

PRESS RELEASE OF CONGRESSMAN JOHN H. FOGARTY - OCTOBER 23, 1950.

A group of gasoline station owners, affected by the present gasoline price war going on here in Rhode Island, have talked with me and have urged that action be taken to remedy the situation before they are forced out of business. According to reports, several major oil companies have been active in forcing reductions at their dealer locations and have thrown the industry into chaos. I am completely in favor of any reductions in the price of gasoline made by the major gasoline companies themselves in view of the fact that their earnings' statements indicate that they are well able to put a substantial reduction into effect. However, the information given to me indicates that they are reducing prices at the expense of the small dealers and local wholesalers. This is brought about by the fact that they are not at the same time proportionately reducing their wholesale tank wagon prices to these same small businessmen. It appears to be more than a coincidence that these large oil companies increased the price of household heating oils substantially within the past two weeks.

If this gasoline war means a lower permanent price to the consumer in Rhode Island without destroying the livelihood of the little dealer - it's fine. But if it is part of a plan to eliminate competition through below cost sales followed by higher prices as soon as competition is wiped out then I am vigorously opposed to it.

I am, therefore, today asking the Small Business Committee of the House of Representatives to investigate the competitive practices of all major oil companies operating in the State of Rhode Island in order to get the true facts of the matter. As one of these major oil companies is already under indictment by the Federal Government for unfair trade practices I am asking the Department of Justice to assign an investigator to Rhode Island to look into complaints against this particular company at once.