

The Address—Mr. Waddell

so-called pre-build. I suspect that most Canadians do not understand it, or better still are just coming to an understanding of what the whole issue is about before it gets railroaded past the House of Commons and through cabinet by the gas and oil companies.

This goes back to 1968. In the late sixties oil was discovered in Prudhoe Bay, on the north coast of Alaska. I have been there; it is a very desolate place. In winter the temperature goes down to about 78 below.

Mr. Nielsen: That's warm!

Mr. Waddell: The member for Yukon (Mr. Nielsen) says that is warm. I say it is a cold, desolate place. To use the words of an engineer who, in his Louisiana accent, said, "We have a real elephant here.", they do. They found oil there in the late sixties. Of course, the large multinational companies cornered the oil fields and the market. Coming from Alberta, Mr. Speaker, you know that when they pump for oil, there is gas as well. Sometimes the gas is injected back into the well to keep up the pressure. That is what is happening in those great fields in Prudhoe Bay, Alaska, at this moment.

A pipeline was built to take Alaskan oil to the lower 48 states. Unfortunately—and I say that because it was probably the wrong direction—this pipeline, which ended up costing \$8 billion and was supposed to cost \$700 million, went from Prudhoe Bay to Valdez. I have been the entire route of the pipeline. Let me tell hon. members that it is an engineering marvel across Alaska. The problem is it drops the oil in Valdez, on the southern coast of Alaska, and the oil has to go by tanker past the magnificent beaches of British Columbia, near my colleague's riding and my own on the west coast of B.C. These beaches are in danger of a big oil spill. However, that is another matter. The pipeline should have been built down the route of the Alaska highway. It would have made more sense. However, the government of the day did not have its act together—and we have the same problem now—and could not get the approval in place for the overland pipeline, so that is the way it was built.

So much for all that oil. It is going now. What about the gas? They need the gas. I am told by an expert in Canadian gas that the gas is worth between \$100 billion and \$125 billion, a lot of money. It is just sitting there. It will have to be brought out as it is needed in the United States. There was a proposal that Canada help the Americans. Why not? We will help them out if we can.

The notion was that they build a pipeline. They were going to build a pipeline from Prudhoe Bay through the Mackenzie delta to pick up Canadian gas, bring it down through the Mackenzie valley and take it down to points in the lower 48 states and in part to eastern Canada. There were disputes and hearings about it. That is what the Berger commission inquiry into the Mackenzie valley pipeline proposal was all about—something I spent three years of my life working on. There were magnificent hearings and there was magnificent public participation in that inquiry. It was pretty obvious that we were not ready to bring our gas down, first of all because we

really did not have it on stream in the Mackenzie valley and, second, because we were not ready in terms of the social impact on the native people and other people in the Mackenzie valley to have the pipeline constructed.

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It was therefore suggested by Bob Blair of Calgary that another pipeline be built to follow the route of the Alaska Highway and that it bring American gas to American markets. That made sense. We were giving it access across our country, but Canada would benefit because we could hook up to our reserves in what we call the Dempster lateral from Whitehorse up to the Beaufort Sea.

Mr. Nielsen: Dawson.

Mr. Waddell: Dawson, to be precise, a little north of Whitehorse.

Mr. Nielsen: A little over 350 miles away.

Mr. Waddell: We were going to hook that up, plus we were going to provide some jobs, get some construction contracts.

What was the position of our party in the House of Commons? Let me make the position of our party very clear on that issue. Our party is a democratic party so we are bound by our convention resolutions. Our convention in 1977 passed a motion to the effect that we were agreeable to that pipeline provided there were proper environmental safeguards in place and provided that there were sufficient jobs for Canadians. The Canadian government, as in the case of many other things, made a hash of the negotiations with the Americans and did not get a really good deal for Canada. We approved the pipeline in principle but we voted against the specific bill because it did not give those particular job guarantees and so on. That was our position. We are not against the notion of the pipeline.

That is what happened and Parliament passed the northern Pipeline Act in 1978 for a gas pipeline to transport American gas through Canada to the lower 48 states. That line was set out, and it is interesting to read the speeches of the Minister of Finance (Mr. MacEachen), the President of the Privy Council (Mr. Pinar) and other people who took part in that debate. If you read those speeches it becomes quite clear that Parliament was to be consulted. The Minister of Finance said that in his speech, as reported at page 4120 of *Hansard* of April 4, 1978.

The President of the Privy Council told us not to worry, as reported at page 2894 of *Hansard* of February 15, 1978. He said the whole pipeline would be built, that there would have to be financing for the whole pipeline, that we would be protected against non-completion; and in all the committee hearings there was statement after statement by one government member after another that legislation would ensure that there was financing for the whole pipeline and that there were commitments that the whole thing would go. The Americans, they said, wanted the pipeline and they should finance it. Well, that made sense.