

The form of the bill has been settled upon after consultation with the staff of Parliament. It is similar to the form previously used by this and other companies in like situations. The bill, if enacted, will not increase or alter the total authorized capital of the company presently fixed at \$200 million. As stated, it will merely subdivide the present 40 million shares of the par value of \$5 each into 200 million shares of the par value of \$1 each.

I would like to take this opportunity to outline a few very pertinent facts about the applicant company.

Mr. HOWE (*Wellington-Huron*): Do we have a quorum?

The CHAIRMAN: If you would like to stand the proceedings for a few minutes, I am quite willing to do so.

Here is Mr. Tucker now. We will resume.

Mr. O'BRIEN: In the first place this is an all Canadian company. Of the 14,813 registered shareholders 89.7% are Canadian and of the 5,087,282 shares issued, 4,475,710 are held by these Canadian shareholders. All the directors and officers are residents in and citizens of Canada.

The company operates a crude oil pipe line 2,000 miles in length carrying western Canadian oil from the oilfields of western Canada to eastern Canada and to some points along its route in the United States. The pipeline originates near Edmonton, Alberta, traverses the provinces of Alberta, Saskatchewan and Manitoba, and by its 100 per cent owned and controlled subsidiary, Lakehead Pipe Line Company, Inc., crosses the States of North Dakota, Minnesota, Wisconsin and Michigan and reenters Canada at Sarnia, Ontario. From Sarnia the line extends to the Bronte-Clarkson-Toronto area and a spur line traverses the Niagara peninsula and delivers Western Canadian crude oil into the Buffalo, New York area. It should be noted that all the Western Canada crude oil consumed in Ontario under the provisions of the current national oil policy is transported over this line. The Company operates strictly as a common carrier; it neither buys, owns nor sells any oil. In this respect it is quite similar to a railroad in that it is purely a transportation undertaking and carries all oil tendered to it under published tariffs.

The Company and its undertaking falls under the jurisdiction of the National Energy Board which has complete power to regulate the rates charged for transportation and no oil may be carried over the line except in accordance with published tariffs which prior to their use must be filed with the National Energy Board.

Starting from a comparatively small beginning in 1950 when the first construction of a single line commenced, the Company has grown over the intervening fifteen years to the point where it now carries more than 500,000 barrels per day of Western Canadian oil. We are proud of the fact that this Canadian enterprise operates the longest crude oil pipe line in the free world.

Gentlemen, with me I have Mr. John F. Fairlie, the Executive Vice-President of Interprovincial Pipe Line Company, Mr. J. Blight, The Secretary and Treasury of the Company, and Mr. R. T. Morgan, a partner and the Director of Research for Wood, Gundy and Company Limited Investment Dealers.

At this time I would like to introduce Mr. Fairlie, who will make a brief statement concerning the reasons for this proposed subdivision and subsequently will be available to the committee to answer any questions in this regard.