

Mr. GREEN: Your plan is to put all of the common stock on the market in the future?

Mr. CONNOLLY: No, I do not think so. I do not think there is any definite plan as to how it is to be done.

Mr. GREEN: You are planning an issue of \$55 million in bonds?

Mr. CONNOLLY: Up to \$55 million in bonds and \$12 million in stock. Just when it is to be issued or how soon it is to come on to the market will depend on developments.

Mr. GREEN: You are not planning to issue any preferred shares?

Mr. CONNOLLY: At the moment, there is no definite plan about issuing preferred shares.

Mr. GREEN: You are not taking the power to do that in the bill?

Mr. CONNOLLY: It is not specifically set out in the bill but as you come to a further section you will see that there is a provision under the Companies Act, which is applicable to us, whereby preferred shares can be issued if required.

Mr. GREEN: What percentage of the company stock is to be held by the people who are associated in this company?

Mr. CONNOLLY: The intention of the people behind the company is to sell the common stock both in the United States and in Canada. Let me say, first, as to the percentages I think there is no specific plan laid down as yet.

Mr. GREEN: How much is to be held by the people associated in the under-taking?

Mr. CONNOLLY: Mr. Dixon says it is impossible to determine. There is no intention of shutting out the public as potential buyers of the common stock or of the bonds.

Mr. GREEN: You cannot say what the intention is with regard to these common shares, as to what proportion is to be held by the people associated in the incorporation?

Mr. CONNOLLY: Ultimately, I suppose every purchaser of common stock will be associated in the enterprise. You mean the people who are now in it? There has been no determination of that point.

Mr. FERGUSON: \$55 million of bonds or ordinary stock will be issued, and the common stock to be sold will be in the total amount of \$12 million?

Mr. CONNOLLY: Yes.

Mr. FERGUSON: That is roughly \$67 million?

Mr. CONNOLLY: Yes.

Mr. FERGUSON: That is the money you believe you will require for this project?

Mr. CONNOLLY: Yes, for the line in Canada.

Mr. FERGUSON: Are you issuing a different type of security in the United States for that part of the line?

Mr. CONNOLLY: No, I think the securities to be issued in the United States will be the same type of securities that will be issued in Canada. Of course, there is this to be said, the Foreign Exchange Control Board may have a good deal to say about the plan of financing, and so will the Securities Exchange Commission and all of the authorities under the Blue Sky laws.

Mr. FERGUSON: The Securities Exchange Commission will want to know how many shares will be received by the owners? Will we get that information here?

Mr. CONNOLLY: None have been issued.