Deciding on a pipeline route for bringing gas to market

By Don Peacock

The agreement between Canada and the United States for the construction of a pipeline to move natural gas from Alaska south across Western Canada to the lower 48 states was described in the Canadian House of Commons as "historic". The words were delivered by no less a personage than Queen Elizabeth, as she read the Speech from the Throne opening a new session of the Canadian Parliament in Ottawa. She was there as part of her Silver Jubilee visit to Canada. The words she read, in her role as Queen of Canada, were no less significant for having been written by the Government in the ancient British Parliamentary tradition.

Since the broaching late in 1969 of the pipeline idea, its proponents – more multinational than national until the end – have described it as the biggest engineering and construction project ever undertaken by private enterprise. In the autumn of 1977, the Canadian Government was saying pretty much the same thing, though moderately conditioned, as is only to be expected of government. Again through the voice of the Queen, the Government described the pipeline project, which is now expected to cost more than $10 billion and construction of which is scheduled to begin in 1979, as "one of the largest civil engineering projects in the history of the world".

Its cost, however, is not all that makes the pipeline project historic. From the beginning, this project was unique in having competitors for the right to construct it. Never before had two groups of huge corporations vied, at such cost and with such vigour, for such a prize as government approval to build this pipeline. In the pa when there were competing interests such a project, these were brought togetl one way or another, usually by mutual int est or government pressure or both. T only issue was whether their joint propo satisfied whatever government regulato procedures were in effect.

The uniqueness of the competition f this project turned out to be symbolic; prec dents were established at several stages the evolution of the Alaska pipeline proje Never had planners of such a project d voted so much time and money to studyi its implications. In particular, there h never been so much attention paid to the p tential impact of such a project on the en ronment and the socio-economic zo through which the pipeline would pass.

Unique character

What is unique about the final outco of the long struggle to build the pipeli from Alaska is the triumph it represents f Canadian enterprise in general and the C nadian pipeline industry in particular. It important that the outcome shifts a su stantial, though still indeterminate, amou of economic power westward to Alberta a British Columbia from Central Canada bastion of management and finance, To onto. But of at least as much importance the fact that the final decision about t pipeline shut three of the world's large multinational oil companies – Exxon, G and Shell – out of any direct ownership control of the Canadian section of the li

Two companies from Western Cana had taken on the world's giants of the oil a gas industry for this biggest private-ent prise prize of all to date and beaten them their own game. As a result, it seemed u likely that the Canadian oil and gas indu try would ever again be quite as depende on – or, as more impassioned nationalis might put it, as subservient to –foreign co panies. Perhaps, too, multinational comp nies would never again be quite as powerf – at least, not in Canada. If they could beaten once, why not again?

Mr Peacock is a press and public-relations consultant in Alberta. He is a former counsellor (press) at the Canadian High Commission in London, and during the 1960s was Special Assistant to the Prime Minister. A veteran journalist, Mr Peacock joined the Parliamentary Press Gallery in 1954 and was later Managing Editor of The Albertan *in Calgary. The views expressed in this article are those of Mr Peacock.*