

*Oil and Petroleum*

founded—is a regulation in the technical sense which will in due course appear in the Canada Gazette and will be made public by that means. A slightly more difficult question is bringing something to the attention of those who may be affected by it: the Canada Gazette purports to be this kind of legal notice.

**Mr. Baldwin:** Not the best reading in the country!

**Mr. Macdonald (Rosedale):** It is not the best reading in the world, I agree: even insomniacs would despair of the Canada Gazette. But in effect this is a regulation where the term is technically understood to be a minor law-making instrument and one which would be made public in accordance with what used to be known as the regulations act and which is now the Statutory Instruments Act.

**Mr. Andre:** Mr. Chairman, in my earlier question to the minister I asked just how far this clause could go in including other products which might be subject to control by regulation, and the minister accused me of extrapolating beyond what is stated in the legislation. That is simply not true and the committee should be made aware of it. Clause 18, as amended by the minister, reads:

The governor in council may, by regulation,

(a) designate any hydrocarbon or mixture of hydrocarbons resulting from the processing or refining of hydrocarbons described in paragraph (a) or (b) of the definition "oil" in section 2 as an oil product;

An oil product is defined in clause 2 as follows:

—any product designated as an oil product by regulations under section 18.

In fact, the minister is free to designate any commodity or product which has as its root feedstock hydrocarbons. Planning is advanced to the stage of near construction of a substantial ethylene plant in the province of Alberta. A number of methanol plants have recently been built; others are planned for construction in the province of Alberta. There is the Petrosar plant in Sarnia, as well as several other types of closely related petrochemical plants in various stages of planning.

As I read the legislation, the minister through order in council can, unilaterally, control the price of the entire product line from any of these plants and any future plants coming on stream. Thus, if the output of the Petrosar plant is used for the manufacture of polystyrene for such things as coffee cups and insulation, the minister could conceivably control the price by regulation. As my erudite friend from Peace River has just indicated, we are not suggesting this will happen the day after this bill receives royal assent; indeed, we are not suggesting that anyone on the treasury benches or in the civil service has any such intention.

**Mr. Bawden:** There is no guarantee.

**Mr. Andre:** That is right; assumptions are always risky. Nonetheless, the possibility exists. It is simply bad legislation. We are abdicating our responsibilities as members of parliament by providing the civil service with authority to make such decisions. The minister has indicated that that is not quite true; that it has to come by regulation of the governor in council. But this in itself is not sufficient control.

It is wrong to extend the provisions of the bill far beyond the point which was intended in the former bill, Bill C-18, introduced in the last parliament. The intent was to give a legislative basis to substantiate an agreement reached by the first ministers at a luncheon held at 24 Sussex Drive. The government was interested in seeing the bill introduced as quickly as possible. We were prepared to co-operate to the fullest possible extent. The government threw in a twister in terms of the veto clauses of the bill which gave us some concern, and we had some discussion in committee.

Considering clause 18, there is the potential of going far beyond the agreement of March 27 or any agreement based on discussions held between the first ministers or anyone else. I reiterate that we are not suggesting this will happen immediately, but there exists the possibility of interprovincial tensions arising and a political situation in Canada developing where it may be opportune for some minister to use the authority granted under this legislation to put pressure on a certain province in order to force it to adhere to a policy decision he would like to see adopted. I therefore sincerely ask the minister to reconsider this question and to ask his officials to come up with alternative wording which will afford him the latitude he needs.

We recognize that the minister needs to provide for a uniform price across the country for crude oil and natural gas. We will discuss natural gas later, but in the meantime we recognize his need to implement the agreement of all the premiers and the agreement of the House of Commons that Canada should have one uniform price. But this does not mean that he should take unto himself, or a successor should take unto himself, authority to control virtually every product which has as its feedstock crude oil or natural gas. It is hard to imagine a consumer product on the market today that does not include, in one way or another, some element which is a byproduct of crude oil or natural gas.

**Mr. Macdonald (Rosedale):** Mr. Chairman, I am advised that the terminology used here is precisely the same as that used in the National Energy Board Act and has been in use for many years. It is desirable to have this taxing statute in exactly the same form as the existing statute under which the board now regulates exports from Canada. The board has not in fact extended its power to the commodities to which the hon. member has referred. It has, rather, confined itself to the addition of crude oil and natural gas, the specific products I referred to in my earlier answer.

It would be preferable to keep the flexibility of the governor in council, in this regard, to act by way of regulation. It clearly has not been necessary to extend it to manufactured products, as the hon. member suggested. The best legislative solution, in my opinion, is to leave the power here. Of course, it could be a matter of political debate subsequently if there is any attempt to extend it.

● (1540)

**The Chairman:** Shall clause 18 as amended carry?

**An hon. Member:** On division.

Clause as amended agreed to.