

While Alaska Pipeline Bogs Down Canada Quietly Plans Route

While the trans-Alaska pipeline remains bogged down in the courts, Canada is quietly engaged in preparing the public for a Canadian route natural gas pipeline.

A comprehensive report on the feasibility of such a transport system from the Arctic

fields to Canada and the U. S. was presented January 24 at a Community Affairs Seminar in Toronto.

Canadian Arctic Gas Study Limited has spent more than \$25 million in detailed examination of the engineering, environmental and economic factors in-

volved.

The studies were begun in 1967 and by the time official application to begin construction is made, some seven years and \$50 million will have been invested in the project.

After approval, it will take another three or four years, including delivery of materials and construction, and several billion dollars to build the pipeline.

Dr. John Deutsch, chairman of the Ontario Advisory Committee on Energy, stated that he believes the "enormous" sums needed to finance the pipeline need not unduly push up the value of the Canadian dollar.

He added that more of the project could be financed in Canada than pessimists believe, and this combined with careful borrowing outside Canada could minimize any pressure on the exchange rate.

The study outlines the long-term benefits of the pipeline on the Canadian economy, citing a possible \$1.3 billion dollar annual boost and an upsurge in employment, both directly on the pipeline and indirectly in supportive industries.

The report expressed concurrence with the idea that pipeline development should not impair the opportunity for northern residents who wish to continue to pursue their traditional hunting and trapping lifestyles.

"But not all northerners want to continue this way of life," it stated. "Many northerners, and especially most of the younger generation, seek the benefits of a wage economy as an alternative to a marginal subsistence based on hunting and trapping in a harsh environment, or the social morass of welfare."

It affirms the belief that protection of the environment and the wildlife resources can be accomplished through careful planning.

"The pipeline right-of-way and compressor stations will embrace less than 40 square miles in the Yukon and Northwest Territories, out of a total of 1.5 million square miles."

The pipeline will be fully buried, the gas will be refrigerated to temperatures below 30 degrees F. to avoid permanent damage to the permafrost, and the surface will be re-vegetated over the buried pipeline.

The report strongly stresses the dependence upon an American market to support the financing of a 48-inch diameter pipeline from the Arctic. Otherwise the pipeline would not be commercially feasible.

Presently, they estimate that about half the required volume would be gas owned by the United States, and although their primary interest is meeting Canada's own energy requirements, they need American participation.

Mention is made of the possibility of an undue delay causing Alaskan Gas to be moved by other means, via pipeline to Alaskan Pacific coasts where it could be liquefied for shipment by tankers to markets in California.

Delay adds about \$250 million per year in price escalations, which according to the study, will eventually have to be passed on to the consumer.