

Oil and Petroleum

becomes a matter that deserves the attention of parliament in the form of special legislation.

The government of Saskatchewan has concluded that it must object to Bill C-32 as long as division II of Part II remains in the bill.

That is a clear indication of the response that will come from the two producing provinces in the event that Bill C-32 in its present form becomes the law of this country. The minister may argue that we are confronted with a situation so serious and so far-reaching in its implications in the matter of energy supply, and the necessity to fix a new domestic price for oil and gas, that these sweeping, unprecedented powers are essential in the national interest.

If this is in fact his position, then the appropriate course in our constitutional framework is clear. He should legislate the price fixing mechanism under the peace, order and good government clauses of the British North America Act, and then stand ready to defend that clear and unequivocal position in the Supreme Court of Canada if called upon to do so.

But, Mr. Chairman, what is urgently required at this point in time with respect to Canada's energy policy is a clear eyed recognition that it is neither prices, nor jurisdictional prerogatives and conflicts that constitute our basic problem. Our basic challenge is the need to put in place a policy which will ensure for Canadians future self-sufficiency of energy supplies, be its origin oil, natural gas, nuclear power or renewable energy forms, and that can only come about if there prevails in Canada a stable economic environment in which consumers, governments—be they provincial or federal—and private industry can operate in harmony, and with confidence in each other.

That situation will not prevail so long as we continue this process of conflict, and confrontation, and devil take the hindmost, with respect to relationships which in former years were seen to work effectively and which resulted in creating, in the preceding two decades, the potential capacity for that very self-sufficiency to which I refer.

At a later stage I will be introducing an amendment to the bill which I will not attempt to go into at this time but which will have the effect of replacing the unilateral price fixing mechanism with what I submit is a more democratic technique to arrive at the result desired by the minister, namely, a legislative technique to achieve finality with respect to pricing of oil and gas.

I hope that, between now and the time when we undertake detailed consideration of clause 36, the minister and his officials will reflect on the proposed amendment which is in their possession, and I hope that after reflection they will see their way clear in a spirit of compromise to give it their support.

Mr. Fraser: Mr. Chairman, if I may speak for a few moments on this matter before the committee I might refer to the statement of the Minister of Energy, Mines and Resources on October 31, 1974, as reported at page 916 of *Hansard*. In the fifth paragraph of the page the minister is reported as saying this:

In short, the House should look on this provision as an instrument complementary to the powers under the Energy Supplies Emergency

[Mr. Balfour.]

Act and to the steps being taken in relation to the international energy program. The intention is to safeguard Canadian oil and energy supplies in an emergency, without impairing continued implementation, in those circumstances, of the essential principle of a single oil price across the country.

That statement was made by the minister in introducing the petroleum administration legislation which is the subject of our debate tonight. I think it is of some interest to all members of the House to go over those lines in which the minister says:

In short, the House should look on this provision as an instrument complementary to the powers under the Energy Supplies Emergency Act—

What is meant by that? The act to which the minister says this legislation ought to be considered complementary is an act which, for its very basis, depended upon an emergency. It depended upon an estimation that, under certain circumstances, it was now necessary to call upon the full powers of the federal government under the constitution to meet a need which was deemed to be a national emergency.

I should like to refer to that particular act, which came before the House as Bill C-236. It is significant that in section 11 of that act it is stated as follows:

When the Governor in Council is of the opinion that a national emergency exists by reason of actual or anticipated shortages of petroleum or disturbances in the petroleum markets that affect or will affect the national security and welfare and the economic stability of Canada, and that it is necessary in the national interest to conserve the supplies of petroleum products within Canada, the Governor in Council may, by order, so declare and by that order authorize the establishment of a program for the mandatory allocation of petroleum products within Canada in accordance with this act.

As all of us in this House at the time the bill was passed will remember, most members agreed that if the government felt that it had to call upon its extraordinary powers to pass emergency legislation in a situation of emergency, or apprehended emergency, then clearly the Government of Canada has such right. That is why it is curious that the Minister of Energy, Mines and Resources made the statement on October 31 that the House should look upon this provision, Bill C-32, as an instrument complementary to the powers under the Energy Supplies Emergency Act. It might have been better, or accurate, had the minister said at that time that what is being attempted here in Bill C-32 is just about the same as what was being proposed in the emergency bill, with one significant exception—that there is no attempt to declare a situation of emergency in the national sense.

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Clause 36 of Bill C-32 is significant because it refers to the situation which will prevail if no agreement is reached between the federal government and a province. It says in part:

Where no agreement is entered into pursuant to section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the Governor in Council, is not effective or is not capable of being effective, the Governor in Council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this Part applies...

Clause 22 is interesting. It provides for the minister, with the approval of the governor in council, to enter into