other an independent distributor. Both these distributors are selling identically the same product, namely, a mixture of Canadian refined gasoline, with casinghead gasoline imported from some other country. The government says to one of these distributors, "You may bring in your gasoline free of duty," and to the other it says, "For the same kind of gasoline you must pay a duty of 2½ cents per gallon plus whatever dumping duty we see fit to impose."

I ask you to consider for a moment what the effect of that would be on an independent distributor. How can any independent distributor hope to survive and do business under such conditions when the government allows his competitor to bring in his gasoline duty free while it insists on the independent distributor paying a duty of anywhere from 2½ to 5 cents a gallon? Yesterday the announcement appeared in the press that the price of gasoline had dropped 4 cents in New York, and the despatch reported that this was due to the competition of independent distributors. No such thing could happen in Canada because the government here has specifically said to the independent distributors, "We will not allow you to remain in business; at any rate, we will not allow you to bring in your product at the same rate as we allow the refiners to import the very same thing."

I contend, therefore, that I am justified in the statement that all of the 32,000,000 gallons of duty-free gasoline imported last year was imported by the refiners. Some 84,000,000 gallons of dutiable gasoline was brought in, and I presume it was brought in by the independents. That is only about one-eighth of the total consumption, so that seven-eighths of the consumption passes through the hands of the refiners. The committee reasoned, then, that since the refiners held such a large proportion of the market, they must look to that source to investigate whether or not we are paying too much for our gasoline.

The largest refiner in Canada is the Imperial Oil Company. They are such a large factor in the market that whatever they do the others must generally fall in line with, so that the committee decided that if they investigated the Imperial Oil Company first to find out how they were faring, they would have a pretty good idea as to what was happening with the others. They investigated, securing the services of a firm of chartered accountants, competent men who looked into the affairs of the company. I have here a summary of their findings, and I will give it to the house: (a) That the company has not been guilty of any cost-loading; (b) The company has been honestly and soundly financed; (c) That marketing costs in this country are too high; (d) Variations in price during the last three years are based not on refining costs but on variations in the price of crude oil and on increases in various forms of taxes, freight and exchange; (e) That lower prices of gasoline in the United States and Canada, which appear to arouse the wrath of our people, are due in large measure to tax evasions on the other side of the line; (f) That the zoning basis of establishing prices tends to favour districts remote from refineries rather than those that are close; (g) That in some districts the spread between the wholesale and retail price is entirely in the hands of the retailers; (h) That the average profits of the Imperial Oil Company after paying all refining and marketing costs is 1·01 cents per gallon; and, (i) That no further expense should be incurred in continuing the investigation.

Those are the findings of the committee and they are based on the evidence produced. That was as far as the committee could go in investigating. They found that the companies were not taking excessive profits; they were not dishonestly managed; that variations in prices were due not to variations in the cost of refining but to variations in the cost of crude oil and changes in freight rates, taxes and so forth. But there is one thing which the committee did not and could not investigate, nor could they be expected to investigate it, and that is the question whether the Canadian refineries are efficiently managed, or whether, on the other hand, the oil-refining industry is one that can be profitably carried on in Canada. The committee could not investigate this question because there is no one in Canada who could give evidence in that regard; the only persons in Canada who could give evidence as to the efficiency of the refineries are the refinery men themselves. No person in Canada is capable of informing us whether our refineries are as efficient as the refineries in other countries. The committee, therefore, could not investigate that phase of the situation.

But there is one infallible test which we can apply to determine whether or not our refineries are efficient, and it is this question: Can we buy gasoline cheaper anywhere else? If the refineries of other countries can sell gasoline cheaper to us than we can get it from our own refineries, then one of two things is true: Either they are more efficient than our refineries, or the refining of gasoline is better adapted to other countries than ours. The question is, Can we or can we not buy gasoline