

*Northern Pipeline*

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I am skeptical when I am assured by this government, which sold us out on the Columbia River treaty and on the Canada-U.S. auto pact, that Canada can negotiate a good deal with the Americans when it comes to such things as the pipeline treaty we are now considering.

I am skeptical of the assurance of the Deputy Prime Minister that clause 10 of Schedule III of this bill will protect us from unfair trade practices. For example, nowhere in the legislation is there a definition of unfair trade practices. Is the United States DISC program, whereby the American government subsidizes companies in export trade, an unfair trade practice? Are government industrial and transportation financing and tax measures in Japan an unfair trade practice? We have no definition in this legislation, and without a definition my fear is that we will not have a fall-back which says there will not be unfair trade practices working against our steel companies. We cannot afford to delude ourselves with regard to this important project.

The president of Stelco says his company can compete on a fair basis, but given the past history of foreign competition where so much of it has not been fair, and given the fact that we have a government which is afraid and unwilling to build in guarantees that Canadian companies will get the work, my fear is that we will not get the lion's share of the contracts. The concern of my party is that we might not maximize the benefits of this Alcan project. We should be more than just optimistic.

If this bill passes unamended, and we rely on the assurance of the steel industry that it can be competitive, I am afraid that we will not maximize the benefits. There is no doubt that we will get some of the work, but we should get 90 per cent of the work or more, not less, because we are going to suffer the environmental and social effects of this pipeline. The hon. member for Northwest Territories (Mr. Firth) outlined those effects earlier in his speech. We will be providing a land corridor. We will not benefit from the gas. Surely with a clear conscience we can demand the majority of the contracts.

I read the report of an American intergovernmental study which estimates that approximately 30 per cent of the durable equipment for the Canadian section of the pipeline will be produced in the United States. The Deputy Prime Minister tells us there will be 90 per cent Canadian content.

I would like to quote from page 9 of a report produced by the Canadian government through the Department of Regional Economic Expansion as follows: "Unless there is effective control ensuring Canadian content, 67 per cent may be the more realistic projection". Unless we have control or some form of guarantee, the minister's optimistic prediction of 90 per cent will in reality more likely turn out to be 67 per cent. We have an American government study on the one hand, and the study of a Canadian department on another, both of which take a more pessimistic view than the Deputy Prime Minister as to what the percentage of Canadian content will be. We in

[Mr. Symes.]

this party are not content with 67 per cent Canadian content. We say it should be 90 per cent or more.

The bill before us contains no provision to ensure that the Canadian government, and hence the Canadian taxpayer, will not end up paying for cost overruns on the pipeline. When we remember the Alaska oil pipeline experience where the cost of that pipeline was over double the original projection, I think we can expect that the Alcan gas pipeline will also experience cost overruns. The American president was wise enough to say, as part of the American commitment, that the American government would not pay the cost overruns on this pipeline. We do not see the same provision here in our legislation to ensure that the Canadian taxpayer will not bail out the Foothills company when it finds that cost projections are exceeded by a great deal.

In addition, there is no provision in this bill for the settlement of native land claims before the pipeline is built. There are no provisions for expanded environmental studies. Indeed, the government has backed off. These problems were outlined by the hon. member for Northwest Territories, and I do not have time to go into the details at this stage.

● (1702)

It seems to me we have an obligation to Canadian workers, whether they are in the steel or construction industry, that Canadian content and Canadian employment be maximized by means of this project. We have an obligation to the people of the Yukon and northern British Columbia who live in the areas most affected by this construction. They should have a say and they should have adequate compensation for any disruption or damage caused by the pipeline.

But, most important, we say that unless the legislation is changed we will not have these guarantees. We may end up, not with 90 per cent Canadian content but something more like 67 per cent or even less. As it pertains to steel and other associated projects we will have betrayed the 40,000 steel workers and the tens of thousands of people who may work in construction. Indeed we will have sold out this very important potential for growth in the economy and for growth in job creation if we do not have these guarantees in the bill.

We are in favour of a pipeline, but we are in favour of the conditions that Canada gets the contracts and the employment opportunities. As the bill stands now, we do not have those guarantees. I do not see how any hon. member who calls himself a Canadian, who is interested in the welfare of Canadians and the Canadian steel industry, could support this bill as it is written.

**Mr. Stuart Leggatt (New Westminster):** Mr. Speaker, I would like to begin my remarks by referring to the problems that are inherent in the pipeline proposal. It seems to me my province is a forgotten area for the pipeline. I have listened with care and I would like to second the remarks made by the hon. member for Prince George-Peace River (Mr. Oberle) who I see is here, on the question of the attention that we have paid to the Yukon.