

ALASKA GAS PIPELINE—QUERY RESPECTING COMPLETION OF PROJECT. (B) EXPORTS OF GAS TO UNITED STATES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the question we have to debate during the next ten minutes is the matter of the Alaska gas pipeline and the responses given by the Minister of Energy, Mines and Resources (Mr. Lalonde) on October 22 to a question put to him by myself. The minister is not here this evening, but his partner in crime is, so we can proceed.

I will preface my remarks with a quotation from *Hansard* of December 6, 1979, page 2101. At that time the gentleman who is now Minister of Energy, Mines and Resources is quoted as saying the following with respect to the Alaska gas pipeline. He is referring to a statement by the then minister of energy, mines and resources, the hon. member for Saskatoon West (Mr. Hnatyshyn). I quote:

There is no word in this statement regarding swaps, and nothing about the eastern Canadian situation, the building of the Quebec and Maritime pipeline, and the possibility of exports to the northeastern states. In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing plan and the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

We have to contrast this with what he has done since being in government. The question of the Q&M tie-in was forgotten straight away. With regard to the question of gas swaps, what happens after we have exported our gas to the United States? Can we get some back from the Prudhoe Bay project? That was forgotten straight away.

Let us look at the ironclad guarantees. In my opinion, they are not guarantees. All the minister has is a best-efforts promise on the part of the United States administration and Congress. A guarantee is a guarantee because it is enforceable. There is nothing in the promises the minister has received that is enforceable in any tribunal.

The complaint I have is that on October 22 when the minister was asked a very simple and straightforward question about the difficulties that had been experienced in getting the waiver package through Congress, his reply was along the following lines. He told us on this side not to worry about it, that they have everything under control and that everything in the garden is rosy. That was his approach. He said "trust us". Can you imagine trusting the bunch on that side? That was the sum total of the minister's response.

Everything in the garden is not rosy. There are a lot of problems with the Alaska gas pipeline. A lot of delays have already been experienced. At one time the final completion date was to be in 1983. Now it is going to be 1986, or the beginning of 1987 at the very earliest, and there is the possibility of yet more delays.

The costs have escalated fantastically. We are now talking about \$45 billion to construct the pipeline. With the high interest rates that have come about in the meantime and the higher prices for all commodities, these prices have doubled in the last few years.

Adjournment Debate

With regard to the waiver package before the United States Congress, I would like to read something from the *Ottawa Citizen*, a journal that is usually fairly sympathetic toward the Liberal causes. I quote from an article in the October 22 edition headlined "Alaska Gas Pipeline in Trouble" as follows:—the White House isn't eager to battle senior Republican politicians who oppose the waivers.

There is a lot of opposition there to the waivers.

These include Rep. Clarence (Bud) Brown of Ohio and Rep. James T. Broyhill of North Carolina, both of whom have told the U.S. President they are "unalterably and unequivocally" opposed to any waivers that would transfer to gas users the risk that the pipeline wouldn't be finished.

That is the so-called tracking provision. How serious is the United States administration about this? It goes on to read:

William A. Niskanen, who belongs to Reagan's Council of Economic Advisers, has acknowledged the administration's lack of enthusiasm for the waiver package.

There are a great many difficulties in getting this provision through the U.S. legislature. There are many things to be concerned about. We want from the minister honest and forthright answers as to what his plans are and how he is going to deal with these matters. Is he going to go to Washington and speak to his American counterparts? Let him admit the difficulties, tell us if he has any plans and then go to Washington. Most of all, we would like him to be honest with Parliament.

● (2205)

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Alaska highway natural gas pipeline has played a part in Canada-United States relations since the Transit Pipeline Treaty of the early 1970s. The treaty was followed by the Canada-U.S. agreement on the Alaska pipeline in 1977 wherein both countries formally undertook to support the project on a priority basis. In the spring of 1980, Canada approved the pre-build segments, based on assurances provided by President Carter that the line would be financed, and that his 1977 decision approving the project would be amended to permit pre-commencement billing for the Canadian segments. Further assurances were provided by the joint resolution approved unanimously by the Senate and House of Representatives and by the commitment of the industry sponsors to participate in the financing of the project.

With the election of President Reagan, there was some questioning regarding the scheduling of the pipeline. However, during his Canadian visit last March, President Reagan clearly stated his strong support for the project.

On October 7, 1981, Senator Olson announced that President Reagan had informed the Prime Minister (Mr. Trudeau) that he was forwarding to Congress the waiver package requested by the sponsors of the pipeline project. This waiver package is a series of amendments to the U.S. enabling legislation for the pipeline.

I would like to quote from a letter from the U.S. President that was sent to the Prime Minister just prior to the submis-