

**Letter to the Editor**

**Cost of gasoline**

June 10, 1983

Mr. Jack Stokes, M.P.P.  
Lake Nipigon  
Room 186  
Parliament Buildings  
Toronto, Ontario  
M7A 1A2  
Dear Jack:

Thank you for your letter of April 26th, 1983, concerning the variable cost of gasoline in Northern Ontario.

The refinery industry in Ontario and throughout Canada is facing a very difficult marketing situation caused by a combination of factors, the most important of which is energy conservation. The industry reports that, on average, refineries in Ontario are running at only about 65 per cent of their capacity. To make matters more difficult, they say, the mix of products which can be made from a barrel of oil does not match the requirements of the market place. As a result, in order to produce sufficient quantities of products in relatively high demand (e.g. diesel fuel) the refineries are forced to produce surplus quantities of other products such as gasoline. These surplus quantities of other products such as gasoline. These surpluses result in periodic price wars.

A refinery in Ontario currently pays about 22.7 cents per litre for crude oil. Gasoline sold at the pump attracts combined federal and provincial taxes of 11.6 cents per litre. We are informed by the industry that, in addition, the

refiner normally guarantees the dealer a margin, typically 2.8 to 3 cents per litre. These costs total over 37 cents. Any price in excess of this figure goes toward the costs of refining the crude oil, distributing the products and finally toward profit to the refiner. Clearly, the refiners are losing money heavily when they sell gasoline at 21.9 cents per litre at Thunder Bay. At 53 cents per litre in Schreiber, depending on transportation costs, it would appear that they are making a return on their investment.

Fort Severn, of course, is a particular case. Petroleum products must travel a long way before they reach a consumer in Fort Severn. If gasoline is brought from a refinery in Sarnia, it is first sent by pipeline to Toronto. I understand that it is then transported to Moosonee by train and is then flown into Fort Severn, often in large pouches strapped to the sides of light aircraft. The local distributor must maintain storage facilities in Fort Severn and the costs of these facilities must be spread over the small number of customers in the area.

A Royal Commission was established by the Government in 1975 to examine petroleum products pricing. In his report of June 1976, the Commissioner, Mr. Claude Isbister, concluded that "the existing markets are giving better service to con-

sumers than would result from...governmental regulation and that prices would be increased under regulation." The Ministry of Energy monitors the marketing of petroleum products on a continuous basis. Please let me know if I can be of any further assistance.

Yours sincerely  
Robert Welch  
Minister of Energy

**Won't Mix**

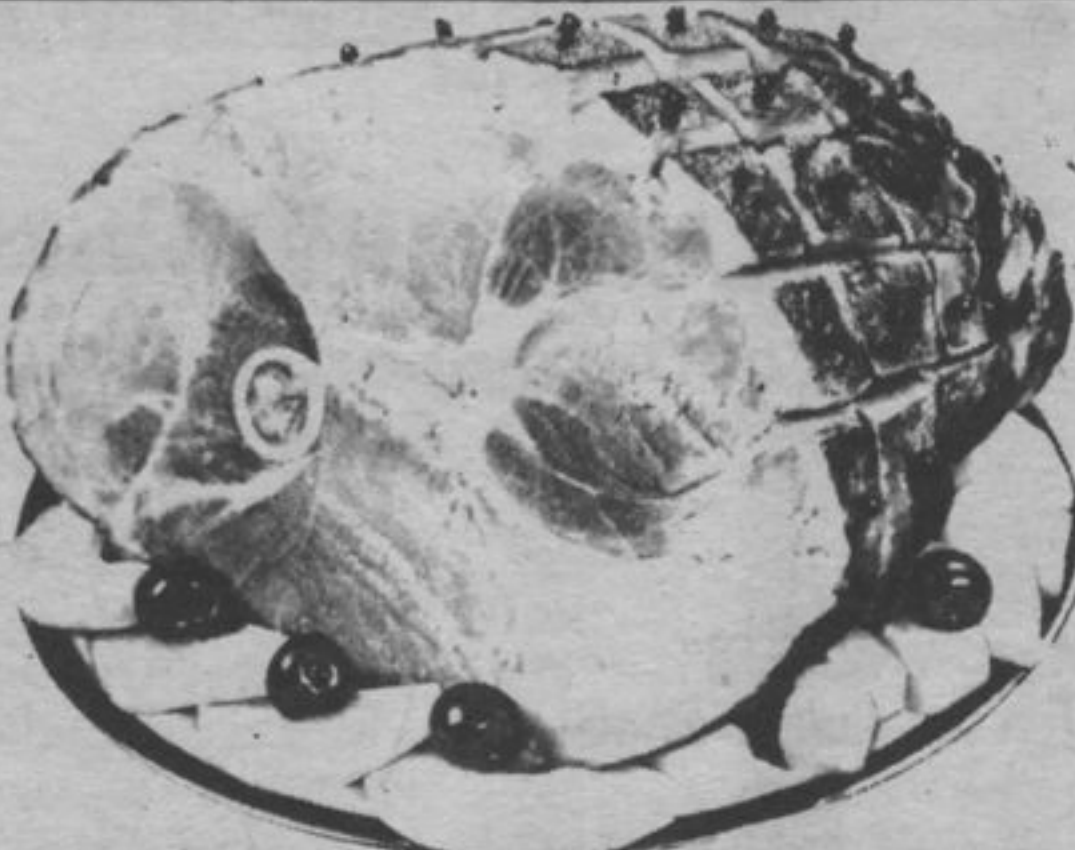
Never combine bleach with any other household product such as ammonia, toilet bowl cleaner, rust remover or oven cleaner. Such a chemical mixture may release irritating gases.



Top students at Schreiber Public School were (l. to r.) Michael Molinski (trophy winner),

Sandra Cooper and Brian Doig (certificates of merit).

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	Maple Leaf, whole or half <b>HAMS</b> 3.06 kg. 1.39 lb.	Butt or shank portions <b>PORK</b> 3.95 kg. 1.79 lb.
		Centre cut <b>HAM STEAKS</b> 4.39 kg. 1.99 lb.
Boneless <b>ROUND STEAK</b>	5.69 kg. 2.58 lb.	B-B-Q style, B-B-Q ready (Miami) <b>ROAST BEEF</b> 7.45 kg. 3.38 lb.
Waste free <b>SIRLOIN TIP STEAK</b>	6.35 kg. 2.88 lb.	Medium, extra lean <b>GROUND CHUCK</b> 4.14 kg. 1.88 lb.

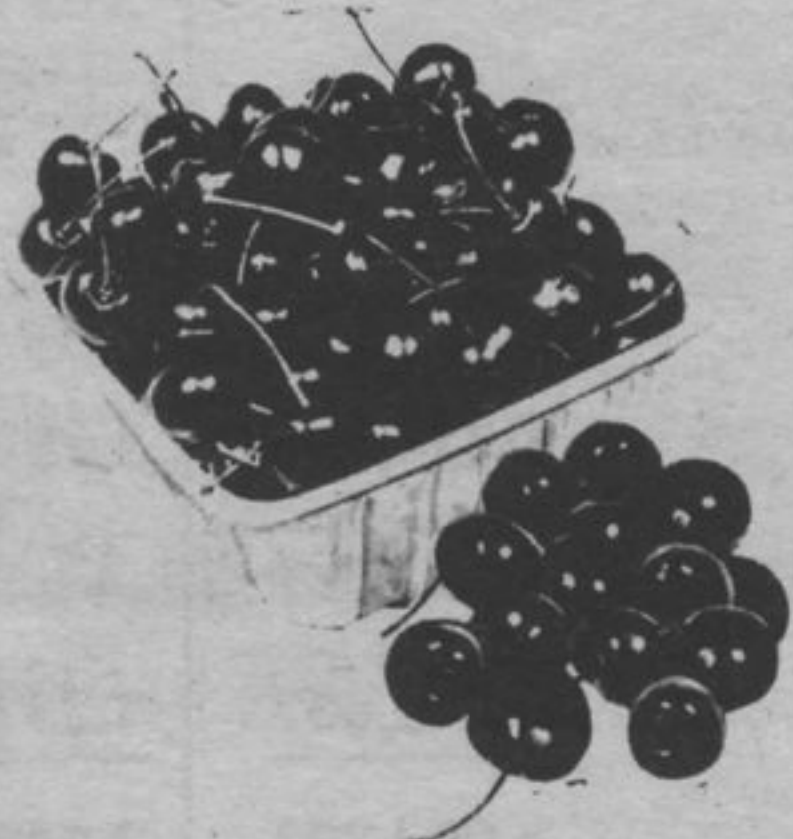


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Savaday, 80's <b>PAPER PLATES</b> ..... 2.79		Canada No. 1 <b>B.C. Bing</b> <b>CHERRIES</b> 98¢ lb.



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**Pre-Dance LOBSTER DINNER**  
June 30/83:



**Cocktail Hour**  
5:00-6:00 p.m.  
**Supper**  
6:00-8:30 p.m.  
**Plate Includes:**  
2 Lobsters (approx. 1 lb. each); Coleslaw & Roll; Dessert & Coffee.

**\$15.00 per plate**

**Place:**  
Schreiber Recreation Centre

**Tickets Available at:**  
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Terry's Sight & Sound (Terrace Bay)  
Schreiber Recreation Office

**Or Contact:**  
L. Fraser  
M. Reid  
M. Atkinson

Held under the authority of a Special Occasion Permit (prior to June 30th dance sponsored by Schreiber Kinsmen).