

*Oral Questions***ORAL QUESTION PERIOD**

[English]

**ENERGY****CONSTRUCTION OF ALASKA HIGHWAY NATURAL GAS PIPELINE**

**Hon. Erik Nielsen (Yukon):** Madam Speaker, in the absence of both ministers responsible for answering questions relating to the Alaska highway natural gas pipeline, I shall direct my question to the Minister of Finance whom I know to be completely knowledgeable and familiar with pipeline-related matters.

The government has taken the position that there must be firm guarantees that the whole of the line will be built by 1985 before it gives approval to the construction of any of the Canadian portion. Can the minister tell the House, in addition to the existing legislation and the international agreement now in place what further assurances the government requires in order to permit the Canadian portions of the line to go ahead?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, at this point I am not in a position to advise the hon. member what further detailed assurances may have been requested by the minister responsible for the northern pipeline, but obviously, as the hon. member is aware, one of the necessities of the Government of Canada is to ensure the completion of the total line, as has been our objective from the beginning.

**Mr. Nielsen:** Madam Speaker, the government must surely be aware of the nature and extent of the assurances it is going to require before permitting the construction of the Canadian portions of the line. Has the government communicated the nature and extent of those assurances it requires to the United States government, in order to put them in the position of being able to acquiesce or otherwise to those assurances required by this government?

**Mr. MacEachen:** Madam Speaker, the hon. member knows that from the very beginning it had been the determination both of the United States government and the Canadian government to secure the completion of the gas pipeline. As my hon. friend knows, the Canadian government and the Parliament of Canada put this country in a position to have that line completed expeditiously.

Since that time, the arrangements, particularly the financing of the line, have not been completed in the United States. That certainly is at the very heart of the continuing assurances that are required and understood in the United States of the completion of this line.

**Mr. Nielsen:** The United States sponsors of the line issued a statement of intentions yesterday with respect to partial financing of the line. Do those assurances go to the extent of meeting the Canadian requirements? If not, should it not be the government's position to spell out the assurances required, in order to give approval to the Canadian sections of the line before the deadline expressed by the Canadian sponsors, who

said yesterday that unless cabinet came down with a position the western leg of the line would be abandoned at the end of August?

Surely it is time for the government to stop groping and fumbling around on this issue and come out with a firm statement of the requirements in order that the Canadian sponsors can go ahead with the job.

**Mr. MacEachen:** Madam Speaker, there has been no groping on the part of the Government of Canada on this particular project from the original negotiations, from the passage of the law and from the setting up of the Northern Pipeline Agency. The Government of Canada has been in a position from the very beginning to accelerate the expeditious construction of the line.

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I want to make it absolutely clear that there is no default on the part of the Government of Canada in the construction of the line, as inferred by the hon. member. The contrary is the case. We have been urging the United States government for quite some time to put itself in a position for this line to be built. May I tell my hon. friend, as I understand it, that the statement of intention made yesterday by the parties mentioned had to do, not with the over-all financing of the line itself but with the design of the line, which is quite a different matter.

**ALASKA HIGHWAY NATURAL GAS PIPELINE—OIL PRICING AGREEMENT WITH ALBERTA**

**Mr. Harvie Andre (Calgary Centre):** Madam Speaker, my questions are supplementary to those which the hon. member for Yukon asked. They are also directed to the Minister of Finance because of his special knowledge in this area.

The minister indicated there has been no groping with regard to this natural gas pipeline. If there has been no groping, there certainly appears to be foot-dragging or at least some new conditions imposed by the federal government. It has been suggested that perhaps these new conditions, or this foot-dragging have to do with the oil pricing agreement.

With the government's desire to get its own way in the oil pricing agreement, would the minister assure the House that the government is in no way utilizing its regulatory authority over the Alaska highway natural gas pipeline as a club or to get its own way in terms of an oil pricing agreement with the producing provinces?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the determination of the Government of Canada to get ahead with this project stands apart from the current oil price negotiations. I do not think the hon. member is doing the project any service by inferring that foot-dragging is taking place on the Canadian side.

**Mr. Nielsen:** The ball is in your court.