

according to the quotation of the price posted for crude in the mid-continent field which determines the value more like No. 1 northern does for grain in Winnipeg. The American refineries have not been able to do that. There has been too much gasoline in the United States. They have gone lower than the prices of crude.

Q. Would you care to tell this committee what it is that has enabled you not to follow the American refineries? There is something that has prevented you from having to follow it, otherwise we would be importing from those companies and selling just as low as they are selling down there. What is it that has enabled you to do that?—A. They are bringing stuff in. The Canadian Shell is bringing this stuff in.

Q. The independent distributors are not bringing it in?—A. I think a lot are. We are running more stuff lately. We are selling them some stuff, but our prices at which we have to sell them—when you see a service station's price posted up at twenty-five cents, or something like that—

Q. I beg your pardon?—A. When you see a service station, and see a price posted up, the natural inference would be that is what we get, but we do not get more than eight cents of the price. All our business, or a large part of our business, is wholesale business; and we sell to jobbers throughout the country, but we sell to larger companies too. The people who bring gasoline in, or used to bring gasoline in, don't cut their prices by reason of lower costs. They stack right up to our prices, or the prices we have to charge.

Q. Will you sell to any company irrespective of what they may sell it for?—A. We try not to. We try not to sell to a fellow that cuts prices.

Q. When you sell to a man at a service station, you practically compel him to sell at your price?—A. No, we cannot compel him.

Q. If he does not, you will not sell him any more?—A. We would generally not, because he is hurting another customer of ours in the same town.

*By Mr. Vallance:*

Q. I suppose you import most of your crude oil?—A. Oh, yes.

Q. You also export large volumes of gasoline?—A. No, not so very much. We have very little export. We have been sending a lot of—our boys at the Sarnia laboratories produce a very very high grade of lubricant—I do not want to use the committee for advertising purposes so I don't mention its name,—and it is going to London. The Old Country seems to like it. We have made some shipments over there.

Q. This is a question I should like to ask you. I understood you to say that you did export some gas. Have you any knowledge as to just how much the cost is to the consumer in the country to which you export? Is it more or less or equal to the price paid by the Canadian consumer, we will say, in western Canada?—A. Well, it would be higher. It would be higher. For instance, the British use a great deal of benzol for mixing with gasoline. It makes a very excellent motor fuel. Well, the difference there is nine cents. I think I would say that in countries similar to Canada, like Australia and Argentine, the price of gasoline is materially higher than it is here.

Q. So that you say you are not exploiting the Canadian consumer in order to make it possible for you to export any amount of gasoline?—A. Oh, we practically export no gasoline.

Q. As far as your company is concerned?—A. Oh, the price structure in Canada is based entirely on cost.

Q. So that as far as your company is concerned, would you say your export price would not have any bearing on the Canadian price?—A. No. We have to export some, but there is no export price—