

Q. If they did, I suppose you will probably say, oh, yes.—A. I do not think we will have much to say, either Morgan Stanley and Co. or ourselves on the subject.

Q. Why not?—A. The Foreign Exchange Control Board is the one which will tell us what we can do in that line.

Q. Whether you can pay your dividends in American funds or not?—A. Yes, they are the ones.

Q. Mr. Green asked a question today to the effect that as far as our federal government is concerned they would have no control over the price that you, as a transporting company of this commodity—they would have no control over the profit that you could make, so far as the—?—A. I do not know.

Q. Mr. Green, who is an eminent lawyer says there is nothing in the statute books of Canada. Now, for your sake, I hope it continues, for the sake of the users I hope it does not.—A. I would just as soon be regulated. I am assuming if there is no control there is going to be control.

Q. But there is control by the federal government at present of the maximum of six per cent in the United States?—A. Well, it used to be, a few years ago it was six and a half per cent, then after some of the companies became well established and prosperous they dropped that to six per cent and I think some of them cut it a little below that, but six per cent is what we generally think they will let a gas company earn. That is not law. That is what in the opinion of the Federal Power Commissioners is the proper rate of return for the operation. If interest rates go down and money gets more expensive I think the commission will let it go up; if interest rates go down, I think they would lower the rate to five and a half.

Q. To your knowledge there is no federal law which says the maximum, at the present time, which you can earn is a certain percentage. Does it say maximum?—A. It says it must be reasonable.

Q. And as far as this country is concerned it does not say "reasonable" or anything pertaining to profit you can make from your investment on your cost of operation, is that right?—A. As far as I know, but the rates to the consumers—

Q. No person can control the rates you receive on your cost of operation and cost of depreciation and capital costs? This is a federal project. Now, you can control the rate in a municipality or in a province; the provincial or municipal authorities can control it but they cannot take a province-to-province transportation federal company, and you know as an attorney, Mr. Connolly, that no provincial government can dictate what a federal company can charge.

Mr. CONNOLLY: They can do so indirectly. They control the rates.

Q. They can control the rates, what rates?—A. The consumer rates.

Q. The consumer rates, but that has nothing to do with this company at all, they are not selling to the consumer. They will be governed to some extent, I suppose, but what I am getting at is this: suppose they were permitted by the federal government, which I do not think they will be able to do, to receive a return of fourteen per cent on their investment and their operating costs—supposing they were—then the utility in Vancouver could easily say to the city of Vancouver: we only want four per cent on our costs, do you see; but in reality to the Canadian public it would be an ungodly charge for the product, but still the utility in British Columbia would be only getting a fair return of four per cent.

Mr. ROBINSON: Are you asking him or telling him?

Mr. FERGUSON: I am not asking you for any information or opinions. It would not be right if it was given. It is very important, Mr. Chairman. We are asked to grant a charter, and I am certainly learning a great deal about granting federal charters, and I do not want to put a yes, or no to it when I do not know when I am voting on. If I think the people of this country are going to be charged excessively through the lack of flaws, I do not intend to vote for