

entirely on the fluctuation of crude and added charges regardless of existing specific and dumping duties. Our findings further brought out the fact that the reason for the differences between United States competitive prices and those of Imperial Oil, Limited, was due to the demoralized condition of the gasoline industry in the United States caused by the overproduction of gasoline and the various tax evasion rackets, which in turn resulted in the price of United States gasoline falling far below the relative movements in crude oil prices. A further point brought out in our findings was the higher quality of Imperial Oil, Limited, gasoline in comparison with that at competitive United States points upon which the comparative price structure was based.

In the application of these tests it was also found that the zoning policy determining the selling prices of retail gasoline by Imperial Oil, Limited, resulted in the spreading of transportation differentials to the comparative disadvantage of gasoline consumers at centres of trade in proximity to some refineries, whereas the zoning price basis frequently operated to the advantage of gasoline consumers in the districts outlying from the refineries. It was also found that tank wagon gasoline prices are given to farmers and coastal fishermen both east and west.

In this connection it should be borne in mind that in such districts as have no dealer competition or where any dealer association arrangements exists, the spread between Imperial Oil Limited, tank wagon prices and the price to the consumer is entirely in the hands of the independent dealers.

Wholesale prices are not zoned to fluctuate at a fixed margin under retail and, in some cases, have been adjusted upward in order to prevent wholesale business being done at a loss, as was the case in 1930 when the net loss per Imperial gallon on wholesale trade was .04 cents.

DIVISION OF AVERAGE SELLING PRICE OF ALL GASOLINE BETWEEN RETAIL AND WHOLESALE TRADE

The division of the average selling price of all gasoline between retail and wholesale trade was based upon the respective dollar sales and gallonage.

AVERAGE NET PROFIT ON ALL GASOLINE

The average net profit on all gasoline was determined on the basis of the total profit divided by the total gallonage sold.

A summary of the average net profit on all gasoline sold by Imperial Oil, Limited, in 1930 is as follows:—

Sarnia Refinery, 1.14 cents per Imperial gallon.
Halifax Refinery, 1.40 cents per Imperial gallon.
All Refineries, 1.01 cents per Imperial gallon.

The net gasoline profit at Halifax is higher than Sarnia principally because the Sarnia trade involves a greater proportion of the wholesale business.

The average gasoline profit for Sarnia and Halifax combined is higher than the average for all refineries partly because gasoline is sold to the individual farmers in Western Canada at tank wagon prices.

DIVISION OF AVERAGE NET PROFIT BETWEEN RETAIL AND WHOLESALE TRADE

The average net profit as between retail and wholesale trade was based upon the determined net profits divided by the respective gallonage sales.

A summary of the average net profit for both the retail and wholesale trade of the Imperial Oil, Limited, in 1930 is as follows:—

	Retail	Wholesale
Sarnia, in cents per Imp. Gal.	1.93	.05
Halifax, in cents per Imp. Gal.	1.69	.25
All Refineries, in cents per Imp. Gal.	1.66	.04—Loss