

Q. Now, I have that letter here. Would you care to read it or would you have me read it, at the same time filing a copy?—A. That would be quite all right.

Q. The letter reads:

Mr. A. Faison Dixon,  
Northwest Natural Gas Co. Ltd.,  
111, Broadway,  
New York City, N.Y.

Dear Mr. Faison Dixon,

Referring to our various discussions, we should like to confirm that we are interested in the manufacture of large diameter line pipe to A.P.I. specification for high test line pipe 5LX for cross country gas transportation system.\* We propose to fabricate by methods similar to those employed in the U.S.A. (and based on attached operation manual) using the submerged arc welding process and expanding the material so that when the pipe is finished, the steel will have a minimum yield point of 52,000 psi.

You requested us to give you an indication of price, and we believe that this will be in the neighbourhood of \$185-\$195 per net ton f.o.b. cars or trucks, Calgary. The price is exclusive of sales taxes and is based on plate being supplied by Canadian mills. It is further based on our understanding that the Canadian portion of the Alberta Natural Gas Company line would require approximately 400 miles of pipe of 20" diameter or over.

Yours very truly,

DOMINION BRIDGE COMPANY, LIMITED.

J. S. WALSH,  
Sales Development Manager,  
Eastern Division.

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\* or ASA code for pressure piping B31.1, section 2, Division 2 for cross country gas transportation systems.

JSW/EB  
Encl.

Would you care to elaborate on that letter, Mr. Dixon?—A. I have had many conversations over a year with Mr. Walsh of Dominion Bridge and this is a sort of end product of those conversations.

Mr. SMITH: There are many of those abbreviations in that letter that I do not understand.

The WITNESS: All I can say is I am no authority on steel but the American Petroleum Institute gives certain specifications and the pipe fabricating company has to meet them, and you hire an inspector who is familiar with those details to watch the pipe as it comes out of the mills to see that it meets the specifications. They are considering a plant in Calgary and that is where they possibly will build this plant. These prices are fairly competitive with American prices delivered at the same points.

Mr. MURRAY: How many men would that plant employ?

The WITNESS: I have no idea. It is a big operation.

*By Mr. Connolly:*

Q. You have also had discussions—