

Columbia Forest Products deserves commendation for having undertaken this project and, within its limits, having succeeded so well. Let us hope there will be a second growth.

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Natural Resource Revenues: A Test of Federalism, edited by Anthony Scott. Vancouver: University of British Columbia Press, 1976. Pp. xvii, 261; \$7.50.

The preoccupation of Canadians with federalism is perhaps only matched by our preoccupation with natural resources. Students of both subjects will benefit from a careful reading of this volume, which is based on the papers presented to the Victoria Conference on Natural Revenues in 1975. At least fifteen of the nineteen contributors are professional economists, and the profusion of graphs and equations in the volume is likely to deter many readers whose training is in other fields. Yet the reader who perseveres bravely to the end will not regret having done so.

The central focus of the volume is on the concept of resource rent, or the surplus remaining when all costs of bringing resources to market are deducted from their market value. John Stuart Mill and Henry George helped to popularize the belief that resource rent should be captured by the community rather than by the entrepreneur, but the idea is in fact much older, as suggested by the common-law principle that minerals belong to the Crown. Essentially the same principle is a basic theme of Third World demands for a new international economic order and has found expression in both the Kierans report to the government of Manitoba and the very similar Fitzgerald report to the former Labour government of Australia.

Acceptance of this principle in a federation, however, does not assist one in identifying the relevant community or in specifying the level of government that should act on its behalf. Although section 109 of the BNA Act appears to answer both questions, the recent spectacular increase in the price of crude oil and the concentration of that resource in a single medium-sized province have led many Canadians to question whether section 109 should stand as the last word on the subject. In any event, as W. R. Lederman suggests in this volume, the constitution is more a basis for bargaining than a source of unambiguous rules, since its provisions can often be cited to support both sides of an argument.

Several contributors attempt to discover whether economic principles offer any guidance for the solution of the jurisdictional conflict over the disposition of petroleum revenues. Anthony Scott explores four possible economic criteria in his long introductory chapter but concludes that none of them offers a strong argument for accepting either federal or provincial claims to exclusive possession of resource rents. Like most "economic" problems, this one turns out to be normative and political in its essence, and, as Donald Smiley argues in another chapter, it is complicated by Alberta's peculiar history and traditional penchant for defiance of the federal government.

Most of the chapters that express an opinion support a federal claim to at least a portion of resource rents. An exception, however, is the chapter by Andrew R. Thompson, a lawyer and chairman of the British Columbia Energy Commission, who considers that the provinces are more efficient in collecting resource revenues, partly because they can levy royalties as well as taxes and partly because a uniform federal resource tax could not be adapted to local conditions which vary between the provinces.

Two other chapters raise important political issues that should interest all students of Canadian federalism. Thomas J. Courchene argues that the oil crisis has exposed the unsuitability of the present system of equalization, since the payments are based on a comparison of provincial revenue sources while the funds available to pay them come entirely out of federal sources. John Helliwell and Gerry May view the Syncrude agreement as illustrating the dangers of executive federalism, since tax revenues were effectively transferred from Ottawa to Edmonton "by secret bargaining requiring no prior public or parliamentary investigation or approval." Both issues deserve consideration now that governments are once again proposing to revise the rules and structures of Canadian federalism.

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Natural Resources of British Columbia and the Yukon, by Mary L. Barker. Vancouver: Douglas, David and Charles, 1977. Pp. 155.

Natural resources have been central to the history and economic development of both British Columbia and the Yukon. This is the central message in Barker's brief overview of the natural resources in this area.