

## Northern pipeline

## 'Boom' may bust before it starts

OTTAWA (CPA-CUP)—Canada may be in danger of losing the thousands of jobs that were supposed to have been provided by Foothills pipeline-related manufacturing and construction.

Both American pressure for a smaller-diameter, thick-walled pipe which Canadian factories are unable to produce, and financial pressures which may force the Foothills group of companies building the pipeline to seek U.S. money may result in Canadian workers losing the jobs that were supposed to be provided by pipeline-related manufacturing and construction.

Deputy Prime Minister Allan MacEachen, who negotiated the recent Canada-U.S. pipeline agreement, says he is unable to provide guarantees that Canadian factories will produce all the materials used in construction of the Canadian portion of the line.

But NDP leader Ed Broadbent points out that if Canada is to gain the 100,000 man-years of employment MacEachen boasted about after the signing of the agreement, 98 per cent of pipeline-related manufacturing would have to take place in Canada.

That is unlikely to happen because of a number of factors which are working against Canadian industry. Critics of the \$10 billion project, the largest ever undertaken by private enterprise, pointed out before the agreement was signed that MacEachen's forecast for jobs was extremely over-optimistic.

Despite their warnings, all four parties in the Commons supported its construction in a special August pipeline debate. That debate paved the way for the signing of the agreement and the NDP's support of the project proved to be the final blow to a beleaguered coalition of unionists, native people and environmentalists who were calling for a 10-year moratorium on its construction.

With construction of the pipeline not slated to start until 1981, several problems have already cropped up.

Foothills may not be able to raise all the money for construction of the Canadian portion of the line in Canada without government guarantees. During the pipeline debate, the company had assured the public that no such guarantees would be needed. But initial testing of the financial waters told it that some prospective investors wanted the guarantees to protect their money.

The government had assured parliament that no guarantees

would be forthcoming. Unless the government changes its tune, the Canadian money may not be forthcoming, forcing Foothills to seek American financing. As a natural condition of such financing, the Americans may want to see a good proportion of pipeline-related manufacturing take place in the U.S.

As Broadbent pointed out in the Commons recently, American investors were telling the business community through advertisements in the Wall Street Journal that 30 per cent of the construction would take place in the U.S.

The U.S. wants to use a smaller-diameter, higher-pressure pipe than that proposed by the Canadians in order to cut costs. But that means the steel walls on the pipe would have to be thicker, and Canadian manufacturers are unable to make the pipe to those specifications.

Imports of Japanese steel also come into the picture. With the announcement of a U.S. 'trigger-price' quota system on steel imports, the Japanese will lose a good deal of their share of the U.S.

steel market. That leaves Canada a prime target for the dumping of Japanese steel, which Japanese manufacturers will try to sell here in order to recover their share of the North American market.

Even if MacEachen's over-optimistic predictions about the number of pipeline-related jobs to be created in Canada come true, the effect would be to lower the rate of unemployment by only a bit more than one per cent. Now it appears the effect will be considerably less

than that.

That angers Broadbent, who told the Commons recently that "almost the only benefit" Canada would gain from the pipeline would be the jobs that were created as a result of its construction.

"What is at stake here is the integrity of the government and the categorical promise made by the deputy Prime Minister Sept. 9," when he bragged about Canada getting 100,000 man-years of employment from the pipeline, Broadbent said.

Yukon Indians, meanwhile, are again asking for a delay in the construction of the pipeline until their land settlements are implemented.

During the pipeline debate, the government assured parliament that land claims negotiations with the native people were proceeding smoothly and an agreement in principle was near.

Five months later, representatives of the Council of Yukon Indians were in Ottawa to say that not only were the negotiations not proceeding smoothly, but that the agreement in principle was at least 12 to 18 months away.

The government has also gone back on its promise to hold further inquiries into the social impact of the pipeline, where the Indians would be allowed to put forward proposals to cushion the impact.

Under questioning in the House of Commons, Indian affairs minister Hugh Faulkner said no decision had been taken on further inquiries.

Indian representatives said they may take their case to the courts if the Liberals persist in their attempts to steamroll the pipeline through their territory. If that happens, construction could be blocked for years while the matter is tied up in the courts.

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STRAW, WHICH WE WILL  
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DAY.

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YOU'LL SUCK  
ON IT DOWN  
AT YOUR  
END.



## CRYPTOQUOTE

Here's how to do it:

OXRUT OILZY  
is  
HENRY HICKS

One letter simply stands for another. In the sample O is used for the two Hs, X for the E, Z for the K, etc.

This week:

RER AEQWPY' XCPTY EF KHPRPA QJP YCLCDQJ

WEGCY XCPTY QBJCAQ. MPCWG YSCAPJ

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