

I know this is difficult. We have a situation with regard to energy, that exists in Canada as well as in many other parts of the world. If all consultation fails it may be desirable to have some supreme authority. If we do not have any divine providence to fix the price, the government, having the attitude that they are the agents for the Lord, are going to fix it themselves. This would be all very well if we were a unitary state, but we are not. We have a constitution that provides for these divisions of powers. Difficult though it may be, and hard though it may be, I say that we should all thank the Lord that that is the case. I am sure a lot of members from the province of Quebec have genuine reason to bless the constitution for the powers it gives that province, and I am amazed that they sit idly by, merely because the minister is a member of their own party, and watch him mutilate and virtually destroy part of the constitution in this way.

● (2030)

I say it is not good enough for this minister or any other minister to say that the government is trying to get agreement on a multilateral basis, but that if it cannot do so it will get agreement on a bilateral basis, and that if it cannot even get that it will fix the price and to hell with the constitution. Certainly that is the attitude the minister is taking. If some hon. members opposite are offended by my language, then they should take a serious look at what is involved here.

The minister said earlier that he contemplates that the effect of this legislation, if it passes the House unchanged with all these repugnant clauses in it, would be that the provincial Crown agency for any of the producing provinces would be able to purchase oil at the wellhead as a transaction within the province and not be subject to the prescribed price. If I am wrong in my interpretation of what the minister said, would he correct me?

Mr. Macdonald (Rosedale): Mr. Chairman, the law really speaks for itself. If it is a transaction to export from a province, then the bill applies. If it is not such a transaction, then there is no such application of the bill.

Mr. Baldwin: I hate to go around the old merry-go-round again but I have pointed out to the minister—I am sure his officials have filled him in on the facts of life in this regard—that crude oil coming out of the wellhead is automatically a mixture. This is a fact of life, so that when oil leaves the wellhead part of it will be consumed in the province and part will be exported outside the province, and it is impossible to identify these parts.

I did make that point previously, but the minister said, if I understood his response to a question from the hon. member for Nanaimo-Cowichan-The Islands correctly, that irrespective of that a purchase made at that time is considered to be a transaction entirely within the province. Therefore the minister said that situation is not covered by the legislation.

If I am wrong, then the minister can deal with the matter later. However, if that is the case, then let us say that the province of Alberta, or for that matter the province of Saskatchewan or the province of British Columbia, fixes the price at \$8.75. This bill has been passed, and the federal government fixes the prescribed price at, say, \$8.25.

Oil and Petroleum

If the provincial Crown agency, for the purposes of the intraprovincial transaction, has purchased at the price of \$8.75 and that transaction has not been challenged by this legislation, then I ask the minister to consider what would be the result. Does it mean that, as a matter of practical economics, the people involved in the next leg of the transaction, namely, those who purchase from the provincial Crown agency, must pay only \$8.25? What is the position of the provincial Crown agency? Must it be compelled to sell at \$8.25, despite the fact that it paid \$8.75 at the wellhead? These are the practical problems that I am sure the minister must contemplate.

We have been talking about crude oil and have already been through the definition of crude oil. The minister made it plain that a great many commodities of a commercial nature that are derivatives, that have crude oil as their feed stock, can be covered by this particular legislation. My hon. friend from Calgary Centre went so far as to say that panty hose was covered. There may be other items, but certainly that is one. Hundreds of items may be covered by the bill. What is the situation with regard to these derivatives which are based on crude oil as the feed stock?

It is all very well for the minister to say that he has no intention of making the bill apply to such items. But we are not concerned with his intentions; we are concerned with the powers given by this legislation. If there is an industry in the province of Alberta, or the provinces of Saskatchewan or British Columbia, that produces a commodity based on crude oil, and which is defined as crude oil within the interpretation that the minister has fastened upon us by the amendments that have been brought in, then how does the prescribed price apply? Does the minister reserve the right, if there is a sale of the commodity, to fix the price at the factory? Is the minister saying that if this commodity is sold to a wholesaler who takes delivery at the factory, the wholesaler must pay the prescribed price even though it is a transaction that takes place entirely within the province?

I suggest that these are not fanciful ideas but are difficult and intricate problems that are created when government, without regard to what is the law not only as laid down in the constitution but as fixed by judicial decision, decides to enact legislation of this kind. Certainly these are problems we will have to deal with if this bill is passed. Perhaps the minister has answers now, perhaps not, but I should like to hear him in any event.

Mr. Macdonald (Rosedale): Mr. Chairman, the only question the hon. member has posed that has not been dealt with already is with regard to action that the marketing commission may take. The prescribed price on an export contract will be the prescribed price set out in the statute. Therefore whatever the marketing commission may have chosen to pay within the province, on any export transaction it will be bound by that price.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, the hon. member for Peace River seems to be somewhat upset that I have not taken part in the debate on his amendment. It is certainly not from any natural modesty or any reluctance to pontificate, which a politician can generally do at the drop of a hat. I learned a long time ago that if you have two small men in the ring with