



DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

communiqué

N^o: 67
No.:

DIFFUSION: FOR IMMEDIATE RELEASE
RELEASE: APRIL 28, 1982

RELEASE OF CORRESPONDENCE
WITH THE UNITED STATES
ON THE NORTHERN GAS PIPELINE

The Secretary of State for External Affairs, the Honourable Mark MacGuigan, today released the attached exchange of letters with United States Secretary of State Alexander Haig concerning the Northern Gas Pipeline.

OTTAWA

April 23, 1982

Dear Al,

I have been alerted to what could become a critical impasse in the discussions on financing of the Alaskan segment of the Alaska Natural Gas Transportation System.

As you well know, in addition to the bilateral agreement of 1977, our two Governments have jointly invested substantial efforts in support of this pipeline, which we have agreed is in the long-term security and energy interests of both our countries. The Canadian Government remains committed to the early completion of the project, based on private financing, but I am concerned that the various parties involved in the financing negotiations may fail to appreciate fully the implications of any significant delay on the willingness or ability of the Canadian Government and the Canadian companies involved to proceed with it at some later date.

The Canadian Northern Pipeline Commissioner, the Honourable Mitchell Sharp, is planning to convene a meeting of the producers and the sponsors of the Alaska portion next week in order to apprise them of the views and concerns of the Canadian Government. I am sure that a reiteration by you of the USA Government's support of the project, preferably in a public statement, would have a positive influence.

I am prepared to release this letter as a clear statement for the public record of our Government's position.

Yours sincerely,

Mark MacGuigan

The Honourable Alexander M. Haig,
Secretary of State,
Washington, D.C.

WASHINGTON

April 27, 1982

Dear Mark:

Thank you for your letter of April 23 regarding the financing of the Alaska Natural Gas Transportation System (ANGTS).

We share the Government of Canada's concerns about recent developments which could delay significantly completion of the pipeline. The United States Government remains fully committed to the Alaska Natural Gas Transportation System based upon private financing, and believes it would be unfortunate if its construction were subject to another, perhaps indefinite postponement.

As you know, this Administration has taken an active role in reducing legal and regulatory impediments that have complicated efforts in the private sector to arrange the necessary financing. Upon submission of the waiver of law to Congress October 15, 1981, President Reagan reaffirmed this government's basic commitment to ANGTS when he stated,

"My Administration supports the completion of this project through private financing, and it is our hope that this action will clear the way to moving ahead with it. I believe that this project is important not only in terms of its contribution to the energy security of North America. It is also a symbol of U.S.-Canadian ability to work together cooperatively in the energy area for the benefit of both countries and peoples."

Through the cooperative efforts of the Administration and Congress, the waiver was approved December 15, 1981.

The Honorable
Mark MacGuigan, P.C., M.P.,
Secretary of State for
External Affairs of Canada,
Ottawa

We continue to believe ANGTS offers Americans the most realistic option to obtain secure and reliable access to some 13 percent of America's natural gas reserves which is currently inaccessible. Once in operation, the project promises to provide the energy equivalent to some 400,000 barrels of oil a day which will help Americans lessen their energy dependence on uncertain foreign sources. Moreover, the pipeline's early completion would be an important step toward further reduction of our energy vulnerability.

Sincerely,

Alexander M. Haig, Jr.