

Oil and Petroleum

the root of the issue. He has said, I believe, that in this particular situation and with this particular commodity the federal government should, all else failing, have the right to fix the price. He said that because there is a very unique and difficult situation. I think he has almost come to our point.

If the hon. member remembers, when we were dealing with the energy allocation supply bill, under clause 11 the government, with a little more understanding of the law than it has now, said that only when there is an emergency, or what is described as a national emergency—and it gave an indication of what kind of national emergency it had in mind—could it immediately invoke the provisions of the act and the right to allocate.

I think that is the situation here. The government will probably admit that it does not have the right to move in and fix prices unless the situation is so serious as to warrant it, or else following federal provincial arrangements, discussions, delegation of powers, and so on. But the situation with regard to crude oil derivatives is so difficult and unique at this stage in the economic history of this country and of the world that it would only require a little push to send it over into the area of being an emergency.

An emergency is contemplated in only two situations where that section of the BNA Act has been invoked successfully, that is, in the two world wars. As I tried to point out earlier, we have changed, because of the economic practice which prevails, and it will not take as much as a war, it would take something much less than a war or apprehension of a war or a revolution, although we did have an apprehended riot in Quebec, if I remember correctly. It takes much less than that to trigger off the peace, order and good government clause in terms of which the government would have the right to invoke this provision. In actual fact the hon. member for Nanaimo-Cowichan-The Islands and I are really pretty well on the same wavelength. I just want to get him up a little bit further with me on this issue.

The Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Amendment (Mr. Gillies) negatived: Yeas, 10; nays, 30.

● (2110)

The Chairman: Shall clause 21, as amended, carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause 21, as amended, agreed to on division.

On clause 22—*Provincial agreement on prices.*

Mr. Gillies: Mr. Chairman, I would like to move the following amendment to clause 22:

That clause 22 on page 11 be amended by adding thereto, next after line 17, the following:

“(3) Inasmuch as it is desirable that a producer-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, an agreement entered into pursuant to subsection (1) or any regulation made under section 36 shall be subject to the proviso that the amount, if any, remaining when the amount of import

compensation paid pursuant to Part IV is deducted from the amount collected by charges imposed under Part I shall be paid to the producer-provinces in the respective proportions that the number of barrels of oil from any producer-province on which the charge is collected is of the number of barrels of oil from all the producer-provinces on which the charge is collected.”

I believe that the minister is familiar with this amendment. Its purpose is to be certain that after payments are made to equalize the price across the country, if any funds are left over from a tax which is charged, these funds should be returned to the producer provinces in the ratio of the contribution of each producer province to the amount of oil upon which the original export tax was originally collected. The reasoning behind this amendment is self-evident and supports the proposition that oil is a resource of the province, and that any tax revenue earned from the sale thereof, which is not needed to fulfil the original purpose of the bill to equalize prices across the country, should not accrue to the general revenue of the federal government.

Mr. Macdonald (Rosedale): Mr. Chairman, I rise on a point of order. I wish to raise for the consideration of the Chair the question of whether the amendment proposes the appropriation of part of the public revenue for a purpose which has not first been recommended to the House by the Governor in Council contrary to the provisions of Section 54 of the British North America Act, which reads as follows:

It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

There not having been a recommendation for this appropriation in the amendment proposed by the hon. member for Don Valley, I raise the question as to whether the amendment should be received by the House at this time.

The Chairman: I am grateful to the minister for raising the question. The Chair did not put the amendment when the hon. member for Don Valley took his seat because I wanted to have time to consider the amendment.

Mr. Andre: Mr. Chairman, I venture into an area in which I am admittedly lacking in expertise. However, since the minister has quoted from the British North America Act in support of his point of order that the funds which might be derived from the sale of oil surplus to that which might be used by the federal government should go back to the provinces contrary to the provisions in respect of royal recommendation, I will contribute in debate reference to another section of the British North America Act (1930) which states that:

—the interest of the Crown in all Crown lands, mines, minerals (precious and base) and royalties derived therefrom within the Province, and all sums due or payable for such lands, mines, minerals or royalties, shall, from and after the coming into force of this agreement and subject as therein otherwise provided belong to the province—

It seems to me that the British North America Act of 1930 states clearly that all sums due or payable for such lands, mines or minerals, including crude oil and natural gas, belong to the province. In a sense this amendment is merely saying they shall receive what belongs to them, in