

in November and December, 1924, in the belief that should they be increased, a comparatively short period of time would elapse before they would again require to be reduced, when the fluctuations in price would annoy the public. They maintained that consideration of market conditions had alone dominated the policy of the Imperial Oil Company, Limited, in respect of the reductions and later increases put into effect, and they contended that the policy followed had been beneficial to the people of Ontario in that it had served to provide them with gasolines at low relative levels when compared with United States prices.

As before mentioned, costs of administration and wholesale distribution amount to three and one-half cents as a minimum, and six and three-quarter cents as an approximate maximum per gallon of gasolines sold, and with this the case the policy put into force by the Imperial Oil Company, Limited, in fixing tank wagon prices at the levels mentioned had the effect—when compared with import costs of gasolines—of compelling a number of other wholesale distributors and importers to do business at a loss, some for portions of the period between November, 1924, and July 15, 1925, and others for the whole of it. It also affected the businesses and margins obtained by smaller jobbers and retailers who were importing and selling direct to the public. With this the effect, certain of those examined complained that the Imperial Oil Company, Limited, had adopted such policy for the express purpose—in their opinion—of embarrassing and discouraging competitors who depended upon the importation of gasolines for their supply and as a reprisal for the competition which had existed at different points in Ontario during certain months in 1924. They claimed that if the policy had not been adopted for such express purpose, it had, in any event, such a practical effect. Officers of the Imperial Oil Company, Limited, emphatically denied that there had been any such intention on the part of their company and they maintained insistently that the course pursued had been adopted for the reasons stated by them and for those reasons only. Whatever the reasons for its adoption may have been the policy had the effect of providing gasolines to the people of Ontario at lower prices—from November 1, 1924, forward—than would undoubtedly have otherwise obtained, and below, in certain instances, relative American prices. It had the further effect also of inducing a number of distributors and retailers to purchase from Canadian manufacturers in 1925, or to enter into contracts with them for the supply of gasolines, where in 1924 such dealers had obtained their supplies by importation.

With admission that prices set by the Imperial Oil Company, Limited, were followed as a matter of general policy, and in most localities by other wholesale dealers in Ontario, question was raised as to what, if any, reason there was to prevent the Imperial Oil Company, Limited,—with acquiescence of such dealers—from increasing prices of gasolines to an abnormal extent and procuring excessive profits if it—and they—should at any time desire to do so. Officers of the Imperial Oil Company, Limited, maintained that there was no possibility of it and other dealers enforcing such a condition and claimed that as selling prices of gasolines bear a direct relation to the cost of crude oils in the United States, any attempt on the part of Canadian producers to unduly enhance prices would be met by heavy importations of gasolines when price reductions to normal levels would immediately be enforced. Accounts submitted by the Imperial Oil Company, Limited, and the profits obtained from its operations in Canada show that it has not taken advantage of the position which it occupies to obtain prices out of line with costs, for at no time during the periods under review were its profits shown to be unreasonable or exorbitant; as to whether Ontario prices are or are not regulated by American competition, and to the extents suggested is, however, a matter which appears to be somewhat open to question in view of the following conditions.

Attached hereto as Schedule "D" is a statement showing the relative retail prices for gasolines sold in Toronto, Buffalo, Chicago, Cleveland and Detroit for