

Mr. PIGEON: I understand it will take approximately two years to complete the line?

Mr. DOWNEY: It could possibly be completed during one season, but probably it will take two years, yes.

Mr. PIGEON: Thank you, sir.

Mr. RYNARD: Do you have any idea where the market will be for the products carried through this pipe line? Will that market exist in the Chicago area? It is suggested in the bill that the products will be exported and I wondered if you had any idea where the export markets would be.

Mr. DOWNEY: No, sir, we can only suggest at this time we do not feel there is a market in the United States but we feel that we are entering a new field of the petroleum industry and there will definitely be markets established within the next few years as they have been established during the past few years. However, we do not know just where these markets will be at this time.

Mr. RYNARD: Do you intend to carry sulphur and sulphur products through this pipe line?

Mr. DOWNEY: No, sir.

Mr. RYNARD: What do you propose to do with the sulphur products?

Mr. DOWNEY: We will not be dealing with any by-products of the petroleum industry except these light petroleum gases. Anything involving sulphur or any other by-product of the petroleum industry must be refined, but light petroleum gases can be taken right off at the wellhead without being refined.

I should like at this time to distinguish clearly between by-products of the petroleum industry and that with which we are dealing. These are light gases taken off at the wellhead without refining.

Mr. RYNARD: You intend to carry just gases and not oil as such?

Mr. DOWNEY: That is right, sir.

Mr. RYNARD: In that event you will not require pumping stations or anything of that kind?

Mr. DOWNEY: There is a possibility that we will require a pumping station but I cannot tell you definitely at this time whether or not we shall.

Mr. DRYSDALE: Mr. Downey, I am trying to get a clear understanding of the situation. There is a precedent in respect of the National Energy Act requiring a proposed company to appear before parliament to make an application there in respect of two questions; firstly regarding the inter-provincial aspect of the development of a pipe line and, secondly, seeking permission to export. Could you comment on this situation?

Mr. DOWNEY: To my knowledge the National Energy Act makes it necessary that a proposed company be incorporated before appearing before the national energy board. In this respect the practical problems of an individual trying to get authority to make deductions for income tax purposes in regard to expenses are involved. We feel in essence, sir, that it is completely impracticable to go ahead with feasibility reports without first having the company incorporated and given that authority.

Mr. DRYSDALE: You indicated that the former practice involved a proposed company making a feasibility study and then appearing before the committee of parliament to get approval. I have a little difficulty in my own mind understanding what the difference would be if you followed that procedure at this time, because you would then be in possession of your feasibility survey that you must present to the national energy board. Surely if you followed that procedure it would not involve any necessity for two sets of feasibility reports?