

this inquiry ensured that the people of the Mackenzie region were the most thoroughly-analyzed minority group in any population on earth.

In a statement to Canada's National Energy Board, the Arctic Gas group explained why so much painstaking attention had been paid to factors almost always ignored by resource-developers in the past. "Society's growing awareness of the importance of natural resources and of man's capacity to change the environment is one of the unique developments of this decade," the statement said. "In both the political and economic fields, efforts are being made to evaluate environmental factors and to place them in proper priority. . . . Because vast areas of the Northwest Territories and Yukon Territory are still virtually wilderness, there is a unique opportunity to develop an integrated plan for the rational management of northern natural resources."

When the report of the Berger Inquiry was issued in the spring of 1977, however, it totally rejected the proposed route of the Arctic Gas pipeline as environmentally unacceptable. It suggested that the Foothills route along existing corridors was a better choice, and this opinion was supported by the decision of the National Energy Board in July - a decision confirmed by Prime Minister Trudeau and President Carter in Washington on September 8.

In explaining its decision, the National Energy Board said it had never before faced such a complex and difficult choice. "This is not only because of the immensity of the projects themselves and their importance to all Canadians," the Board declared, "but also because of the magnitude of the potential socio-economic impact on the peoples of the Arctic environment." Complicating factors were claims to ownership of large areas of land in the regions through which the pipeline would pass by native people's groups, Indian and Inuit (Eskimo). The Berger Report recommended that no pipeline be built in the Mackenzie Valley for ten years, to allow time to settle the land-claims and to enable the native economy to prepare for survival in competition with the capitalist economy represented by the pipeline.

An inquiry similar to that of Mr. Justice Berger, but limited to three months, was conducted into the potential impact of the Alaska Highway pipeline on the environment and socio-economic situation of the Yukon. It recommended a four-year delay in starting the project while native land-claims and other issues were settled. But the final agreement between Canada and the United States provides for a start on the Yukon section of the pipeline in January

1981, seven months earlier than recommended by the Yukon inquiry.

The agreement itself establishes another precedent for resource-development projects of this kind. It provides that Foothills Pipe Lines Ltd must make an advance payment of up to \$200 million to compensate for the social and economic impact of the line. This will be credited against future tax obligations of the line, which are estimated to amount to as much as \$1 billion during the 20 to 25 years of the project's life - a substantial income benefit to the Yukon.

Aside from the environmental, social and economic considerations, however, there was another fundamental reason for rejecting any proposal for a pipeline from the Mackenzie Delta at present. The amount of proved gas reserves, between five and six trillion cubic feet, found in the Delta did not warrant building a pipeline for economic reasons - they were not yet worth the cost.

For Canadian industry as a whole, the final outcome of the long pipeline struggle represented a landmark in the process of maturing. It will be the first major development project in the history of Canada that was planned, managed, built and owned by Canadians, and in particular by Western Canadians. (During the last century, the Canadian Pacific Railway was built largely under British and American management. The Trans-Canada pipeline was built a couple of decades ago under the control of what the project's opponents in Parliament called "Texas buccaneers", though it gradually came under Canadian control once it was built.)

The president of the Foothills company, Robert Blair (who also heads its Calgary parent company, Alberta Gas Trunk Line Co. Ltd), has interpreted the victory of his group as the end of Canada's economic colonialism. In a speech late in 1977, Blair said Canada was no longer a "technical or engineering colony" of any country. Canadian industry now had the leading technology in the world for the development of oil-sands and heavy oils, important potential sources of future energy, and for building large-diameter and high-pressure pipelines in cold weather, as well as for hydrocarbon exploration and development in Arctic regions.

For Canadian businessmen and management, Blair said, now "is a great time for our companies and managements in Canada to be taking charge fully and doing it our way". No project in Canadian history will provide Canadian industry and management with a better opportunity for "doing it our way" than Blair's own Alaska Highway pipeline.

*Landmark
in maturing
of Canadian
industry*