

Our findings are summarized as follows:—

An examination was made into the general principles underlying the original of Exhibit No. 9 of Committee Minutes No. 3, dated March 17, 1932, showing a net profit of 1·01 cents per gallon of gasoline sold by Imperial Oil Limited as a whole in Canada in the year 1930, by a series of tests into the costs and selling prices of gasoline produced at the Sarnia and Halifax Refineries. As a result of our investigation, we prepared a Summary of Operations expressed in cents per Imperial gallon of Gasoline for the fiscal year ended December 31, 1930, embodying the Sarnia and Halifax Refineries, as specifically tested by us, and also for purposes of comparison the figures shown by the corporate books of the Company covering all of its refineries in Canada.

The aforementioned Summary of Operations in respect of gasoline of Imperial Oil Limited for the fiscal year 1930, is recapitulated as follows:—

	In cents per Imperial Gallon				
	Refinery Costs	Marketing Costs	Total Costs	Average Selling Price	Average Net Profit
<i>Retail Gasoline—</i>					
Sarnia.....	11·27	7·02	18·29	20·22	1·93
Halifax.....	13·94	5·84	19·78	21·47	1·69
All Refineries.....	13·75	7·15	20·90	22·56	1·66
<i>Wholesale Gasoline—</i>					
Sarnia.....	10·18	2·89	13·07	13·12	0·05
Halifax.....	13·02	1·33	14·35	14·60	0·25
All Refineries.....	12·67	2·42	15·09	15·05	0·04*
<i>Total Gasoline—</i>					
Sarnia.....	10·81	5·27	16·08	17·22	1·14
Halifax.....	13·76	4·93	18·69	20·09	1·40
All Refineries.....	13·34	5·34	18·68	19·69	1·01

*Loss.

Any required details of the Refinery Costs, Marketing Costs and Average Selling Price of gasoline supporting the Summary of Operations of Imperial Oil Limited for the fiscal year 1930 were given to the committee in our evidence.

The scope of our work at the Sarnia and Halifax refineries embodied tests of details to a point sufficient to establish the soundness of the basic accounting principles employed during 1930 by Imperial Oil Limited and which tests may be briefly summarized as covering the ascertainment of the following factors:—

- (a) Total costs of all products.
- (b) Division of total costs of all products between refinery and marketing operations.
- (c) Division of refinery and marketing costs between gasoline and other products.
- (d) Division of gasoline costs as between retail and wholesale trade.
- (e) Average selling price of all gasoline.
- (f) Division of average selling price of all gasoline between retail and wholesale trade.
- (g) Average net profit on all gasoline.
- (h) Division of average net profit between retail and wholesale trade.