

Q. Then with regard to the maintenance,—the reason I asked that, Mr. Dixon, is this, I believe you people very much prefer this United States-first route?—A. On the subject of maintenance there is no question whatever.

Q. Well, on the maintenance, of course, if the line were in Canada, the maintenance cost would go to Canadians, and if it goes through the United States those costs would go to the Americans, is that not so?—A. That is self-evident.

Q. Then on the rates in Vancouver I understood you to say yesterday that the rate you expected in Vancouver would be thirty-four cents per thousand feet. —A. No, I did not say that.

Q. Pardon?—A. I did not say that. I said it would be somewhere from thirty-four, thirty-six, thirty-eight, depending on the route that was taken.

Q. It would be from thirty-four cents to?—A. Thirty-eight cents. That is as nearly as we can figure with the present price of steel.

Q. I also understood you to say that regardless of whether the line went through Canada or not, Vancouver would not get the gas any cheaper than Portland or Seattle. You said there was some sort of an arrangement that all these cities would get it at the same rate.—A. The prices will be fixed by the authorities, but the general scheme that we would like to have, which is the ordinary scheme on any large pipe line, is that on towns along the line buy the gas under a rate structure at a price depending upon their load factor; if they are able to take the gas steadily and not have a high peak they get the gas cheaper; if they have a high peak in winter, then on the demand-commodity rates, the total cost of the gas is higher and we expect to put a rate structure into effect for all the towns, giving the same price no matter what route is taken.

Q. Well, now, suppose the line goes through the United States and there is just a branch line up to Vancouver, then what about rates?—A. Just exactly the same. Spokane, Portland, and Vancouver would all pay the same rates.

Q. I asked you that, Mr. Dixon, because in the reports of the evidence given before the Alberta Natural Gas and Petroleum Board,—I am quoting from a despatch of February 18th, from Calgary, which reports this evidence having been given there in the hearings of the West Coast Transmission Company:

We plan to go through the Yellowknife Pass; they say the total cost in Vancouver will be 29·2 per cent.

—A. Pardon me, that is not a correct statement, I was there and heard what was said.

Q. It says United States points will have to pay an additional 6·4 per cent per thousand feet bringing the cost there to 35·6 per cent, so apparently this other company is planning to charge a higher rate in the cities that are further away from the source of the gas?—A. In the first place, I do not accept your statement on the costs; that is not the testimony that was given there; it is something very different from the testimony that you are quoting as they did not know what price they were going to pay for the gas, they would never state that. Therefore, why in the world would they say what the gas was going to be sold for? They gave the transportation cost and that was all.

Q. Mr. Harkness tells me they took the gas in at five cents per thousand feet. In fact, this article says that the cost of gathering would be 5·9 cents per thousand cubic feet.—A. That was someone else's testimony.

Q. But they do not figure the way you do in that, they are charging Vancouver a lower rate than is being charged the American cities?—A. Remember they have to have the consent of the American consumers just as anyone bringing gas to Vancouver would have to have the consent of the Vancouver con-