

I say that because I want the committee to realize that an investigation that will really get at the facts and not accept statements from a man like myself, or one of my associates, would take a great deal of time, and I think that the procedure is quite unfair to a company like my own—and unequally unfair to the other companies—because necessarily giving evidence here you disclose information about your business which is of great benefit to your competitors. We are not afraid of telling the chartered accountant, or anyone else you appoint what we told Clarkson; but Clarkson reported to Mr. Ferguson his findings but not the evidence.

If the committee goes on, why we will go along and we will facilitate the procedure in every way; but either for the committee or for ourselves I do not think it is a very good procedure. The company I represent is probably in as sound a financial position as any company in Canada. It has been fifty years in existence; it is a most conservative firm. As I say, Clarkson found it earned eight per cent per annum in good times, but it has not done that for two years, and it won't do it this year; it won't begin to earn its dividend in Canada this year. I think out of the dividends we pay, every dollar of dividends we pay in Canada we get sixty-seven cents from outside Canada, notably eight million dollars a year from operations in Peru, Colombia, and Ecuador. Our dividend may be large, but it is to my mind a very substantial thing that we should continue to pay these dividends. We have thirty to forty thousand shareholders in this country. Most of the American oil companies are in the position of the Canadian National railroad, except that they started with some money. They are not paying dividends; they are bankrupt. I don't know whether I am giving you gentlemen any information or not.

Mr. HANSON: You are not giving us any information about the National Railways.

WITNESS: Again, as I said before, I am not competent, but I can produce the people who can discuss those things. I imagine what you want is costs. I think if we establish costs and earnings on invested capital, that answers the questions. My business in the company has nothing to do with the technical operation of it. I have more to do with the cash, when there is any, than anything else. You have to take this into consideration when you are operating a business. In 1930, when the western farmer could not get his crop in, when he could not get anything from the trust company or from the bank or from any other place, we transferred our business overnight from a cash business to a credit business. That began in 1929, and continued through 1930. Our bills receivable are in the neighbourhood of five million dollars, which is a very substantial amount on our dividend, on our annual earnings. We expect to get that money back, because we expect the West to come back, because the farmer is a fellow who does not evade his debts, and because the individual amount is very small. But still the fact is when you are thinking about what you are going to charge for the products you have to keep in mind what your losses are likely to be. You go ahead along the present line of procedure, all right. I do not know whether I should bring a corps of lawyers down here, or not. I have not got anybody.

The Imperial Oil has been fifty years in existence, and it has never been in a courtroom yet on a major lawsuit, never had a lockout, never had a strike. That is, a very serious one. Its pay roll is a very large source of considerable strength to the business of the country. When you say we are charging too much for gasoline, we are prepared to go into an inquiry into that subject—

*By Mr. McPhee:*

Q. Have you a copy of the Clarkson report?—A. I had one this morning, but I gave it to some gentlemen.