

Northern Pipeline

Mr. Cyril Symes (Sault Ste. Marie) moved:

That Bill C-25, to establish the Northern Pipeline Agency, to facilitate the planning and construction of a pipeline for the transmission of natural gas from Alaska and Northern Canada and to give effect to an Agreement between Canada and the United States of America on principles applicable to such a pipeline and to amend certain Acts in relation thereto, be amended in Clause 3 by:

- (a) deleting the word "and" in line 29 at page 3
- (b) striking out line 32 at page 3 and substituting the following therefor:
"industrial benefits by guaranteeing the highest"
- (c) striking out lines 35 to 38 at page 3 and substituting the following therefor:
"tion of, and procurement for, the pipeline; and
- (g) to facilitate the efficient and expeditious planning and construction of the pipeline while at the same time ensuring that federal government financial guarantees of any kind will not be required in order to complete the project.

Mr. Speaker: Motion No. 1 is grouped for discussion and voting with motion No. 11.

Mr. Symes moved:

That Bill C-25, to establish the Northern Pipeline Agency, to facilitate the planning and construction of a pipeline for the transmission of natural gas from Alaska and Northern Canada and to give effect to an Agreement between Canada and the United States of America on principles applicable to such a pipeline and to amend certain Acts in relation thereto, be amended in Schedule III at page 52, by striking out line 2 of paragraph 12(a) and substituting the following therefor:

"relating to the financing of the pipeline consistent with paragraph 3(g) and sub-clause 21(2) of this Act and such".

He said: Mr. Speaker, Bill C-25, regarding the northern pipeline, or the Alcan pipeline as it is commonly called, is one of the most important bills to come before this House in recent times because it incorporates legislation to provide for one of the largest construction undertakings since the St. Lawrence Seaway. This vast energy pipeline will be designed to transport gas from Alaska through Canada to southern United States markets.

The New Democratic Party are in favour of the Alcan pipeline, but we are not in favour of the bill before us because we feel there are a number of deficiencies in it with regard to guaranteeing maximum Canadian content in terms of steel for the pipeline and in terms of jobs, whether they be in the steel industry or in the construction industry. We are also concerned that we do not have any guarantee or provision in the legislation to ensure that, if the cost of this pipeline exceeds original estimates and the pipeline companies run into financial difficulties, they will not end up coming to the government of Canada, and hence to the taxpayers of Canada, for supplementary funding out of the public purse.

That is why I moved motion No. 1, which would do two things. It would provide stronger wording in the legislation to ensure that we get maximum Canadian content in this vast pipeline, and also that we do not end up becoming involved in some kind of government backstopping or financial guarantees in case there are cost overruns.

As we were told when we heard from the applicant, Foot-hills, this great pipeline will cost some \$10 billion. That is the original estimate. Some \$4 billion to \$6 billion of that will be spent on the Canadian section. We were told by the Deputy

[Mr. Nielsen.]

Prime Minister (Mr. MacEachen) that this pipeline would generate 100,000 man-years of employment in Canada. We applaud that kind of job creation. Because of the way the Liberal government has mismanaged our economy, because there are more than one million Canadians officially unemployed and because real unemployment is running at about 1.5 million, any project we can undertake which will employ steel workers and construction workers and which will benefit depressed regions is welcome.

One would think, given the disastrous economic situation in Canada, that any responsible government would try to ensure that we did not get the optimum level of Canadian content but rather the maximum level, and that we did not get about 60 per cent of the contracts but 90 per cent or 98 per cent. In return for giving the United States the right of way, this land bridge across Canada, to move American gas to American markets—because that is essentially what this project will be, at least in its beginning stages—surely it should not be unreasonable for Canada to expect in return something besides token job creation or token steel contracts.

We should be demanding maximum Canadian content in the pipeline, but nowhere in the legislation do we see any attempt to make ironclad provisions for maximum Canadian content and Canadian job creation. We have to rely on the assurances of the Deputy Prime Minister and the Prime Minister (Mr. Trudeau) that we will get 90 per cent Canadian content and 100,000 man-years of employment.

Why are we in this party somewhat suspicious of that verbal guarantee?

Mr. Blackburn: We have good grounds.

Mr. Symes: My colleague, the hon. member for Brant (Mr. Blackburn), says we have good grounds, because when we look at the past record of negotiations between the Liberal government of Canada and the government of the United States, we find that usually we come out holding the short end of the stick. Let us face the fact that Americans are some of the best negotiators. The United States is a very powerful country. It has much leverage which it can bring to bear whenever it enters into bilateral negotiations.

One has only to think of the past experiences of the Canadian government in such negotiations. I think, for example, of the Columbia River Treaty and the Canada-U.S. auto pact. Anyone who has examined those two international trade treaties in detail has come to the conclusion that, although we were promised at the time that these agreements were going to create great benefits for Canada, in reality it turned out somewhat differently. We are already facing huge deficits in the auto pact agreement and we are losing jobs to U.S. auto producers.

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Surely in light of some of this bad experience when we had our fingers burned in the past, we should be wary of this government's assurances that everything will be all right, that two or three years down the road when the pipeline actually