

Q. Yes. I have?—A. I think you will find where we state definitely that the "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 wholesales 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." Roughly, so far as we could find out, the tank car business is the business that is in direct competition with the United States, and those prices are really fixed according to the local competition conditions. But I simply come back to the fact that the result of their prices, at any rate, in 1930, was a loss. In speaking of the consumer, so far as the Imperial Oil, at any rate, is concerned, they deal with the consumers through their tank waggons and their service stations, and in view of the fact that they do, perhaps, two-thirds of the business, the indication speaks for itself.

*By Hon. Mr. Ralston:*

Q. Do I understand you to say that in connection with the tank car lots local conditions govern the price—local competitive conditions?—A. As far as I understand it, yes.

Q. Now, does that mean local competitive conditions with imported gasoline?—A. Yes.

Q. Therefore, what we have got to do is to find out how much the imported gasoline cost laid down without duty, and the imported gasoline is added to the 2½ cent duty, and whatever amount is necessary for the purpose of adjusting expenses, and the excise tax, and then figure out whether or not they can compete with that?—A. Whether or not that is a fact, they are operating at a loss.

*By Mr. Donnelly:*

Q. They did in 1931?—A. In 1930. There was an upward pricing of wholesale in 1931. In 1931, when checking the price structure, there was an increase upward in wholesale; no doubt about that.

Q. They did not follow the price of the wholesale prices?—A. I am making the statement again, Mr. Donnelly, the price of crude in its relationship to consumer business—

Q. I understand that?—A. We must consider the thing. You are interjecting the wholesale feature. Will you please just deal with it one step at a time and let us get the facts to the committee. I repeat to this committee that in selling to the consumer through tank waggons or through service stations this company fixed its gasoline prices from 1929 to 1930 on the basis of crude oil. The wholesale price, I repeat, has no structure so far as we could find excepting its relationship to the United States business; and the result of it all is, at any rate in 1930, they made a loss. I cannot tell you anything more.

*By Hon. Mr. Ralston:*

Q. And if the duty were off they would make more loss?—A. I do not know. The price went up in 1931.

Q. And if the duty were off they would make more loss; they would have to drop the price accordingly; is that so?—A. I don't know.

Q. That is obvious, is it not?—A. They made a loss in 1930, and raised their prices in 1931.

Q. And did you compare their prices, wholesale prices in 1930 with the prices of imported gasoline?—A. Simply to the point to determine that they were upward. We wanted to be able to see whether the prices in 1931 had been maintained at all equal with 1930. With this idea in mind, I might read this paragraph:

In 1931, operating figures of Imperial Oil Limited are not yet available. The committee instructed us to base our investigation on the 1930 accounts and secure sufficient information as to indicate the probable