Q. So that makes it absolutely relative, the sum on which you figure $6\frac{1}{4}$ percent makes it absolutely relative to this committee. The moment you enter on that comparison, you then must find out how that amount was made up on which you base $6\frac{1}{4}$ per cent.—A. An absolutely reasonable question. Quite so.

Q. I think we agree it is rather vital, when you use that per cent.—A. Quite so.

Q. Tell us how that $6\frac{1}{4}$ per cent is figured up. As I understand, you made no test of that except you found an appraisal had been made which exceeded this book value, and you disregarded that.—A. We disregarded that, and followed, of course, down to the inventories to see how they were valued, and so forth, and that the liabilities in a general way were set out in the usual way. That is, to pass an opinion there is nothing unusual about the situation. For instance, there might have been ten million dollars in there for patent trade marks and good will, just as an example—

By the Chairman:

Q. How much was there?—A. Nothing. Things like that, you know what I mean. I appreciate your question; it is a very sound one.

By Hon. Mr. Ralston:

Q. I understood you to say, I don't know whether you found it an actual fact or not, that you took the cost values of the property plus any surplus which has been, as we say, ploughed back into the operation of the undertaking.—A. Of course, that is automatic. By taking your assets just as they are, that is reducing—taking your property—and reducing that by depreciation and by the amount of the appraisal, and on the other side, showing your liabilities to the public, and of course, the difference is your capital stock that has been invested in the property, plus the surplus.

Q. And that surplus keeps on rolling up year by year and is being added to the cost on which you have finally figured the $6\frac{1}{4}$ per cent.—A. It is re-invested back in those assets. That is the statement as of that day. Now, how much was made in previous years I don't know.

Q. Can you tell me what the combined surpluses are?—A. Yes.

Q. The surpluses for the number of years?—A. Yes. We will give you that, in the statement we will submit in detail. The statement we will submit in detail will give you full details of this. The net amount, the net investment capital depreciation value in refining and marketing properties in Canada on that date was one hundred and fifteen millions.

Q. What is the exact calendar date?—A. It is 1930.

Q. What date?—A. January 1st. This is the net assets made up of capital stock and surplus.

Q. Forget capital stock. These are assets against which capital stock was issued.—A. Against which capital stock is a combination of the two—it is a combination of the two The detailed statement will show the makeup, which is \$115,000,000—71 per cent roughly.

Q. That is the net difference between your assets and your liabilities. What is the capital stock, taking the capital stock off?—A. I don't know. I have got it just here on that basis. In order to get the division of that, we would have to take the capital stock of the Imperial Oil Limited as a parent company and divide it back to the marketing and refining, divide it between the two. It is not like as though it were to be divided back against the operations in Canada, but you would have to divide the capital stock on the investment ratio between the investments in Canada and the investments outside of Canada. The Imperial Oil Limited is not a company that operates just a refinery and marketing stations. But we will divide it in the statement.

Q. Now, you gave me a figure of how many millions?—A. \$115,000,000.