

Competition Tribunal Act

Some Hon. Members: Oh, oh!

Mr. Waddell: That is why it is not falling the way it should be falling. I do not know what Hon. Members are laughing at.

Mr. McDermid: You.

Mr. Mazankowski: You.

Mr. Waddell: Let me try again to get it through their thick heads. The fact is that in Canada oil prices have not fallen as they have fallen in the United States. Why?

Mr. McDermid: For all kinds of reasons.

Mr. Waddell: One reason is that there are more taxes in Canada than in the United States. That is one reason, and I admit it. Another reason is that oil companies are not passing on the gains as fast—

An Hon. Member: Oh, come on.

Mr. Waddell: They say that it is in the pipeline and that it takes time, and Canadians know that.

Miss Carney: It is being passed on.

Mr. Waddell: As I said, the reason is that we do not have competition in the oil industry like the Americans do.

Let me point out that in Canada, Imperial, Texaco, Petro-Canada and Shell control 70 per cent of the retail market. The second string companies, such as BP, Irving Oil, Ultramar and Husky, control another 15 per cent. That means about eight companies control 85 per cent of the market. The remaining 15 per cent is controlled by independent operators. Independent operators in this context mean gasoline retailers who actually control the retail price themselves instead of being dictated to by their suppliers.

What is the policy of the Government? In fact it had Petro-Canada go out and buy more gas stations, so there is a further lack of competition in the industry. The United States has more refiners, more retailers, more oil companies and more competition. This is an old story in Canada, Mr. Speaker. Let me give some examples. First, consignment sales. The big oil companies give sales on consignment to the small retailer. They can control the selling price of the retailer. Let me remind the House of the case I raised in the House of the couple from Gravenhurst, George and Cora McAra.

● (1640)

Mr. McDermid: They were breaking the contract.

Mr. Waddell: They were breaking the contract, the Member says. They had a consignment sales contract from Petro-Canada. They could not reduce their price. They could not have a gasoline war. That is an example of the problem. There are other methods of dealing with the independents, ways of squeezing them out of business and ways of controlling the

refining and the market at the same time. This is why Canadian oil prices have not gone down as quickly as American prices.

Mr. McDermid: Nonsense.

Mr. Waddell: I challenge the Minister of Energy, Mines and Resources to appoint, as Premier Pawley did in Manitoba, an official who will investigate why it took so long for the decrease in price to move through the system. Why did it take so long? Why did it take more than 60 days for those prices to be passed on?

Mr. McDermid: It didn't. Track it.

Mr. Waddell: It did. I invite the Hon. Member to check. I will show him the figures and he can look at them. I ask again, why are Canadians paying so much more for gas than Americans when you got rid of the tax? I ask the Hon. Member for Duvernay. He knows how the big oil companies work.

Let us look at this Bill. The Director of Investigation and Research for the Combines Branch made some recommendations which included a way of getting some competition into the oil industry. I do not have much time but I will go through some of them. One concerns the refining sector.

If you have more refiners you will have more competition. The Government is closing refineries. Look at the closure of the Gulf refinery in the east end of Montreal. The Director said that all reciprocal supply arrangements between refiners in excess of 90 days be prohibited, except where found by the RTPC to have a beneficial effect upon competition. The Director found quite clearly that these types of arrangements, which are very common in Canada, restrict competition.

Nothing in the Combines Act that we are debating today, nor in the present Act nor in this Bill would prevent these types of agreements. There is nothing on the refining level. "Outright prohibition on suppliers of motor fuels and their affiliates from obtaining direct or indirect control over retail prices, except where the supplier owns or operates a gas station". That is what the director recommended. There is no such prohibition in this Bill. The Director recommended doing away completely with any method of price control, whether it be consignment sales, temporary allowances or other price support where the amount of support is tied to the pump price. This Bill would allow the type of Gravenhurst situation to continue.

There is nothing in this Bill to address restrictive covenants restricting the use of property for the sale of motor fuels or eliminating the source of supply of motor fuels to the new owner. There is nothing there. The Director also recommended prohibiting exclusive dealing contracts between suppliers and retailers of motor fuel. There is something there, but it is not tough enough.

I could go on and on about the marketing, the refining and the retailing level. Just let me repeat, as the Minister leaves