

Q. That is to say it refers to a direct sale?—A. Tank waggon sales and service station sales of Imperial Oil.

Q. You realize that there are other consumers who are getting Imperial Oil who are not consumers within the terms of paragraph C?—A. Through the jobbers?

Q. Through the jobbers?—A. We are not making any statement beyond what we are able to find as far as Imperial Oil controls the situation.

Q. You are making a very important statement?—A. That reference has been to consumers throughout. That was in our mind and our instructions were definite in that regard.

Q. You mean the reference has been to a sale by this company to consumers?—A. Yes.

Q. Not a sale by this company to jobbers, and then to consumers?—A. No. On the grounds, I suppose, and there is a certain amount of reasoning in this, if this business controls, as it does, I suppose, two-thirds of the gallonage in Canada—about that—why, obviously, they set, as it were, the competition. If that is an indication of what they say, the evidence seems to bear out according to witnesses that they have to follow Imperial Oil prices. If that is so I suppose the wholesaler has to follow them.

Q. Now, then, take Mr. Baker's point. He was as anxious as we are to get at the findings—

Mr. STANLEY: You asked about gasoline to the fishermen. I think Mr. Matthews had a statement with regard to fishermen as consumers. Col. Ralston spoke of gasoline supplied to fishermen?

The WITNESS: Yes. They got it at tank waggon prices.

*By Hon. Mr. Ralston:*

Q. That is when the company sells direct to them?—A. Yes.

Q. That is different. I am not talking of that?—A. Of course, Col. Ralston was speaking of the sales to the jobber. As far as Imperial Oil is concerned they give the same price to the fishermen both east and west as well as to farmers both east and west at the same price they sell to their own service stations.

Q. I am talking about when they sell to the jobber and the fisherman buys from the jobber. You do not know what price is charged?—A. You are in the same position there as you are when the Imperial Oil sell to independent dealers without competition—the dealers who have no arrangement as to prices; but we are going on the general premise. Our instructions are on Imperial Oil. In view of the fact that Imperial Oil is recognized as being the two-thirds element in the gasoline business there seems to be some relationship as to the position of the consumer.

Q. In paragraph B you deal with the marketing costs?—A. Yes.

Q. And I take it on the whole—I do not want to summarize your report—but you rather feel that marketing costs are pretty high?—A. Is there a man in this room who does not believe that? There are too many barber shops and too much of everything, but what can you do?

Q. You go to some pains to indicate that you think possibly that condition ought to continue otherwise there might be a monopoly?—A. I am not doing any more than suggesting to you that its relief or its cure could only lie, so far as we can see, in the discontinuance of the duplication, and the result of that.

Q. The result is that imported gasoline creates the competition?—A. Not at all; why would it?

Q. Why would it not?—A. What has that to do with market expansion?

Q. If you eliminate the marketing conditions—the number of barber shops—and get only one Imperial Oil, then you have imported gasoline to provide