

## **RTPC SETS TIMING AND RULES FOR PETROLEUM INDUSTRY INQUIRY**

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The Restrictive Trade Practices Commission issued a statement on August 18 announcing the opening date of its hearings on the Petroleum Industry Inquiry and the general sequence of subjects to be heard. It also issued Rules of Practice and Procedure for the Hearings.

The hearings will begin in Ottawa on October 19 with opening statements covering all aspects of the Inquiry. Following that, the Commission stated:

"By late November 1981, following the opening statements, the Commission will hold eight to ten weeks of hearings in the various regions of Canada in order that it may hear evidence regarding current issues and concerns as seen in each region. More precisely, the Commission hopes to learn the nature of concerns in the marketing sector and whether there are urgent or serious problems in other sectors of the industry. The Commission anticipates that a significant portion of the evidence will relate to the marketing of gasoline and heating oils. The regional hearings are intended also, to give individual Canadians, provincial government bodies, local or regional businesses and associations and others a convenient opportunity to put forward their views on current conditions in the petroleum industry before the Commission.

"The regional hearings are expected to be concluded in January 1982 and at that time the Inquiry will continue in Ottawa, with evidence on the international sector where a number of allegations were made against the major oil companies in the Director's Green Book and where also, a number of public policy issues are at stake regarding the import and transfer pricing of crude oil.

"It is expected that the Commission will continue its hearing of evidence on the marketing sector following the completion of the international sector hearings and proceed to a conclusion of the marketing phase of the Inquiry but the Commission perceives no advantage in making further determinations at this time regarding the order in which the evidence should be heard.

"By scheduling the Inquiry in this way, the Commission will be able to meet its responsibility to provide an impartial assessment of the criticisms of the major oil companies, while at the same time, provide the majors with an early opportunity to challenge the case against them. The schedule also will allow the Commission, through the regional hearing mechanism, to give interested persons, groups

and governments an early opportunity to register with the Commission their views on current conditions in the petroleum industry."

At the pre-hearing on July 27, strong differences were expressed about the order in which the various aspects of the Inquiry should be heard. The Director of Investigation and Research under the Act, the Consumers Association of Canada and the National Automotive Trades Association wanted the marketing aspect heard first. The major oil companies wanted the hearing to follow the order of the Director's Green Book -- international aspects, domestic production and transport of crude, refining and, lastly marketing. Counsel for the Director maintained that it was for the Director to decide how he should present his case.

Another concern that was expressed by some of the oil companies at the pre-hearing was whether or not s. 45 of the Act was to apply. One effect of s. 45 is to establish the prima facie probative value of documents introduced "in any proceedings before the Commission or in any prosecution or proceedings before a court under or pursuant to this Act". The question arose when the Director tendered as evidence many of the seized documents which are referred to in his "Green Book". The Commission has now stated that "it considers that s. 45 is not applicable to this inquiry". The documents will become available for public review after the owners have had an opportunity of indicating if they object to any being publicly disclosed. Any documents to which objection is taken will be dealt with on a case by case basis as the hearing proceeds.

## ECONOMIC COUNCIL URGES COMPETITION LAW REFORM

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The Economic Council of Canada, in its final report on its regulation reference<sup>1</sup> released in June, came out strongly in favour of speedy competition law reform. The Council stated:

"Implicit in the reform of direct regulation is the view that the market is normally the more efficient control mechanism and is preferable to a statutory regulatory agency. Following that perspective, the ultimate responsibility for policing the marketplace lies with the Bureau of Competition Policy of the federal Department of Consumer and Corporate Affairs... In addition to the recommendations we have put forth, important areas of competition policy -- particularly in such matters as mergers and monopolies, where

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<sup>1</sup> Reforming Regulation, Economic Council of Canada, Ottawa, 1981