

Problems erupted. The Americans, for whatever reason—and I will suggest a reason in a moment—could not raise the money to finance the pipeline. Exxon, to be specific, was giving the pipeline agency difficulties in putting in a financial guarantee for the building of the pipeline in Alaska. I will tell you why, Mr. Speaker. That gas up there is worth \$100 billion to \$125 billion. The oil company is in no hurry to get it out. Leave it in there for a few years, until the 1990s then bring it out. It will be worth four, five, ten, 20 times that amount—some \$500 billion. They are banking it up there, that is what is happening. Where can they get gas in the meantime? “Let us call on our good friends in Canada.” So they approached Mr. Blair.

Let me go back for a minute and remind the House that Canadian arctic gas executives from Toronto once said—and I was there at the time—“This guy Blair will never be able to get the financing for this line.” So he said: “Sure I can get the financing for the line”, and he was made businessman of the year. He was a wonderful man; he said he could get the financing. But the others were right, Blair could not get the financing, so he came back and proposed to the Canadian government: “Well, let’s just amend the act; let’s make a pre-build of the pipeline. Let us take Canadian gas and pay for the whole pipeline by shipping out Canadian gas.”

Today the Government of Canada—and I cannot believe the Minister of Industry Trade and Commerce (Mr. Gray) can sleep at night after making this decision—is prepared to okay an export pipeline to take away Canadian gas, to suck out Canadian gas and to send it to the United States, two trillion cubic feet of it.

I raised in the House, to the yawns of the ministry, another agreement. It was called a backstop agreement. In that backstop agreement TransCanada Pipelines, a Canadian company, said they would guarantee that gas would go through there. So we saw the ludicrous situation that if the whole line is never built and it never takes Alaska gas, not only will we first of all sell our Canadian gas at cheap prices, but we will even guarantee that gas will go through there. This means that TransCanada will have to send Ontario gas down from Ontario, through the pipeline, and back into Ontario.

I called it bizarre in the House of Commons. We had a great pipeline debate about keeping the pipeline in Canada and about shipping Canadian gas through Canadian pipelines. I find it strange. Nevertheless, Mr. Speaker, you may say: “Well, Canadians are not stupid; obviously, if they are going to send this gas out, if they are going to send out all this Canadian gas, now up to four trillion cubic feet, from Alberta, here is what they will do. They will get an agreement from the Americans; we will swap; we will give them that gas now and then, when they build the whole pipeline up to Alaska, we will get Alaskan gas.”

I asked the minister about this and I discovered there are no swap agreements in the scheme. So what do we do? We sell out all the cheap Canadian gas and then later on we will have to pay a lot of money, two, three, four times as much. Canadian consumers, out of their pockets, will have to pay

### *The Address—Mr. Waddell*

that because we sold all their gas off at a cheap rate to the Americans with no swap provisions. I asked the minister about this in the House. Do you know what his reply was, Mr. Speaker? He said, “Well, when I was at Venice last week I had some discussions with the American secretary of the interior and we tried but we didn’t really get anywhere.”

I asked him about guarantees. I said that if you are going to pre-build this part in the south, how about a guarantee that the whole thing will be built? After all, this is a \$600 million project. That whole project will cost \$22 billion, \$8 million of which is incurred in Canada. Wouldn’t that make sense? The minister of industry must be concerned about jobs, of course he is. But what is the point of providing one-tenth of the jobs if, when you hold out and are tough and you put this thing over for a year, you postpone it for a year, you could go back and really get American guarantees? I tell the minister we could get the whole loaf, not just one-tenth.

Senator Olson sends telegrams. I have seen his telegrams. Senator Olson, the lobbyist for the oil and gas companies, goes out and gets these telegrams. They are from gas companies and from some trade unions—

**Mr. Gray:** A lot.

**Mr. Waddell:** No, from some, not all of them; from some trade unions who are worried about immediate jobs, as well they should be. But other trade unionists realize that in the long term there are ten times more jobs there, and in the long term there will be jobs in terms of constructing a pipeline to the maritimes. But it has stopped at Quebec; they wouldn’t make a pipeline to the maritimes. There would be jobs in terms of making a pipeline to Vancouver Island. We have had no commitment on that.

Now, I ask this question, Mr. Speaker. As the cabinet makes its decision today, where does the minister of energy stand? I have a great deal of sympathy for him because I think that one part of his energy policy—to move Canadians off expensive imported oil to cheaper Canadian gas—makes a lot of sense. I think that makes sense, and I think it makes sense to Canadians. But it surely does not make sense to Canadians if they are told that and then told that we sold all their cheap gas five years ago.

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I cannot see how the Minister of Energy, Mines and Resources can live with that. When he was in opposition he said he would agree with the pre-build if we got some gas swaps and some ironclad guarantees that the whole line will be built. I asked him in the House, “Can you stand up with a straight face and tell me that those are ironclad guarantees?” I was referring to a resolution of Congress which does not bind the future Congress and which does not spend one bit of money. There was a commitment by private companies to do studies. There was reference to 2 per cent of the project. I know the government has a letter in its back pocket from President Carter which says he is in favour of it too; but he is not prepared to commit money, and we do not know how long