Q. In other words, would you take the price of crude as supplied by the legitimate good-sized company?—A. Yes.

Q. If you could buy crude for so much less, what we call bootleg crude—I suppose it exists—but you don't do that. You pay your subsidiary, whoever it is, the posted price?—A. We buy, as I say, a very small fraction from subsidiaries and we pay the same price that other buyers from them pay. There is a certain amount of bootleg crude which we do not buy, because we must assure ourselves of a continuity of supply, so that we buy for a year at the posted price which is posted in Tulsa, the principal market, every day.

Q. Every day?—A. Yes.

Q. Now, you stated a minute ago, due a good deal to the higher manufacturing cost; if you eliminate the distribution factor do you consider that it costs more to manufacture in Montreal than it does in one of your American plants?—A. We have got no American plants.

Q. Well, your competitors in the United States?—A. Yes, it does. Our wages are higher.

Q. In Canada?—A. Well, here we put in an apparatus in Montreal not long ago. It was a great big still bigger than this room. It had to move from the point of manufacture on two or three flat cars. It could not go over 20 miles an hour and had to be transported in the day-time, having to be laid up at night. It was a new type, and the Ohio Oil Company president came over and we showed him this and he asked how much it cost. We told him it cost $800,000. He copied the idea and we asked him what it cost him and he said it cost him $600,000.

Q. Yes; but, Mr. Ross, you are now referring to a different thing. That is a capital expenditure.—A. Upon which you have got to earn dividends.

Q. Right; but you know that would be practically nothing in the price, a difference of $200,000 on capital expenditure, especially considering the amount of gasoline you sell. If you spread it over and it applied equally to every plant and every bit of equipment?—A. Yes, if you spread it over and it applied equally to every plant and every bit of equipment.

Q. Take, for instance, your labour costs in Montreal, they are not higher than your competitor pays for the same thing in the United States?—A. They are distinctly higher than some refineries pay who ship in here, especially Baton Rouge in Louisiana; they are not any higher.

Q. Personally, I am tickled to death that that is the case, but I doubt the statement. Now, back in 1915 the capitalization of your company was $10,000,000?—A. Well, I wasn't with the company in 1915, but I assume that is right.

Q. How many shares are there to-day in the Imperial Oil?—A. I think there is somewhere in the neighbourhood of 26,500,000—far too many.

By Mr. Power:

Q. Why do you say far too many shares?—A. Well, I think that in our efforts to interest the small investor we carried the split too far, and our stock is now spread all over the country in weak hands, and since the depression began those little fellows have had to sell their stock, and the cumulative effect on the market has been very bad. That is, five shares coming from Montreal, and five from Ottawa and five from some place else affects the market adversely, much more than the total sum of those shares.

Q. The price of the stock does not affect the company, though?—A. Oh, no, it does not affect the company.

Br. Mr. MacMillan (Saskatoon):

Q. What proportion of the cost of gasoline would be in the distribution; I mean, from your stations—A. To a service station?