

Northern Pipeline

with the sociological conditions and the impact this will have on native communities in the Yukon.

This party was very pleased when the National Energy Board made its decision as it meant we still have a chance to develop the north in a civilized way, particularly the Mackenzie valley. Our pleasure turned to ashes, however, when we examined the deal. Our leader listed the minimum demands that Canada should make on this pipeline. In my view this party has no alternative but to vote against this pipeline. But we are not voting against the pipeline—we are voting against the deal. This is a bad deal for Canada and therefore we are voting against it. It could have been a good deal for this country, however. It could have had the guarantees, the environmental studies that we sought.

The government did not even have the guts to ask the President of the United States for another 90 days to make up their minds—even that was too much to ask. I think they would have received co-operation if they had asked for more time to think about it. We walk with such trepidation when we deal with our southern neighbours, it seems.

There are one and one half million people unemployed in this country, Mr. Speaker. Today we see a hemorrhaging financial situation. To the extent that we will receive substantial income in terms of balance of payments as a result of the pipeline, then it is a positive thing. We often forget that if we add our manufactured goods and the amount of raw resources we export, our balance of payments is on the positive side. When we consider what we pay for those resources in interest, dividends, service payments, and travel discounts, then we are in a negative position. That is why this pipeline was not a first priority. The first priority was to solve Canada's energy needs.

I have serious reservations about the kind of capital inflows that will be raised in Canada for the Canadian section of the line. We should give serious consideration to raising that capital abroad so that we could have more flexibility with our own capital. In this case, since it is a United States line for the purpose of carrying United States resources to the United States markets, I think if the minister had been on his toes he would have raised that as American capital.

Mr. Nielsen: Debt or equity?

Mr. Leggatt: Debt capital. We do not know how much of this is going to be drying up the Canadian capital market and how much will be from the international market. I think we could have built into the deal a proviso for foreign capital for this project so that we could reserve our own capital resources for our own energy needs. Let there be no misunderstanding—this is not going to solve our energy problems.

It is interesting to note, Mr. Speaker, that in the United States legislation there is a specific reference to no government guarantees. Why was that not in our bill? I think it was because the shrewd American traders have done a very neat job. If there are going to be overruns they know that our capacity to raise capital is more limited than theirs so they want that portion to be open-ended in order that in an

emergency situation they could fall back on a Canadian government guarantee.

I do not think this pipeline is going to start for another three or four years, but I am willing to bet that within eight years we will be presented with a bill to cover overruns on the pipeline. We have the example of the Alaska experience, Mr. Speaker, so it is not as though we are operating in a vacuum. I think their estimated cost of construction increased at least three times and the pipeline finally cost in the vicinity of \$10 billion. The original estimate was about \$3 billion or \$4 billion, I believe. We could very well end up in exactly that position. We could end up with the taxpayers of Canada guaranteeing a United States pipeline to deliver United States resources to the United States market. I do not think many Canadian taxpayers want to be placed in that position. Surely our efforts should be devoted to solving our own energy problems.

The initial reaction of this party was positive. It was one of the first political parties to point to the proposal as being more desirable than the Mackenzie valley line. When we consider how we were short-changed in the negotiations, however, there is not much doubt that we have been sold out again by a Liberal government.

Just the other day, in his usual witty way the minister suggested that instead of corporate bums we are now talking about corporate chums. I thought that was a very active line, and with his usual good humour I thought the minister perhaps struck a truth. There are people in my riding in the business community who hope to sell valves for the pipeline and they are rather pleased with the position this party has taken. They are convinced that we have been tough and that toughness has helped us with things like pipe specifications. They are happy there is a party in this House fighting for guarantees on jobs and materials.

I do not expect the president of Stelco, when they put a camera in front of him, to say anything except that he does not need the guarantees, that his company can compete with any in the world. His board of directors would get rid of him if he said anything else. However, I think if you asked him seriously about the positions taken by the various parties, he might say that the position taken by this party has been as supportive or more supportive of negotiating a good deal than any other party. Of course he does not have much choice.

● (1732)

When people say "the corporate chums", we will take part of the blame. We are not dogs in the manger on the question of the corporate sector in this country. We are happy to help them try to get a decent deal with the United States because this government hasn't done so.

Mr. Benjamin: It is our country, it is our land, and we are going to build it.

An hon. Member: God help us!

Mr. Leggatt: I hope this party will be proposing some amendments with regard to this particular legislation. I intend