

Mr. MACMILLAN (Saskatoon): There is another aspect to this situation. There is the question of distribution. Up till now the agents of the company have had to pay for evaporation. From that point of view I understand this year the companies have given them leeway of something like 1 per cent. There is a great shrinkage in gas, due to climatic conditions and when the oil company representatives are discussing the problem I would like them to say something about that aspect of it, because it has caused these men in Western Canada a great deal of trouble.

Mr. VALLANCE: It seems to me that the basis has been laid by Dr. Donnelly and Mr. Bothwell, and I do not think it can be enlarged upon by any member of the committee.

Regarding the extent to which we might press the oil companies, I think that as the committee develops and the oil companies appear before the committee, or the dealers or whoever you call, it will be much easier both on the committee and on the oil companies. I think it would expedite matters greatly if we could hear from one of the oil companies if there is one represented here this morning.

The CHAIRMAN: Mr. Victor Ross is here this morning representing the Imperial Oil Company. As Dr. Donnelly has said, the sub-committee appointed by you to invite oil companies to be present merely invited the Imperial Oil Company because, I think, their name came first into their minds because they are probably the largest company. This sub-committee is going to ask all the other companies to come; but in the meantime I am going to ask Mr. Ross who has come down here to address the committee. I should say it was intended by the company that Mr. McCloskey, a director, was to come. Mr. Ross might perhaps explain to the committee why Mr. McCloskey is not here this morning.

Mr. VICTOR ROSS, called and sworn.

The WITNESS: Mr. Chairman, I am here alone without counsel, designedly, because I hope you will believe me when I say that I did not know just what this committee wanted. I am not competent to answer questions as to cost. I did not intend to mention this to the committee but the chairman has mentioned that Mr. McCloskey, a young Canadian who has been with us since boyhood, and who a year ago became a director, is not able to be present to-day. He is head of all the refineries. He is perhaps as good an authority on costs, that is, petroleum costs, as there is in America. He was ready to come but his wife dropped dead on Sunday and she is being buried to-day. He will be available to the committee in say a week.

I just want to say to Dr. Donnelly and Mr. Bothwell that so far as any rancour on our part against them is concerned for initiating this investigation, we think that they have done a duty to their country and perhaps a service to the petroleum companies by voicing this widespread clamour about the price of gasoline.

It is quite true that there is a decided spread between the American price and the Canadian price of gasoline. Dr. Donnelly has mentioned grades of gasoline, notably U.S. Motor. Well, I would say that every type of gasoline used in Canada is immensely superior to U.S. Motor. It has to be so because of the climate. It is also so because of the high gasoline taxes. A man who pays five and six cents a gallon more wants to buy a superior grade of gasoline. As to the superiority of the Canadian gasoline, I think we could refer you to the Department of Mines. Every year they analyze the Canadian gasoline which they pick up at service stations all over the country, and then they get samples from the United States. They have stated almost invariably that our Canadian gasoline was superior to the American product. However, even having