

the cost of such a pipe line would entail expenditures in both United States and Canadian dollars, it should be financed partly in the United States and partly in Canada.

We feel strongly that, in the development of such important natural resources of Canada, Canadian investors should have an opportunity to share broadly in the distribution of both the senior and equity securities of the company. We are glad that you concur with us in this opinion.

We are pleased to advise you that if and when you secure the necessary authorizations from the various governmental bodies concerned and have arrived at a plan satisfactory to Messrs. Morgan, Stanley & Co. and ourselves for financing your project, we shall co-operate with them in taking the proper steps to raise the necessary funds.

Yours very truly,

A. E. AMES & CO. Limited.

(sgd) C. G. FULLERTON.

C. G. Fullerton: MRM.

There have been some discussions with other Canadian financial houses, Richardson, Tanner, Greenshields and others?—A. Yes, sir.

Q. And you have made similar arrangements with them?—A. Yes, sir.

Q. Now, would you tell the committee what you have in mind with reference to the financing of the type of securities?—A. Well, at the present time, a company being financed such as this would probably put out something in the neighbourhood of 75 per cent of the securities—or get 75 per cent of the money shall I put it that way,—in mortgage bonds; some of which might be sold to the insurance companies. The other 25 per cent would be divided in the equity type of security. Part of it would be either in convertible debentures or preferred stock and the rest of it would be in common stock. Just the proportion of the debentures, preferred stock, common stock, and bank loans, depends upon the circumstances of the moment, and, I think, upon the Foreign Exchange Control Board. I think to a great extent the Foreign Exchange Control Board will have a word to say as to how you get funds either from the States or how funds shall be brought into Canada; whether they want to have the funds raised in the States to help out somewhat, or just what they want to do, I do not know. They will be able to determine just exactly what they do.

Q. You have a firm undertaking from Messrs. Morgan Stanley and Company with reference to this procedure?—A. Yes, not only with them; but they are very active in working with us and they have been ever since they joined us.

Mr. ROONEY: Who are the auditors?

The CHAIRMAN: I am sorry, Mr. Rooney, but we are going to follow the agreed procedure. However, Mr. Connolly has said he is finished with his questions and I believe that now Mr. Green would like to ask questions of the witness. Mr. Green has been very patient so far and I hope that he will be very brief.

Mr. McCULLOCH: That will be impossible.

*By Mr. Green:*

Q. Mr. Dixon, in your bill you are asking for the power to transport oil as well as gas, are you not?—A. That is in the bill, yes.

Q. Is it a fact that the oil would go by the same route, or have you some other route in mind for the oil?—A. We have nothing in mind right now in regard to oil.