

Mr. BOTHWELL: I am not pressing the question. As a matter of fact, the asking of the question came about through a remark of the chairman himself, in conversation before the Committee convened.

Mr. BAKER: It is going beyond our duty.

WITNESS: I do not think it is a good thing that that point should be raised or that point should be brought up without an answer. The question is a perfectly proper one. Sir James Lougheed, when I came with the company a little over ten years ago, maybe a little longer than that, was our lawyer in Calgary, just as somebody has to be our lawyer in Ottawa or Vancouver, and he became Minister of the Interior. At that time we were interested in that property at Fort Norman inside the Arctic Circle, and there was also some activities in the Turner Valley; and Sir James' law work—we were doing a lot of business here with the Department of the Interior, and this law work drifted over to Mr. Bennett. Then the Turner Valley became active, and we were dealing with leases out there, and most of the people we went to in connection with these leases said, "leave it to Mr. Bennett." There is generally a question at stake if you take an oil lease and you pay a man for it and you do not get any oil, which was generally the case—you were out that much money; and if you did get any oil he would always think he had not got enough for the property. They all seemed to have confidence in Mr. Bennett. He was our lawyer. He was carrying out agreements, and in order to give him the correct freedom of action he was put on the board, but he never was on the board in the full sense of a director. That is to say, each one of our directors in the Imperial Oil Company is a working man.

*By Mr. MacMillan:*

Q. How long ago was this?—A. About twelve years ago.

Q. Mr. Bennett was not even in the house then?—A. I don't think he was. It was at the time Turner Valley started.

*By Mr. Vallance:*

Q. Do I understand you to say that your directors to-day are all the heads of various departments in your company?—A. Yes; but Mr. Bennett came in as head of Turner Valley.

Q. Is it not also true that your employees are large shareholders in your company?—A. Oh, yes.

Q. I mean your common labouring men, say, in Sarnia?—A. Yes. We have easily six thousand employees who are shareholders. Between them they hold a tremendous amount of stock.

*By Mr. Pettit:*

Q. When did your Imperial Oil Company enter the Canadian field?—A. Oh, about fifty years ago—forty-five years ago.

Q. Your charge to the consumer is based on the cost of the crude?—A. Yes.

Q. And do I take it that between the crude and the charge to the consumer is the margin of profit?—A. It is the manufacturing cost and the marketing cost, depreciation costs. They are all in there.

Q. The ultimate cost—the difference between the ultimate cost and the charge to the consumer is your margin of profit?—A. I fancy that would be true.

Q. And that is made having regard to the fact that you desire to pay eight per cent on the par value of the outstanding stock?—A. It is due to a very human desire to make the company prosperous, and eight per cent in the most hazardous kind of modern commerce is not a large return.