

profit on the operations of that local Alberta project?—A. I think that would be the way it would work and they would set rates too for towns served along the main line in Alberta.

Q. In British Columbia I cannot see any way in which you are liable to any restrictions. I can see that the rates of the British Columbia Electric Company—which is going to sell gas, if you get the authority to build a route—can be controlled, but there is no authority that I know of to control the rates of the distributor of gas?—A. If there is not authority now there certainly will be soon. It has been my experience that where you go into a state where there is no authority you should not think for one moment that the condition is going to last.

Q. There is this further position. You are asking for a dominion charter and that means that the province cannot deal with your rates. The telephone company is in that very favoured position in British Columbia—it is a dominion company and the British Columbia Utilities Commission has no control whatever over their rates?—A. In that case there will certainly be an Act made by parliament because, all precedent would indicate they will have control over the rates.

Q. And you know that the Dominion Pipe Lines Act which was passed a year ago gives the Board of Transport Commissioners the right to set rates and tariffs on oil pipe lines but leaves you fellows clear—there is no such thing as setting rates by the board on a gas pipe line?—A. That is good; but I am afraid it will not last.

Q. Pardon?—A. I am afraid it will not last.

Q. That is the position at the moment is it not?—A. That is what I am told.

Q. So that in effect the position is you can charge whatever rate you can get away with for your service of carrying gas in Canada today?—A. No; of course that is not in any case true. We would be crazy to do that.

Q. You can charge whatever the market will stand? Is not that the picture?—A. No, I would not say that. You can do a great many things legally that would not be practical. If we charged more than we should, then in the next few weeks when parliament was in session we would be regulated.

Q. For the time being the sky is the limit—there is no governmental right to step in.—A. Well, if you say so I believe it must be the case, but I do not know.

Q. Then Mr. Dixon, this application is for incorporation of the Alberta Natural Gas Company. Is that company to be, in effect, a subsidiary of Northwest Natural Gas Company?—A. Yes; well either Northwest will be a subsidiary of it or it will be a subsidiary of Northwest; we do not know yet just exactly how it will be set up.

Q. Northwest Natural Gas Company is a corporation incorporated in the State of Delaware?—A. Yes.

Q. Is Northwest Natural Gas Company a subsidiary of Venezuela Syndicate Incorporated?—A. No sir.

Q. It was reported in—

Mr. SMITH: Moody's—

The WITNESS: According to the definition of a subsidiary it must have at least 10 per cent of the stock. Venezuela Syndicate has not got 10 per cent of the stock.

Mr. GREEN: How much has it got?

The CHAIRMAN: That is not relevant.

The WITNESS: I cannot say, I have not got that.