

Mr. SMITH: What do you regard as control in a company this size, 30 per cent stock ownership?

Mr. DIXON: Well, it can be practically nothing in one company. A large gas company that you know very well is absolutely controlled by a man who has no interest whatever in it.

Mr. SMITH: There are ways of doing it.

Mr. DIXON: That is an extreme example. It may be in a company where there is a fight for control 50 per cent will not control the company.

Mr. SMITH: Very rarely.

Mr. DIXON: And although I do not expect to have but a small amount of stock I hope to keep control.

Mr. GOODE: I am convinced in my own mind that the control of this company financially will be in the United States. I have no doubt of that. But is there any difference between your financing and any others? Where is the financing to be accomplished for the Westcoast Transmission Company? Is that to be done in the United States, too?

Mr. DIXON: The Westcoast, I do not know, I have no idea.

Mr. GOODE: Mr. Connolly, could you answer that?

Mr. SMITH: I can answer it if you will take my answer.

Mr. HIGGINS: I take it in accordance with the usual practice in a big corporation of this type that before you can get into the business that you must have some definite commitments with people who are going to take up stock in this company. That is the usual procedure. Do you already have very large commitments to take up stock in the company?

Mr. DIXON: No, we have no commitments.

Mr. HIGGINS: None at all of any kind?

Mr. DIXON: Except the bankers saying that they will underwrite the securities.

Mr. HIGGINS: But how large an amount will the bankers underwrite?

Mr. DIXON: All of them.

Mr. HIGGINS: The entire issue of stock will be underwritten by the bankers?

Mr. DIXON: Yes.

Mr. FERGUSON: You have already stated that the bankers have agreed to take up the entire financing.

Mr. DIXON: This is underwriting; that does not mean they buy it for themselves.

Mr. FERGUSON: They buy it for themselves or their clients. This group of brokers in Canada and the United States—

Mr. DIXON: They make an agreement to buy and try to sell it before they get it.

Mr. FERGUSON: Oh, yes, they might even have it sold now to their clients, but they do not negotiate with their clients, or make guarantees, not the brokers on this list, unless they have had some idea of the class of stocks that are going to be issued. Now, have you had any discussion divulging to these bankers the classes of stocks that are going to be issued, the amount of stock to be issued in the American company?

Mr. DIXON: We had discussions, yes.

Mr. FERGUSON: Did you arrive at any figures?

Mr. DIXON: Well, I can give percentages.

Mr. FERGUSON: What percentage of the first securities?

Mr. DIXON: Bonds? I have already testified in regard to that.