

The WITNESS: Of course, they would have to have the prospect of additional pipe orders; they could not build it otherwise, but with this as a leg-up they will go ahead and do it.

Mr. SMITH: They make smaller sizes of pipe too?

The WITNESS: No.

*By Mr. Connolly:*

Q. What do you expect to do about the smaller sizes?—A. We expect to buy that in Ontario.

Q. Have you had any discussions with firms on that?—A. Yes.

Q. Would you say who?—A. The Page Hersey Tubes in Welland.

Mr. GOODE: May I ask a question, Mr. Chairman: the suggestion was made in the House of Commons that certain men would take plate, steel plate and bend it when it came to where it was going to be laid? In fact a very influential member who took part in the discussion, I will not say filibuster, because Mr. Green does not like that,—

Mr. GREEN: I do not mind,—

Mr. GOODE: You are protecting yourself but not the party I am talking about. This member, who is the member for Kamloops, made the suggestion in the House that pipe could be manufactured on the job. That is, they could get plate steel and bend it when it arrived on location. What do you think of that, Mr. Dixon?

The WITNESS: I have heard it talked of a great deal but I have never seen it done.

Mr. SMITH: Obviously impossible, is it not?

The WITNESS: No, I would not say that, it might possibly work. I have heard people who think they can do it and to hear them talk it sounds possible.

Mr. GOODE: Have you ever seen it done?

The WITNESS: No, and I have never heard of it being tried.

*By Mr. Connolly:*

Q. Would you care to say something about the proposal for financing this project? First of all what about the initial expenses which have and will be incurred before the project is definitely set up, as a project to be developed?—A. Well, all the expenses up to now, or up to the time public financing takes place have been borne by a private group, and no stock has been sold to the public at all.

Q. Is that private group American or Canadian?—A. Both.

Q. When the project is developed I understand you mean to go to the public for your financing, for your money?—A. Naturally.

Q. Now, will the offer be made to the public both in Canada and the United States?—A. Yes, we expect to sell as many of our securities as we can in Canada. The sale of securities is under the Foreign Exchange Control Board and we will be guided, to put it mildly, by what they say.

*By Mr. Ferguson:*

Q. Might I ask, if dividends are paid, will they be paid in American or Canadian funds?—A. That would be up to the Foreign Exchange Control Board.

Q. Well, a lot of Canadian securities are sold with guaranteed payment of interest or dividends in American funds. The reason I ask that question is that I want to refer it to a question I asked yesterday, to which you replied that you were permitted to receive seven per cent interest on your cost of operations and capital investment? Is that right?—A. Well, that is what I hoped, but they change those interest returns that you can earn at the discretion of the commission.