

Mr. FERGUSON: No, that is in Canada as far as I can remember. Now, the American company?

Mr. DIXON: This will be the same thing exactly in our plans.

Mr. FERGUSON: What amount, tentatively, of first securities will be issued for the American company?

Mr. DIXON: About 75 per cent of bonds.

Mr. FERGUSON: In value about \$75 million?

Mr. DIXON: 75 per cent of the total amount of money that will be taken in. We hope we will be able to sell mortgage bonds.

Mr. FERGUSON: And have you any idea of what the value of those mortgage bonds will be?

Mr. DIXON: \$1,000 units.

Mr. FERGUSON: \$75 million, is that right?

Mr. DIXON: You are covering too much territory. There are so many things that are not now determined as to what company will own what interest in the other.

Mr. FERGUSON: You are not perturbed. You are going to issue \$55 million and \$12 million to build the Canadian part of the line?

Mr. DIXON: Well, it depends upon how much mileage is to be built.

Mr. FERGUSON: Well, take route "B", for instance. How much securities will be issued for route "B" in Canada?

Mr. DIXON: I cannot say, that is impossible to determine now. It will depend on the money market.

Mr. FERGUSON: Gentlemen, we are granting a charter with no capital set-up, I think. It is not determined which route will be followed. Is that correct? I am asking the witness if that is correct? We are giving you a carte blanche charter, a blank cheque with no set-up of the securities to be sold or the framework of this company. What is the stock set-up of this company that is asking for a charter.

Mr. ROONEY: Do you not think he has already answered that right here? I say he has.

The VICE-CHAIRMAN: Order.

Mr. FERGUSON: Mr. Dixon, will the securities to be issued depend on the route?

Mr. DIXON: It will be certainly a year before any securities can be issued on this.

Mr. FERGUSON: Issued? What is the set-up?

Mr. DIXON: I have not this set-up, it is impossible for us to know now how a hundred million dollars in three companies can be gotten together most advantageously. We just cannot see that far into the future.

Mr. FERGUSON: I am quite positive if I was setting up a company I would have so many primary securities and so many secondary securities that I would utilize to finance my project. I would know the amount of securities that I might require from the treasury, because in the treasury there are so many shares or so many bonds. This company must have a stock set-up.

Mr. DIXON: You are wrong. We have no stock set-up at all.

Mr. CONNOLLY: Perhaps this might help. There are three branches to this project. There is a branch that has to do with the building of the grid system and a branch that has to do with the building of the main pipe line, one part of which is in Canada and the other part of which is in the United States. This company is asking for capital stock of 1,250,000 shares of a par value of \$10 per share.