

When Pierre Trudeau and Jean Chretien, minister of Indian Affairs and Northern Development, unveiled last Spring their grandiose plans for the development of an energy corridor down the Mackenzie River valley from the Arctic ocean, few Canadians appear to have grasped the true meaning of the message. Perhaps they dismissed it as more pre-election rhetoric or chalked it up to that mysterious, periodic affliction of Canadian politicians—the 'northern vision'.

Alas, the Mackenzie valley corridor is neither gimmick nor fantasy, and the underlying vision is that of the international petroleum industry hard on the scent of black gold. The Mackenzie highway, an oilman's freeway to the frontier (developed with millions of our tax dollars), is already under construction. A natural gas pipeline seems a virtual certainty before the end of the 70's; an oil pipeline is a strong probability. Plans for other lines from the Arctic islands to eastern Canada are in the air. Yellowknife, Inuvik and the many smaller communities of the north are undergoing dramatic and wrenching social changes as they confront Imperial Oil and the other petroleum giants in the scramble for Canada's last frontier. With the unrepressed zeal of a Calgary Stampede and the awesome logistical might of a second Berlin air lift, the oil industry and the federal government are dragging the north into the age of progress. The Great Northern Hustle is underway.

The driving force, the motor, behind all this activity is the resiless expansion of the major international oil companies (most of them American, none Canadian) in search of new discoveries and a better profit margin. The same pressures which sent the Manhattan lumbering through the Northwest Passage are now turning the Canadian north—and Alaska—into a hunting preserve for the world's biggest resource developers. That American 'energy crisis' we hear so much about is strictly good news for the petroleum companies and their Canadian subsidiaries: an insatiable demand for oil and gas means soaring prices and market potentials and higher profits.

By any measure of success, the oil business and its junior service industries are booming. In December the Toronto Stock Exchange's Western oil index hit a three-year high. Production and exports are well up, exploration activity is increasing in three separate regions of Canada and W. O. Twaits, chairman of Imperial Oil, assures us that 1973 will be even better. Capital spending by the oil and gas industry in 1973, he suggests, will rise by a whopping 20 per cent to \$1.2 billion. A measure of his optimism may lie in the fact that Imperial has already landed a \$4 billion contract with two American companies for Arctic gas: provided, of course, the pipeline is built. Armed with their exploration incentives, depreciation and depletion write-offs, tax deferrals and all the other goodies which ease the oilman's burden, Imperial, Gulf, Shell, Mobit, etc., are pouring huge amounts of time and money into their plans for getting frontier gas and oil to the U.S. market. Canadian Arctic Gas Study Ltd., a large consortium of petroleum and transportation companies, intends to apply to the National Energy Board this summer for permission to build a gas pipeline from the Mackenzie delta: which is, according to *Oilweek*, 'the hottest exploration area on this continent today'. That alone will cost 5 billion dollars, but the total cost of the various projects in the air could be above 30 billion (our annual G.N.P. is about 100 billion). The oil industry prides itself on 'thinking big'.

Anyone familiar with the operation of the industry in Alberta can predict with some confidence what will happen at the Energy Board hearings next summer. The oil executives will try to overwhelm the opposition with their expensive and glossy brochures, their 'exhaustive' reports, expertise, statistics, charts and so on. An atmosphere of great urgency will be created: the cry will be, it's now or NEVER! Then their well-heeled, tame

the fix is on

the great northern hustle

by Larry Pratt, assistant professor of political science

Quite generally, what reason is there to suppose that the public interest or the interests of those who live in the north can be safely entrusted to a small group of businessmen, politicians and bureaucrats who have a very special interest in the outcome of this debate? What reason is there to surmise that the interests of the oil empires coincide with those of the peoples of the north—or of Canada, of that matter? And on what possible grounds can decent Canadians defend the ghastly premise that the hinterlands of this country must provide the 'solution' to the energy needs of American capitalism, and damn the consequences?

The depressing fact of the matter is that the fix is on. The oil industry's profit motive and the governments' fast-buck philosophy of resource exploitation have produced a convenient meeting of the minds, and anyone who decides to take on all that power and money had better be ready for a rough ride. The opposition will get no help from government or business, and on present performance it should expect little encouragement from our research institutes or media. A very unequal battle is clearly shaping up.

Nevertheless, there will be an opposition. Too much is at stake to let the executives and bureaucrats win this hand of the energy poker game. The original peoples of the north stand to gain a few temporary jobs, but they will lose much more. The energy corridor will pass through lands whose proper ownership is still subject to treaty dispute. The callous treatment of the Eskimo people on Banks Island in 1970 was warning enough of what lies in store for those whose way of life conflicts with the oilman's interest. The permanent jobs created by the gas pipeline will be a couple of hundred at best, and few of those will go to northerners. The industry and government project great economic spillover effects for the north, but what social changes will accompany them? When powerful, technocratic forces come into sudden contact with vulnerable, traditional cultures: who usually loses?

Canada's conservationists are up in arms against the Mackenzie pipeline, and they too have some powerful economists, biologists and anthropologists will be trotted out to deal with the anticipated criticisms. The engineers and scientists will 'prove' that the pipeline can be built without damaging the fragile ecology of the

north. The social scientists will 'prove' that the native peoples can only gain from the blessings of resource development. The economists will 'prove' that the massive amounts of capital needed to build the pipeline can be raised without disrupting the rest of the Canadian economy or damaging our export trade. All of this is currently being planned by the industry's strategists.

The pipeline would be a pipe dream, of course, without the active encouragement of the federal politicians and bureaucrats who run the Departments of Indian Affairs and Northern Development and Energy, Mines and Resources, both of which—with the National Energy Board—have close ad hoc working arrangements with the oil industry. Ottawa is charged with defending the public interest and the rights of the native northerners—Eskimos, Metis and Indians—who live above the 60th parallel. But there is overwhelming evidence that the government has already cast in its lot with the vested interests. Large royalties are at stake and the government also has a large economic stake in companies like Panarctic which are involved in northern exploration. It has used the Oil and Gas Land Regulations to lease out millions of acres of northern land to the resource developers—leaving the native peoples who depend on that land for their livelihood at the mercy of the oilmen. It has excluded the Department of the Environment from any jurisdiction north of 60 degrees and given Jean Chretien's department total authority for all aspects of northern development: an amazing situation, given the sharp conflicts of interest which already exist. Time and again Ottawa has capitulated to intensive lobbying by the resource industries. Reports which should be subjected to public scrutiny are stamped 'for internal use' and locked away. Doors which are always open to those 'louder voices'—the corporate lobbyists—are closed to that inconvenient nuisance, the dissenting citizen. The truth is that the elite of Ottawa's civil service has never had much use for the rhetoric or practise of participatory democracy.

Canada's conservationists are up in arms against the Mackenzie pipeline, and they too have some powerful arguments. James Woodford, in his disturbing book, *The Violated Vision: The Rape of Canada's North*, points out that there have already been serious blow-outs of Arctic gas wells, and the worst offender has been Panarctic Oils Limited—our 'Government oil company'. Woodford and others have argued that there is a serious lack of basic knowledge of the ecosystems of the Arctic and sub-Arctic, and that there should be a moratorium on further exploration and development of resources until a great deal more unbiased research has been completed. Back in 1969-1970 Pierre Trudeau was arguing that the Arctic was of vital ecological importance to the world, and he seemed to be saying that this interest had priority over any economic interest. But now he champions energy corridors.

Finally, there will be others at the N.E.B. hearings who will argue that the Mackenzie corridor is the wrong place and the wrong way to develop Canada. They will urge that our resource economy makes us too dependent on foreign capital and markets and that the vast amounts of money required to develop frontier resources will be raised at the expense of our manufacturing industry. The pressure on the Canadian dollar could hurt our export trade, drive up interest rates at home and create a 'boom-bust' cycle. The export of mainly crude, unprocessed raw materials amounts to the export of jobs and the perpetuation of underemployment. The frantic scramble to cash in our mineral wealth will reap a bitter harvest one day when we find ourselves the owners of a great many expensive holes in the ground. We are, as Eric Kierans points out, a country in the process of colonizing and underdeveloping itself.

But none of these arguments impress the American oilmen and their juniors in Calgary and Toronto. Mr. Twaits, indeed, has been busily trotting around the country warning business groups that if the pernicious doctrine of leaving the resources in the ground takes hold and the pipelines are not built soon, then the oil industry will leave the north and never return. Can we get that in writing, please?

