

The Address—Mr. Oberle

resource down to their markets. At that time we procrastinated.

In fact much of the debate which has been going on here in recent days went on in 1970 and 1971 as well, when the Americans wanted to bring oil down. We in the west, and particularly I in northeastern British Columbia, never had any doubt that that was the proper route to take. I was selfishly motivated, of course, because I realize probably more than anyone what the economic benefits of that kind of system and that kind of industrial endeavour can be. However, at that time we frustrated the process so long that the Americans finally said that they could not wait forever. They were in dire need of this resource. They had to secure their own energy needs and to find some other alternative, and they did.

Alaska delivers to the United States roughly two million barrels of oil a day. The Americans built the Alyeska pipeline through Alaska, and facilities at the Pacific Ocean to load tankers to deliver that crucial resource down the west coast to the United States. As soon as the system was built, we went running down to the United States to say that we were worried about those tankers going down the west coast and that there could be accidents. We were worried that they could break up. They are vulnerable in a strategic sense. What if we ever got into a war with the Japanese? I hope it would not be with the Japanese, obviously, but the Russians might come and blow those tankers out of the water. What did we do?

The Americans frankly told us that they had asked us to build a pipeline through Canada but that we did not want that. Then we did not want tankers either. Here we are now in 1980, the Americans are now ready to deliver another 800,000 barrels of oil daily, and again the prospect of a pipeline is being discussed. Let us remember that 1,200,000 barrels are already proceeding by tanker, and again we are procrastinating. The Americans have really given up on us, and they are now building additional facilities to handle this additional oil. They are shipping that down by tanker as well, thus rendering our west coast very vulnerable in terms of the ecology and the environment.

That is some of the background to the pipeline politics in the west. That is another component of pipeline politics which is being considered as we make a decision on the Alaska highway gas pipeline.

The pipeline was always intended to serve the purpose of North American energy co-operation. There are some very significant industrial and economic benefits to Canada, but the pipeline is also planned to accommodate the delivery of our own gas from the Arctic to the south. All my friends have heard of the Dempster Link and the concept of building a pipeline from Inuvik to absorb the gas which is in the Beaufort Sea, and bringing it to the Alcan or the Alaska highway gas pipeline and joining it at Whitehorse, Yukon. The American line is so designed that it increases in size at Whitehorse and all the way down to the United States border to accommodate the delivery of our Canadian gas. Imagine, the Americans are prepared to pay the additional cost of increasing the size of the conduit to accommodate the delivery of our own gas. So it is

not just an American pipeline or a pipeline which is just in the American interest. There is a very clear Canadian interest connected with this pipeline as well.

The question of the pre-build is not a new concept with has been thrown in in the last three or four weeks. It was always talked about from the very beginning. It was always felt that it may well facilitate the financing of the whole scheme. We talk about \$22 billion, \$25 billion or \$26 billion. Can anyone here really imagine the amount of money that is? It is money which is to be spent to a great extent in Canada. It is money which is to be spent to a great extent in Ontario, the industrial heartland of our country, where the pipe will be manufactured and where workers in the foundries will be making valves and other important components. In fact the Americans are really angry with us because they are totally out in the dark. Canadian firms have under-bid the Americans for the pipe every time, and the Americans are very angry. Imagine, one of the main components of the pipeline is of a size which the Americans cannot manufacture at all. It all has to be manufactured in Canada, and the Americans are saying that we are not fair.

American firms claim that we have too much of an advantage because of the difference in the dollar, but still the Americans have said "Let's go ahead". It is a competitive thing. After all, it is free enterprise. We want to get this project under way in the cheapest possible way, and as it happens Canada will get the lion's share of that \$25 million that the project will cost.

It was always said right from the beginning, as I set out to say, that the pre-building of the line is almost essential to the financing of the whole. There never was any doubt that we have surplus gas in Canada which in the short term should be exported to the United States. Again I want to take hon. members back to the global picture and to this hypothetical situation I have explained. We have surplus gas. We have instructed our Energy Board to use a formula to ensure that over a certain period of time our energy needs are secure. The energy board is required, first of all, to look at the catalogue of proven reserves, identified reserves, and reserves ready for market, and to compare those with the demand which could possibly be placed on these reserves over a period of 25 years. In doing so the board is required to take a look not only at the present demand but also at the obvious necessity to convert major industries away from oil to natural gas and the obvious desire to extend pipeline systems to the maritimes and Quebec, to get away from reliance on foreign oil to generate electricity and to convert homes to natural gas.

• (1720)

Having taken all that into account, the National Energy Board is then required to protect all these needs over a period of 25 years. Anything that is surplus to that should be made available for export. Last year the Conservative government decided that at that time we had 3.75 trillion cubic feet of natural gas available for export. I should also say that the National Energy Board is required to adjust these figures from year to year. That takes us to the year 2005, and one does not