

Mackenzie Valley Pipeline

overruns of the pipeline are added to the final figures. Recent major projects in the north, such as the Trans-Alaska oil pipeline, or the James Bay project, have suffered from cost increases ranging between 100 per cent and 1,000 per cent over original predictions; yet Arctic Gas has estimated an overrun of only 25 per cent. A cost overrun likelihood has recently been documented by studies undertaken in both the United States and Canada. The evidence concerning overrun is overwhelming. The final result is that Canadians would end up holding the bag. The only way the Arctic Gas project could be built is with financial guarantees from the government of Canada. Arctic Gas has admitted this at hearings before our National Energy Board. The moral of the Arctic Gas proposal is clear: the Americans would get the gas and Canadians would get the cost. Some justice!

An additional economic argument must be considered by all Canadians. On top of paying for the completion of a pipeline Canadians do not need, the economy would suffer severe dislocation. In three years, if it is decided to proceed with the Arctic Gas proposal, a company would be created in Canada with more equity than the largest Canadian bank has.

An hon. Member: Right on.

Mr. Broadbent: That course would have profound consequences for the future of our country. Raising the \$900 million Canadian equity would represent 25 per cent of all the new stocks issued in Canada for three years and bleed our ability to finance plant expansion, new businesses, housing and hospitals, to name only a few sectors which would suffer all over this country. Our exchange rate could be knocked out of whack and the economy would go through a slump in the north and elsewhere once the construction phase of the project had ended. These are serious economic arguments, negative economic arguments about which almost no one in the country is talking and which the NDP wants to emphasize. I say, let us not hear, to quote a gem of instant, propagandistic wisdom, that "we may have to sacrifice all that noble sentimentality of Berger's report because we need the gas." The truth is we do not need the gas until the mid 1990s. If we did get the gas from the Mackenzie Delta now, it would be too expensive. Building a pipeline to provide a conduit for United States' gas to United States' markets, according to the Arctic Gas proposals, would totally distort other Canadian investment priorities to meet other Canadian human and regional needs.

● (1230)

What about the economic impact of the Mackenzie Valley pipeline on the north itself? Mr. Justice Berger's report deals specifically with the myth, and it is a myth, that the pipeline is essential to the economic well-being of the northern part of our great country. His conclusions after two years of study and after more years of carefully sifting the economic evidence are as follows. I want to quote at length because the report of Mr. Justice Berger has been erroneously dismissed as consisting of moral platitudes. What does he say about the hard-headed economic evidence? He says the following:

[Mr. Broadbent.]

It is an illusion to believe that the pipeline will solve the economic problems of the north. Its whole purpose is to deliver northern gas to the homes and industries in the south. Indeed, rather than solving the north's economic problems, it may accentuate them . . . The fact is that large scale projects based on non-renewable resources have rarely provided permanent employment for any significant number of native people. There is abundant reason to doubt that a pipeline would provide meaningful and ongoing employment to many native people . . .

Construction of the Mackenzie Valley pipeline could produce a serious distortion of the small business sector of the Northwest Territories. This would raise problems for the orderly development of regional economic and commercial activity in the long run.

The point is simple enough: the extension of the industrial system creates unemployment as well as employment . . . We must cease to regard large-scale industrial development as a panacea for the economic ill of the north.

There are many economists who are experts in regional development throughout Canada and, indeed throughout the world who would agree overwhelmingly with Mr. Justice Berger's hard-headed economic conclusions about the north. Added to this, Mr. Justice Berger documents, and this is very serious, the social costs that would occur as the result of hastily going ahead with the pipeline at this time. What does he say would occur? What does he say would be the result for the native people of Canada whom we have treated so badly through most of our history? He says the following would occur in increasing degree: alcoholism, family breakdown, crime and welfare dependence.

Can that evidence be ignored? I think not. These are human facts. They are not bleeding-heart laments from some well-meaning do-gooder. They are based on the actual experience of building the Trans-Alaska pipeline and the DEW line. They are based on the overwhelming evidence of nurses and doctors who have lived among the native people of the north for many years. In short, they are rooted in the experience of the native people's eloquent and sad testimony to their own history.

It is important to note that Mr. Justice Berger does not ask that we turn back the clock of history, another erroneous, ill-informed and stupid criticism of the report. Mr. Justice Berger is not burying his head in the sand of history. He is simply saying to Canadians, "Let's take care". He is saying that a little time is required, only ten years, ten years out of the hundreds that the native people have lived there, so that they themselves can have a hand in shaping their own development in the resource development that will come, so that they may develop their own institutions and make them relevant to events that will change their lives.

The native people of Canada, no less than the rest of us who live elsewhere, are not planning for a no-change society. They know that change will come, that history marches on. What they are asking for through Mr. Justice Berger's report is a crucial part in the decision-making that is going to affect their lives.

Some hon. Members: Hear, hear!

Mr. Broadbent: We in the south demand no less for ourselves. Why should we expect less for the native people of our north? I want to make this point as clear and unambiguous as I can. To ignore Canada's native people now would be a moral