

greater than all the oil reserves in Arab countries, can the minister say if the consortium developing the tar sands has advised the federal government that it is uneconomic to go ahead with the development because of the high taxation of the industry, as proposed in the recent budget, and also because the present price set for crude petroleum makes such production uneconomic.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the recent changes in the budget, as my colleague, the Minister of Finance, has indicated, have had no effect on the economics of this particular transaction. The principal problem, of course, was the escalation in the cost of the project and the financial difficulties of one of the participants, which caused it to withdraw. One of the elements involved is the appropriate level of pricing in the future, toward the end of this decade, when the project would come into operation. That was one of the matters discussed with the government of Alberta and with the companies interested.

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AIR TRANSPORT

CHARTER FLIGHTS—POSSIBLE ENCOURAGEMENT OF COLLUSION BY TRANSPORT COMMISSION IN SETTING RATES—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Transport and is supplementary to the question directed to him by the hon. member for Lisgar. Is it consistent with government policy for the Canadian Transport Commission to encourage the collusion of airlines in setting charter rates to Britain, as reported in today's *Ottawa Journal*.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have not read what appeared in the *Journal* today and it would be better if I were to read it before commenting on it. I can tell you that price fixing in the field of the airlines is nothing new, because they are part of an association. That they fix the price of journeys over the ocean is very well known, and is determined by their association in Montreal.

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FEDERAL REGULATORY AGENCIES

PROPOSED INQUIRY TO ASSURE PROTECTION OF PUBLIC INTEREST

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, since my earlier question did not elicit a satisfactory answer from the Minister of Transport, may I direct my supplementary question to the Prime Minister. Is the government giving active consideration to the possibility of setting up an inquiry into all federal regulatory bodies, to determine whether those bodies are actually protecting the privileged position of industries under their jurisdiction by shielding them from competition in the market place, instead of representing the public interest, as they are charged with doing.

Oral Questions

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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EXTERNAL AFFAIRS

POSSIBLE DISCUSSIONS WITH UNITED STATES REGARDING USE OF NORTHWEST PASSAGE AS TANKER ROUTE—GOVERNMENT POSITION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Prime Minister and is supplementary to the question directed to the Minister of National Defence last Friday by the hon. member for Toronto-Lakeshore. In view of recent news reports that armed U.S. coastguard icebreakers might be accompanying or escorting super-tankers through the Northwest Passage in the not too distant future, can the Prime Minister advise the House if discussions have taken place between the Department of External Affairs of Canada and the United States State Department regarding the use of the passage as a tanker route. If not, is it his intention to institute such discussions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed by the minister that such discussions have not taken place. We do not know what the news report refers to and we are making inquiries in Washington.

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NATIONAL DEFENCE

GOVERNMENT ACTION TO ASSERT SOVEREIGNTY IN THE ARCTIC

Mr. Doug Neil (Moose Jaw): A supplementary question, Mr. Speaker. Will the Prime Minister advise the House what steps the government plans to take to give some meaning to our assertion of sovereignty over the northern parts of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to this question would call for a statement of policy by the government in all areas where we are acting. This refers back to the law, to the policy we announced several years ago concerning sovereignty in the Arctic. The hon. member in his question was mainly concerned about the transportation aspect of it. Of course, it is very much part of the transportation review that we are embarked on.

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ENERGY

OIL—EFFECT OF IMPOSITION OF IMPORT TAX BY UNITED STATES

Mr. S. Victor Railton (Welland): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Some hon. Members: Oh, oh!