

Big oil crushing little guys, warns entrepreneur

By BRAD REAUME

The Champion

John Dunstall is fighting mad.

With his dream of owning a gas station lying in ruins, and business debts clawing at him, the 43-year-old father to five is not taking it lying down.

The fight is on.

Mr. Dunstall will soon testify in Ottawa to a federal parliamentary committee on price fixing in the gasoline industry.

Liberal MP Dan McTeague of Ajax-Pickering is heading the inquiry, sparked by stories like Mr. Dunstall's and spikes in retail gasoline prices.

Through the media Mr. Dunstall has been firing volleys at oil companies in Ontario since he was forced to close his Trafalgar Road and Steeles Avenue gas station on September 30.

He blames the wholesale pricing policy of the big gasoline suppliers but agrees other impediments to business contributed to his decision to close.

Imperial Oil, Sunoco, Shell and Petro Canada control the Ontario fuel refining market, he explained. They are dictating the price of gas to independent operators, he said.

If they manage to corner the market by forcing the 10-12 per cent of independent stations out of business, Mr. Dunstall said Ontario prices could match those in Atlantic Canada, which he says hit 73 cents a litre last summer.

By pushing wholesale prices up, but keeping prices at company-owned retail outlets artificially low, they are forcing independents out of the business, he explained.

He contends the big companies have not only been forcing out independents but consolidating remaining outlets into fewer, larger operations. He pointed to the new, corporate-owned Petro Canada at the corner of Martin Street and Steeles Avenue as an example.

Another operator in Milton has experienced the same problem but refused to speak for publication.

However, Mr. Dunstall figures he's got nothing left

Service Station Business - Milton
Dunstall, John
to lose.
Competition, unfair

"Why shouldn't I be in this business?" he asked. "Is it not free enterprise?"

Mr. Dunstall operated the Husky gas bar at Steeles Avenue and Trafalgar Road for two years, after running the Esso station across the street for seven years.

Despite working long hours to keep his costs down Mr. Dunstall said he lost money last year. He said he took in a \$90,000 gross by selling three million litres of fuel at 3 cents per litre mark-up. His credit card costs were \$14,000 and salaries to employees, including himself, amounted to \$77,000.

He said he was forced out of Esso by Imperial Oil bumping up his licensing fee (rent) twice in 1996.

"First they put it up about six to seven per cent in January, then they came back and virtually doubled that in August, up to about \$80,000," he said.

Realizing he could no longer continue with Esso he took over an abandoned station across the street and made a deal with Husky, a Western Canadian oil company.

"Esso wanted to operate their stations like a McDonalds. Everything had to be consistent across the organization," he said. "I was told if I didn't like it there were 10 guys in line to take my station."

Mr. Dunstall said he ended up being squeezed by Imperial Oil despite selling seven million litres of gas in his final year, double the amount the station pumped in his first year. In the end he says he made less money pumping more gas.

However, he believes oil company policies were only one of the problems he faced. Mr. Dunstall said government regulations and major banks contributed to his difficulties.

He explained he had a signed deal with Tim Horton's for a small take-out location on his Husky lot but could not get financing from the bank. Bankers were concerned about the changing nature of the gasoline station business, he noted.

In addition environmental regulators were demand-

• see REGULATIONS on page 19

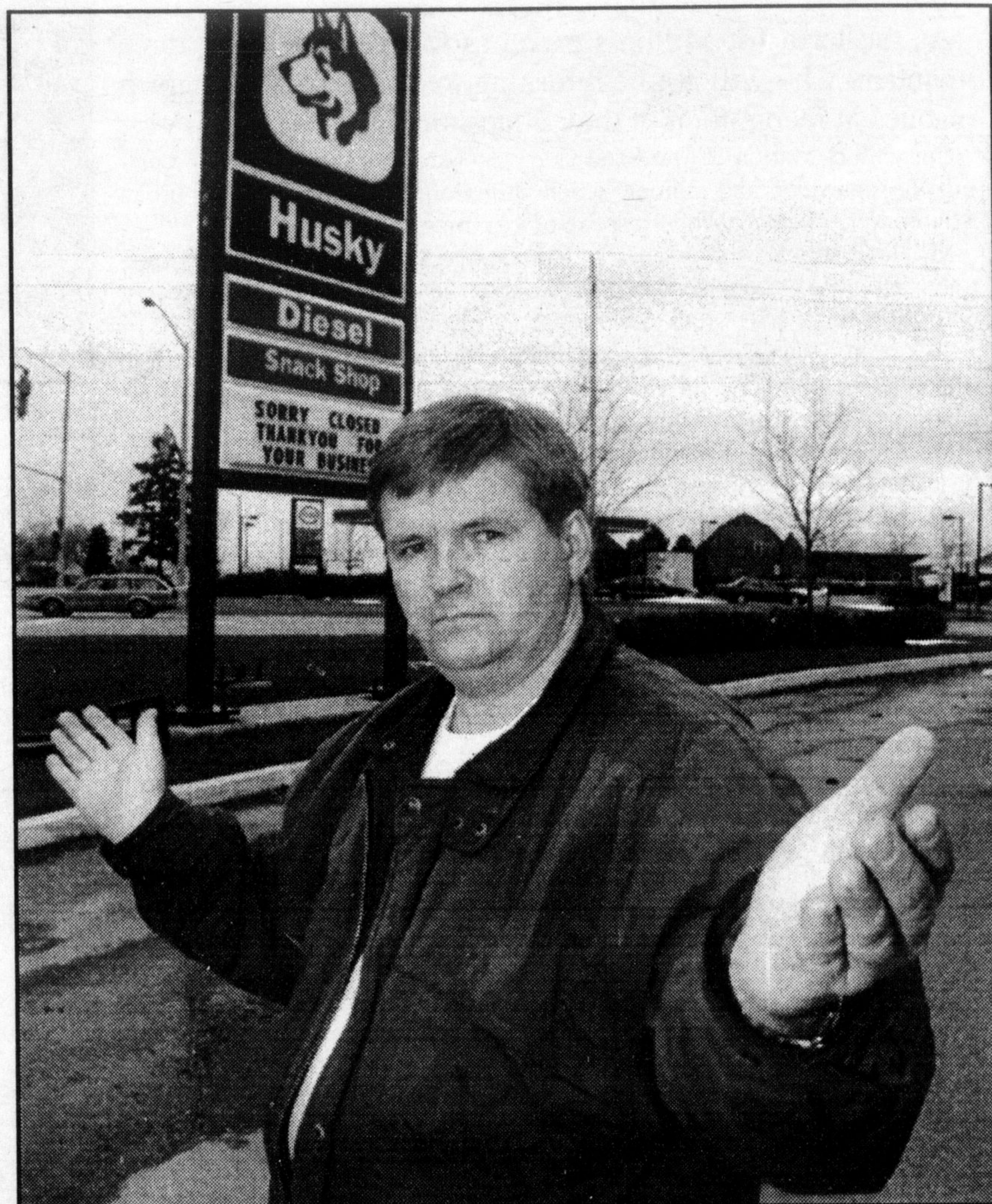



Photo by GRAHAM PAINE

Former service station operator John Dunstall says the big oil companies forced him out of business. He has taken his battle to Queen's Park in Toronto and Ottawa's Parliament Hill.



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And because it's Christmas, the Foundation would like to again say "Thank You" by offering a beautiful tree ornament to all our Buy a Bulb donors.

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