

Q. Well, with regard to your route B, your line which goes through the United States, you would apply to the Canada Board of Transport Commissioners for an order to allow you to build that line to Kingsgate, to the boundary point?—A. To build it not only to Kingsgate but for the privilege of exporting from Kingsgate.

Q. Yes, you would ask for the privilege of exporting from Kingsgate but when you went on to build your line past Kingsgate you would ask the Federal — —A. Power Commission.

Q. Yes; the Federal Power Commission; and you also have to go to the board in Idaho?—A. No, I do not believe so, but that is a question that is still in dispute—whether the state authorities have any authority over an interstate pipe line.

Q. What about Washington? When you cross the border into Washington do you then have to go to some governmental authority in Washington?—A. If you have the authority of the Federal Power Commission you do not have to get authority from a state but, like a great many other things, they have methods of regulating and so you had better keep on their good side and do what they want.

Q. For practical purposes is it better to go to those states and get their approval?—A. You might not get their approval but you will do what they want.

Q. You have to get the approval of the Federal Power Commission to enter the United States in the first place?—A. You have to get their permission to build a line.

Q. I think you said in the Senate that you had to get their permission to enter the States and then for the line through the States.—A. That is one way of putting it but what you really do is apply for a given route and the particular state line is disregarded as far as the application is concerned.

Q. If the American route is followed, route B, then the United States Federal Power Commission will have the deciding of where that route is going from the time it leaves Kingsgate right through—the main line of that route and all branch lines up to Trail;—with the exception of about twenty miles in Canada.

A. No, that is not exactly the way it works. You make an application to build the line and it is accepted or refused. They do not tell you where to go. They give you a permit.

Q. Perhaps we should get at it the other way round. The only part of that line over which the Canadian Board of Transport Commissioners will have any jurisdiction at all will be from Pincher Creek to Kingsgate at the boundary, and then for a few miles from the Canadian boundary up to Trail—about twenty miles there, and at the coast again from Aldergrove on the boundary for twenty or thirty miles into Vancouver.—A. No, I would not say that. A person who has control of a part of anything has control of some of the rest. If they are controlling the flow of gas into the States you cannot say they have no control over the line, for all practical purposes.

Q. The only control they have over the line into the States would be in connection with the gas actually going through it, but nothing to do with the laying of the line?—A. I suppose they could either grant or refuse the permit for where you were going to build.

Q. Then there was some suggestion made by you yesterday about rates. I understood you to say yesterday that you would be allowed to make 7 per cent on your over-all investment in Canada?—A. I think I said that is what I believed to be the case in Alberta and I thought it was the same in British Columbia. I was told afterwards that I was wrong and apparently it is 5 per cent in British Columbia.

Q. Is not the situation this, Mr. Dixon? Any percentage set in Alberta would only be set against your grid system and you would be allowed a certain