

Mr. ROONEY: I understand from the explanation given by Mr. Connolly that to make up the difference of the cost in the United States there would be a different set-up.

Mr. FERGUSON: Can you say, Mr. Connolly, whether the bonds that would be issued would be convertible to common stock?

Mr. CONNOLLY: The bonds—no, I think the bonds would not be convertible.

Mr. FERGUSON: There would be no option?

Mr. CONNOLLY: Not on the bonds.

Mr. SMITH: Follow the Imperial Oil—you might learn something about that.

Mr. FERGUSON: That is what I am getting at. It is all very well to say that the stock is going to be offered but I do not think for a moment that any promoter of the education and intelligence of Mr. Dixon is going to give a certain block of stock if it is not convertible. It may be one of these cases where the par value is \$100 but they jump from \$100 to \$300. You have already said yourself that this is a very attractive investment.

Mr. CONNOLLY: Normally it is.

Mr. FERGUSON: I do not think that anyone in this room is going to pass up any attractive investment if they know positively that they can convert bonds over to common stock and watch it jump to \$300. I am honest—and I would say I would like to be on the inside of that deal.

Mr. MURRAY: Question.

Mr. GREEN: Mr. Chairman, I presume that the financing is to be arranged for all three companies together. I mean that it is an integrated plan to cover Northwest Natural Gas Company, which is to operate all the pipe lines, and the Alberta Natural Gas Company which is to operate the pipe line in Canada from Pincher Creek west, and the Alberta Natural Gas Grid Company which is to operate the grid system in Alberta. But there really is one general plan?

Mr. CONNOLLY: It is to be looked at as a whole.

Mr. GREEN: It is to be looked at as a whole and the people in charge of that are Morgan Stanley and Company of New York.

Mr. CONNOLLY: They head the banking group.

Mr. GREEN: They are really the people who are arranging the finances?

Mr. CONNOLLY: They have underwritten the enterprise.

Mr. GREEN: The whole enterprise? This is a whole integrated plan, that is correct, is it not?

Mr. CONNOLLY: That is right.

Mr. GREEN: And Mr. Dixon told me yesterday that Mr. Cortelyou Ladd Simonson of the city of New York, investment banker, is the representative on the directorate of Alberta Natural Gas Company from Morgan Stanley and Company? There is no doubt about that?

Mr. CONNOLLY: That is correct.

Mr. GREEN: Is there any other financial house represented on the directorate of this Alberta Natural Gas Company?

Mr. CONNOLLY: None as such. They may have connections with financial houses but they are not there for that purpose.

Mr. GREEN: The one man who is a director of this company because he represents a financial house is Mr. Simonson?

Mr. CONNOLLY: Yes.

Mr. GREEN: And he is representing Morgan Stanley and Company?

Mr. CONNOLLY: He is a partner in Morgan Stanley and Company.