REVIEW IN REVIEW

Double Trouble... Publishing a magazine in two languages in a bilingual country which has hockey telecasts in both French and English can pose problems. For this month's story on Imperial television service station dealer, we had a choice of two men: Murray Westgate and Philippe Robert who do the commercials on the English and French hockey telecasts respectively.

But few of La Revue's readers (most of whom live in Quebec province) have ever seen or heard of Westgate. Similarly, Robert is little-known to many English-speaking viewers.

The solution: an article on Westgate in the Revue by writer Bill Stephenson and on Robert in La Revue by Roger Champoux. You'll find the story of your favorite (we hope) on page 20, and a picture of his counterpart above. Confused? We feel downright schizophrenic.

Our Cover... The strangeness by Otto van Erssen represent remnants of prehistoric pollen and marine life seen photographically on page 19. Born in Indonesia, Otto fled to Holland after the Japanese occupation and studied design, photography and interior decoration. He free-lanced in Amsterdam and in Sweden ("where I could not thrive") before coming to Canada two years ago. Here he has free-lanced textile, window and exhibition design, posters, trademarks and advertising art.

Child's Play?... Probably no other Review feature consistently stirs as much comment as our covers. In trying to achieve a balance of good art, seasonal theme, varied interest, humor or pathos, we use everything from abstract paintings to photographs. Some critics think we hit the mark; several covers have won awards in art competitions; many have gone on a tour of western Canada; a few hung framed on readers' walls.

But, happily, some individuals still stare at Revue art and mutter, "I could do better myself." One night the Charles Gordon family of Winnipeg—mother, father and 10-year-old daughter—sat down with their paints to prove it.

Mrs. Gordon, the only one with formal training, turned out a painting of Imperial's Winnipeg refinery. Her husband, who works in the refinery accounting department, did the same scene in a different but creditable style. Daughter Charlene painted the gay abstract of marine life reproduced above. To critics of abstract art this probably confirms what they've suspected all along: it's all child's play.

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E D I T O R  R O B E R T  C O L L I N S

CANADA'S NATIONAL OIL POLICY

Earlier this year the federal government announced a national oil policy. This policy is of vital interest to many Canadians, and its implementation depends on many organizations and bodies as well as on the efforts of the oil industry. In this special report, the Revue examines the background to the policy, the policy itself, Imperial's crude oil marketing record in relation to it, and factors essential to its success.

Why a National Oil Policy? The Canadian oil and gas producing industry is a vigorous industry. It is currently growing more rapidly than the Canadian economy in general and most other individual industries. Sales of western Canadian crude oil have been increasing at a rate relatively greater than sales of oil from the prime producing areas of the United States, Venezuela and the Middle East.

Production of crude oil and natural gas liquids in western Canada increased from negligible amounts in 1947 to about 540,000 barrels a day in 1960. Construction of trunk lines has allowed this production to take over large domestic markets formerly supplied by imported crudes and to penetrate export markets in the United States.

Why then, with the industry basically healthy, was there a demand for a national oil policy?

The rapid rate of development of new oil discoveries has created a growing gap, now some 520,000 barrels per day, between what the industry could produce at maximum flow and the volume required to meet present market demands. The gap between potential and actual production is due in considerable part to regulations and practices which encourage the development of oil fields without regard for market outlet.
At present, about 90 percent, or 480,000 barrels daily, of Canada's excess productivity is located in Alberta where production from each well is pro-rated to market demand. To encourage development new wells are given an "economic allowable" production rate which is designed to assure a return of capital and operating costs over a five-year period. This often means that marginal wells are producing at or near capacity. Economic allowable oil represents a substantial portion of the total Alberta production while the potentially large-volume, low-cost fields are cut back to a fraction of their capacity.

Nevertheless the "shut-in" potential exists. It was proposed that western crude be piped to the Montreal market where, for economic reasons, imported crude is used.

The Montreal Pipeline Proposal The proposal, supported by a few independent producers, was that the government encourage construction of a $400 million pipeline from Edmonton to the Montreal market, by imposing restraints on imports of oil. Most of the independent oil companies do not support the proposal.

At Calgary last November A. G. Bailey, then president of the Independent Producers' Association of Canada, after saying that certain of the association's members had been urging the construction of a pipeline to Montreal, stated "there is another large segment of the independent producers who do not feel that the Montreal pipeline is the complete answer to our problems and for various reasons they are opposed to this idea."

Although the major companies such as Imperial opposed the idea, the difference in outlook was not "international company versus Canadian company" as widely stated. Nor was it the "independent versus the majors."

It was between some companies whose interests are solely in producing oil in western Canada, who do not have any financial interest or responsibility in eastern manufacturing or marketing operations and, on the other hand, a group that included the fully integrated companies. These are companies which have interests in producing oil, transporting it, manufacturing and selling its products.

The latter, including Imperial, opposed the idea. In Imperial's view it was not in the best interests of Canadian oil or the Canadian crude oil industry. Had it been a sound proposal, it would have been supported years before by the same companies—notably Imperial—who sponsored and backed the Interprovincial and Trans Mountain pipe line proposals.

Pre-emption of the Montreal market for Canadian crude would not mean an increase of 250,000 barrels daily of production, as was suggested at one stage. Because of resulting loss of exports and other factors, the eventual net increase in Canadian production could have been as little as 25 percent of that amount.

The pipeline would have been built only through massive government control and intervention, since the proposal depended on shutting off the Montreal refinery area from lower-cost oil.

Such a pipeline would ultimately have been paid for either by Quebec consumers through higher energy and fuel costs, or by the Canadian taxpayer.

The Borden Royal Commission on Energy considered the pipeline proposal, decided that the line should be considered a last resort and suggested that the industry voluntarily bring out 700,000 barrels a day by the end of 1960.

Significantly, the Borden suggestion was made before permission to export natural gas was given. As time goes on, natural gas production will be an increasingly important factor in the income of producing companies. If crude oil and natural gas, which are produced by the same companies, and are competitive in their destination, had been regarded as a combined product during 1960, their output would have been the energy equivalent of 745,000 barrels of crude oil a day.

What is the New Policy? Highlights of the text, as delivered in the House of Commons, are:

"The government has decided upon a national oil policy which is, briefly, to achieve target levels of production of oil, including natural gas liquids which will be set from time to time, and which will be designed to reach approximately 800,000 barrels a day in 1963. This objective for 1963 can be achieved by the industry on an economically sound basis, and will be as approximately as high as the figure which would be achieved if the Montreal pipeline were to be constructed.

"The production target level for the first part of this period will be an average of 640,000 barrels a day for the year 1961, with a level of not less than 625,000 barrels a day to be achieved by mid-year. This compares with an average production of 550,000 barrels a day in 1960."

"These targets are to be reached by increased use of Canadian oil in domestic markets west of the Ottawa Valley, and by some expansion of export sales largely in existing markets which can be reached through established pipe lines.

"Growth in domestic use is predicated in particular on substituting in Ontario markets west of the Ottawa Valley, products refined from Canadian crude for those now supplied from foreign crude. This will require in Ontario the displacement of the present small imports of crude, and a progressive reduction in imports of foreign products and transfers of products refined from foreign crudes in Montreal. Refining capacity in Ontario will have to be increased over the period so that by 1963 capacity is sufficient to enable the Ontario market, west of the Ottawa Valley, to be supplied substantially from Canadian crudes.

"The government program for expanded production of oil will be on a voluntary basis, but importers of crude and petroleum products will be required to report their imports monthly from January 1, 1961, in order to permit the National Energy Board to continue to assess the situation.

"Increase in production of Canadian oil reflected in these target levels will of course require a sincere effort and full co-operation by all segments of the industry. The government desires that this effort and co-operation will be forthcoming without formal regulation."

Imperial and the Policy Imperial agrees that the marketing areas described are the best areas in which to sell Canadian crude oil, and its program has been aimed at developing such markets. As a matter of fact, no other company has done nearly as much as this company to find markets for Canadian oil. In large measure, Imperial is responsible for the development of most of the existing markets for Canadian crude oil which, under prorationing, are shared by the other Canadian oil producers.

Imperial Oil's development of the Edzacote field in 1947 sparked the current Canadian oil development. The extraordinary growth of Canadian crude oil production following the Leduc discovery was possible because Imperial initiated a carefully planned series of domestic and export market expansions to maximize the potential marketing areas in the shortest possible time.

Imperial initially assumed all the financial guarantees on the Interprovincial pipeline and 50 percent on the Trans Mountain pipeline, thereby making possible the construction of these two major systems and opening markets from Ontario to B.C. and in the U.S. midwest and northwest to Canadian oil. Imperial is still under guarantee obligations of almost $90 million for these pipe lines.

Imperial developed crude oil supply agreements with other companies to encourage building refineries which
would use western Canadian crude oil, even though proven reserves at the time did not support such commitments.

The company has invested some $160 million in building new refineries and in expanding and modernizing existing refineries in the area supplied by western crude. It has also invested $40 million in petrochemical facilities at Sarnia which displaced imported chemicals with chemicals made from Canadian oil.

For 10 years Imperial has been supplying the Ontario market west of the Ottawa Valley with products made from western crude. Displacement of foreign crude in the Ontario market began as soon as western oil, via the Interprovincial system, reached Imperial's Sarnia refinery. Some products, such as specialties and additional fuel oil to meet winter demand, must still be imported. The necessity for these imports is recognized by the government in its new policy. With these exceptions, Imperial has for nearly a decade supplied customers from the Pacific coast to the Ottawa Valley with products made from Canadian crude oil. Imperial's refineries at Leduc, Calgary, Edmonton, Norman Wells, Regina, Winnipeg and Sarnia process Canadian crude oil only and during 1960 they processed 374,600 barrels a day, an increase of two percent over 1959.

In the export area, Imperial has opened significant markets in the northwest and north central areas of the U.S., and very recently another new market in Ohio. The company continues to explore for further export markets. Imperial's sales of Canadian oil in export markets averaged 43,900 barrels daily in 1960.

Because of Alberta prorogation regulations, the company produced only 89,700 barrels of crude and natural gas liquids daily, although the company's wells could produce efficiently some 340,000 barrels daily. Thus, of the 218,500 barrels daily of Canadian oil required for its refineries and for export markets it has developed, the company purchased some 128,800 barrels a day from other Canadian oil producers.

In developing present domestic markets for western Canadian crude, Imperial continued to back out crude oil produced by affiliated companies in the United States and South America. In developing export markets, Imperial has entered into agreements under which U.S. companies use Canadian crude. Similarly, these export markets, in considerable measure, were also secured at the expense of crude oil produced by companies affiliated with Imperial.

Can the Targets be Met? Implementation of the national oil policy depends on the attitudes and actions not only of the oil industry itself but of many others. What are those attitudes and actions?

The new national oil policy has as its objective the production of 800,000 barrels per day of crude oil and natural gas liquids by 1963. The production target level for 1961 is an average of 640,000 barrels a day, with not less than 625,000 barrels a day to be achieved by mid-year. This compares with the average production approaching $50,000 barrels a day in 1960. Thus the government targets call for additional markets for roughly 100,000 barrels per day of Canadian crude this year, and for 250,000 barrels per day by 1963.

Such increases in production are dependent on a number of factors, many of which are beyond the control of the oil industry. For instance, oil product demand in Canada is dependent on the rate of growth of the nation's economy. The weather has a substantial effect on the sale of heating oils. Aggressive marketing of natural gas could affect present and future markets for oil fuels. The attitudes of many agencies and governments will be involved. It is, therefore, too early at this time to predict whether the targets will be met. On the basis of published statements industry opinion seems to be that the 1961 targets will be very difficult to achieve fully, particularly in view of the economic situation, the short notice for 1961 and the major industry rearrangements involved. Looking at 1963 there is, of course, more time to work out an orderly program.

There are three basic areas in which markets for Canadian oil can expand—natural growth in domestic demand, displacement of foreign imports now brought into Ontario, and increased exports to the United States.

The normal growth in domestic demand in the areas to be served by Canadian crude should contribute 50 to 60 thousand barrels per day of added market by 1963. So far as imports are concerned, not all oil products being imported into Ontario could be displaced. The Ottawa Valley is recognized as a natural market for the Montreal refineries. Because of the need to balance refinery runs and provide specialty products, certain products would have to continue to be imported into Ontario. However, displacement of the major portion of the products being brought into Ontario could mean, by 1963, an increase of an additional 50 to 70 thousand barrels per day for Canadian crude oil. This will require the construction of further refining capacity.

Another main area for growth is export markets. Last year a total of 113,000 barrels daily was exported to refineries in the Puget Sound area and the U.S. midwest. Around the turn of the year a new market developed in the Detroit-Toledo area. It is expected that these export markets will continue to grow in an orderly manner to provide increasing outlets for Canadian crude.

The government's target production figures included both crude oil and natural gas liquids (extracted from natural gas as it comes from the well). Production of natural gas liquids is already substantial and will increase sharply as new plants are built to process natural gas for export. Applications have been made for permits to export natural gas liquids. If granted, these could mean the development of new export markets for these products.

The company is hopeful that the government targets can be achieved. "A definite statement of oil policy is welcome," said Imperial president W. O. Twists following the announcement in the House. "Imperial Oil will certainly extend the fullest co-operation in making it effective."
The first powdered snow was coming out of a leaden sky. Below, Lake Memphremagog lay like grey mist with the Quebec town of Magog at its tip. The thickly-wooded hills stood in silence.

In the abbey of St. Benoît du Lac, Brother René, a sturdy bespectacled man in his thirties, stirred a great vat of curdling milk with a wooden paddle. At that moment the soft slap of cheese paddle against curds seemed to be the only sound in the world.

Beyond the abbey’s walls the United Nations was pondering the bloody riots in the Congo. There was strife in Algeria. Montreal, 90 miles to the west, was hotly discussing its recent lively civic election. South of the border, about 15 miles away, the most publicized presidential election in American history was in its dying hours. But inside the monastery the 70-old priests and brothers maintained a peaceful oasis of industry and worship.

Finally a second brother whispered over his cheese paddle, “The postman told me Kennedy was elected.”

That was all. No comment ... not even a smile. The Benedictine monks of St. Benoît du Lac do not take a vow of silence but they are bound by the 6th century rule of their founder, Saint Benedict, to speak only when necessary. This fragment of conversation was apparently essential—but then, immediately, the problem of the current batch of l’Ermitte cheese again became all-embracing.

For a moment it seemed like a scene transplanted from the Middle Ages. Most of us mentally associate the monastery with ancient times and, indeed, monastic life is older than Christianity. The Egyptians practiced a form of it. Saint Augustine founded the first Christian monastery in the 4th century A.D. But many still suspect that monastic life died with the Reformation.

In fact, the monastery never disappeared and, if anything, is regaining its importance among many religious denominations. Roman Catholic monasteries are common in Europe and there are about 20 such places in Canada. The Anglican church has several in England and one in Bracebridge, Ont. In France recently, Calvinists and Lutherans formed a unique monastic house at Taizé.

And although study and contemplation are among the prime objectives of monastic life, St. Benoît du Lac’s cheese industry is not at all incongruous (cheese is also made at the Trappist monastery of Oka, near Montreal). Monasteries are traditionally self-supporting. Some raise pure-bred cattle. Others rent land to farmers. Some sell their own paintings or illuminated manuscripts. A musically-talented monk may give concerts in the outside world. The Bracebridge monks derive money from their print shop and from sermons delivered in the vicinity.

So, at St. Benoît, each day is a mingling of work and devotion. It begins at 4:30 a.m. with prayers and Mass. By six a.m. the monks are at work. For priests there are studies, art and executive duties in the monastery. The brothers labor with their hands in the printing shop and on the farm, where they grow apples and vegetables and raise pigs. The monks who are priests are ordained ministers. The brothers are men who have become monks to serve God with technical skills. Much of the study in St. Benoît’s 50,000-volume library goes into theses and articles, for consumption by other theologians and philosophers. Their paintings—often modernistic—are usually religious. The illuminating of books—a centuries’ old tradition in Benedictine monasteries—is for those used in the liturgical rites at the abbey. None of these activities raise very much money. So the 400 pure-bred pigs and the brothers’ Christmas cards and cheese help support the abbey. The Christmas cards, mostly designed by the monks themselves, are fast becoming known across the country.

The two types of l’Ermitte cheese—a Roquefort and a Swiss—are served in railway dining cars and top-ranking hotels, sold in most specialty food shops and supermarkets across Canada. Gourmets say the Roquefort has a more subtle, less salty flavor than any similar cheese made in Canada. The Swiss is milder and more creamy than the Roquefort. The monks of St. Benoît are masters of their trade.

As I watched, Brother René suddenly ran his fingers through the curdling milk in the 200-gallon stainless steel vats, expertly feeling the curds for the exact consistency prior to draining off the whey. Brother René was once a printer but, on coming to the monastery, took a liking to cheesemaking, stayed with it and now is in charge of the whole process.

I sat down on an empty oil drum, marked “Wyrol J” (a special Esso white oil used to coat the rind of the cheese), while my host, Father Jacques Bolduc, a priest of the order, explained what was going on in the vats. Father
Balduc, a philosophy teacher at the abbey, is also a sort of executive officer under whom cheesemaking is carried out. He motioned to the vats. Milk was being heated to 90 degrees. As the brothers stirred, it began to coagulate into a smooth yellow fat. To this point, said Father Balduc, the procedure was well-known, and almost as old as mankind. Cheese originated when some early Chaldean herdsman let milk go sour and made cheese by accident. Roman legions had it in their rations. Olympic wrestlers ate it during training. Genghis Khan’s troops made cheese from mare’s milk.

In all cheesemaking, the milk is first curdled, by natural action or by adding rennet. Then the whey is taken off. Lastly, the cheese is ripened by the action of bacteria. The amount of bacteria, and the type, develops the flavors. This is the secret of various kinds of cheese, and the reason each cheesemaker jealously guards his formula.

“The recipe here is secret, handed down from brother to brother,” explained Father Balduc. Theoretically, only one living man holds the secret, but all the brothers who work on the cheese probably know something of the recipe.

Brother Reni was now using a large wire mesh to break up the creamy curd in the vat. As he dragged the mesh the curd broke into millions of tiny particles. He dropped a floating thermometer into the tank, examined it seriously, then grinned with satisfaction. He turned a tap at the tank’s bottom. The whey flowed into another tank for pigs’ feed.

Later the cheese would be dried, stuffed into aluminum tins, and placed in the dark for storage. This is the form in which it would be boxed. To help the bacteria work, the cheeses are pierced by a machine with long spaghetti-like steel rods.

At that point a farmer arrived with a load of milk and Brother Reni stepped out to the delivery shed to test it. Until recently the monks kept their own cows, but found it uneconomical. Now local farmers supply them. Each batch must be examined before payment is made; the percentage of fat sets the price.

Some local farmers have tried to make their own Ermite cheese, and the monks have offered to help mature the samples. So far the experiments have been un成功的.

While Brother Reni tested the milk, Brother Jean-Paul fueled the abbey’s tractors at the monastery’s Imperial Esso pump, preparing for a cheese delivery trip to Montreals. Father Balduc took me to the small cheese-storage caverns in which the monks keep cheese from the earth behind the factory. The damp, cold atmosphere is essential to the aging process.

Here, on shelves, stood rows and rows of maturing cheeses. Some would remain there up to a year. Others would come out in six months.

In another room—this time at normal temperature and, happily, without the murky maturing-cheese odor—a brother with a man was looking over some cheese which were sold in supermarkets in packets of varying size.

The chapel bell sounded. The monks immediately fitted out for lunch, silent save for the scuffle of their boots on the stone floors. The meal, like all monastery meals, was eaten in almost total silence. The dining hall is a high-ceilinged room, with long polished tables and the abbots’ place at one end of a small raised platform. At the other end, a young curiously-faced monk stood ready to read a lecture on the need to re-unite the whole Christian church. Priests and monks stood silently waiting. The abbot entered and tapped on his table with a gavel. The monks chanted grace. He tapped again, and they sat. The lecture began, chanted in high-pitched tones. The meal was frugal: little meat, plenty of cheese, eggs and vegetables. The monks afterwards cleaned and polished their own cutlery. The abbot again tapped his gavel. They rose, and after grace, filed silently out to chapel.

When properly aged, the cheeses are cut, labeled and sold to gourmets across the countryside.

Between five and six hours a day are spent in official prayer in chapel. The Benedictine choir is dedicated to the recitation of the liturgy—the official services of the Roman Catholic church. Many brothers are excused from some of the services, because their duties will not permit attendance, but all priests must leave their work. The Gregorian chant is part of liturgical worship—is a specialty at the abbey and several long-play records have been made.

After the evening meal the monks relax for a half hour of recreation. In summer they swim in the lake and canoe each other back up the hill to the abbey. In the winter they read, chat and joke. Listening to recreation period is like listening to a school recites. The sudden bursts of laughter, chatter and sheer noise are exhilarating.

Then at nine a dead silence settles again, as the monks retire to their cells. The Benedictines are contemplative and rarely leave the abbey, except on official business, like selling cheese. However, they are not an isolated group. Scholars, writers, painters, musicians come from all over the world to visit St. Benoit, sometimes to lecture, sometimes to stay. One French organist stayed and, when he died, left the abbey the organ from his French chateau. Every year hundreds of people come to make a “retreat”: a few days spent in almost complete silence and meditation.

The monastery, founded in 1912, stands on a promontory jutting out majestically over the lake. Its towers and spires are landmarks for perhaps 20 miles. The old buildings are still in use while a new abbey, designed by a monk who had been an architect, is being erected. Cheesemaking helps to pay the cost.

Before I left St. Benoit la Lécur I paused outside the factory. It had stopped snowing. The sun was shilly coming through the clouds. The gentle life of the monastery flowed around me. Below me, in the garages, a monk who was once a Montreal tax-driver repaired a broken-down tractor. Behind me, in the chapel, someone was playing the organ. Upstairs in the monastery others were studying.

A bent, wizened figure in the Benedictine habit shuffled along the path toward me. He was very old, I smiled, but he was absorbed in his task (picking up pieces of paper and garbage around the grounds), his face serene.

Perhaps they will be making cheese at St. Benoit long after the troubles of today are forgotten. The look on that old monk’s face seemed to tell me that.
It's six years since I became what businessmen refer to as a small shareholder (a term, incidentally, which must grate on the egos of all sensitive male shareholders less than five feet nine inches tall).

Six times have I received a copy of Imperial Oil's annual report. Six times have I resolved to read it from cover to cover. But, like a lot of other shareholders of a great many other companies, I never got around to reading company's report thoroughly or intelligently.

My failure to do so is mostly my own fault. I certainly don't want to throw rocks at the executives, managers, economists, accountants, writers, editors, stenographers and filing clerks who team up once a year to produce this confession of what the company has been up to; they've got me outnumbered. But I would like to lay a little of the blame on the photographers.

Every time I tried to get through an annual report I bogged down over some pictures of mysterious, expensive-looking pieces of refining equipment. I'd sit and stare, wondering which piece belonged to me. Last year, after checking on the cost of steel pipe I figured I owned two-thirds of one of the guard rails around one of the refining towers in the upper left-hand corner of page 11.

I realized this was probably not orthodox shareholdership, but it was a comfort. From now on, I could just keep an eye on that guard rail. If I started looking a little rusty in the next annual report, I would sell out and get into plastics.

But this year I realized that it's to my advantage, as well as the company's, for me, the shareholder, to be well-informed. So, with some expert assistance, I have made it all the way through the 1960 report—Consolidated Balance Sheet and all—but I have found pieces of information more useful to me than those pieces of refining equipment I used to stare at. What's more, they're things that any shareholder—even one who stands five feet eight in his elevator shoes—can understand.

But why should I want to understand the report—or even read it at all? I could give some pretty impressive-sounding answers to that: as a Canadian citizen, I'm interested in the prosperity of an important Canadian company. As a writer, I'm fascinated by the romance of the oil business (and a few are romantic). But the main reason I want to understand the annual report is that some of the money it talks about is mine. I want to know if my money is as safe as I thought it was when investing six years ago; whether it's likely to stay safe and pay me as many dividends as in the past and whether its market price is likely to go up, down or stay the same.

In short, I want to know: should I hold onto the stock I have, buy some more, or sell out?

Now there's nothing in the report, Imperial puts in on page three. It is in English, some of the information I need. But it's not the president's job to tell me if he thinks the value of my stock is going to increase.

For one thing, the fate of my stock depends partly on people outside the company. Maybe the government will pass some new law affecting all corporations favorably or otherwise. Maybe some Imperial competitor will put on a big successful sales campaign. Maybe some country half way around the world will do something that affects oil prices or supplies.

So I can't expect the annual report to give me all the answers. But I can turn to the report's financial pages for the facts I can reasonably expect the company to provide. The Consolidated Balance Sheet and the Consolidated Statement of Earnings quickly lose a little of their mystery when I remember that the word "consolidated" is tacked onto the front of each heading to denote that the accounts of Imperial Oil and all its subsidiaries have been rolled into one big, single reckoning.

I'll want to take a look at certain items in the Balance Sheet, for it tells me roughly how much money the company owned and owed on the last day of the year. But as a shareholder I'm more interested in how much money the company took in during the year, how much it paid out, how much was left, and what was done with it. So I look first at the Consolidated Statement of Earnings and the companion section below it, the Consolidated Statement of Earnings Retained and Used in the Business.

An item in this bottom section is the first to catch my eye: it reminds me that my dividends for 1960 were $1.35 per share. This was the immediate pay-off, so naturally it was—and still is—important to me. But it really doesn't tell me much about the continuing worth of my stock or how skillfully the company put my investment to work. Maybe the company paid these dividends with borrowed money, or with the last few nickels of a dwindling bank account.

But happily that wasn't the case, as I can see from the Statement of Earnings. Here I find that in 1960 the company took in a little over $873 million, had various expenses amounting to $766 million and reckoned its income taxes at about $46 million.

(Incidentally, I won't grumble quite so much about my taxes from now on. I find that the taxes paid by Imperial, plus taxes the company collected on behalf of governments—in the form of...
Imperial’s earnings, after expenses and income taxes, amounted to about $61.2 million. Now $61.2 million would not mean much to me unless you handed it to me in a basket of one-dollar bills. But even without grasping the absolute sizes of such figures, I can learn useful things from their relative sizes.

How, for instance, do earnings of $61.2 million compare with the company’s earnings in previous years? Right beside the 1960 figure I can see the comparable figure for 1959: about $54.5 million. And I don’t have to give my inager knowledge of arithmetic much of a workout to discover that the increase from 1959 to 1960 was roughly $6.7 million, or about 12 percent.

This sounds good, but how about earlier years? I flip to the 1st page in the report and the Ten-Year Summary. This shows me the company’s financial performance every year since 1951. Running my eye along one line of figures, I see that earnings rose steadily from $15.9 million in 1951 to $72 million in 1957. Then they dropped sharply in 1958 to $56 million in 1959.

So, even though I’m a long way from becoming a financial wizard, I know that the company’s earnings aren’t an upward trend. This is one clue I’ll keep in mind when I make my own private appraisal of the prospects for future dividends and the growth of my stock.

Of course the report contains many other important data. For instance, the Ten-Year Summary shows that earnings in 1960 amounted to 7.3 cents out of every dollar the company took in. Again, this figure alone doesn’t mean much to me; but the comparable figures show that earnings per dollar of income climbed to a peak in 1955, dropped off from 1956 to 1958, and then--as I would expect--rose slightly in 1959 and 1960 just as earnings themselves did.

Of course, I know it’s a simplified mental picture of two closely related trends. Such a comparison is certainly a valuable clue, but it’s not the measurement investors commonly use. What they want to know is how much money was earned for every dollar invested. Again, I can see the answer in one glance at the Ten-Year Summary and the line: “Earnings as a percentage of shareholder investment.” For 1960 the earnings were 9.4 cents on the dollar. I can also see that the company’s figure reached a high of 13.4 cents in 1955; the lowest was 8.3 cents, in 1958. Later I’ll compare this to the performance of other oil companies, companies whose cents, over-head and marketing problems are about the same.

By now, of course, I’ve realized that I don’t receive all the earnings that my invested dollars bring into the company. The company keeps some of this money to use in the business. In 1960, according to the Statement of Earnings, each share brought in earnings (after income taxes) of $1.04. Dividends, as we have noted, were $1.35. Which left 9 cents a share—a little less than a third of net earnings—to be used in the business. I’ll want to compare this with the retained earnings of other oil companies. Meanwhile, I can see from the Ten-Year Summary that this 9 cents brought my equity per share up to $20.62—compared to only $12.23 10 years ago.

So now I have noted six important things in the Statement of Earnings and the Ten-Year Summary: dividends, earnings, the ratio of earnings to income, the ratio of earnings to investment, retained income per share, and equity per share. It’s enough to make me feel like a tycoon. A tycoon, however, would probably want to continue studying the statement. For example, the Statement of Earnings tells us that items like “Depreciation and amortization” and “Interest and discount on long-term debt” are current entries in our Balance Sheet.

Actually, I had already seen a handy look at the Balance Sheet. I saw the assets on the left side, the liabilities on the right, with equal totals at the bottom, and I turned to my wife. “We’d better sell out quick!” I’ve learned that jittery shareholders have been jumping to the same false conclusion ever since double-entry bookkeeping was devoured. Assets for excess liabilities, of course.

The fact is that “Liabilities” include the money the shareholders have invested. This point is easy to see in the Imperial Oil report. The long-term debt and other liabilities are grouped together, and the shareholders’ investment is carried in a separate section at the bottom of the balance sheet.

Now, if you’re still with me, I’ll just scan the Balance Sheet for more facts. This is less interesting to me than the Statement of Earnings, because it is simply a summary of how the company stood on the last day of the year in question: what the company owned on that date, what it owed and what form those funds were in. Just the same, there are useful facts here. It’s reassuring, for instance, to notice that such assets as government securities and crude oil and refined products are listed on the books at their minimum prices. These are assets whose prices fluctuate every day. If the company were trying to dupe me the accountants might go to great pains which might not prevail on the day the assets are sold. It’s useful, too, to notice the relationship between current assets and current liabilities. The ratio as listed in the Ten-Year Summary is a little better than 3.2 to 1.

Is this good? Frankly, I’m not sure, but I can see, at least, that the company could have paid off all its current debts on December 31, 1960, and had a healthy margin of current assets left over.

Similarly, it’s worthwhile to see the long-term debt, and how this figure compares to the shareholders’ investment. The figures are $890 millions in long-term debt; and about 649 million in shareholders’ investment. So the long-term debt amounts to about 12 percent of shareholders’ investment.

Obviously we shareholders own a lot more than we own, but I’ll be interested to see what the percentages are for other companies. It crosses my mind, for instance, that some companies may go into heavier debt than that, to get extra capital to bring in extra earnings. Debt isn’t necessarily a bad thing, Mr. Armstrong, although as the head of a family I’m keener about being too heavily in debt.

Inventors who date on phrases like “Other deferred charges and credits (net)” may want to curl up for another hour or two with the Consolidated Balance Sheet. I hope they feel free to do so; but they’d lose me in the first five minutes.

Anyhow, the Balance Sheet, the Earnings Statement and the Ten-Year Summary have told me the important things. I wanted to know how much money the company took in and paid out; what it did with the difference, and how the company’s assets and liabilities stood at the year’s end: I’ve learned, too, that my company maintains the largest research and development effort of any oil company in Canada. The details are all in the report. I’ve come away with the feeling that the company is progressing, as well as financially sound.

Actually, it’s lucky I learned to read the annual report. This year they didn’t even publish a picture of my refinery guardrail.

Hald Tremont is an assistant editor of Maclean’s Magazine.

Executive Changes

John Armstrong

George Macpherson

John A. Armstrong, general manager of Imperial Oil’s producing department, has been appointed to the board of directors. He fills the vacancy on the board left by the retirement of George L. Macpherson, a director since 1954.

Mr. Armstrong has had 20 years’ experience in various phases of oil production. A native of Dauphin, Man., he graduated in geology from the University of Minnesota and in chemical engineering from Queen’s University. He joined Imperial in 1940 as a rodman-geologist in Saskatchewan and later was a seismic interpreter in Oklahoma, Ecuador, and with Imperial in Calgary. When Imperial’s Edmonton exploration district was formed in 1951, he became its manager, and two years later was promoted to assistant divisional exploration manager at Calgary. Since then he has been assistant manager of the company’s western producing region, except for one year he spent in New York with Standard Oil Co. (N. J.) as an assistant producing co-ordinator. Mr. Armstrong became general manager of the company’s producing department last year and will continue to carry on these duties in his new position.

He is a member of the Canadian Petroleum Association, the Canadian Society of Exploration Geophysicists, the American Association of Petroleum Geologists, and the Alberta Society of Petroleum Geologists.

Mr. Macpherson was general manager of the manufacturing department when he was elected a director. He was born in Markdale, Ont., and is a mechanical engineering graduate of the University of Toronto and a veteran of the Royal Naval Air Service. He started with Imperial Oil as a draftsman at Sarnia in 1922. In 1943 he became the company’s chief engineer and was later manager of the engineering and development division. He was appointed general manager of all refineries in 1949.

Mr. Macpherson has been active in the Ontario Association of Professional Engineers and is a former president of the organization.
by Michael Jacot

The bleak grandeur of this land north of the St. Lawrence belies a wealth of timber and minerals—a wealth so vast that men can only guess its size.

There's an old saying along Quebec's North Shore that God made the world in five days. On the sixth He made the North Shore. On the seventh He threw stones at it.

To Quebeckers there is nothing irreverent in the saying; it's simply a graphic way of describing one of the bleakest, rockiest, most forested wildernesses in the world. More than four centuries ago Jacques Cartier called it the "land God gave to Cain" and added "There is not one cartful of dirt on the whole of it." Another explorer called it a "massive conglomerate of rocks and tortured trees."

Not until about 20 years ago did man suddenly realize that this ill-favored land with its stunted trees, bitter winds, mosquito-laden lakes and utter desolation held mineral and timber riches rivaling anything of their kind in Canada.

Today, although people still make grim jokes about the "rockpile" landscape, they regard the North Shore—a term loosely applied to much of northern Quebec and a corner of Labrador—with awe and respect. It is expected to be the world's largest supplier of iron ore and titanium. It is a promising source of aluminum, asbestos, nickel, gold and copper. Its annual production is valued at more than $300 million and economists say it will soon exceed $700 million. It is, without doubt, the richest pile of rock in Canada.

Its potential excites everybody who goes there. Last November the shore had a visit from the French ambassador to Canada, a representative of the French steel industry, the Quebec minister of trade and commerce, and an opera singer. The opera singer, it turned out, was there to hunt deer. He didn't get a deer but was so impressed with the iron ore discoveries,
so the story goes, that he went back to Montreal and invested in some stock.

It's little wonder the singer was inspired; the very landscape has the sweeping grandeur of a Wagnerian opera. Although there are no distinct boundaries, Quebecers generally think of the "Shore" as a country-within-a-country, stretching 700 miles along the St. Lawrence from the mouth of the Saguenay River to Belle Isle Strait, bounded on the east by the stormy Atlantic and extending north from the Saguenay almost to Hudson Strait and Ungava Bay—some 400,000 square miles. Sixty percent of it is pre-Cambrian rock, more than 500 million years old. Through this rigid bed, with its 1,000-foot gorges, flow hundreds of fickle tumbling rivers and streams.

On its weathered face—once scorched bare by glaciers, but now carpeted with moss and lichen in the north and thin soil in the south—clinging pine and spruce that sometimes take 50 years to grow 12 feet.

Surprisingly, though, timber is another major resource. sheer volume of production over this vast area more than compensates for the undeniably rare trees. Their slow growth results in slowly-aged growth rings, meaning a higher cellulose content and, consequently, superior pulp.

The countryside is dotted with hundreds of sawmills and logging camps. Here and there, man-made canals rear up the landscape—wooden water troughs, 20 to 30 feet off the ground and often 20 miles long, for floating pulpwood to the mill where rivers aren't handy.

Dr. L. Z. Rousseau, dean of forestry at Laval University, says annual forest production could amount to 11.7 million cords, about 10 times the present output. Currently forest production is valued at $65 million a year.

This is appropriate, because the Shore really owes its development to timber. In 1916 the Ontario Paper Company started its first lumbering operations at Shelter Bay (now Port Carier). But no large-scale activity took place until 1937 when the late Col. Robert Rutherford McCormick, publisher of the Chicago Tribune, had constructed the Quebec North Shore Paper Company mill at a two-shack community called Baie Comeau.

The Colonel, in his editorial pages, was no lover of the British Commonwealth or anything it stood for. But there was no sign of this bias in his activities at Baie Comeau. Under the guidance of his company, the Canadian timber town grew into a model community. Its well-planned development is characteristic of many North Shore communities—places like Seven Islands, Port Cartier and Forestville on the St. Lawrence, and inland: Gagnon, Schefferville and now Labrador City in the process of development some 240 miles north of Seven Islands.

Gagnon, an iron ore town named after the Quebec lieutenant governor, stands in the middle of the bush at the end of a 200-mile railway. At the other end, on the St. Lawrence, is Port Cartier with a harbor built from rock, capable of taking ships bigger than the Queen Mary. Forty-five miles east is Seven Islands, population 15,000, linked by a 360-mile railway with the Knob Lake iron ore development at Schefferville.

The leading port in the area, it handled 15 million tons of cargo in 1959, almost as much as Canada's largest port, Montreal. Other main harbors in the lower St. Lawrence and Gulf region including Baie Comeau, Forestville, and Havre St. Pierre, plus a host of smaller ports, handled another six million tons of shipping.

The remarkable feature of these towns is their air of permanence. This is pioneering—but the 1961 vintage. There are few shack or 'sump' buildings. Instead of the old-time trader's store, with its lean-to full of empty cans, there's a supermarket. The ramshackle medical tent of frontier days is now a hospital. Nurseries, schools and sidewalks are not uncommon.

Seven Islands, for example, has first-class hotels, hospital, movie house and shopping centre. One mark of "civilization" is the fact that insurance companies do a land-office business each year. A businessman wearing a well-cut Italian suit doesn't even cause raised eyebrows in frontier towns of yore; they'd have set the dogs on him. But according to one popular North Shore yarn (which, if apocryphal, nevertheless reflects a trend) Seven Islands businessmen did recently once two get rich-quick promoters two days after they hit town.

This doesn't mean there's lack of opportunity for the reputably entrepeneur. A Montrealer started a shoe business in one North Shore town seven years ago with nothing but the proverbial shoe string. Last year he reportedly sold out for $30,000, and returned to Montreal—but only to invest his money, have a holiday and go back to the North Shore.

The classic example of North Shore initiative is Roger Marceau who in 1950 borrowed money to build the 24-room Hotel des Sept Lacs. Today his hotel has 100 rooms. Marceau also has a shopping centre and a commercial building in Seven Islands, hotels in Port Carier and Gagnon, and plans to build a hotel at Wabush Lake (an iron ore site) and a shopping centre at Port Carier.

Perhaps the model among these new-style frontier towns is Baie Comeau, where 9,000 people are demonstrating how to live graciously on a rock. The main street with trendy boulevard curves through traffic lights, to a kidney-shaped shopping district at the river front. There's an esplanade overlooking the salt (at this point) St. Lawrence, that would do credit to any resort town.

Thirty-eight tons of rapeseed oil was used to improve the asphalt road to and from the airport.

On any given evening you may find Baie Comeau adults re-harvesting the three-set play in the church hall, Boy Scouts meeting in the new tic-tac recreation centre, teen-agers playing badminton or RCAF cadet holding the 50th anniversary. On any given morning you may find one of the local bankers at work with a carnation in his lapel. And in the Auberge du Roi—which

Rich, rusty-red iron ore at Knob Lake may be mined some day at the rate of 20 million tons a year

The result is Knob Lake (the neighboring community is Schefferville) and an estimated annual production by the Iron Ore Company of 20 million tons in 1962.

In keeping with the business-like approach to pioneering, the Seven Islands-Knob Lake region was opened with the aid of aircraft flown by some of the best pilots in the country. Charlie Hoyt, one of Canada's top bush flyers and the World War II commander of the RCAF transport squadrons, headed up the Knob Lake airlift in the early Fifties. Under him were 70 pilots, including an English ace with two DSO's and two DFC's.

The Iron Ore Company of Canada, at Knob Lake, began the iron ore landslide in 1954. Quebec Cartier Mining Company will follow this year when its eight million ton a year concentrator is completed. By 1962, the Iron Ore Company is expected to have its seven million ton a year concentrator in operation at Carol Lake. And by 1964, Wabush Iron Ore Co., will be able to ship beneficiated iron ore from its five million ton a year concentrator at Wabush Lake.

One of the world's most coveted metals today in titanium. Extremely resistant to corrosion, as strong as steel but twice as light, it is used in paint and in high-siloy metals for aircraft engines. The North Shore is its largest source. By 1970, pro-

Imperial's plant at Baie Comeau is as modern as the well-planned town.
duction is expected to amount to 1.6 million tons; today's world production is only about two million tons. The ore is mined near Havre St. Pierre, about 150 miles east of Seven Islands and moved by rail and water to Sorel, near Montreal, for treatment.

Obviously, the Shore is rich in minerals and timber. But the entire development depends on four key factors: people, transportation, fuel and fueling facilities, and electrical power.

Electric power is abundant. On the Manicouagan river, not far from Gagnon, Hydro-Quebec is about to harness six million horsepower—three times that of the St. Lawrence development—to serve the growing industry in the Baie Comeau area. The potential development of the North Shore, including Grand Falls which is expected to be the largest development in Canada, is about 16 million horsepower; only 2.5 million of this has been harnessed.

Already thought, the hydroelectric resources are helping make the North Shore one of the world's most important aluminum producers. Canadian British Aluminum Company at Baie Comeau is producing about 30,000 tons a year, and expects to turn out 300,000 tons a year by 1965.

Oil products, above all, are an integral part of this highly mobile kind of pioneering. Men, supplies and mining equipment are moved swiftly by air, rail, truck or jeep—all using oil products. And oil, as the most portable source of heat and power, has paced every new move into the bush.

In the early Fifties when the Iron Ore Company was carving out a civilization at Knob Lake it used over 12 million gallons of oil products a year. Today Imperial Oil establishments dot the North Shore.

Petroleum products are used in every conceivable way: to spray blackflies, to irrigate railway ties, to fuel the flame throwers that cut through ice jams on rivers, and even to clean overalls. Most important are diesel and fuel oils; millions of gallons are used every year.

One of the key Imperial Oil installations—which, like most other things on the North Shore, is the newest of its kind in the world—is the ship bunkering plant at Baie Comeau. It serves the Cargill Grain Co. Another marine terminal is going up at Seven Islands. The Baie Comeau plant, built last year at a cost of $1,25 million, is operated from a "rainbow room" of colored lights and dials and supplies almost every blend of fuel a ship may need.

At the new plant, operators under the direction of Imperial's rail-bunkered supervisor, Fernand Lapien, control the fuelling with push buttons. Automatic controls select the blend of oil requested by the ship's engineer—from light diesel to heaviest bunker. Since Baie Comeau's harbor permits vessels to come right to the dock, fueling can be completed while, say, a grain ship loads its cargo—all in a few hours.

The Cargill Grain Company's new 12 million bushel grain elevator can store Canadian and U.S. grain during the summer months for trans-shipment during the winter (Baie Comeau is open year-round). If other companies exporting to Europe and the Middle East follow Cargill's lead, the North Shore will truly come into its own.

"As present," says Dr. Henri Massue, general manager of the Lower St. Lawrence and Gulf Development Association, "year-round navigation is absolutely necessary to the success of operation of all activities. It will open up a large area which every year is dormant for three months."

A $4 million contract was recently let by the federal government for the building of a new port at Pointe au Père on the south shore to encourage winter navigation. The port of Baie Comeau will soon be expanded. Aerial ice reconnaissance is carried out each winter by the department of transport. Eleven icebreakers patrol the 1,000-mile stretch of the St. Lawrence between Montreal and the Atlantic.

Already much has been done to improve transport. The newly-opened 400-mile North Shore highway built by the Quebec government from Quebec City to Seven Islands is a major achievement.

The final essential ingredient, if the North Shore is to realize its full potential, is population. It now stands at 88,000, more than double what it was 10 years ago. Many have come from afar, like the Italian family that arrived in Schefferville one day last winter, stopped out in 40 below weather and very nearly fled back to Italy.

Most have displayed the remarkable energy that turns a wilderness into a fruitful land. A case in point: the German barrow who went to the North Shore and in six months advanced from laborer to dock foreman. Today he has his own barrow shop.

But there are not enough people. Even if population grows at its present rate, and doubles by 1971, it will be swallowed up in the wide-screen vista of the North Shore. There is so much yet to be done.

At the Knob Lake iron ore deposits—which have a possible 20 million ton annual capacity—there is a mile-wide rusty-red crater. A visiting industrialist looked at it recently and joked, "You've just scratched the surface of your iron deposits!"

His joke contained truth; the surface has only been scratched.

"But if so much has happened in such a short period," says Huet Massue, "who can dream of what's going to develop in the next 10 or 20 years?"

PREHISTORIC CLUES

The strange, artistic shapes on these pipes—reproduced in abstract on our cover—are helping scientists in the search for oil. Some are shell remnants of marine prehistoric marine life. Others are petrified which fall from plants in the world of 10-400 million years ago. Both are valuable for many years paleontologists have studied the marine fossils to determine the approximate age of various rock strata—vital information for oil and gas exploration. Only recently have researchers in this industry looked to fossilized plant pollen for similar information. Paleontology is the new science.

Scientists believe that marine plant and animal life is the source of petroleum, formed under special conditions in the marine environment, involving the right combination of physical, chemical and bacterial agents. But they readily admit that this may not be the whole answer. The question of how petroleum was formed and how to find it today are two of the most pressing research problems in the industry. The study of minute fossils of marine life and pollen at Imperial's Calgary laboratories is part of that quest.

To the naked eye ancient pollen looks like fine yellow dust. Under a powerful microscope it takes on definite shapes—oval, triangular, star-shaped—almost as intricate and varied as snowflakes.

Some marine life can be studied with as little magnification as 20 times normal. Pollen, so fine that 10 pieces would fill the tip of a human hair, must be enlarged from 500 to 1,000 times.

Paleontologists dissolve the rock around the pollen in strong acid, leaving the grains free for examination. Their shape and pattern is different in each age of rock, hence its age can be determined.

Pollen is, of course, produced by plants growing on land. Oil was made in ancient seas beds. But pollen grains then, as now, were often blown long distances to sea or carried far out by currents.

Thus fossilized pollen along with marine creatures is often found today in age-old sea beds and helps establish the geological age of potential oil-bearing rocks. Both give drillers a few extra clues as to where to probe for oil.
THE ESSO DEALER EVERYONE KNOWS

BY BILL STEPHENSON

The best-known figure in uniform in Can-
da is probably neither Frank Mahovlich nor Captain Kangaroo but a six-foot,
reddish-haired actor with a top-sided
grim and gravelly voice, named Murray Westgate.

Murray, a 42-year-old ex-Regina-
with more talents than seem fair in one
man, is well-known across the land for
his roles in dozens of CBC television
draws, as well as in the Cannonball,
Hughie Annie and RCPM series. But
the part into which he fits like a well
worn couplung and which has made
him famous from Prussian squads to Patrician Bay is that of the friendly ESSO
service station dealer in the Imperial Oil
hockey telecast every Saturday night for
the last nine winters.

"I've watched Murray play hundreds of
parts since we broke into radio to-
gether in Vancouver," says Paul Klig-
man, himself an actor of no mean repute,"
but when I see him fuming around
cars and talking as if he has no other
interest in life but keeping them rolling,
I have a hard time convincing myself he's
just a slab of an actor like myself."

The fact is that Westgate is not merely
playing a role. He's interested in cars and
car care. He's also interested in (and
adapts it) art, electronics, carpentry, and
guitar playing. Westgate may look and
sound like the ordinary man-next-door
—an asset in his various acting roles—but
his consuming curiosity for all things
makes him extraordinary.

Which is why he is better suited than
any other actor for his job on the hockey
telecast. He is an expert mechanic and an
ex-sports car buff. But to make sure he's
up to date on service station procedure,
each time he checks into an Imperial
station in his own low-slung Karmann
Ghia cr his wife's more conventional
Meteors, he checks the dealer's perform-
ance against his own.

Many a young attendant, expertly
pouring in the gasoline or manipulating
the dip-stick, has been overconscion
and unable to tell battery fluid from brake
linings when he has seen this
familiar face intently watching his
every move.

"Carry on," Murray usually says with
a grin, "I'm just picking up pointers."

Occasionally, to give his performance
extra polish, he does down to Supper
Shadow's research centre in St. Albert
Here he boxes up on the latest ideas, products
and service tips. Thus, between periods of
the Maple Leafs' home games, when he chains about better ways to keep
cars moving, he is speaking with the
authority of the host of experts who keep
him informed.

So bona fide is his performance that
many people think he is a real dealer
who has somehow turned actor. Others
write to ask if they can visit his service
station when they're in Toronto.

"These are real compliments," says
Westgate.

Occasionally he gets notes of com-
plaint about his "gritty harlequin," but
most viewers seem to enjoy his folkly
appearance and manner.

On radio, where people can only hear
the voice and not see the youthful, tan-
ned face that goes with it, Murray usu-
ally plays character parts such as old
men, trappers, farmers or lumberjacks.
But on TV he has played men of all ages.
One of his most famous portrayals—and the
one he best liked doing—was that of
the 24-year-old Dr. Frederick Bunting,
co-discoverer of insulin, on the CBC
television drama, "The Discoverers," in
October 1956. On one of the RCPM
series last year, he gave a convincing
performance as a young father, estranged
at the unknown blackmailer who is
threatening his child's life.

To prove he doesn't have to play
youthful parts however, early in 1957 he
auditioned for and won the coveted role
of the president of the United States in
the Arthur Hailey thriller, "Courage for
Collusion." He also acts as the master of
ceremonies on "Junior Round-up," a
45-minute show for children which runs
on CBC-TV every weekday.

"I feel like a real old-timer on this
show," he says, "but I'll bet I get as
much kick out of the films and other
features as any of our small fry audi-
ence."

Murray's voice has been a stabilizing
factor in his career ever since he used to sing in
the choir of St. Matthew's Anglican Church in Regina. His listeners how-
ever lay not with singing but with art.
In his spare time he used to draw por-
traits of the hockeyplayers he idolized—
Ed Wickenman, John Gutterson, Mosh
March. In summer, he often caddied at
golf for his heroes.

When he was 12, Westgate organized a
hockey team called "The Majestics,"
not so much for the glory of sport but
because it gave him the chance  to design
and make the jerseys. The name of the
team was a parody of the Majestic Tea
Baron, a Chinese restaurante near Mor-
rain's home where his friends used to
hang out.

"The proprietor could never pron-
ounce Majestic" recalls Murray, "but I liked
the way he said it—Majestics—
because it looked so good in print. The
usual name didn't help our playing
much. We were awful."

In high school, Murray's deep voice
and art talents made him sought after
for the school plays. His insatiable role
was that of an old man, but he didn't mind
because he got to do the costumes and
art work for the programs. After leaving
school, he studied art at Baltrum Tech
nical School in Regina. He graduated,
and was about to launch on a full-time
career in this profession when the war
broke out. Like many other prairie
youngsters, Murray joined the army.

Enlisting in the RCN as an ordinary
telegrapher, another field which fasci-
nated him, Murray spent 5½ years on
frigates, destroyers and the odd convolu-
trucly on the convey runs from Nine-
ground to London. He had reached the rank of lieutenant when the war
ended in 1945 and he found himself
back in Regina, "back at the old draw-
ing board."

But commercial art in Regina was not
the paying proposition he had hoped,
The other Murray Westgate:

In private life, this Imperial 'dealer' is guitarist, caricaturist, home-handyman, television host and one of the CBC's most versatile actors.

Photos by Roy Nichols
Walter B. Dingle, manager of the Edmonton producing division since 1955, has transferred to a position in producing management at Hotel's executive offices in Toronto. He joined the company in 1943 at Normon Wells on construction supervision during the Canal project, a wartime oil field and pipe line operation. Since then he has spent two years with International Petroleum in Lima, Peru, and was a surveyor on the first Leduc well which opened a new era in Canadian oil history. He has five years in Calgary producing offices, room as division engineer, before going to Edmonton. Originally from Edmonds, B.C., he's a graduate of the University of British Columbia.

Vernon H. Hunter, who has been Regina division manager since 1955, has succeeded Mr. Dingle. A veteran of 38 years in western oil exploration and development, Mr. Hunter was a toolpusher on the rig which drilled the discovery well in the Leduc field In 1947. He was district superintendent at both the Leduc and Redwater fields and administrative assistant in Calgary producing offices before taking up his former position. He is a native of Nanton, Alta.

George E. Schulz, who worked with Mr. Hunter as assistant manager in Regina, has taken over similar duties in Ed- monton.

John D. Harvie has become Regina division manager. Since 1957 he has been western regional manager of the economics and statistics department in Calgary. A native Regima, he graduated from the University of Manitoba, and has had extensive engineering experience at Norman Wells, Redwater and Leduc before joining producing management in Calgary in 1954.

Douglas B. Laver is the assistant division manager in Regina. He has been regional exploration manager in Calgary since 1955.

MANAGEMENT CHANGES

Vernon Hunter

John Harvie

Walter B. Dingle
and other fables

by Fergus Cronin

In November 1957 a rumor flashed through Canada that the filter of a certain popular cigarette was made of glass fibre—and was therefore harmful to the lungs. Sales of the cigarette fell to almost nothing. Although it was soon established that the filter—like most others—is made of pure cellulose, the damage was done. Sales have returned to only half their former volume. Once again, a business myth has become entrenched in the public mind.

Misinformation of this kind is the Nemesis of any reputable business. Occasionally it may be planted by a competitor or, at least, fostered by a competitor’s unscrupulous advertising. More often it’s a matter of rumor running wild—sometimes based on an original grain of fact; sometimes not even that much.

And probably the most prevalent myth in business, now as always, is that of the “miracle invention.” The basic story is always the same: struggling inventor creates an everlasting product; large company buys his invention and destroys it; inventor mysteriously disappears and company continues selling its own inefficient product.

At one time or another we’ve heard about the razor blade that never gets dull, the electric light bulb that never burns out, the can opener that cuts forever and the tire that lasts for a million miles.

Tire manufacturers have a ready answer for the last (which could be applied as well to the others): originally, automobile tires lasted maybe 1,000 miles. Today they’re good for perhaps 80,000 miles, and if a better tire can be invented, the industry will invent it. But as an engineer for a tire firm once explained: “If you rub two pieces of steel together long enough, they’re bound to wear out. If tires were made of steel, they’d wear out. Figure out a way to eliminate friction between tire and pavement and a tire might last forever.”

A similar problem hinders the manufacture of an everlasting light bulb. Actually one could be made to last a lifetime but, says an official of a large electrical firm, it would cost a fortune in power to operate it.

There’s yet another answer to every hidden-invention myth: no patent can be acquired and hidden by selfish interests. The patent file is open to everyone, including the press.

The myths nevertheless live merrily on. In 1947 two Harvard psychologists after a three-year study found that a rumor needs two conditions in order to flourish: it must have some importance to the teller; the facts must be shrouded in ambiguity.
Which perhaps explains why the automobile and petroleum industries are prime targets. Nearly every family has a car, a few of us thoroughly understand how it works, and most of us would welcome a "miracle" that would cut down our gasoline bills.

Companies like Imperial Oil spend hundreds of thousands of dollars on research to improve gasoline. Today's products are infinitely better than ever before and it is still one of the best bargains on the market—it's cheaper than either soft drinks or distilled water. Yet right at this moment there is a whispering campaign that you only need to drop some molasses in your gas tank to get a higher octane gasoline. This is possible as molasses are principally composed of naphthalene, a compound which has some anti-knock value when vaporized. However, molasses in the gas tank not only disintegrate into small particles and plug fuel filters, but burn with a deposit-forming flame which builds up harmful engine deposits. If raising the octane of gasoline was that simple, Imperial's researchers would have recommended it long ago.

Yet items like these continue to make news, although they generally appear only once. For example:

-1937: A newspaper reported that "high pressure and temperature are being used to break water into hydrogen and oxygen; the hydrogen is then exploded, creating power to run motors."

-1950: A Calgary jeweler reportedly developed a gadget to increase gas mileage by 50 percent.

January 1957: A London, England, dispatch said that wartime gasoline rationing had inspired two new fuel systems which would revolutionize the automotive world, had been "thoroughly tested and are easy to install" and would be marketed "soon."


Why do we never hear of these inventions again? Because they either didn't exist or didn't work. What happens to the inventors? They're no doubt quietly pursuing some respectable occupation, like selling cars or vacuum cleaners.

Reports on all such inventions are dutifully—and with a certain amount of enui—dropped into what A. S. Oliver has dubbed his "Nut Inventions" file. He's a member of the technical division of Imperial's marketing department.

"There's a continuous flow of rumors and ideas," says Oliver, "which we check out if they seem at all workable. They usually prove worthless, founded on a fable or too expensive."

"Of course this is not true of serious scientific investigation of the "fuel cell" and such things which might some day revolutionize automotive power systems. But these are not being developed by the typically humble, soft-spoken inventor in a run-down, backyard shed—who often won't even submit his invention to scientific scrutiny."

Such an inventor was the man who claimed to make motor fuel from a few drops of "secret solution" in pure water. (Actually there were at least two such claims, but one example will suffice.) In 1916 in the midst of a serious gasoline shortage, a 30-year-old inventor, John Andrews, offered to sell the American Petroleum Institute exclusive use of a substitute for gasoline. He apparently proved to the satisfaction of U.S. Navy inspectors that he could make a motor run with water and his secret additive.

The Navy was prepared to buy the invention provided

andrews would teach 10 naval officers how to mix the fuel. Andrews wanted $2 million before revealing anything. The Navy refused and, according to the usual version of the tale, Andrews disappeared.

During World War II the story was revived. Had Andrews really had something of value? A Capt. E. P. Jessop, who had attended demonstrations by Andrews, reported: "Personally, I believe John Andrews had a valuable secret and it is a pity no way could be found out to satisfy his requirements."