

Mr. HIGGINS: I am bringing in the salt air from the Atlantic. Actually, I have not got too many questions to ask. Being a very young person and ardent in my work, I read the brief submitted by the company and I read the evidence, and it is on the evidence that I want to ask a few questions.

By Mr. Higgins:

Q. On page 2 of your present brief, the second paragraph, you say:

It is estimated that the total annual sales of gas will be approximately 75,000,000,000 cubic feet, being a daily average of approximately 205,000,000 cubic feet.

Now, sir, if you will recall your evidence given before the Senate committee, the figures which were given at that time were different; and the total annual sales of gas were given as approximately 156 million cubic feet. Why would there be that difference?—A. We re-designed the line as far as compressor stations went and we found that by thus re-designing it we could get more gas through our 24 inch line.

Q. And how did you get the daily average? Is that the market?—A. That was the market worked out for each town. It was done by the Utilities themselves with our men working with them, and we assembled that data and that is the answer.

Q. That is, from October up to now there has been that re-adjustment?—A. Yes.

Q. Would it be fair to say that there would be an additional re-adjustment within a few months as well?—A. No, not much, because I do not believe we can squeeze any more gas through that line.

Q. So that is the maximum capacity you can get?—A. I see.

Q. Now I believe the original figures which you gave were predicated on a supply by three companies. That is why it is rather confusing to me because in your evidence before the Senate committee and in your brief you included the Imperial Oil of Canada, the Shell Oil of Canada and the California Standard Natural Gas Company. Now you have cut out Imperial Oil altogether and you have only the two companies for supply?—A. We are negotiating with Gulf, and we have been talking with a great many of the independents as well. The story of Imperial is that they wished to sell all the gas they could sell to the Utilities and suppliers at Edmonton. While our contract still had a considerable time to run it did seem very desirable from every point of view that Edmonton should be able to buy this gas. That would give Edmonton all the gas which they would own and they would not have to buy any for a very long period. And from the Imperial point of view it was that they could get some money immediately.

Q. Just for supplying Edmonton?—A. They sold it for \$2,300,000, I think, and they asked our consent, and we gave it gladly.

Q. You released Imperial from the contract?—A. We released Imperial from the contract.

Q. Was there any *quid pro quo* given for it?—A. Not a thing in the world except that I said we would be coming back wanting to get a contract from them in the Leduc region.

Q. Are they still talking with you in that way?—A. We are still talking with them.

Q. What are the other companies which operate from these two markets? Did you not say the Gulf?—A. The Gulf in Pincher Creek.

Q. Are they working on thirty day notice, or what is the situation?—A. The situation is that it runs, well, practically—let us call it from day to day. We have perfect confidence that they will keep their contract.

Q. Are there any special quotas from the different companies?—A. Yes.