

*Oil and Petroleum*

ment the right to determine whether it should seek the consent of the province, or whether it is not necessary to seek that consent, is not satisfactory because this is a matter that can only be decided in the courts.

I think the amendment is superfluous, but I can understand the good intentions of the hon. member for Qu'Appelle-Moose Mountain. I really cannot, for the life of me, see how the amendment would add to the effectiveness of the clause. I think the clause itself states clearly that the purport of this legislation will apply to Her Majesty in right of both Canada and the provinces, and that any agency set up by the Government of Canada or by any province which deals in petroleum products or natural gas moving across provincial or international boundaries shall be subject to the provisions of this act.

If there is an invasion of provincial rights, it can only be settled by referring the matter to the courts, and this situation is not going to be assisted, as far as I can see, by any provision that we put in this bill which states that the federal government must seek the consent of the province, because the federal government itself is to be the one to determine when it will seek the consent of the province. It is not likely to seek the consent of the province as long as it is convinced it is acting within the full ambit of the rights it enjoys under section 91 of the British North America Act.

**Mr. Macdonald (Rosedale):** Mr. Chairman, the explanation by the hon. member for Nanaimo-Cowichan-The Islands with regard to Petro-Can and SaskOil outlines exactly the situation. As is habitually the case, explanations given of difficult points of law by non-lawyers are infinitely more comprehensible than those given by lawyers. The situation as outlined by the hon. member is exactly what this clause has in mind.

**Mr. Hamilton (Qu'Appelle-Moose Mountain):** Mr. Chairman, I have a small point in reply to the hon. member for Nanaimo-Cowichan-The Islands. He and I share the same bed today in that we know very little about legal jargon. The reason for my concern relates purely to Saskatchewan and Canadian politics. If we read the precise terms of the Alberta Natural Resources Act and the Saskatchewan Natural Resources Act, we see that the words I am using are used in those statutes. Those acts admitted that the federal government has for many years done certain things wrong. The federal government said in the act that it will in future consider the rights of the provinces. It goes on to state in the Saskatchewan Natural Resources Act of 1930-31 that changes can only be accomplished with the consent of the province of Saskatchewan in the form of a legislative resolution.

I maintain that the bill we are discussing affects the rights of the people of the province of Saskatchewan, and clearly under the Saskatchewan Natural Resources Act and the British North America Act, changes in the statute of 1930-31 can only be made with the consent of the legislature of the province of Saskatchewan. Here we are taking away the substance of that agreement of 1930-31 by making in this clause 3 the flat assertion that this Parliament says this is binding on the federal government and the provincial government. As a layman I am simply saying that I accept the position the hon. member for

Nanaimo-Cowichan-The Islands is taking that really with all these possibilities it does not matter if this clause is there if the courts will deal with the situation in any case. I simply say that I know the people of Saskatchewan, Alberta, British Columbia and Manitoba believe that this legislation will be challenged. That means that the Parts that are challenged will be thrown out by the courts. I feel sure of that. When they are thrown out there is a course of action laid down in our legislation which they can follow. They simply need consent. The consent arranged for in 1930-31 was a result of action by the legislatures of the two provinces, Alberta and Saskatchewan. I would qualify that in modern days by saying simply that it should be by Order in Council to make the decision-making more rapid. I think not only is my amendment well meaning but that if the history of the next few years were known it will be face-saving for those of us to like to believe we are doing the best job we can and are being good legislators.

● (1600)

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Chairman, perhaps I might be permitted to comment for a moment on the remarks of the hon. member for Qu'Appelle-Moose Mountain. I cannot agree that this legislation is on all fours with the Saskatchewan resource legislation to which he referred, nor can I agree that the measure before us will interfere with the rights of the people of Saskatchewan with regard to the management of their resources.

In the case of the Saskatchewan resource legislation, we are dealing with the management of resources which was given to the province under the legislation of 1931. With reference to the development and exploitation of those resources, this legislation in no way interferes with that right. What this legislation does is to deal with price, and I cannot agree with the hon. member when he says the federal government has no right to interfere in respect of price. It has no right to interfere in respect of the price of a commodity sold within the province in which it is produced, but surely when a commodity crosses provincial boundaries or goes into export trade the federal government clearly has responsibility to deal with the matter of price.

There may be parts of this legislation with which we will disagree later, but in so far as the clause now under consideration is concerned, what we are saying is that a provincial agency comes under the same strictures and the same guidelines as any private corporation which is handling a commodity when it goes into interprovincial trade. In a number of places it is made clear that the provisions of the legislation do not apply to petroleum products sold within the province. Therefore, there can be no invasion of provincial rights when it comes to the matter of development of resources or the sale of them within the province. This legislation exercises that power when the product moves into interprovincial and international trade. It seems to me there can be no argument about the jurisdiction of the federal parliament to legislate in that matter.

**Mr. Baldwin:** Mr. Chairman, I must say, from my many years of experience in the practice of law, that when one has two persons who maintain they are laymen and express their apprehension about the legal language used,