

Northern Pipeline

expressed. I am sure that they in turn understand that there are problems in connection with this issue involving the division of jurisdiction between the federal and provincial governments. While the primary responsibility in this area rests with the British Columbia government, we recognize our responsibility for the welfare of native communities along the pipeline route. It is not yet clear how the provincial government intends to proceed, and we will want to obtain its views. For our part we would certainly be willing to consider having public hearings held in the region to examine the detailed terms and conditions that would apply to the project throughout north-eastern British Columbia, as we plan to do in the Yukon.

Some interest has been expressed in discussions between Canada and British Columbia. I can tell hon. members that earlier this week I had a comprehensive survey, with the minister of energy and environment, the Hon. Jack Davis, on the interface between the federal government and the province of British Columbia with respect to the operation of the pipeline and the benefits that the province of B.C. will derive from this operation.

The hon. member for Yukon also raised a question as to who would be responsible for distribution of gas within communities in the territory. While that is a question which remains to be determined in consultation with the Yukon government, I understand that at least two companies have indicated an interest in resuming responsibility for that operation.

Mr. Nielsen: I hope it is not NCPC.

Mr. MacEachen: The Parliamentary Secretary to the Minister of Public Works and Minister of State for Science and Technology (Mr. Maine) underlined the importance of the provision we are making through an agreement with Foothills for the possible future electrification of its compressors in the southern Yukon in providing a potential base for future major expansion in electrical generating capacity in the territory. As he recognized, such a development could provide an opportunity for further expanding the industrial capacity of the Yukon and employment for the growing labour force of the Yukon.

I think there is very little I can add at this stage to the question of native land claims. The hon. member for Nanaimo-Cowichan-The Islands complained that there was no provision in this legislation for the settlement of such claims. In my view it would be quite inappropriate for us to make such provision in this legislation.

The hon. member for Yukon thought we would be in for quite a shock if we considered that we were on the verge of settling claims in the Yukon. I can only repeat that the federal government is making and will make every effort to achieve a fair and just settlement just as quickly as possible. As hon. members will recall, the Lysyk inquiry concluded that it was quite possible to reach early agreement and considered that it was in the interests of Yukon Indians to do so in order to enable them to take full advantage of the benefits offered by the pipeline project.

Mr. Nielsen: That's right, but they don't believe that.

[Mr. MacEachen.]

Mr. MacEachen: The question of Canadian ownership—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the Deputy Prime Minister (Mr. MacEachen), but his allotted time has expired. However, he may continue with unanimous consent.

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I thank hon. members for giving me additional time. I hope they will not regret their decision as I reach the conclusion of my remarks.

Let me turn to the question of Canadian ownership and equity participation in the pipeline. This subject was raised by a number of members of the official opposition and members of the New Democratic Party, and I have no doubt that hon. members will want to probe this issue more fully in the special committee.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) contended that there was nothing in the legislation that made any mention of conditions laid down with regard to the financing of the pipeline to make sure that Canadian content where it really counts—ownership—will be protected. I must advise the hon. member that on this point he is quite wrong. The majority Canadian ownership of the system in Canada is actually doubly protected under the legislation. The parent corporation, Foothills Pipe Lines (Yukon) Limited, and the two sponsoring Canadian-owned companies which control it, Westcoast Transmission and Alberta Gas Trunk Line, cannot terminate, alter or amend their shareholders' agreement without the prior approval of the minister and the board.

Mr. Nielsen: That is not what he meant.

Mr. MacEachen: Further protection is provided under clause 12(a)(i) of schedule III of the bill, which requires the company to submit evidence to the minister and the National Energy Board prior to commencement of construction which establishes, in effect, that it is a Canadian controlled company as defined in the Foreign Investment Review Act.

● (2022)

An hon. Member: What about Canadians buying shares?

An hon. Member: What about Canadians generally?

Mr. MacEachen: Hon. members have asked about Canadians generally and I want to say a word or two about that. Members have underlined the importance of ensuring that opportunity is provided for the widest possible acquisition of equity in the Foothills project by Canadians. Because Foothills will be funded on a project financing basis rather than by the more conventional means adopted by companies that are already going concerns, it will be essential for the sponsoring companies to put up all the required equity initially as a prerequisite to raising the necessary debt capital.

When the bill is before committee, members will have to ask themselves whether it would be feasible at that stage to insist that common shares be made generally available to the