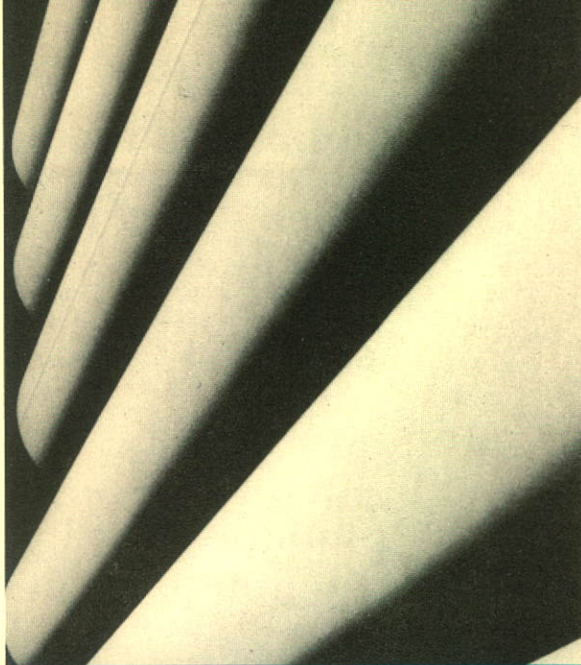


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ANNUAL REPORT 1957

*Interprovincial
Pipe Line
Company*

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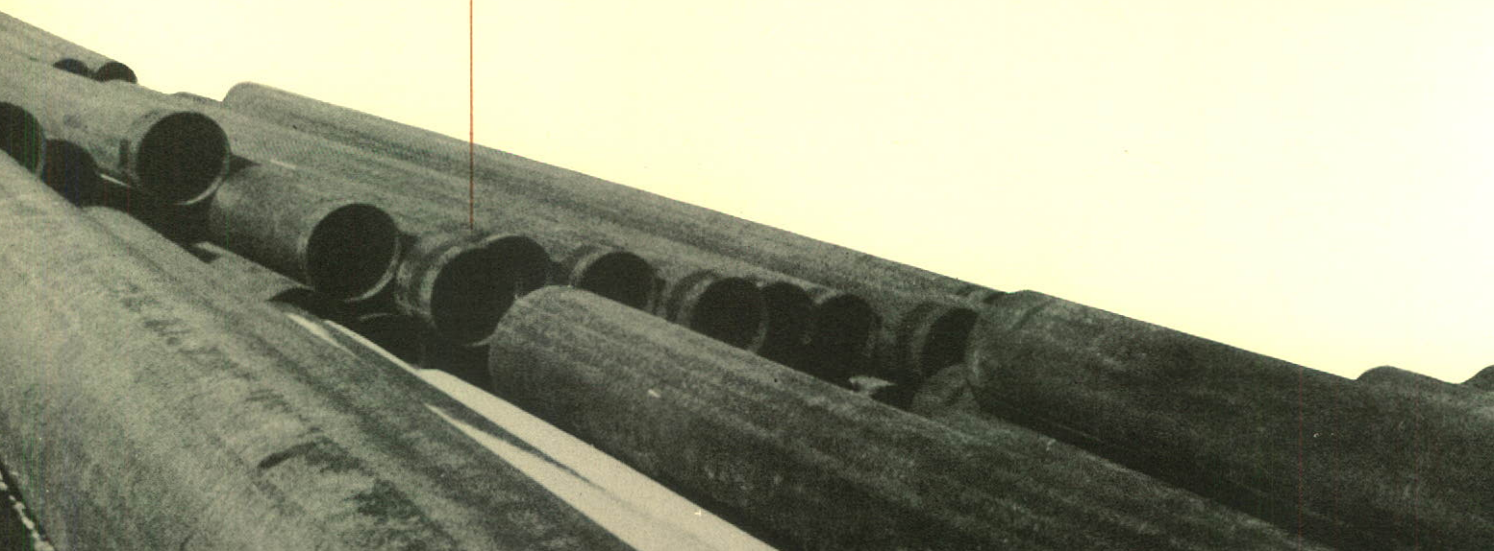
Interprovincial

Pipe Line

Company

1957

A N N U A L R E P O R T



Interprovincial Pipe Line Company

DIRECTORS

C. E. Carson	J. W. Hamilton
T. S. Johnston	F. C. Lantz
E. D. Loughney	T. F. Moore
W. Harold Rea	R. H. Reid
D. R. Walker	

OFFICERS

T. S. Johnston	- - - - -	President
D. R. Walker	- - - - -	Vice-President
C. E. Carson	- - - - -	Vice-President
W. A. Hare	- - - - -	Secretary
D. G. Waldon	- - - - -	Treasurer
J. M. Copeland	- - - - -	Comptroller and Assistant Secretary

HEAD OFFICE EXECUTIVE OFFICE TRANSFER AGENTS

REGISTRAR

10049 Jasper Avenue	- - - - -	EDMONTON, ALBERTA
25 Adelaide Street West	- - - - -	TORONTO, ONTARIO
The Royal Trust Company	- - -	TORONTO, MONTREAL, HALIFAX, WINNIPEG, EDMONTON AND VANCOUVER
Chemical Bank & Trust Company	- - - - -	NEW YORK
Montreal Trust Company	- - - - -	TORONTO, MONTREAL, HALIFAX, WINNIPEG, EDMONTON AND VANCOUVER
Bank of Montreal Trust Company	- - - - -	NEW YORK



Crossing a secondary road

PRESIDENT'S LETTER

At the beginning of 1957 it was expected that the following months would prove to be the most successful in the Company's history. It was disappointing, therefore, to encounter the unexpected period of over supply which developed throughout the petroleum industry in the last half of the year. As a result of this condition our anticipated throughputs for the last six months of 1957 were considerably below earlier estimates. In spite of this situation the total quantity of crude oil delivered was greater than in 1956 but the average pipe line movement was shorter due to a higher percentage of crude from Saskatchewan and Manitoba entering the system.

These two factors—reduced throughput in the last six months and shorter pipe line hauls—resulted in earnings being lower by 1.8%. Net profit amounted to about \$9,545,000 (\$1.89 per

share) compared with \$9,720,000 or \$1.92 per share in 1956.

The extensive construction program, covered in greater detail elsewhere in this report, was completed on schedule and within the cost budget. About \$23 million was added to Plant and Equipment over the past year. All necessary funds were derived from the Company's cash resources. Contemplated expenditures to further increase the system's capacity in 1958 will total approximately \$12.3 million. Again it appears that it will be unnecessary to seek outside financing.

The most important physical development of the year was the extension of the Interprovincial system to Port Credit, Ontario. This addition of 156 miles of 20-inch line now brings Canadian

crude direct to the Toronto area for the first time. The two refineries now being serviced by Interprovincial will receive their crude supply daily on a year-round basis. Previously this portion of their requirements was transported by tanker from Superior. Your Company will thus benefit by the added pipe line movement.

It is expected that within the next twelve months a third refinery will be built in the Toronto area which will also be served by Interprovincial. Plans are underway for a fourth refinery to be constructed in the same area about 1960.

Although Interprovincial has over the past few years experienced several construction periods, last summer was the first time that line was actually laid through any highly industrialized and residential areas. The problem of public relations under such conditions becomes increas-

ingly important. Throughout the construction period particular attention was devoted to this phase of our business. The right-of-way problems encountered on this new link of our system were probably the most difficult and time consuming that we have experienced.

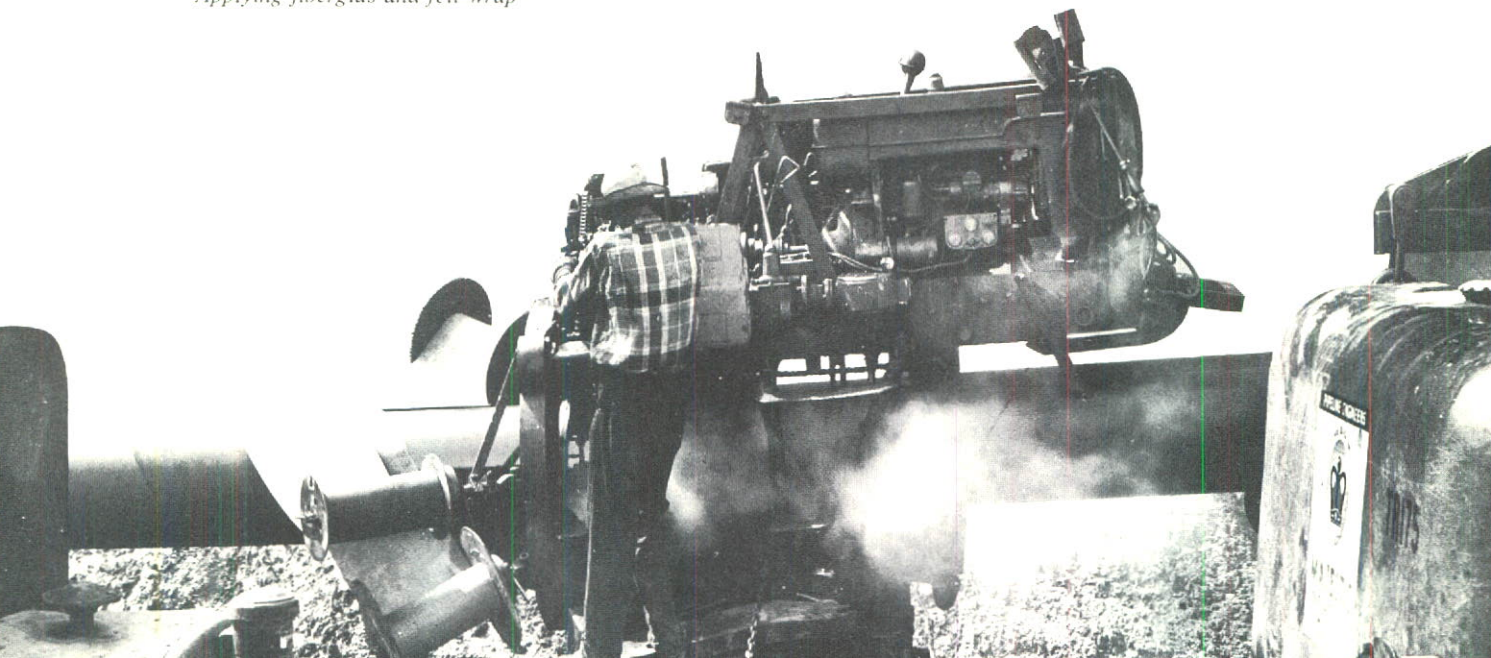
We were hopeful that we could report at this time a successful outcome of our long outstanding withholding tax problem. However, no decision has been announced by the Exchequer Court of Canada where our case was heard last October.

In general 1957 was a year that called for extended effort on the part of the employees. Management hereby wishes to express its appreciation for the loyal and thorough manner in which these problems were handled.

T. J. Schuster

President

Applying fiberglas and felt wrap



OPERATIONS

Crude oil deliveries were 3% greater in 1957 than in 1956. The average pipe line movement was shorter, however, due to increased receipts of crude from Saskatchewan and Manitoba fields at Cromer, Manitoba. This situation had the adverse effect of reducing throughputs in terms of barrel-miles from a high of 100.5 billion in 1956 to 95 billion in 1957. Approximately 35% of the oil transported by Interprovincial in 1957 was produced in Saskatchewan and Manitoba as compared to 16% in 1956.

DELIVERIES OF OIL IN MILLIONS OF BARRELS

	1957	1956
Western Canada - -	33.7	33.7
U.S. Refineries - - -	20.7	16.9
For tankers - - - -	4.1	5.6
Eastern Canada - - -	41.4	40.5
	<u>99.9</u>	<u>96.7</u>

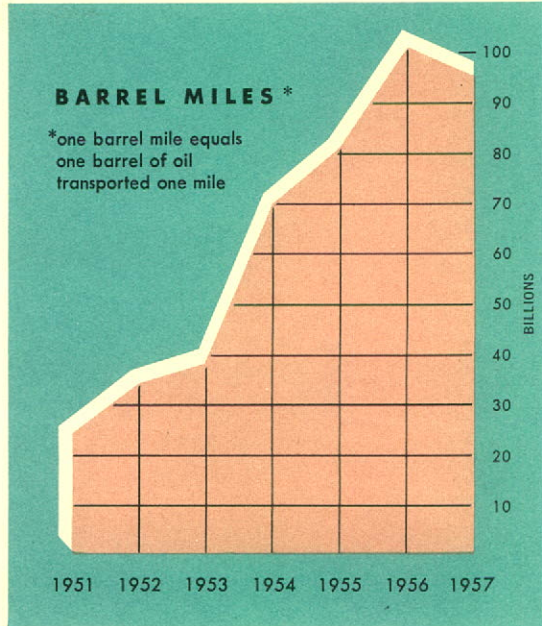
Deliveries via the newly constructed extension from Sarnia to the Toronto area totalled 3.5 million barrels in 1957. The first delivery was made at Clarkson, Ontario on September 28.

Shipments to St. Paul increased from 9.7 million barrels in 1956 to 13.6 million barrels in 1957 while deliveries in Michigan remained more or less constant at 1.7 million barrels.

The Company is currently transporting seven types of crude oil; Redwater, Leduc and Pembina mixed blend from Edmonton, Fosterton from Regina and three additional streams from Cromer. The extensive looping programs carried out over the last few years resulting in a double line from Regina to Superior have made this operation possible.

CONSTRUCTION

Interprovincial extended its system to the Toronto area. 156 miles of 20-inch diameter pipe were laid from the Sarnia terminal eastward to connect refineries located at Clarkson and

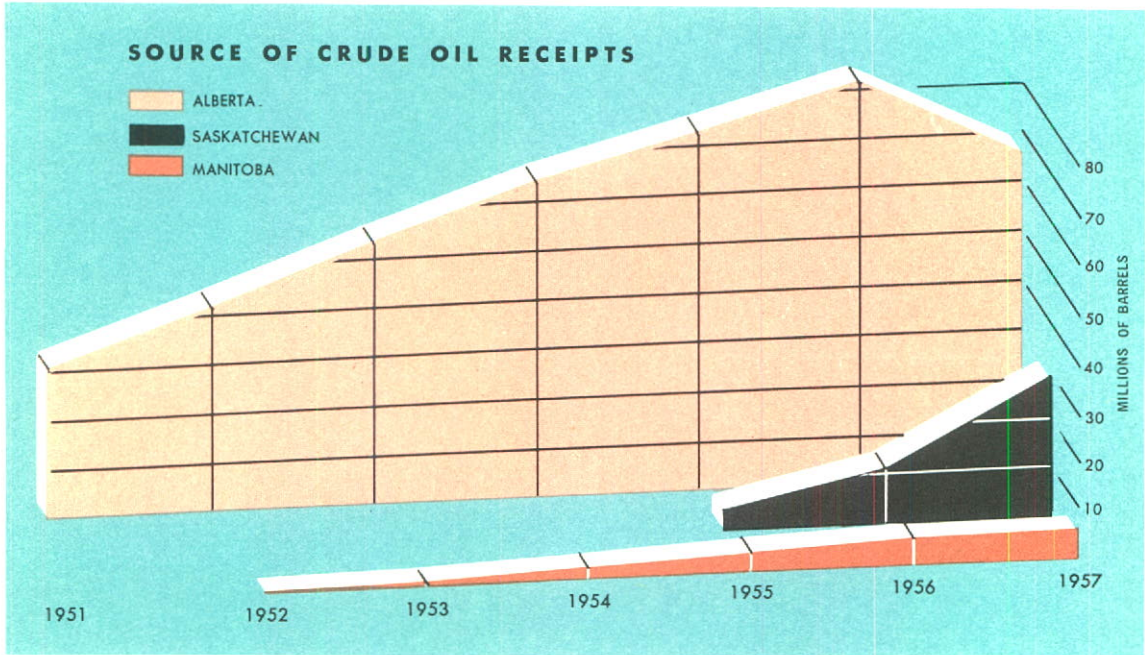


Port Credit, Ontario. Connections have been provided to serve additional refineries when completed in this area.

To provide a continuous right-of-way, 616 individual landowners were contacted. The line crossed seventeen railways and forty-eight major highways without interfering with normal traffic. Two of these highway crossings involved rock excavation and several miles of ditch had to be blasted out of the sedimentary formation. Special construction methods were used to protect the pipe in rocky areas.

An electric powered pump station of modern design was completed at Sarnia. 3,800 horsepower is available to meet the pumping demands of the Toronto market. Expenditures for the extension have been kept within the estimate of \$13,132,000.

A looping program of 110 miles of 24-inch and 26-inch line pipe between Regina, Saskatchewan and Superior, Wisconsin now provides a completely double line in this part of the system. Existing right-of-way provided space for this expansion. To be in a position to utilize the available line capacity more pumping power was



added by installing 2,000 horsepower pumping units at Regina, Glenboro, Gretna, Viking, and Clearbrook stations.

Station operators at Superior now control by push-button the pump station completed at Indian River, Michigan. This unattended, remotely controlled station is the first of its type to be built by this Company. Near Gould City, Michigan, a station of similar design was started. When completed in 1958 it too will be remotely controlled from Superior.

Continued expansion is planned for 1958. 82 miles of 24-inch pipe construction will complete the loops between Edmonton and Regina. With two parallel pipe lines from Edmonton to Superior, the flexibility of the system will be greatly increased. East of Regina more pump station power is required to meet forecasted throughputs. To deliver anticipated requirements, additional 2,000 horsepower diesel pumping units will be installed at Regina, Glenavon, Cromer and Glenboro.

The capacity of the 30-inch line section between Superior and Sarnia will be increased to 258,000

barrels per day by the construction of the fifth pump station on the line located at Bay City, Michigan.

Cost of 1958 projects is estimated at \$10,500,000. A further \$1,800,000 will be spent on completing projects started in earlier years. Upon completion of the 1958 program the capacity of the various sections of the system will be as follows:

Edmonton - Regina	275,000	Barrels per day
Regina - Cromer	335,000	" " "
Cromer - Gretna	376,000	" " "
Gretna - Clearbrook	352,000	" " "
Clearbrook - Superior	346,000	" " "
Superior - Sarnia	258,000	" " "
Sarnia - Toronto	111,000	" " "

TARIFFS

Interprovincial and its wholly owned United States subsidiary Lakehead Pipe Line Company, Inc. are engaged exclusively in the transportation of crude petroleum by pipe line at established tariffs.

The principal rates per barrel presently in effect are as follows:

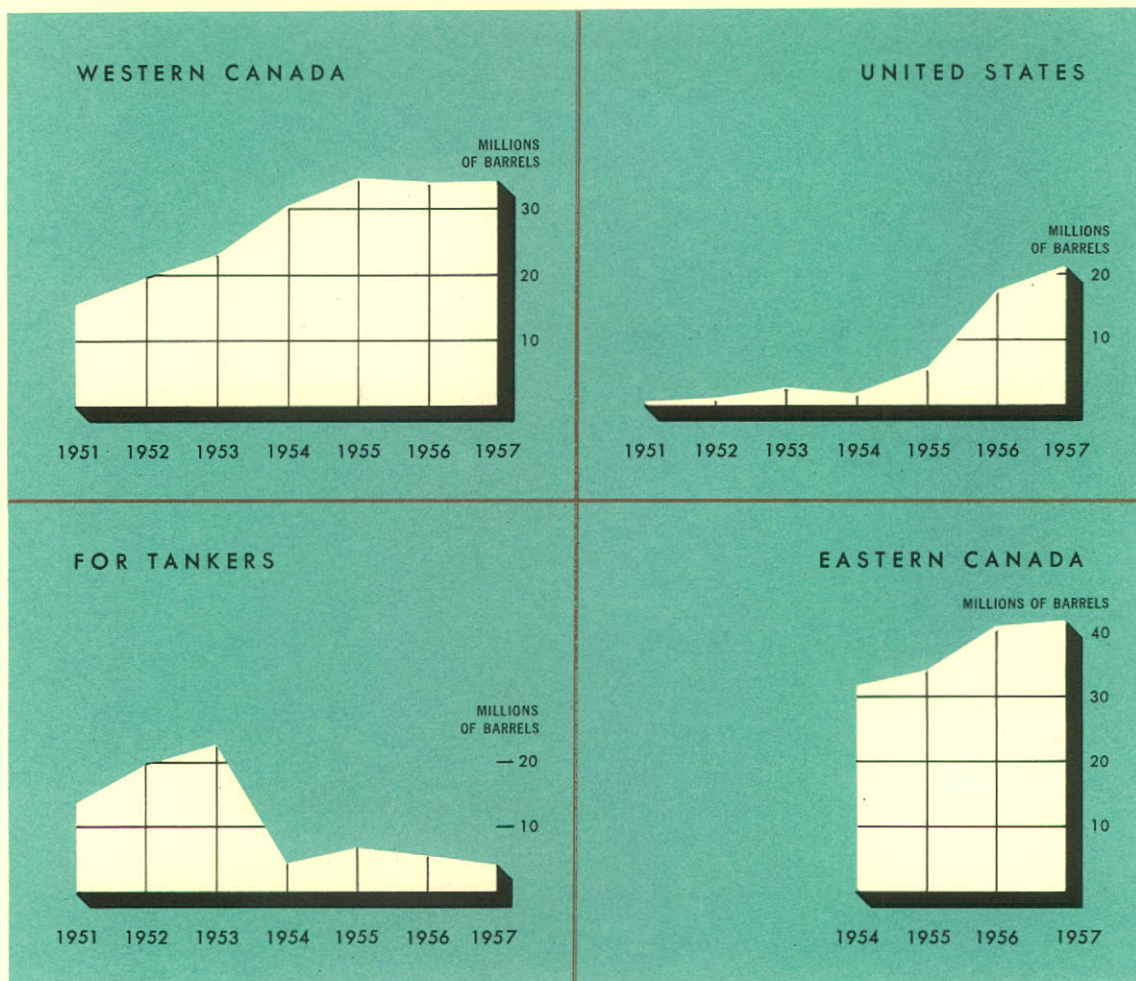
Delivery Points	From		
	Redwater	Edmonton	Cromer
Edmonton, Alberta	2¢	—	—
Regina, Saskatchewan	25½¢	23½¢	—
Gretna, Manitoba	38	36	12¢
St. Paul, Minnesota*	46	44	28
Superior, Wisconsin	46	44	28
Bay City, Michigan	63	61	45
Sarnia, Ontario	66	64	48
Clarkson and Port Credit, Ontario	74	72	56

*Joint Rates with Minnesota Pipe Line Company.

The above rates apply to light gravity crude petroleum only. An additional charge is made for heavier (more viscous) crudes. Rates are also quoted from Hardisty, Alberta and Kerrobert and Regina, Saskatchewan.

The Company also participates in joint tariffs published by South Saskatchewan and Westspur Pipe Line companies for the transportation of medium gravity crude petroleum. Crude oil shipped under these tariffs enters the Interprovincial system at Regina and Cromer respectively.

CRUDE OIL DELIVERIES



FINANCIAL

The financial statements shown elsewhere in this report include the accounts of Interprovincial Pipe Line Company and its wholly owned subsidiary Lakehead Pipe Line Company, Inc.

EARNINGS AND DIVIDENDS

Consolidated net income for 1957, after appropriation for disputed income taxes, amounted to \$9,544,661 equivalent to \$1.89 per share. Comparable income in 1956 was \$9,720,247 or \$1.92 per share.

The long outstanding withholding tax issue was at last heard by the Exchequer Court of Canada in October. As yet no decision has been handed down.

The semi-annual dividend was increased from 60¢ to 70¢ per share on March 1, 1957. A dividend of 70¢ per share was also paid on September 3.

INCOME AND EXPENSES

Operating revenue of \$41,128,761 was \$679,039 less than in 1956 due to the generally shorter pipe line movement referred to earlier in this report.

The extension of the system from Sarnia to the Toronto area was in operation during the last quarter of 1957; full effect of being able to supply this new area by pipe line will figure prominently in 1958 operations.

Operating expenses at \$7,081,516 were 4% greater than in 1956. Increased salaries and wages and the attendant costs incurred in placing the 156 mile extension to the Toronto area in operation were the principal factors contributing to the higher operating costs.

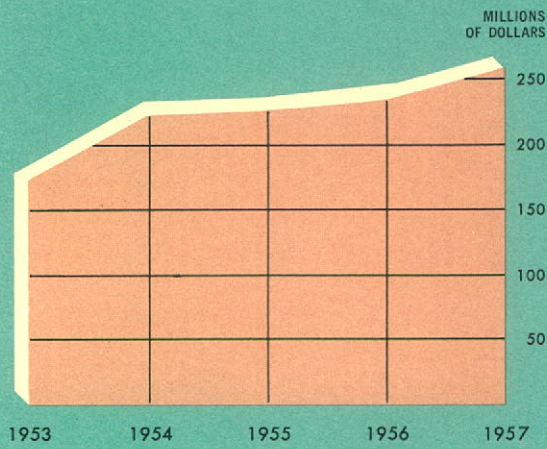
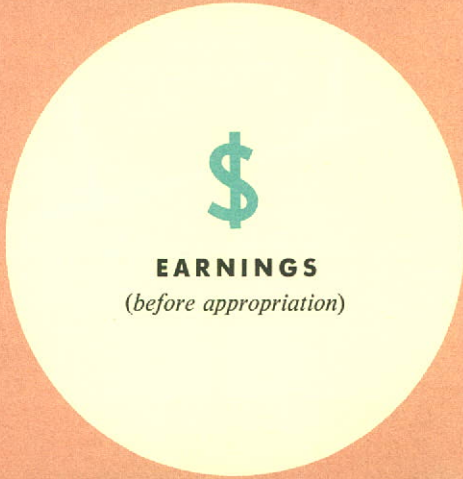
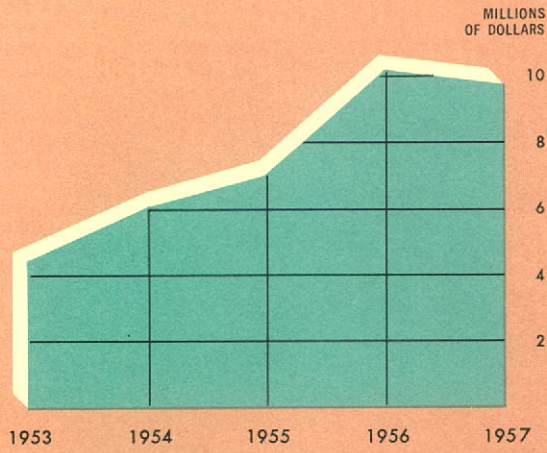
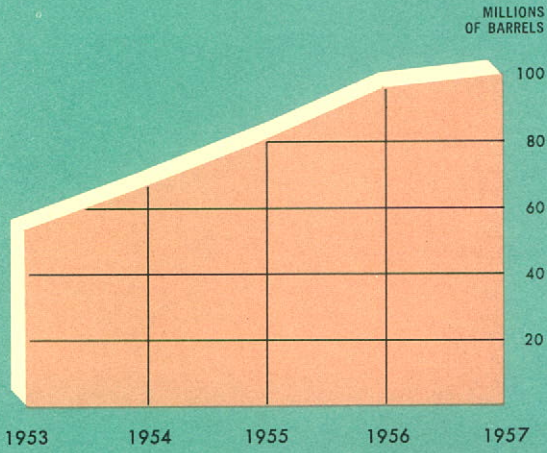
CAPITAL EXPENDITURES AND FIXED ASSETS

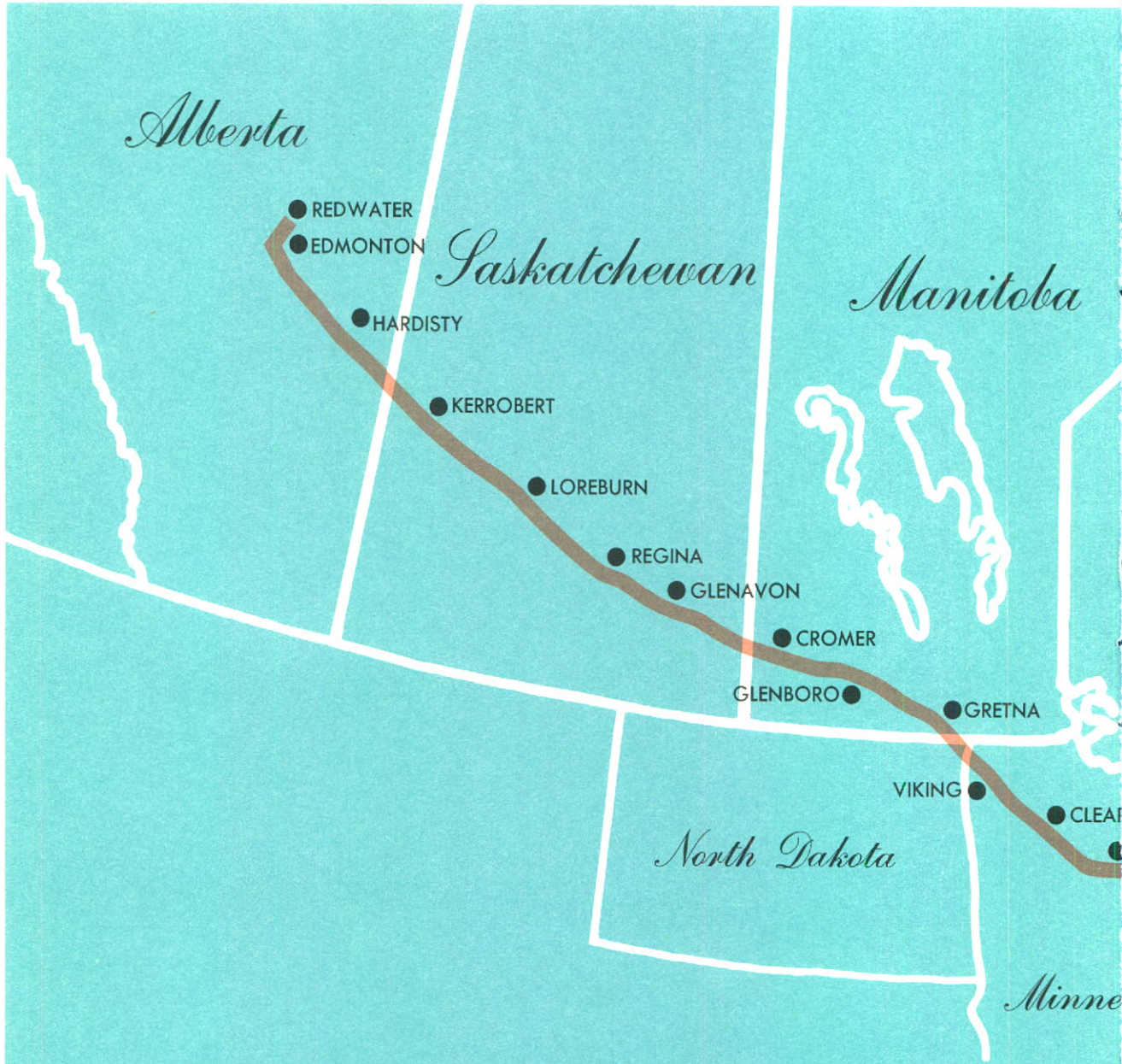
\$22,853,274 was expended on construction in 1957. The investment in fixed assets at the end of the year compares with 1956 as follows:

	1957	1956
Land - - - - -	\$ 551,117	\$ 465,279
Rights-of-way - -	2,982,819	2,051,003
Crude oil pipe line	202,209,171	184,600,894
Buildings, tanks and equipment -	50,700,075	47,193,436
Incomplete construction - -	523,142	250,373
	<u>\$256,966,324</u>	<u>\$234,560,985</u>

Through swampy area







INTERPROVINCIAL PIPE LINE

1930 MILES



SOURCE AND DISPOSITION OF FUNDS

	1957		1956	
Working Capital—January 1 - - - - -		\$15,779,892		\$14,295,847
SOURCE:				
Net income, before appropriation - - -	\$ 9,963,661		\$10,174,247	
Depreciation - - - - -	7,814,455		7,406,864	
Deferred income taxes - - - - -	3,411,000		3,150,000	
Capital stock issued - - - - -	169,629		278,795	
Other transactions (net) - - - - -	122,385	21,481,130	1,406,107	22,416,013
		\$37,261,022		\$36,711,860
DISPOSITION:				
Additions to carrier system - - - - -	\$22,853,274		\$9,580,380	
Bond sinking fund requirements - - -	5,437,895		5,127,832	
Dividends - - - - -	7,074,649		5,548,022	
Disputed income taxes paid under protest	268,554		675,734	
Operating oil supply - - - - -	297,171	35,931,543	—	20,931,968
Working Capital—December 31 - - - - -		\$ 1,329,479		\$15,779,892

CAPITAL STOCK

A further 6,190 shares of capital stock were issued for cash during 1957 under the terms of the Incentive Stock Option Plan. As of the end of the year outstanding capital stock was held as follows:

	1957		1956	
	Shareholders	Shares	Shareholders	Shares
Canada - - - - -	9,938	3,981,098	8,721	3,861,949
United States - - - - -	1,888	1,008,373	2,124	1,135,196
Other countries - - - - -	140	67,062	124	53,198
Total - - - - -	11,966	5,056,533	10,969	5,050,343

AUDITORS' REPORT

To the Shareholders of

INTERPROVINCIAL PIPE LINE COMPANY:

We have examined the consolidated balance sheet of Interprovincial Pipe Line Company and subsidiary companies as at December 31, 1957 and the statements of consolidated income and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related statements of consolidated income and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at December 31, 1957 and the results of their operations for the year ended on that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse Co.
Chartered Accountants.

EDMONTON, February 14, 1958.

INTERPROVINCIAL PIPE LINE COMPANY

AND SUBSIDIARY COMPANIES

ASSETS

CURRENT ASSETS:	As at December 31	
	1957	1956
Cash - - - - -	\$ 280,786	\$ 430,352
Deposits with bondholders' trustees and banks for interest and sinking fund payments - - - - -	1,434,769	1,421,407
Government and other marketable securities, at lower of cost or market value, plus accrued interest - - - - -	5,490,219	18,489,822
Accounts receivable—		
Transportation charges - - - - -	3,068,850	3,665,098
Claims and other accounts receivable - - - - -	336,095	298,216
Inventories—		
Crude oil (from pipe line allowance), at quoted market price - -	516,299	174,645
Materials and supplies, at cost - - - - -	1,042,635	931,549
Prepaid expenses - - - - -	237,653	224,238
	<u>\$ 12,407,306</u>	<u>\$ 25,635,327</u>
OTHER ASSETS AND DEFERRED CHARGES:		
Mortgages receivable - - - - -	\$ 69,379	\$ 70,957
Unamortized premium and expense on long term debts (net) - -	410,718	452,501
Operating oil supply - - - - -	297,171	—
Deposits for acquisition of properties - - - - -	90,406	—
Other deferred charges - - - - -	47,861	46,873
	<u>\$ 915,535</u>	<u>\$ 570,331</u>
FIXED ASSETS: (Note 1)		
Carrier system and other physical properties, at cost - - - - -	\$256,966,324	\$234,560,985
Less—Accumulated depreciation - - - - -	34,393,336	26,877,343
	<u>\$222,572,988</u>	<u>\$207,683,642</u>
	<u>\$235,895,829</u>	<u>\$233,889,300</u>

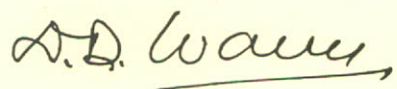
Consolidated Balance Sheet (EXPRESSED IN CANADIAN CURRENCY)

LIABILITIES

	As at December 31	
	1957	1956
CURRENT LIABILITIES:		
Accounts payable and accrued - - - - -	\$ 906,497	\$ 568,028
Bond interest payable and accrued - - - - -	1,856,967	1,864,929
Accrued income and other taxes - - - - -	4,765,862	5,868,996
Bond sinking fund payments due within one year - - - - -	3,548,501	1,553,482
	<u>\$ 11,077,827</u>	<u>\$ 9,855,435</u>
LONG TERM DEBTS: (Note 2) - - - - -	\$143,715,635	\$149,153,530
PROVISIONS:		
For employee retirement benefits - - - - -	\$ 85,119	\$ 64,174
For disputed income taxes totalling \$2,473,000, less \$2,047,595 paid under protest (Note 3) - - - - -	425,405	274,959
	<u>\$ 510,524</u>	<u>\$ 339,133</u>
DEFERRED INCOME TAXES: (Note 1) - - - - -	\$ 13,961,000	\$ 10,550,000
CAPITAL STOCK AND RETAINED EARNINGS:		
Capital stock—(Note 4)		
Authorized—\$200,000,000 divided into 40,000,000 shares, par value \$5 each		
Issued—1957—5,056,533 shares; 1956—5,050,343 shares - - - - -	\$ 25,282,665	\$ 25,251,715
Premium on shares - - - - -	19,079,846	18,941,167
Retained earnings, per statement attached - - - - -	22,268,332	19,798,320
	<u>\$ 66,630,843</u>	<u>\$ 63,991,202</u>

SIGNED ON BEHALF OF THE BOARD:

 Director

 Director

\$235,895,829 \$233,889,300

INTERPROVINCIAL PIPE LINE COMPANY

AND SUBSIDIARY COMPANIES

Statement of Consolidated Income

(EXPRESSED IN CANADIAN CURRENCY)

	For the years ended December 31	
	1957	1956
INCOME:		
Operating revenue - - - - -	\$41,128,761	\$41,807,800
Income from Government and other marketable securities - - - -	444,058	424,787
Profit on foreign exchange (Note 5) - - - - -	141,702	127,443
Sundry income - - - - -	215,692	208,750
	<u>\$41,930,213</u>	<u>\$42,568,780</u>
CHARGES:		
Operating expense, other than below - - - - -	\$ 7,081,516	\$ 6,837,985
Taxes, other than income taxes - - - - -	2,157,839	1,970,500
Provision for depreciation (Note 1) - - - - -	7,814,455	7,406,864
Interest on long term debts - - - - -	5,316,742	5,569,436
Loss on sale of storage tanks - - - - -	—	959,748
	<u>\$22,370,552</u>	<u>\$22,744,533</u>
BALANCE BEFORE INCOME TAXES	<u>\$19,559,661</u>	<u>\$19,824,247</u>
PROVISION FOR TAXES ON INCOME: (Note 1)		
Canada - - - - -	\$ 5,396,000	\$ 6,167,000
United States - - - - -	4,200,000	3,483,000
	<u>\$ 9,596,000</u>	<u>\$ 9,650,000</u>
NET INCOME FOR THE YEAR BEFORE APPROPRIATION - - - - -	<u>\$ 9,963,661</u>	<u>\$10,174,247</u>
APPROPRIATION FOR DISPUTED INCOME TAXES (Note 3) - - - - -	419,000	454,000
NET INCOME FOR THE YEAR AFTER APPROPRIATION - - - - -	<u>\$ 9,544,661</u>	<u>\$ 9,720,247</u>

Statement of Consolidated Retained Earnings

(EXPRESSED IN CANADIAN CURRENCY)

	For the years ended December 31	
	1957	1956
BALANCE AT JANUARY 1 - - - - -	\$19,798,320	\$15,626,095
Add—Net income for the year after appropriation - - - - -	9,544,661	9,720,247
	<u>\$29,342,981</u>	<u>\$25,346,342</u>
Deduct—Dividends (Note 7) - - - - -	7,074,649	5,548,022
BALANCE AT DECEMBER 31 - - - - -	<u>\$22,268,332</u>	<u>\$19,798,320</u>

Notes to Financial Statements

1. FIXED ASSETS

PROVISION FOR DEPRECIATION

PROVISION FOR TAXES ON INCOME

During 1957 \$22,853,274 was spent on extending the pipe line system from Sarnia to the Toronto area, additional looping and expansion of facilities. It is estimated that the 1958 construction program will cost an additional \$12,300,000.

The companies' policy is to provide for depreciation of the Carrier System and Other Physical Properties on the straight line method at annual rates which will amortize the cost of depreciable properties over their estimated service lives after taking into account possible salvage values. The income tax provision charged to income is based on the amount of depreciation recorded on the books of the companies without reference to additional deductions permitted for income tax purposes referred to below.

The United States subsidiary has obtained Certificates of Necessity entitling it to amortize for income tax purposes over a five-year period a portion of the cost of certain physical properties constructed in 1953 and 1954. Also, under Canadian and United States income tax regulations greater deductions are permitted for tax purposes in respect of depreciable property than the Provision for Depreciation recorded on the books of the companies. The companies are taking advantage of the maximum deductions permitted for tax purposes and as a result income taxes payable in respect of 1957 will amount to \$6,185,000 whereas \$9,596,000 was charged to income. The difference of \$3,411,000 is applicable to future years when amounts deductible for tax purposes will be less than the depreciation recorded in the accounts and is accordingly carried on the Consolidated Balance Sheet, together with similar amounts in respect of prior years, under the heading Deferred Income Taxes.

2. LONG TERM DEBTS

Long term debts of \$143,715,635 at December 31, 1957 comprise First Mortgage and Collateral Trust Bonds of Interprovincial Pipe Line Company, authorized with no fixed limitation, issued and outstanding as follows:

	Series A 3½% due January 1 1970 <i>(Canadian dollars)</i>	Series B 3½% due January 1 1970 <i>(United States dollars)</i>	Series C 4% due April 1 1973	Series D 3⅝% due April 1 1974	
Issued - - - - -	\$37,000,000	35,000,000	60,000,000	30,000,000	
Redeemed - - - - -	6,657,000	5,554,000	3,332,000	850,000	
Bonds outstanding - - - - -	<u>\$30,343,000</u>	<u>29,446,000</u>	<u>56,668,000</u>	<u>29,150,000</u>	
Less—					
Bonds called for redemption - - - - -	\$ —	355,000	—	—	
Sinking fund payments due within one year - -	743,000	1,091,000	1,000,000	398,000	
	<u>\$ 743,000</u>	<u>1,446,000</u>	<u>1,000,000</u>	<u>398,000</u>	
Amount due after 1958 - - - - -	<u>\$29,600,000</u>	<u>28,000,000</u>	<u>55,668,000</u>	<u>28,752,000</u>	
Amount due after 1958 in terms of Canadian dollars (Note 5) - - - - -	<u>\$29,600,000</u>	<u>30,940,000</u>	<u>54,985,197</u>	<u>28,190,438</u>	<u>143,715,635</u>

Bond sinking fund payments due within one year are shown under Current Liabilities on the Consolidated Balance Sheet at \$3,548,501 Canadian currency (Note 5). Bond sinking fund payments required from 1959 to 1962 are as follows:

	Series A (Canadian dollars)	Series B	Series C	Series D
			(United States dollars)	
1959 - - - - -	\$1,644,000	1,556,000	2,000,000	916,000
1960 - - - - -	1,644,000	1,556,000	2,167,000	1,000,000
1961 - - - - -	1,850,000	1,750,000	2,334,000	1,084,000
1962 - - - - -	1,850,000	1,750,000	2,500,000	1,168,000

3. PROVISION FOR DISPUTED INCOME TAXES

The note and bond interest paid by the wholly owned United States subsidiary to the Company is subject to a 15% withholding tax. The Company has claimed this tax as a foreign tax credit but the Canadian income tax authorities have disallowed the claim and have not allowed the withholding tax as a deduction from income. The Company's appeal against assessments for additional income taxes was duly heard by the Exchequer Court of Canada in October 1957 but as yet no decision has been handed down.

Although the Company does not admit any liability, it has been considered prudent to provide for the maximum taxes in dispute. This has been done by appropriating \$419,000 from 1957 income; \$454,000 from 1956 income; \$500,000 from 1955 income; and \$1,100,000 from Retained Earnings in respect of prior years.

In order to avoid possible interest penalties \$2,047,595 of the total amount appropriated has been paid under protest and the balance, namely \$425,405, is shown on the Consolidated Balance Sheet under the heading Provision for Disputed Income Taxes.

4. INCENTIVE STOCK OPTION PLAN

Under the Company's Incentive Stock Option Plan, options on 42,800 shares have been granted to December 31, 1957 at the market price on the date of option. During 1957 options on 6,190 shares were exercised which together with options for 10,511 shares exercised in 1956 leaves a balance of 26,099 shares under option at the year-end.

5. FOREIGN EXCHANGE

The Series B, C and D Bonds of Interprovincial, payable in United States dollars, are stated in Canadian currency at the rate of exchange prevailing when the debts were incurred, except for the amount payable within one year which has been translated at the exchange rate in effect at December 31, 1957. The year-end rate was also used for United States cash held by the Company and for amounts receivable and payable in United States funds.

The accounts of the United States subsidiary company have been translated into Canadian dollars on the following bases:

- Fixed assets, deferred charges and deferred income taxes, at historical rates of exchange;
- Current and other assets, and current liabilities, at the rate in effect at December 31, 1957;
- Accumulated depreciation, on the basis of equivalent Canadian dollar cost of the related fixed assets;
- Income and expense accounts, except depreciation and amortization of expense on long term debts, at the rate of exchange prevailing at the end of each month.

Profits and losses on foreign exchange arising from the foregoing methods are shown as Profit on Foreign Exchange on the Statement of Consolidated Income.

6. SALARIES OF EXECUTIVE OFFICERS,
COUNSEL FEES AND DIRECTORS' FEES

The total amount deducted in the Statement of Consolidated Income in respect of salaries and other remuneration paid to counsel, solicitors and executive officers, including a salaried director, was \$149,671 in 1957. In addition fees paid to certain other non-salaried directors amounted to \$3,300 for the year.

7. DIVIDENDS

During the two years ended December 31, 1957 the Company declared and paid cash dividends which were charged to Retained Earnings as follows:

	<u>Per share</u>	<u>1957</u>	<u>1956</u>
March 1, 1956 - - - - -	50¢	\$ —	\$2,519,916
September 1, 1956 - - - - -	60¢	—	3,028,106
March 1, 1957 - - - - -	70¢	3,536,318	—
September 3, 1957 - - - - -	70¢	3,538,331	—
		<u>\$7,074,649</u>	<u>\$5,548,022</u>



Under the Bronte Creek

