

The WITNESS: Yes, right.

Mr. BOTHWELL: Now, so far as the refineries are concerned. The instructions of the sub-committee were I believe, insofar as those instructions dealing with the refineries themselves were concerned, that the auditors were instructed to obtain financial statements of the different oil companies.

The WITNESS: Will you read what the instructions to us were?

Mr. BOTHWELL: I am asking the Chairman. He is a member of the sub-committee. Is it not the fact?

The CHAIRMAN: No. I do not think so.

Mr. BOTHWELL: You understood that the auditors were to obtain nothing in connection with the financial set-up of these different companies?

The CHAIRMAN: That is what was given in evidence.

Mr. DONNELLY: At page 471 I read as follows:—

That simultaneously with this investigation by the auditors into the aforementioned cost and selling factors of Imperial Oil Limited, they secure from the British America Oil Company, limited, and from the McColl Frontenac Company, limited, statements in such form as will render practicable a comparison of the relative costs and selling prices of the three corporations, thus offering means of disclosing any major variations without entailing the additional expense of investigating the smaller oil companies operating in Canada.

Mr. BOTHWELL: On innumerable occasions during the taking of evidence the statement was made by witnesses when we were talking about the financial set-up of these companies that the auditors would have all that information.

The CHAIRMAN: A set-up was given, I think, by all the companies themselves.

Mr. BOTHWELL: The auditor was to check it, as I understood the duties of the auditor. He was to check the statements that had been given to us by representatives of the different companies.

The CHAIRMAN: The clerk informs me that after these instructions were passed by the Committee he wrote to the auditors asking them to proceed to secure the information asked for by the report of the sub-committee to this Committee and accepted by this Committee, and that those were the only instructions they received.

Mr. BOTHWELL: It was clearly understood at the time that the sub-committee report was adopted here that that did not in any way limit the inquiry, and different matters were referred to during the taking of evidence as to the information in connection with the financial statements of the different companies.

The CHAIRMAN: Were not all the companies required to give to the Committee under oath their financial set-up?

Hon. Mr. RALSTON: That is so; but as I understood, the auditors would check these things, and, as a matter of fact, Mr. Matthews, apparently, did so as shown in the conclusion. I will refer to paragraph A of the conclusion:—

In other words the financing of Imperial Oil Limited has been effected through the sale of capital stock and the investment of a proportion of surplus earnings in extensions of plant and equipment facilities.

Now, on page 490 he says:

I wish to emphasize that fact to the Committee, for your information. In contrast with the figures shown in evidence—as if the company had made tremendous profits on the splitting of stock and stock dividends on their marketing and refining in Canada—altogether, taking in 1930