

Oil and Petroleum

Canada, which over time has come to use the oil, that they do not care what Canadians think is a fair price, the provinces will set their prices at their own level.

The hon. member for Don Valley may feel that way. I think it is fair to say, though, that the Premier of Ontario does not feel that way. The hon. member for Don Valley made reference, by way of analogy, to the impact on the province of Ontario in regard to other commodities. I take it that the Premier of Ontario has considered this question, and he has arrived at a similar conclusion to that of the federal government, namely, that ultimately if a price is to be set the price should be set by a national government which is responsible to a national electorate, and which has to take into account the interests of the nation as a whole as opposed to that of any single province or region. I believe that this is the point of disagreement between the official opposition and the government.

The opposition takes the view that a particular province should be entitled to exercise a final veto in these questions. We do not agree. We feel that on the question of interprovincial and international trade it is clear under the constitution that the provinces do not have this right and that the federal government does, and from time to time should exercise it.

Let us consider the terms of the amendment. If there is an agreement between the federal and provincial governments as provided by division one of Part II of the bill, then the provinces are not forgoing anything. In effect they are entering into an agreement, which they have the authority to do, with the federal government to arrive at a particular conclusion.

Just as we presume that the province agreed last year that it was in its own interest to arrive at an agreement with nine other premiers and the Prime Minister, so in this case, in the event of an agreement, there is no jurisdiction being forsaken. There is nothing being given up by the provinces. They will take the decision in their own best interests. Then, if there is no agreement, I think it is also fair to say that the province is still not forgoing anything, as the Crown is exercising the jurisdiction given to it under the constitution to create a marketing scheme, a plan for the national marketing of this product, on an interprovincial or international basis.

On that basis I think it is fair to observe that the amendment does not add anything to the law, or anything in a practical sense to the determination of the issues involved. We therefore feel it is not an effective amendment. As the hon. member will agree, the rhetoric in the amendment represents a statement on the constitution of Canada, which we regard as a misstatement. For that reason I will counsel my colleagues, when the time comes, to vote against this amendment.

Mr. Gillies: What position does the government take with respect to the fundamental constitutional position that resources are the property of the provinces and therefore come within their jurisdiction in connection with pricing? I do not think one can dispute inter-commerce or interprovincial trade, but on the fundamental issue of ownership, what position does the government take?

Mr. Macdonald (Rosedale): We have been on this debate for a long time, pre-dating the days when the hon.

[Mr. Macdonald (Rosedale).]

member undertook his present responsibilities. But I think it is useful to repeat that there is no contest at the federal level. For example, we have no hesitation in saying that with regard to the development of the oil sands, this is a resource totally within the Province of Alberta, and that if the province chooses not to develop those resources—to use a Biblical parable; if it chooses to leave that talent in the ground—then I think the hon. member will recognize that it is the decision of the province in that regard.

However, when a resource is developed and commodities are produced which the private sector or a provincial marketing commission then wishes to sell, either interprovincially or internationally, at that point it is no longer a question of ownership by the province; it comes into a broader market than that of the province alone. On that basis account has to be taken of the constitution which provides for this aspect of economic policy.

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If the province chooses to misallocate its resources the federal government cannot do much about it; or if the province chooses to develop a resource in a certain way or not develop it at all, that is a reality which the federal government, in our system, must live with. But if at the point they are developed and the products involved in that development become the subject of interprovincial or international commerce, then the federal jurisdiction applies. I cited to the House earlier the judgment of the judicial committee of the Privy Council in Attorney General of Canada versus Attorney General of B.C., in which the point was made by Lord Tomlin that, no matter what may be the regional jurisdiction over the pricing of a product, when that product becomes the subject of trade in a broader market, at that point the jurisdiction of the federal government seizes and takes effect.

Mr. Andre: Mr. Chairman, I wish to address myself to a remark of the Minister of Energy, Mines and Resources, who dismissed the amendment proposed by my colleague from Don Valley as mere rhetoric. Let me read that amendment again. It proposes:

That clause 21 on page 10 be amended by deleting line 42 and substituting therefor the following:

“international markets, in co-operation at all times with the provinces of production which, in the interests and for the protection of consumers in other provinces, have foregone to the degree necessary to this purpose their constitutional autonomy over crude oil as a natural resource and are therefore entitled, so far as compensation may answer, to be restored to a position of equality with other provinces with respect to the administration and control of one of their natural resources.”

The minister dismisses that as rhetoric. He might be interested in knowing that that language came from the 1930 amendment to the British North America Act, sometimes known as the Mineral Transfer Act, which says in part, and I quote:

And whereas it is desirable that the province should be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources as from its entrance into Confederation in 1905:

I will not quote any more. In other words, this amendment seeks to confirm that the government still holds the constitution of the country, the British North America Act as amended in 1930, as being valid in law. In find it