

Q. —refinery operation?—A. Yes.

Q. Therefore, you have brought out a profit of 1.72 cents?—A. 1.72 cents.

Q. Per gallon wholly in connection with refinery operation, and you are showing net profit you say in connection with sales distribution?—A. No.

Q. I understand you to say that income tax and interest as well has to be taken off?—A. Yes; but this 1.72 is after distributing expenses.

Q. I know that. You have taken off distributing expenses first.—A. Exactly.

Q. That is in lump— —A. Yes.

Q. Then you have the net amount after as the proceeds of the product of your refinery?—A. That is correct, sir.

Q. Then you take off from that net amount the cost of manufacturing in your refinery, and the cost of crude and whatever charges there are?—A. Yes.

Q. Leaving, let us say, a gross profit, if you like, per gallon of gasoline produced there— —A. Yes.

Q. —of 1.72 cents.—A. Yes.

Q. Then you say that there should be charged interest on borrowed money amounting to \$600,000 a year, and income taxes.—A. Yes.

By Mr. Hanson:

Q. Did you say what these were?

Hon. Mr. RALSTON: He did not say what the income tax was.

The WITNESS: I have not the income tax figures here. I have stopped at that point in this statement.

By Hon. Mr. Euler:

Q. That is all you do. You are not showing what profit you are making from your service stations as such. I take it your service stations are charged so much a gallon for each gallon of gasoline.—A. Yes.

Q. You sell it at a certain price, and you take the profit made by your service station. That is not what you have done in the statement that you have made.—A. That factor lies behind the figures of depreciation in this statement.

Q. You have given the figure of 1.72 cents a gallon as the net profit that you are making. That is, before you provide for certain other things you mention as the whole enterprise, everything including manufacturing, selling to your service stations, independent stations—

Mr. HANSON: No, I did not understand that. All refinery operations.

Hon. Mr. EULER: No.

The CHAIRMAN: No.

By Hon. Mr. Euler:

Q. You have not separated the profit you are making through service stations from what you are making through manufacturing?—A. Not in this statement, no. That is the profit regardless of how it is made.

Q. The net final profit you are making per gallon.—A. Yes.

Q. Whether you are selling to service stations or selling to independent dealers?—A. Whether we sell in tank cars or tank wagons, or independent dealers, or to our own service stations.

By Mr. Bothwell:

Q. Does that 1.72 include your profits on other products besides gasoline, or is it just simply gasoline?—A. That is purely gasoline.