

trend of operating results as between 1930 and 1931. This was done on the basis of the average price trend of crude oil with added costs and the average gasoline prices of Imperial Oil Limited in the two years.

Doctor Donnelly, if you will recall, you agreed to that.

Our findings are that the average spread between crude oil with added costs and tank waggon gasoline prices in Canada for the years 1930 and 1931 were equally maintained.

It follows absolutely:

... whereas the average spread between crude oil and wholesale prices show an increasing tendency in 1931.

Now, we did not carry into 1931 to the extent of being able to say to you that the estimated profit or loss on wholesale would be so much, but we can make the definite statement that on their consumer business they did maintain the crude oil relationship.

Q. The consumer gets these tank car lots eventually?—A. As far as Imperial Oil is concerned they deal with the consumer through tank waggons and service stations. As far as this statement is concerned, it is relating entirely to the—

Q. They deal with the consumer also by putting their tank cars into barrels?—A. Well, to jobbers. Yes, that is wholesale business.

Q. That is the business you say that showed an increasing spread in 1931?—A. Yes.

Q. Can you tell me, Mr. Matthews—that is the business I am interested in; it is the fishermen who are buying this stuff in barrels out of these tank cars—

Mr. DONNELLY: We had one witness who said that if he could buy without duty across the line he would be selling here in Ottawa from 2 to 3 cents less.

The WITNESS: Dr. Donnelly, we are getting on to another question which I will be glad to lead up to. We are talking now about the basis of fixing prices. Now, if you are through with that we will move to the next question.

*By Hon. Mr. Ralston:*

Q. There is a greater spread in wholesale prices in 1931 although the spread in connection with retail prices—you call it consumer business—is about maintained as between crude and gasoline?—A. That follows, we will say, definitely, because up to October they followed it. From October to December crude went up but they did not raise their gasoline prices at these specific points I have mentioned.

Q. I am suggesting that if tank car lots went up then when the tank car gasoline was sold to the consumer he had to add to it in order to sell to the actual consumers.

Mr. BAKER: Have we not got sufficient evidence in the sub-committee to formulate a report on this investigation?

*By Hon. Mr. Ralston:*

Q. May I follow that up? You must, I think, make an exception to paragraph C of your report in which you say:—

... it automatically follows that no grounds exist for any statement contending that the company has taken unfair advantage of either the specific or dumping duties in its gasoline prices to consumers.

You must confine that to consumers; and so it does not apply to wholesale prices?—A. We have said consumers because the reference is to consumers.

Q. You say that does not include; it is not indicated?—A. We are talking of consumer business; the reference refers to consumer business.