

promised permit regulations, thus allowing essential oil and gas exploration to continue?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, perhaps I could answer on behalf of my colleague, who is responsible for the regulation system north of the sixtieth parallel, and for myself as I am responsible for the offshore situation. As the hon. gentleman knows, there have been extensive discussions with the provincial governments with respect, among other things, to royalties to be established for the exploitation of continental shelf resources. This is one of the issues in which the provinces are most interested. We think this discussion should be brought to a successful conclusion before we make any further decision with respect to the royalties.

**Mr. Bawden:** May I ask the minister whether, in view of the fact it is now three years since this delay was first instigated, he is now prepared to issue regulations covering lands in the northern part of Canada which are clearly within his jurisdiction?

**Mr. Macdonald (Rosedale):** It is interesting to note that the hon. gentleman refers to provincial consultation as delay. It seems to me that the federal pattern of economic rent should be a consistent one and that we should await the result of these consultations before announcing an over-all policy.

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● (1440)

[Translation]

#### POLLUTION

##### PROPOSED CONSTRUCTION OF SUPERTANKER PORT ON ST. LAWRENCE—STUDY OF ECOLOGICAL EFFECTS—POSSIBLE REVISION OF DEPARTMENT'S POLICY

**Mr. John Harney (Scarborough West):** Mr. Speaker, I would like to put a question to the hon. Minister of the Environment concerning the proposed supertanker port on the Lower St. Lawrence.

Since the department has elected to wait till the operating companies undertake studies on the environmental hazards inherent in this kind of projects, and in view of the fact that it seems there are several rival firms interested in these projects, would the minister have the intention of revising his policy so that these studies may be carried out by his department?

[English]

**Hon. Jack Davis (Minister of the Environment):** Mr. Speaker, several companies, as the hon. member has told the House, are involved. They are making environmental studies. So are the Quebec government and the federal government. When all the facts are in we will make our decision.

#### Oral Questions

[Translation]

##### PROPOSED CONSTRUCTION OF SUPERTANKER PORT ON ST. LAWRENCE—ECONOMIC AND ECOLOGICAL EFFECTS—GOVERNMENT POLICY

**Mr. John Harney (Scarborough West):** Mr. Speaker, I wish to direct a supplementary question to the Prime Minister.

In view of the fact that a few weeks ago the Prime Minister took notice of my questions concerning this, is he now in a position to advise the House of the policy of his government concerning the construction of oil trans-shipment harbours in the Lower St. Lawrence River, and especially on the effects which may result on the environment and the economy of the province of Quebec as well as the rest of Canada?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, may I suggest to the hon. member that, a few days ago, while answering a similar question, I indicated that the consultations between the two governments were progressing, and that the various federal departments involved were exchanging views. The policy will not be announced until these consultations are duly completed. As for us, the question remains open and the solution will be found during these consultations.

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#### AGRICULTURE

##### DAIRYING—INCREASE IN PRODUCTION COSTS IN QUEBEC AND ONTARIO—REQUEST FOR HIGHER GRANTS

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, I wish to ask a question of the hon. Minister of Agriculture.

Considering the continuing and very rapid raise of production costs for farmers, particularly in Quebec and Ontario, does the minister intend to announce soon a new increase in grants for industrial milk?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, that is not my intention at the present time although I am meeting with the officials of both these boards this afternoon.

[Translation]

**Mr. Beaudoin:** I want to ask a supplementary question, Mr. Speaker.

Can the minister tell us what measures the government intends to take immediately in order to put a check on the farmers' financial difficulties resulting from the constant raise in their production costs?

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[English]

#### GRAIN

##### ALLEGED REQUEST BY PRIME MINISTER OF INDIA TO BUY CANADIAN WHEAT

**Mr. J. H. Horner (Crowfoot):** Mr. Speaker, I would like to direct a question to the minister in charge of the