

would again come back to this. You are, perhaps, dealing with three things in that. Now, you are asking me a question aside from our instructions, and we will give you what we believe on that. When you speak of Imperial Oil profits, you are embodying, are you not, the profits that they brought into the company from outside?

Q. I am speaking of the statement that has been made, and I want to know whether you could endorse that statement?—A. It has nothing to do with gasoline.

The CHAIRMAN: Where is the statement made?

Mr. BOTHWELL: It is current.

HON. Mr. RALSTON: Mr. Matthews mentioned it in his report, and just after he has spoken of the split in stock and stock dividends and marketing and refining in Canada.

*By the Chairman:*

Q. You are speaking of the profit of the Imperial Oil company—the cost of gasoline in Canada?—A. Right.

Q. And the resolution in the House dealt with the statement that gasoline was selling at too high a price, and you are trying to discover that?—A. We broke down that structure which Mr. Bothwell is speaking of, so far as it applies to the refining and marketing of gasoline and other refining products in Canada, and the amount of money that they have made thereon during that period of fifty years. Outside of that it has nothing to do with the price of gasoline, and we did not give it any consideration whatever.

*By Mr. Bothwell:*

Q. You could answer that question?—A. I can tell you that on the amount of gasoline and other refining products sold in Canada in 1930 the Imperial Oil made 6½ per cent or thereabouts, roughly, on the net amount of their investment in Canada which include their properties, their inventories and their liabilities to the public, and the balance is a combination of capital stock paid for in cash plus profits reinvested in the business. Now, that is a direct answer to your question so far as gasoline and Canadian operations are concerned, and it is absolutely—you cannot introduce the question of South America or world trading in that question of gasoline in Canada.

The CHAIRMAN: You were going into the whole production from the beginning, tracing it through to the consumer to ascertain if Canadian consumers were paying too much for gasoline and if the profits of these companies were exorbitant.

Mr. BOTHWELL: Of course, we expect to go into that. I am asking the witness now in connection with these statements that have been made whether he is able to answer the question as to whether these statements are true or false.

Mr. BAKER: You are speaking about \$100 invested 12 or 15 or 20 years ago, and what it amounts to now. Has that anything to do at all with whether people in Canada are paying too much for gasoline to-day as against what gasoline costs, or not?

Mr. DONNELLY: It may have considerable to do with it, if the people are paying interest on it.

Mr. BAKER: How can the auditors say that the 6½ per cent is made on the actual investment in Canada?