

*Northern Pipeline*

The second aspect of motion No. 1 is an inclusion in the legislation so that the government is bound by this provision that we do not get into financial guarantees; and if we ever come across that situation in the future, it will not be an executive decision by the government to commit public funds but the government will have to return to the House of Commons to get an amendment to the act. As responsible members of parliament, and as protectors of the public purse, that is something we should expect of this extravagant government across the way.

I commend to the House those two aspects of motion No. 1. Surely hon. members of the Conservative party, who are worried about the government's record in terms of past treaties, job creation and government expenditure, would support this motion, which provides some kind of legislative guarantee that the government will own up to its promises.

**Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development):** Mr. Speaker, before dealing with motion No. 1 at report stage, perhaps I can indicate to all hon. members that the Deputy Prime Minister and President of Privy Council (Mr. MacEachen), who has been responsible for piloting this bill on the government side from the beginning of negotiations, will be feeling stronger tomorrow and will take his place as the minister responsible for the bill.

● (2112)

**Some hon. Members:** Hear, hear!

**Mr. Faulkner:** I know hon. members opposite are glad to see me in the House and will bear with me during this part of the proceedings; but at the same time I am sure they will be glad to see the Deputy Prime Minister back tomorrow.

**An hon. Member:** You are one of the best ministers in the cabinet.

**Mr. Faulkner:** That is right. The proposal put forward by the hon. member for Sault Ste. Marie (Mr. Symes) is really a proposal in parts. The first amendment proposes changing the words "ensuring the highest possible degree of participation" to "guaranteeing the highest possible degree of participation". In a second and different substantive part of the same motion, he deals with the question of whether there should be an explicit exclusion of federal government financial guarantees. I will attempt to deal with both of them briefly.

At the committee stage—and I am sure the hon. member for Yukon (Mr. Nielsen) will confirm this when he speaks shortly after I—these issues were dealt with extensively. They were canvassed thoroughly, and some of the arguments that were raised at the committee stage were ignored by the hon. member for Sault Ste. Marie. In proposing the first part of his motion, which deals with guaranteeing the highest possible degree of Canadian participation, he chose to ignore the fact that it would be in conflict with the generally competitive basis provision of the Canada-U.S. agreement. He also chose to ignore the point that was raised in committee that a provision

of this kind would be in contravention of Canada's obligations under GATT.

Leaving aside those two rather important objections to accepting this particular proposal at the committee hearing, there was no request from the companies for such a provision. They seemed to have a great deal more confidence in their abilities to meet the target of Canadian content than does the hon. member for Sault Ste. Marie or, indeed, the New Democratic Party.

The companies have been quite explicit that they do not need the guarantees. They do not want this legislative monopoly, and, in fact, they are arguing against it. What they want is to be able to compete on fair, competitive terms, and they can do it. They do not accept the notion that because they are Canadian, somehow they cannot compete with the Americans, or that somehow there is going to be an insidious conspiracy of unfair competition that is going to render them "out of court". There are other ways of dealing with unfair competition, and it should be dealt with directly. So, Mr. Speaker, I find it unnecessary at the report stage to recanvass all the ground that was gone over exhaustively in the committee. The fact is that the companies do not want it. They are opposed to it. They do not think it is necessary, and, furthermore, it creates the additional problems which I have just mentioned.

The hon. member for Sault Ste. Marie went on to provide a fairly personal account of deals struck by governments in the past and the toughness of American negotiators. I think it is fair to say, without getting into a long historical argument with the hon. member for Sault Ste. Marie, that the deal which has been struck is a good deal. I am anxious to see the bill pass, and I do not want to create unnecessary obstacles to its passage.

The hon. member has indicated to us that he would like to see the bill pass. He represents a constituency which produces some steel. He knows the bill's passage is going to create employment. He probably knows in his heart of hearts that he does not need these legislative guarantees, these legislative monopolies, to create opportunities for his people and other people in Hamilton and Saskatchewan, particularly in Saskatchewan where there are some colleagues of his. The fact remains that the bill would create employment; it would create job opportunities for Canadians in many parts of this country. We should not try to compromise this bill now with amendments of this kind, particularly since the principal players are not requesting it. By any standard of analysis, when you look at the ability of Canadian companies to compete, they are able to do so.

Let me turn to the second part of the motion which is an additional clause 3(g). Very simply, what it provides is that there should be no federal government financial guarantees of any kind. First of all, there has been no request for federal financial guarantees from any corner. The witnesses who appeared before the committee said they are not asking for federal financial guarantees. In fact, the pipeline company even went further than that and said that if it had to have federal guarantees, it would get out. I am not sure that