businessman who feels that bureaucracy is essentially forcing him out of business in spite of the fact that he is earning only, on average, \$20,000 a year.

However, may I call it ten o'clock, Mr. Speaker?

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

### ENERGY—PRICE OF HOME-HEATING OIL IN OTTAWA AREA

**Mr. Walter Baker (Grenville-Carleton):** Mr. Speaker, on March 5, 1974, at page 167 of *Hansard*, I asked a question of the Minister of Consumer and Corporate Affairs (Mr. Basford) which was answered in the usual fashion of passing the question to another minister, the Minister of Energy, Mines and Resources (Mr. Macdonald). That question dealt with the differential in home-heating oil that is charged to consumers in the Ottawa area notwithstanding the fact that one-half of the supply of oil was carried, before the pipeline was closed, by the pipeline which brought frozen-priced, western-oriented heating oil into the Ottawa area. As a result of this act of what I would

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respectfully call malfeasance, consumers in the Ottawa area are being charged eastern offshore prices for domestically frozen-priced oil. The minister's answer was tentative. He suggested that the extra costs were incurred in part as a result of the refurbishing of the pipeline which was used for carrying the product.

● (2200)

Subsequently the matter was again raised in the House. I received a letter from the minister which indicates that his officials had conducted a study with regard to the price of home-heating oil in the Ottawa market. This the minister kindly sent to me. Having seen the document which purports to be the study undertaken by the officials of his department, I can only say, with the greatest respect to those officials, that this document ought not to be dignified by being called a study.

I am informed that 12 million gallons of heating oil were pumped into the Ottawa area through this pipeline during the first quarter of 1974. But the differential with regard to those 12 million gallons was 7 cents a gallon, which means that the total differential consumers in this area paid would amount to \$840,000. If the differential were 5 cents per gallon, Ottawa consumers would have paid an extra \$600,000 during that period. That being so, why has the minister suggested that it would appear the oil companies did not make a windfall profit?

Let me now deal with the reasons given for the differential. First, there is the refurbishing of the pipeline. I suggest that it is wrong in principle to charge consumers the cost of refurbishing the pipeline. Surely it is not up to Gulf or Imperial Oil or any other oil company to bear the cost of refurbishing the pipeline. This matter, obviously, should be included within the rates of the Interprovincial Pipeline company. So that reason is without foundation. Second, with respect to the cost of the product itself, there is a table attached to the minister's letter which shows the price of western Canadian crude oil and of crude oil entering eastern Canada. Those prices are \$4.50 per barrel on the one hand and \$6.50 per barrel on the other.

The table deals with transportation costs. If the minister relied on such an incomplete study as this one, and if the department was prepared to rely on such incomplete information, I suggest that the minister and the department virtually misled consumers in this area.

Another reason for the differential is listed under the heading, "Additional supply costs". Under that heading the table lists an item which reads, "Rail freight to Regina from Edmonton versus lake tanker from Clarkson to free supply for eastern Canada". Think about that for a moment, Mr. Speaker. Consumers in the Ottawa area are being asked to pay higher prices because, in effect, they are asked to subsidize the oil used by the rest of Canada.

The next item in the table reads, "Extra processing on Edmonton product transmitted with IPPL crude". The figure given is without foundation. It is not based on any report prepared by officials or the deputy minister. This indicates that this study was not undertaken with sufficient care. Actually, the government relied on information supplied by the companies and not on data it had gathered itself.