

## REPORT OF GEORGE A. TOUCHE & CO.

GEORGE A. TOUCHE & Co.

CHARTERED ACCOUNTANTS

67 YONGE STREET,

TORONTO, May 9, 1932.

R. C. MATTHEWS, Esq., M.P.,  
Chairman, Select Standing Committee on  
Banking and Commerce,  
House of Commons,  
Ottawa, Canada.

DEAR SIR.—The Minutes of the Select Standing Committee on Banking and Commerce dated March 8, 1932, show the following reference:—

That, in the opinion of this House, the price of gasoline to the Canadian consumer has for some time past been too high and that this matter should be referred to the Select Standing Committee on Banking and Commerce to investigate and report.

Under date of the 22nd March, 1932, we were instructed to investigate the accounts of Imperial Oil Limited under authority of the resolution of the Banking and Commerce Committee, which provided as follows:—

Your Sub-Committee duly convened this day in conference with the Committee Auditors and Mr. McCloskey of Imperial Oil Limited begs to report that the said auditors be instructed as follows, namely:—

1. That the accounts of Imperial Oil Limited be taken for the purpose of establishing the fundamental facts required by the Committee.
2. That a basis of establishing the ascertainment of costs be mutually agreed upon between the auditors and the officers of Imperial Oil Limited.
3. That for the purposes of the two preceding paragraphs, the investigation be specifically applied against—
  - (a) The Sarnia and Halifax Refineries as regards the elements entering into production costs as a whole and as applicable to proportionate distribution of these total costs against gasoline and other commodities refined from crude.
  - (b) The relative wholesale price of gasoline and other commodities refined from crude in relation to costs of production at the Sarnia and Halifax Refineries.
  - (c) The elements embodied in the selling, distribution and administration expenses, added to the costs of production, in relation to selling prices for Imperial Oil Limited, as a whole and as specifically applied in the following marketing divisions—
  - (d) That such marketing divisions may be designated by your Sub-Committee.
4. That simultaneously with this investigation by the auditors into the aforementioned cost and selling factors of Imperial Oil Limited, they secure from the British American Oil Co., Limited, and from the McColl-Frontenac Oil Co., 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.