

Northern Pipeline

fact that a company in the United States buys its steel pipe from Japan and then acts as broker to sell it to Foothills (Yukon) Limited an unfair trade practice? We do not know. I do not think the minister knows and certainly the legislation does not answer that very vital question.

Some of the other things which we had hoped for and which my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), enumerated on August 4 as being, in our opinion, absolutely essential if we were going to support legislation putting this agreement into effect included, for example, consideration of the route. The route which was recommended by the National Energy Board, of course, has been altered. That alteration could save the Americans some money. It could also save Canadians some money, but only if we build it in the first place, and, if we do build it, if we keep over-runs down to 35 per cent. It is interesting to note that Mr. Schlesinger said of this clause:

● (2122)

It provides a formidable incentive for Canada to build the main line as efficiently as possible, and decrease the overall cost of service to U.S. consumers to the maximum extent.

That, Mr. Speaker, is what we have got by agreeing to bring the line from Whitehorse and not through Dawson: we are committed to an incentive to keep cost over-runs below 35 per cent. But the most serious defect is that there is nothing said about the \$200 million compensation fund, an idea which apparently has been rejected. There is nothing here about settling the native land claims: nothing about the \$50 million which was to be given to the Yukon Indians; nothing about the second review of the sociological and environmental problems, though this was promised by the government.

Finally, and most serious of all, this legislation sets up an agency which will become a bureaucratic smokescreen behind which this whole project will be continued and operated beyond the scrutiny of parliament. Parliament will have no control. There will be no estimates. Whole sections of the powers given to departments would be relegated to this group—a minister, a commissioner, an administrator, probably a deputy administrator, a consultative council and a number of advisory committees. What control will parliament have over this project? What accountability will there be to parliament and to the people of this country?

The day we pass this bill, unless substantial changes are made, we shall lose control of a \$10 billion project. I want to say on behalf of this party that though we support the building of a pipeline it is apparent that the promises and conditions which were set forth on August 4 have not been implemented, and unless they are implemented we have very serious reservations about whether this legislation should be passed by the parliament of Canada.

Mr. S. Victor Railton (Welland): Mr. Speaker, I listened with great interest to the speech made by the hon. member who has just resumed his seat. In the last portion of his remarks he appeared to be suggesting that parliament ought to be running this project on a day to day basis, as it were. In my

view that would be one of the most foolish policies we could possibly adopt. Parliament has a hard time running its own business without trying to manage the construction of a pipeline.

Earlier in his remarks he emphasized the importance of cost over-run provisions. Certainly this is important. It is extremely important that we should build this pipeline cheaply and efficiently, because we get the Dempster line for nothing. If we do not get it for nothing, if we exceed the 35 per cent, the line will still be built when the time is opportune, so we would not have lost anything. The decision made by the negotiating minister was a very wise one.

I was interested, too, in the remarks made by the hon. member for Yukon (Mr. Nielsen). He recalled that the President of the United States said on September 22, 1977, that unnecessary delay would increase the cost of the pipeline a great deal. We must make sure there are no unnecessary delays.

I enter this debate because I have been a member of the energy committee for five years and also because Welland is the home of the biggest pipe mill in Canada. It has a competitor in Regina called Ipsco and I understand there are one or two others. There are certain differences between these companies but they will all be kept very busy making pipe if we get on with the job here. The main thing is that under the northern pipeline agency we want to maximize Canadian content. But, of course, these pipe mills want to maximize their own content. These companies are different from their American competitors. The great United States Steel Company, which is situated in Texas, has much further to ship its pipe than our own industry in central Canada.

Perhaps I should say a few words about Stelco, the Welland company. Stelco (Welland Tubes) built a 7.5-acre plant two or three years ago. The company was wise, expecting the pipeline to be built. Another two acres was recently added to the plant, which is all under one roof; it cost more than \$50 million but all those concerned knew they had great competitive ability and the most modern type of machinery. The company is known throughout the world for the quality of its products and this has been the case ever since the time of the second world war when Page-Hersey Tubes came into being.

Some of the union members from Stelco came down to see the Minister of Industry, Trade and Commerce (Mr. Horner) recently. They told me that if this pipe mill were to start up on the basis of three shifts a day, each shift would put out a mile of pipe. The Welland pipe mill offers certain advantages when it comes to the assembly and bending of steel plate and welding the spiral type of pipe. It can use plate not only from Stelco but from other companies and produce pipe up to 80 feet long. Any diameter of pipe can be turned out and the mill can use all specifications of steel. Each 80-foot section can be moved into one of four bays in which the welding is done. Thus, it is not necessary to hold up the assembly line. According to the company manager, they are not worried about the thickness of the pipe. There has been talk about the fact that the National Energy Board has not brought out specifications