

namely, that the oil companies will have to spend a certain percentage of such price increase on exploration and development? If so, what would the percentage be?

**Mr. Macdonald (Rosedale):** Madam Chairman, I repeat what I said at the conference, that indeed that would be the objective. If the companies fail to do this, the government would seek measures, fiscal or otherwise, to make certain that the lion's share went back into exploration and development in Canada.

**Mr. Balfour:** Madam Chairman, I have previously expressed reservations I have held regarding Bill C-32 and its predecessor, reservations that were in no way reduced by the minister's choice of language in his introductory remarks today. He said, if I may quote him as accurately as I can, that in his view it was desirable to take jurisdiction over natural gas as well as oil. The remark was made in the context of the unilateral pricing mechanism that it is intended to apply to natural gas.

I think that by his choice of words the minister has, either intentionally or possibly unintentionally, identified what is the fundamental question that is at issue, to my mind at any rate, in considering Bill C-32, and in particular in considering the unilateral price fixing mechanism contained in clause 36 and clause 52. This fundamental question is the jurisdictional conflict that arises over the ownership and control over oil and natural gas vis-à-vis the federal government and the governments of the producing provinces.

This question arises squarely and directly as a result of the sweeping powers which the minister intends to vest in the federal government under parts II and III of this bill. So far as I am concerned, to cast a vote in the House of Commons in favour of this bill in its present form would be tantamount to becoming an accessory to an attempted act of constitutional encroachment by the federal government over well established constitutional prerogatives of the provinces, an encroachment that is without parallel, I suggest, in the history of our country.

Surely our constitutional body of law makes clear that the ownership and control over natural resources situated within provincial boundaries is the exclusive prerogative of the provinces. Actually, until the so-called energy crisis of 1973 occurred, this jurisdiction was never seriously questioned so far as the ownership and control of oil and natural gas from western Canada was concerned. I suggest that the provincial jurisdiction to establish wellhead prices is included within the context of the statement I have just made, notwithstanding the CalOil case previously referred to by the minister. The CalOil case decided certain questions, but it decided questions with respect to pricing arrangements beyond provincial borders. Under the authority of the CalOil case, to indirectly fix wellhead prices in a province is, I suggest, to strain the authority of that particular jurisprudence far beyond reason.

I do not, by that statement, challenge the collateral jurisdiction of the federal National Energy Board or the federal government to control exports of oil and gas, to assert jurisdiction over oil and gas rights contained within federal lands, or the federal government's jurisdiction to regulate interprovincial trade and commerce and extraterritorial trade and commerce. I also wish to make clear that

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the issue is not whether the price of western crude oil or natural gas should rise, or the price fall or remain the same, or by what amount the price should alter. The issue is whether the Government of Canada should take unto itself the legislative power and authority unilaterally to impose on the producing provinces the price at which they are obliged to market their natural resources, in this case crude oil and natural gas.

There was concluded just last week a so-called first ministers' conference, the principal purpose of which was said to be to deal with this question of price. I should like to offer an observation or two with respect to that historical meeting; but since it is almost five o'clock, may I call it five o'clock?

**The Assistant Deputy Chairman:** Is it agreed that we call it five o'clock?

**Some hon. Members:** Agreed.

**The Assistant Deputy Chairman:** So the House might proceed to the consideration of private members' business pursuant to section (3) of Standing Order 15, it is my duty to leave the chair.

Progress reported.

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

### SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mrs. Morin):** It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—National Parks—Request for reconsideration of proposal to increase entrance fee to Prince Edward Island Park; the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—External Affairs—Alleged agreement Canada would not retaliate for boarding of *Greenpeace III* by French authorities; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Regional Economic Expansion—Reason for allocating funds for the further study of container facilities at Halifax.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

**Mr. Lefebvre:** Would you call motion No. 32, Madam Speaker?

**The Acting Speaker (Mrs. Morin):** Is it agreed that motions Nos. 2, 15, 19, 20, 24, 28 and 29 be allowed to stand and retain their position on the order paper?

**Mr. Herbert:** Madam Speaker, on a point of order, as I have said on a couple of previous occasions I object to the proceeding by which we pass over these items. There are