

principle has been explored with a number of companies. I anticipate that some would think it is a good provision—I say this based on the comments I have heard from them. Others would not be so favourably inclined.

Mr. Neil: With respect to the option that allows the government to take royalties in kind rather than in cash, would the minister advise whether it is the government's intention to use Petro-Can as the vehicle to refine, produce, and market this oil, or has he some other method in mind?

Mr. Gillespie: Mr. Speaker, that is jumping a long way ahead. Quite clearly Petro-Canada has the power to get into the refining and marketing of petroleum products. We have always made it quite clear that the first priority for Petro-Canada was the exploration of Canadian resources and the development of them. The provision we have been discussing here with respect to the federal government's having the power to take royalties in kind would provide an opportunity for Petro-Canada, acting as the agent of the federal government, to take title to that natural gas or oil and consider marketing arrangements for them. But I put it to the hon. member that that is a power the implementation or use of which would be many years away.

Energy

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, my question is prompted by the question on off shore jurisdiction asked by the hon. member for Halifax (Mr. Stanfield). Seaward offshore jurisdiction is one thing. In the particular case of British Columbia may I ask the minister whether there has been any resolution of the jurisdictional dispute between the federal authorities and the province of British Columbia over the waters between Vancouver Island and the mainland, and between the Queen Charlottes and the mainland? In other words, who will be empowered to issue exploration licences in these waters, and who will collect the royalties on any finds? In any event, because of the many changes, has there been any consultation on this matter with the province of British Columbia?

Mr. Gillespie: Mr. Speaker, I am informed that there has been consultation but to date no agreement has been reached with respect to these matters that the hon. member raises. Therefore I cannot answer the second part of his question.

Mr. Speaker: Order, please. Orders of the day. It being after six o'clock this House stands adjourned until two p.m. tomorrow.

At 6.09 p.m. the House adjourned, without question put, pursuant to Standing Order.