

gasoline up to as high as 7½ cents. The commission was aware of the arrangement that was made but was unable to do anything about it. It does seem to me that the new consumer affairs department should be able to do something to correct this sort of situation.

I was in Toronto last week and saw cut-rate gasoline advertised at 40.9 cents a gallon. In my particular area, Mr. Chairman, No. 2 gasoline sells for as high as 56 cents a gallon. I checked with my colleague from northern Quebec and he told me that the price in his area was about two cents less, so I presume the difference is the result of the two cent tax recently imposed in Ontario.

It appears from my inquiries, Mr. Chairman, that a tank wagon price is charged from the refineries at Sarnia. In addition there is about one cent a gallon transportation cost to Toronto. The journey to northern Ontario adds about one-third of a cent. This gasoline can be transported by rail for less than one cent a gallon to all parts of northern Ontario and northern Quebec. The charge for shorter journeys would be lower.

I am at a loss to understand why there is as much as a 16 cents spread between these two areas, Mr. Chairman. Although the matter has been investigated no report has been made. I think it is only fair to the service stations to make a report shortly because they are being blamed for a situation over which they have no control. The price to the consumer is governed by the price the service station owner has to pay, not to the company that supplies his gas but to the distributor from whom he is required to purchase it.

This problem has also come before the United States federal trade commission, Mr. Chairman. I have a report before me that was made by what some might call a disreputable magazine, *Male*, but no doubt the facts are correct. This particular copy is not dated but the report indicates that service stations have been established by the oil companies and made economic serfs. Many citizens do not realize this. I should like to put on the record several paragraphs of this article.

By leasing instead of selling their stations, the oil companies hold the operator in a tight bind. If he refuses to handle unsafe "cheapie" tires or overpriced worthless additives the company is pushing, they can cancel his lease and wipe out his entire private investment in stock and equipment.

Their latest gimmick is to stick the station operator for a large part of the cost of the current give-away games. Standard of California made its dealers buy a specified high quantity of tickets handed out in its cash-on-the-line game—at \$12

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per 1,000. And Sun Oil soaked its 9,000 Sunoco dealers two cents for every sunny dollar coupon he handed out. All the various games cost individual station operators hundreds of dollars they can ill afford.

The part-owner of a chain of stations in Detroit recently told a reporter bitterly, "These games are crammed down our throats. We have to participate or spend all our time explaining why we don't. If we don't play along with the company, up goes our station rent".

A number of the points made by the Restrictive Trade Practices Commission are reported in this magazine. One of them is that the companies build service stations without consultation with the authorities. I think municipalities have some responsibility in this field. They seem to allow service stations to be built almost one next to another. A woman in Kirkland Lake wrote to me that her husband when travelling to work observed in a one mile stretch nine service stations. I can assure you, Mr. Chairman, that the quantity of gasoline sold in service stations in Kirkland Lake is nowhere near the volume of stations in the United States or in metropolitan Toronto. I think it would be difficult to find any service stations in northern Ontario that sold 300,000 gallons a year, let alone compare those stations with those in Toronto which sell the same quantity in one month.

The investigations that have been conducted have not, in my opinion, been conclusive. However, they have established that gimmicks, give-away programs and stamps add to the cost of the gasoline. In northern Ontario the people are victims of a set of circumstances over which they have no control but which, in my opinion, constitute a very grave abuse of the concessions granted the major oil companies.

As the article in *Male* points out, the major oil companies are given all kinds of concessions in the United States. However, this magazine should investigate the concessions they receive in Canada. In spite of this, Mr. Chairman, they still fleece the general public by means of unfair practices. As I say, this is one field to which the new consumer affairs department should turn its attention.

● (4:50 p.m.)

When considering the matter of gasoline prices in northern Ontario and elsewhere we must remember that under the present system gasoline stations are tied to their supplying companies. In northern Canada station operators have to supply their own pits, and their operations are costly in winter; every