

Mr. FERGUSON: The Securities Exchange Commission will ask the question and they will make you reply or you will not sell any stock.

Mr. CONNOLLY: They will have issued to them what they buy.

Mr. FERGUSON: And they will also have issued to them what they will get as promotional stock?

Mr. CONNOLLY: I am informed that we do not believe there will be any stock issued as promotional stock.

Mr. FERGUSON: The balance of this financing will be with American securities?

Mr. CONNOLLY: Yes, for the section of the work to be done in the United States.

Mr. FERGUSON: There will probably be four different types of securities?

Mr. CONNOLLY: Well, just how many different types of securities I think has not yet been determined but generally speaking there will be common stock available and there will be bonds.

Mr. FERGUSON: Have you any idea of the amounts of bonds and stocks that will be sold in the United States?

Mr. CONNOLLY: Again, it depends upon what route is to be built. I am talking now about the Canadian route, that is on route "A" there would be about \$20 million to \$22 million that would have to be financed from American sources.

Mr. FERGUSON: Well, if they had a stock set up they would not necessarily sell all the stock. Surely they have a plan of stock set up at the present time for the entire stock issue for alternative routes?

Mr. CONNOLLY: My instructions are that there is no definite final plan for the financing. Times change and Conditions change, and there is a great deal to be done before they get to the point where they can determine it.

Mr. FERGUSON: But we are passing this charter, as far as Canada is concerned, for its operations exclusively in Canada. Is there any company that will be set up in the United States that will in turn control this company?

Mr. CONNOLLY: The Northwest Natural Gas Company will be the company that will do the operating in the United States. Either the Northwest Company will be a subsidiary of Alberta Natural Gas, or Alberta Natural Gas will be a subsidiary of Northwest, and it is not yet determined what is the best arrangement to be made in that respect.

Mr. CARROLL: Nobody can be in control of this company unless they have a majority of the common stock.

Mr. FERGUSON: The S. E. C. will ascertain who controls this company, who the subsidiary companies are going to be, before they will be permitted to sell one dime of stock even with an Indian's head on it.

Mr. CONNOLLY: That is quite right, sir.

Mr. FERGUSON: They will want to know who is in control of charters in the United States, we should know who controls this company and who has control of this charter.

Mr. RILEY: What company are you talking about?

Mr. FERGUSON: I am making a reference to all companies.

Mr. RILEY: There is not any company and you should know that.

Mr. FERGUSON: We are asked to grant a charter with a certain board of directors and that board of directors will not have very much to say if they are under the control of an American corporation any more than any subsidiary board of directors. This is your Canada and this is your birthright. I am trying to find out who is going to control this corporation.