

Northern Pipeline

ment its procurement program and would be obliged to comply with the plan after its approval.

In addition, certain proposed contracts received by the minister will require his approval before they are awarded. If the minister has reason to believe that a prospective contract might involve dumping, or other unfair trade practices, he could require the company to establish to his satisfaction that this was not the case prior to approving it.

Foothills will also be directed to obtain the minister's approval for a detailed manpower plan designed to ensure that maximum use is made of Canadian labour in the planning, construction, and operation of the pipeline.

I think it should be very clear that the legislation provides ample safeguards for achievement of the highest level of Canadian labour and industrial content consistent with our further objective of ensuring that the system also serves the interests of Canadian consumers through its construction at reasonable cost.

I am sorry about the length of this statement, but this is a very complex bill and subject. I should like to touch further on some of the other important provisions in the legislation.

Under this bill, the minister responsible for the agency is authorized to undertake consultations with the United States government and the governments of the provinces and territories in Canada, as required, to co-ordinate all aspects of the project as they effect different jurisdictions.

The legislation also envisages the establishment of a federal-provincial consultative council composed of officials, on the provincial side from the provinces of British Columbia, Alberta and Saskatchewan, and on the federal side there would be one representative of the agency and one representative from the Yukon government. The function of this council will be to supplement and complement the day to day liaison and co-ordination between those who have the primary responsibility for overseeing the project in the various governments. I might add, Mr. Speaker, that there has been a continuing round of discussions with provincial and territorial governments over a period of many months with regard to many aspects of the pipeline project. These consultations will continue and they will be formalized through the establishment of the mechanism which I have mentioned.

In addition, the governor in council will also be empowered to establish one or more advisory councils of up to ten persons to be drawn from outside of the government service in order to provide a two-way means of communication and consultation between interested public groups and the Northern Pipeline Agency. While it is not possible, at this point, to anticipate how many such councils might be created, it is certain there is the expectation that an advisory council for the Yukon will be established. As we see it, one of the tasks of this and any other councils would be to provide an organized channel for public input with regard to the detailed terms and conditions that will be proposed for consideration by the agency.

The National Energy Board Act will be amended by the bill to permit the National Energy Board, in future, to recover

[Mr. MacEachen.]

from any company all costs incurred by the regulatory authority in scrutinizing and monitoring the planning and the construction of any pipeline from the time of certification until one year after leave to open the system is granted. As a result of this amendment, which is in line with the practice followed in the U.S., Foothills will be obligated to cover the related costs of both the Northern Pipeline Agency and the NEB.

● (1602)

The bill creates two forms of penalties. Failure of Foothills to fulfil any term or condition included in the certificate of public convenience and necessity would make it liable to assessment of a fine by the minister of up to \$10,000 for each day of non-compliance. The company could require the minister to reconsider his decision, or appeal it to the Trial Division of the Federal Court. In addition, any person who fails to comply with the terms and conditions of the certificate or an order issued by the NEB, or one of its members, would also be guilty of an offence and liable on summary conviction to a fine of up to \$10,000 for each day the offence was continued.

In the case of any person directly affected by a decision relating to the pipeline by the NEB or its designated officer in the agency which had been approved by the governor in council, recourse will be available to the Federal Court of Appeal. The court could consider an appeal on the grounds that the board erred in law or in jurisdiction. The Federal Court is required to hear and determine any such appeal without delay, and the bill stipulates that the disputed decision may not be suspended in the interval. In its decision, which would be final, the court could confirm the order or refer it back to the board as the designated officer for reconsideration. In our judgment this procedure will ensure that the ends of justice are served, while at the same time reducing the possibility of the project encountering crippling legal obstacles which could add enormously to its costs. It was because such obstacles proved so very costly in terms of time and money in the case of Alyeska oil pipeline in Alaska that the United States has also adopted similar procedures with respect to the northern gas pipeline.

The bill contains a number of provisions with regard to tolls and tariffs. The governor in council, for example, would be empowered to make regulations to give effect to the provisions in the Canada-U.S. Agreement that relate to this question, as well as to prescribe the method to be adopted by the Board in establishing a rate of return on equity related to project costs. The definition of tolls in the NEB Act will also be revised to permit the board to authorize the imposition of such a charge at the time a pipeline is capable of transmitting oil or gas.

Under the bill, those sections of the legislation establishing the northern pipeline agency and delegating certain authority to it and the designated officer would terminate within one year following the granting of leave to open the pipeline for which a certificate of public convenience and necessity is being issued. These sections may be continued in force, however, by a joint resolution of both Houses of Parliament if a certificate is also issued for construction of the Dempster lateral to the