

*By Mr. Donnelly:*

Q. I should like to ask another couple of questions, if I may. Would you care to say anything, Mr. Ross, as to the comparative cost of distribution of gasoline in Canada and the United States?—A. Well, I would say that it would be naturally higher. It must be higher, except in parts of the United States which resemble a good deal of Canada; that is, like say, North Dakota. But it is much easier and cheaper, naturally, to distribute gasoline in populous states or provinces than it is with some of our markets. We go to Prince Rupert. Not long ago, a deputation of residents of North Bay and vicinity, I am told, interviewed the Prime Minister of Ontario, and asked that they pay only seven-twelfths of the automobile tax; their reason, which was a perfectly good reason, was that for five months of the year they cannot take their cars out of the garages, because of the snow. They said it was unfair that a man in Toronto or Ottawa, where the roads are kept clear, could use his motor car every day of the year and they could only use their's seven months of the year. They asked for a rebate of five months' taxes as a permanent thing. I do not think they got it, but it was an illustration of the fact that we have facilities, bulk storage in every town and tank wagons and men who do not earn anything in the five months, and that is also true in the west. Business just closes right up.

Q. I presume Mr. McCloskey when he comes will be able to give us the cost of distribution, would he?—A. He is a refining man, but we would have a man who could give us that.

Q. Just one other question in connection with this. You are largely interested in the Turner Valley field?—A. Very largely.

Q. And we understand, of course, that a number of the wells there have been closed down?—A. Yes.

Q. Would you care to state to the committee just what the reason is for that?—A. Well, it is largely competition. It is a matter of price; and then the Turner Valley product is extremely volatile, and if you mix it—we have got to mix it with a certain amount of ordinary gasoline to make a commercial product. I think you can put it in your car and run it for a little while, but it does not do your car any good. It is a matter of over-production. If the Turner Valley product was not so volatile and if it was not for an excessive freight rate it would move east and be very acceptable because of its volatile character, but it cannot stand the freight rate.

Q. At the present time do you move a part of your Turner Valley oil to your refinery say in Sarnia?—A. No.

Q. Or Montreal?—A. No.

Q. None of it goes east?—A. No, it would be too expensive.

Q. Where is it used?—A. Largely in Calgary and Regina.

Q. In speaking of the shareholders in the company—the holders of stock—this does not particularly concern me, but there have been rumours of the connection of the Prime Minister with the Imperial Oil Company, and it may be well to just have that cleared up now, if you will make a statement in connection with it?—A. I do not think there was any suggestion, Mr. Bothwell, that there was anything improper.

Q. Not at all. That is not the meaning of my question at all; it is more to satisfy the public mind that has been making statements of that kind. It does not concern me. As a matter of fact, it does not concern me in any way as to what his holdings are?—A. Sir James Lougheed—there is no reason for a refusal to answer a question like that—

The CHAIRMAN: If Mr. Ross wishes to answer the question, he is at perfect liberty to do so.

Mr. BAKER: We are not here to discuss the stockholders of the company.