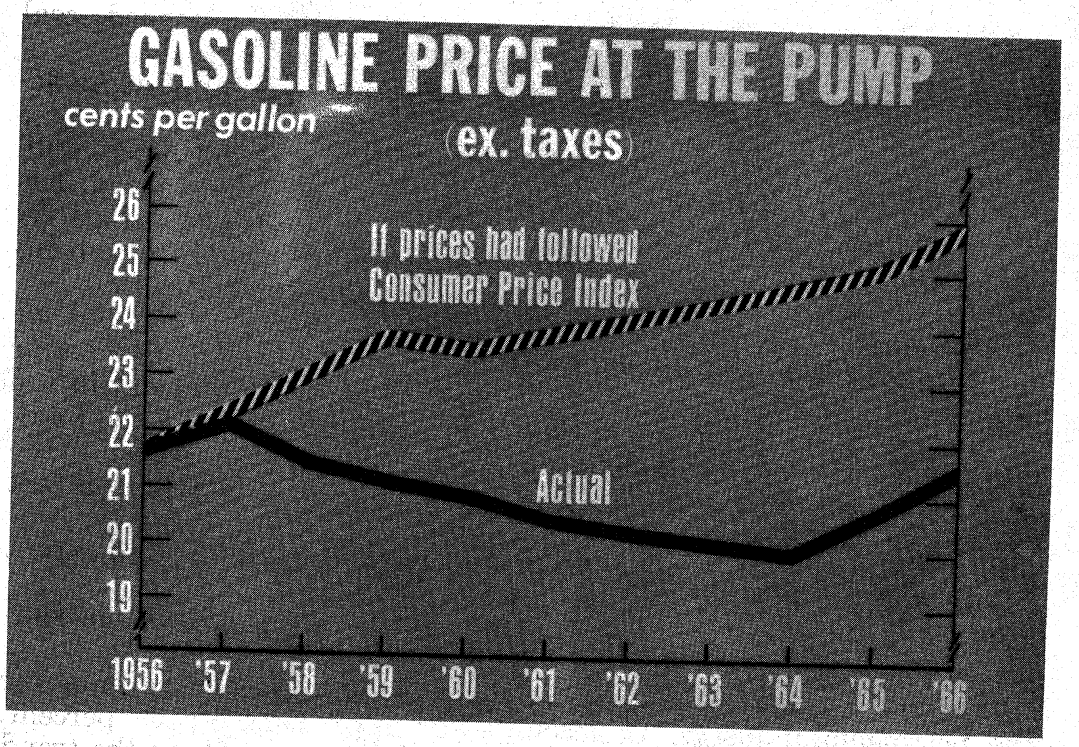

CHART 61

er prices, in general, however, were increasing over these years, and, if the price of gasoline had paralleled the rise of consumer prices, it would have sold for 4 cents a gallon more than it actually did in 1966.

Let us consider the effectiveness on the consumer and the petroleum industry of having to pay 4 cents a gallon more than it actually paid for it in 1966.

The consumer in 1966 spent on the average $140 a year for his gasoline. This is including taxes. If he had paid 4 cents a gallon more, he would have spent $168. It would have cost him 50 cents a week more. This is shown on chart 62.

There is another way of looking at this. It has been demonstrated that the average cost of owning and operating a motor vehicle is about 12.5 cents per mile. Less than 2 cents of this 12.5 cents is for the cost of gasoline, including the taxes. The basic cost is the depreciation of the vehicle. Insurance is the next largest, and maintenance is the third largest. If the motorist had paid 4 cents a gallon more for his gasoline, the average cost of operating his automobile would have risen from 12.5 to 12.75 cents, or an increase of a quarter of a cent per mile.

But the petroleum industry would have taken in a total of $19 billion from this market rather than $16 billion, a difference of $3 billion.

Now, since there is no increase in cost, we can roughly say that approximately one-half of this $3 billion increase could have been converted to net income and the other half, of course, would have flowed to the Federal Government in the form of income taxes. If, over the past 10 years, the price of gasoline had risen in line with the average increase of consumer prices, the petroleum industry would have taken in approximately $20 billion of additional revenue. That would roughly be divided into $10 billion more to the industry in net earnings and $10 billion more to the Government in the form of income taxes. If