

THE NATIONAL INTEREST—THE POLITICS OF NORTHERN DEVELOPMENT 1958-75. BY EDGAR J. DOSMAN. *Toronto, McClelland and Stewart, 1975. 5¼ x 8 inches, 224 pages. Soft cover, \$4.95.*

The proposed Mackenzie Valley pipeline is reputed to be one of the largest private engineering and investment projects in Canadian history. Whether this is true or not remains to be seen, but it has certainly become part of one of the biggest public imbroglios since the building of the Canadian Pacific Railway at the end of the last century. The events surrounding this controversy have all the bizarre trappings of a Richard Rohmer novel — political hypocrisy, bureaucratic bungling, conniving by industry, foreign intrigue and public wrangling over matters of Canadian sovereignty.

The National Interest at first glance, and especially in the light of circumstances and present knowledge, appears to be a damning indictment of the Canadian Government's northern development policies during the past critical decade, as well as of the oil and gas industry in general. Decisions appear to have been made in private, and announcements concerning public policy in northern Canada have only been dimly perceived and understood, if at all, by an uninformed public.

The Canadian government seems to have done everything wrong and, to make matters worse, to have offended nearly everyone in the process. By relying primarily on the public record, with the occasional excursion into confidential documents, Dosman has provided a chilling record of how concern for the northern environment as well as for the rights of the original peoples of the north were overlooked, deliberately ignored, or shunted aside by a phalanx of committees composed almost entirely of senior bureaucrats and representatives of industry. Canada's priorities during the past decade were obviously to push ahead at breakneck speed with plans to develop the North, largely through oil and gas exploration and production, almost entirely under private — including foreign — sponsorship, with the apparent aim of committing the bulk of Canada's northern energy resources to U.S. markets.

If the governmental attitude was suspect, industry's would appear to have been based purely on self-interest in its dealings with public bodies, particularly the National Energy Board which found itself almost totally unprepared to deal with the fast-moving events that occurred after the dramatic discoveries of oil and gas in Prudhoe Bay, Alaska in 1968. To suit its own purposes, industry

painted a glowing picture of Canada's oil and gas resources based, it would seem, on projections of reserves which have now been proven to be vastly overestimated. The Canadian government was misled into accepting, as reliable data, estimates that suggested Canada had reserves far in excess of its own requirements. This evaluation of erroneous information provided by industry was largely responsible for a series of events which were ultimately to contribute greatly to the energy crisis now emerging in Canada. (It is somewhat alarming to learn, for example, that as recently as 1970, the National Energy Board approved the largest sale of gas for export in Canadian history, only to turn down further applications just a year later because an exportable surplus did not, in fact, exist. Even as late as 1971, a Cabinet minister is on record as stating that Canada has reserves of oil for 923 years and gas for 392 years!)

Much of Dosman's intriguing account is centred on the details concerning the promotion of an energy corridor down the Mackenzie River valley and the workings of groups of bureaucrats and representatives of industry who appear to have made far-reaching policy decisions with apparent disregard for the Canadian parliament or other open forums. The fact that these groups were able to operate within an environment where conflicts of interest were seldom recognized, or permitted to intrude, suggests a major defect in the public policy-making process which, it would seem, serves the national interest badly.

There are, however, at least two sides to every story, and this one is no exception. In the context of 1968, there are reasons to believe the policy makers may not have been so bumbling, or that the machinations of senior industry and government officials were so sinister and deceitful. Northern development had, after all, been a national obsession for many years, and in the sixties the seemingly bountiful oil and gas resources were at last a firm peg on which to hang the dream. Who could possibly argue against the extent and the value of the benefits to northerners, and other Canadians, accruing from large capital investments, employment opportunities, exports, etc. As the plans for the Mackenzie Valley pipeline were divulged by government and industry (or ferreted out by native organizations, public interest groups and others) the basic assumptions underlying northern development strategies were challenged. As Dosman documents, the chief opponents of the enterprise soon found themselves having to deal with questions which were to prove extremely controversial and

difficult to resolve.

Who had responsibility for native peoples? The Canadian government's patronizing attitude towards the native northerner as a ward of the state in the nineteen sixties is an embarrassing anachronism when looked at then and today. It is not difficult to agree with the author's view that it represented "a shocking disregard for environmental demands and native rights." Nevertheless, it is significant that in the short span of less than ten years native power has become a political fact of life in Canada; aboriginal treaty rights are steadily gaining recognition, land claims are being settled, and above all, the legitimate aspirations of native minority groups to design and pursue their own culture and environmental destiny seem to be gaining general public acceptance.

Was Canada's sovereignty in the North threatened? Indeed it was, in 1969, with the announced intention of a large foreign-owned oil company to send, with U.S. Coast Guard assistance, the tanker *Manhattan* through the Northwest Passage without prior consultation with the Canadian government. The event caught Canada by surprise, without a clear vision of its national position and of its responsibilities in the North. It did, however, precipitate swift action in the confirmation by Canada of its control over the Arctic lands, including the vast continental shelf. In addition (a brilliant diplomatic coup) Canada asserted sovereignty over the Northwest Passage by means of the Arctic Waters Pollution Prevention Act which not only implemented a twelve-mile limit but extended Canada's effective jurisdiction for one hundred miles offshore.

Was there too much foreign economic control and investment in the North? Until recently, both the federal and provincial governments of Canada encouraged an open-door foreign investment policy. The question of control was still an open one, but the country was clearly marching to the economic drumbeat of foreign investors, who owned a substantial portion of Canada's corporate assets. Today the situation appears to be changing dramatically as the so-called general benefits of foreign investment are seen for what they are. The screening of further foreign investment, the greater use of Canadian engineering firms, the success of Panarctic Oils Limited (Canadian government controlled) are but examples of many steps that have been taken to ensure that future foreign investment in the North will be more closely related to Canada's overall social and economic goals.

No doubt many readers of this book will take exception to its author's interpretation of certain events surrounding the proposed pipeline and the motivations, real or otherwise, attributed to the main actors involved in this national drama. As an example, one could argue that his statement on the cover of the book that Canada is committed, and has been for some time, to a pipeline that will pump its resources straight into the United States, is not confirmed by a reading of the book. He describes in some detail how the case for the export of gas from the Arctic was weakened, if not killed altogether, by a serious shortage within Canada, which was predicted at National Energy Board hearings held in 1974 and 1975.

There is another central question which is not satisfactorily resolved by the author, and that is the effectiveness of the method for dealing with important public policy issues in Canada. He suggests that there has been no real public debate on the proposed pipeline and writes off completely the Berger Commission, the vocal and effective protests of a host of native organizations and public interest groups like the Canadian Arctic Resources Committee, the media and so on, and the belated realizations of a (hopefully) chastened National Energy Board. *The National Interest* in fact provides ample evidence that attitudes and policies of industry and government have been changed by the pressure tactics of various organizations, and especially by the concern and involvement of the public. It cannot be denied that the process of change in the North has been, and still is, a case of muddling through one crisis after another, but there should be some consolation in the fact that when faced with the choice of solutions that are intellectually strong but politically hard, or those that are intellectually weak and politically easy, the former approach has generally been favoured by government.

From 1968 to the present, there is little doubt that policies on northern development have been seriously flawed, and *The National Interest* lists some of the incredible possibilities (such as the near-commitment to a long-term continental energy policy) that might have ultimately compromised Canada's economic independence. For those who, like the author, are concerned with the future of Canada's northern resources, this is an important book. As he himself observes, and the reader cannot but appreciate, although there are no villains in this piece, there are no heroes either!

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