

● (1425)

NORTHERN PIPELINES

ALASKA GAS PIPELINE—CABINET DECISION ON PRE-BUILD SECTION

Mr. Edward Broadbent (Oshawa): Madam Speaker, we have had a weekend to read the interesting set of letters tabled on Friday afternoon by the Minister of Energy, Mines and Resources. In his letter to President Carter of March 12 when referring to the United States portion of the Alcan pipeline, the Prime Minister indicated that the United States should "resolve the Alaska financing promptly."

Considering that it took more than four months and an impending parliamentary recess in our country to produce a totally non-committal letter from President Carter last Thursday that included no specific guarantee of the Alaskan portion of the pipeline either in the form of annual timetabling for the construction or for the financing, why, in the face of a refusal to meet his request, did the cabinet agree to the pre-building of a portion of the pipeline only?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think it is important for the hon. member to realize that this letter which, as he says, took four months was not the first reply that I had from President Carter. I was writing him in March in answer to a letter from him dealing with the Olympics matter at that point and other subjects. I said "That is fine, we are going to look at that, but I also want you to look at certain things too". He phoned me at least a couple of times before writing this letter and I talked to him in Venice on it. This was a series of answers by the President. The final letter, I think, brought together in one place as strong an affirmation and commitment to policy as one could expect to get from the President of the United States, who is not himself involved in the financing but who expresses the political will of the administration after it had been obtained from Congress, to ensure that the whole pipeline be built. That is the context in which this letter was written.

Mr. Broadbent: Madam Speaker, it may present to us what the Prime Minister describes as the political will of the President, but I repeat, it contains not one word of guarantee either in terms of timetabling on an annual basis of the construction or guarantee in terms of the financing which the Prime Minister said in his March 12 letter was important to him. So what he asked for, he did not get.

I should like to put a second question to the Prime Minister. Last year, as the Prime Minister may be aware, the then secretary of energy, Mr. Schlesinger, as reported in the document entitled "Report to the Congress" by the comptroller general of the United States, in reply to a question about the level of guarantees, said that "\$2 to \$3 billion would appear to be an adequate level of guarantee" in financing the \$8 billion portion of the pipeline that is in Alaska alone.

Considering that Mr. Schlesinger said a year ago that \$2 to \$3 billion were required as a guarantee for that portion, a small part of the pipeline, why did the Government of Canada

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accept as a guarantee required by the law of Canada an amount of money that is a mere fraction of this \$2 billion to \$3 billion as a guarantee?

Mr. Trudeau: Madam Speaker, I quoted Secretary Schlesinger myself earlier saying words to that effect. That was in the context of building the whole pipeline. Naturally, if the whole pipeline were going to be built more or less at the same time, this type of guarantee would have been forthcoming and there would have been no need to amend condition 12 of annex 3. It is because the government had to respond to a particular request for building just part of the pipeline, which request was entertained and accepted by the National Energy Board, that the government then had to make the other decision, in view of the fact that the whole thing is not going together at the same time, namely do we have enough guarantees (a) that the pre-build will be financed, and (b) that the whole thing can be financed?

It seems to me the hon. member is begging the principle when he argues that indeed if the whole thing were going ahead we would have had more money on the table. But the whole thing is not going ahead at the same time. We are dealing with the question of building one part of it. It is the financing of that part which is necessary and required and which is present. It is the expression that the whole thing can be financed that this government had to make a decision on. That decision was based on the fact that we had more, in a sense, than financial guarantees about something that would happen two or three years down the road; we had the absolute guarantee of the President of the United States and of the Congress that they had the political will to see this thing proceed. That is the position of this government.

● (1430)

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, in the Prime Minister's letter, he himself states:

—the Canadian Government cannot, under the Northern Pipeline Act, authorize the construction of any part of the line, including pre-build, until it is assured that the entire line will be completed.

Mr. Schlesinger said that \$2 to \$3 billion was required as a guarantee for a small part of the line. With all due respect to the Prime Minister, I would suggest to him that if \$2 billion to \$3 billion is required for a small part, even more than that sum should be required as a guarantee for the whole, which is an essential pre-condition for building the part of the pipeline on which the government is going ahead.

Some hon. Members: Hear, hear!

Mr. Broadbent: As a final question, since clause 21 of the new freedom of information bill, introduced recently by the government, will enable Canadians to have access to cabinet documents that are relevant to the government's decision-making process, keeping in mind that that bill, of course, is not yet law, but to test the spirit of the Government of Canada and its willingness to comply with those principles, I would like to ask