

United States a pig in a poke by demanding that it will join in the construction of a pipeline with an open-ended price.

Had we insisted on inclusion of the kind of guarantees being bandied about by opposition members, I firmly believe that our chances of achieving a satisfactory agreement would have been seriously jeopardized. In fact, even the provisions with regard to general competitiveness that were included in the agreement have been criticized in Congress. In its report to the Senate, the energy and natural resources committee called for what it termed "open competition" between Canadian and U.S. suppliers over the entire project and urged the administration to "go back to the Canadians to resolve the content issue".

Let me remind members as forcefully as I can that if we had been unable to secure an agreement with the United States because of a demand for a guaranteed Canadian input, or if that agreement were subsequently rejected by Congress, there would be no opportunity for Canadian workers to participate in this gigantic project, and there would be no opportunity in the foreseeable future for Canada to gain access economically to its own reserves in the Mackenzie Delta.

Let me point out another important factor, Mr. Speaker. Those who are proponents of such a buy-Canadian policy seem to be going on the assumption that we in this country do not need to concern ourselves about costs. Their view seems to be that this is primarily an American pipeline to carry American gas to American markets and, therefore, Americans should be required to pay a premium in exchange for the right to run the system across Canadian territory.

Nothing could be further from the truth. As I indicated earlier, the construction of the lateral to the Mackenzie Delta could, on the basis of currently established reserves there, be supplying some 10 per cent of our own gas needs here in Canada by the mid-1980s. By contrast, natural gas from Alaska is expected to meet only 5 per cent of U.S. demand by that time. In relative terms, therefore, Canadian consumers have a considerably greater stake in the cost of deliveries of gas from the Arctic than those in the United States.

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Quite apart from our general interest in the cost of building the system, we have also a particular interest because of the formula in the agreement under which the United States' share of the cost of transporting Canadian gas between Dawson and Whitehorse is determined directly by the capital cost of the system in Canada as a whole.

While some members are demanding establishment of a monopolistic preserve for Canadian pipeline suppliers, Canadian companies in the related industry have themselves sought no such protection.

It is rather interesting that the Leader of the New Democratic Party (Mr. Broadbent) should have become the protector of these companies which themselves have sought no such protection whatsoever. The fact of it is that over the years in Canada we have developed highly efficient companies in these fields and they ask no more than the underlying assurance

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provided in the legislation, namely, that they have a fair and competitive opportunity to participate in the supply of goods and services for the pipeline.

An hon. Member: Why don't you—

Mr. MacEachen: I will be happy to deal with questions later if I can, but I wish to finish my statement. While some hon. members may not agree with every point I make, there are some aspects that I believe it is important to deal with in order to clarify our thinking, particularly the terms of the bill before us.

The supply of pipe for the system has been a particularly contentious issue in the minds of some opposition members. Much of the argument has been totally overlooked with respect to the competitiveness of the Canadian industry. In fact Peter Gordon, the chairman of Stelco, has emphasized that his own company is not only confident of its ability to supply a substantial portion of the pipe for the system in Canada, but also to compete for some of the pipeline to be installed in the United States as well.

In this connection I should advise the House that I am hopeful I will be in a position to announce our intentions with regard to the question of pipe size and the pressure of the system between Whitehorse and Caroline before the conclusion of this debate. In fact the bill provides authority to the National Energy Board, with the subsequent approval of the minister, to make a decision with respect to pipe size.

It should be borne in mind that no decision can be made by the NEB or with the concurrence of the minister, on pipe size, until this bill is enacted. What I have agreed to do is to declare our intention as soon as possible on this particular item. I hope that it will be done either this week or not later than the first day of next week, and that the hon. members will not have to make a decision on the bill even though the terms of the bill provide that the decision can only be made, after the bill has passed, on the pipe size. Notwithstanding the provisions of the bill, I am quite prepared to declare our intentions within a time frame that I have mentioned earlier.

Some hon. Members: Hear, hear!

Mr. MacEachen: Let me point out that under the terms and the conditions there is a very important feature specified in the bill where Foothills is required to submit a procurement program covering all goods and services for the approval of the minister responsible for the northern pipeline agency. This program must be aimed at achieving the company's own objective of providing for a level of Canadian input that is as high as practicable. It must also be designed to ensure that maximum advantage is taken of opportunities to foster Canadian research and promote the long term development or expansion of viable Canadian suppliers.

Foothills will be required to submit to the minister an outline of the procedures that it proposes to follow to imple-