

Q. Going from Alberta to the west coast any pipe line has to go up hill a lot?—A. Yes, but you do not want to have it doing that too much.

Q. And I suppose you would run a gas line as little up and down as possible?—A. That makes very little difference.

Q. In any event, if the two did run side by side, the cost of construction of the oil line would be cheaper, that is if the oil line was run alongside the gas line?—A. If it was in a proper terrain, yes.

Q. Generally speaking, though, it would be an advantage as far as the subsequent building of an oil pipe line is concerned if it could follow the route of a gas line already there?—A. In general that is correct, with the qualifications I gave.

Q. Well, in connection with the gathering system, you said on page 2 of the brief that the proposed company would be closely associated with the Alberta Natural Gas Company. You told us that the cost of that grid system would be \$26,667,000. Now, I believe that was the same figure that you gave in a submission which was presented to the Alberta Natural Gas and Conservation Board?—A. It is not exactly the same figure. We had been working on it and reducing it. That will supplant that figure.

Q. Well, the figure you put before the Alberta Gas Board was \$26,000,000 odd, was it not?—A. I forget, but this has been reworked, and different sized lines have been calculated; I think we have made a better design this time.

Q. You do not remember whether the figure you put before the gas board in Alberta was \$26,000,000 or not?—A. I cannot remember—as my memory serves it was somewhat more than that.

Q. As my memory serves me it was just over \$26,000,000. I have not got the proceedings with me but I read them. At the time you made that suggestion you were figuring steel at a price of \$140 a ton. You told us today, or yesterday, that the cost of steel would be \$185 a ton. How is it the cost here and the cost put before the gas people in Alberta is approximately the same—\$26,000,000, with the difference in price of steel of from \$140 to \$185?—A. It is a different project; a different design; a different amount of steel. The price of steel, in any case, has increased a great deal, and so have freight rates.

Q. The point I was getting at is why the two figures are the same in spite of the fact that the cost of steel is so much greater?—A. If the two figures are the same it is purely an accident because they are based on two different constructions. The design of the line has been entirely changed since we made our submission in Alberta.

Q. Some of the other costs in the line have been reduced in the later estimate. Steel has gone up so some of the other costs must have gone down?—A. As I say, you cannot compare them; there is no comparison between the two sets of figures.

The CHAIRMAN: Mr. Harkness, I would like to ask you if you would be good enough to confine your remarks more to the topic of the bill. I do not believe that the price of steel and all that sort of thing is relevant to what the committee is asked to do. You could save a great deal of time for everybody concerned if you would be good enough to keep to the bill—and if not, I will have to rule that you are out of order.

Mr. HARKNESS: We have had a great deal of evidence as to what the cost of these various lines would be—what the cost of the grid system was and so on. I was just getting at the cost of the grid system and it is quite evident that steel is an important item in that.

Mr. APPLEWHAITE: Is the grid system to come under the charter to be granted by this bill?

By Mr. Harkness:

Q. As far as the grid system is concerned, have you had any conversations with the two operating gas companies in Alberta—the one serving Calgary, and