

*Oral Questions*

people than had we gone to world prices. I must admit that the NDP and Tory governments in the provinces of Saskatchewan and Alberta were willing to go along with this in the public interest. We were not able to keep the prices as low as perhaps we would have liked, at least in the first stage, but we think that through their co-operation we have finally arrived at a price which is good for the Canadian people. It does cost the consumer a bit more, but I hope the hon. member will realize that those natural resources were under the constitutional jurisdiction of the NDP government in Saskatchewan and the Tory government in Alberta, and we struck what we thought was the best possible compromise.

● (1420)

ANTI-INFLATION PROGRAM—SUGGESTION OIL PRICE INCREASES BE CONDITIONAL UPON MONEY BEING DEVOTED TO EXPLORATION

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I know the Prime Minister would not want to distort the position of the government of Saskatchewan, at least intentionally. Since it is Premier Blakeney's view, both in the past and at present, that no increase should be permitted in the wellhead price of oil unless the future gains from that increase are used for further development—and he attached and always has attached that kind of position to the increase in price—and since at least one of the premiers directly involved has expressed that view, I should like to ask the Prime Minister why the federal government, in its anti-inflation program, does not attach that as a condition of all future price increases and make it mandatory if oil companies are going to get an increase that all such money be devoted to future exploration?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, this question has been dealt with by the previous minister of energy, mines and resources at federal-provincial conferences and in this House. We examined Premier Blakeney's position, which I repeat was one of wanting a considerably higher price for the oil sold—

**Mr. Broadbent:** For exploration.

**Mr. Trudeau:** —out of Saskatchewan. He had some scheme to put it in a special fund, I believe, in order that it serve the energy needs of the people of Canada. The Minister of Energy, Mines and Resources has given some very specific figures indicating the use to which any increment or windfall that had accrued to the federal government through the increased price, was indeed serving the energy needs of the people of Canada. To mention only one figure, \$1½ billion was budgeted for the equalization of the price of oil in the eastern part of Canada with the western part of Canada, and a large part of that indeed comes from the fact that we have been able to draw some benefit for the Canadian taxpayer from the export tax on oil products.

[Mr. Trudeau.]

[Translation]

AGRICULTURE

CHEESE IMPORTS—GOVERNMENT EFFORTS TO REDUCE

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, upon the Minister of Agriculture's return from the World Food Conference in Rome where he must have learned new ways of administering his department, I should like to ask him the following question. Several times I raised the matter of social prejudice suffered by the Canadian dairy industry due to massive imports of cheese. As it seems that total cheese imports for this year reach more than 50 million pounds despite agreements concluded with producers within the overall quota system, can the minister tell the House whether he is prepared to review his position very soon in that regard and what steps he plans to take?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, we are living within the agreement on production that we announced last April. We have told the producers the amount to produce and they agreed to what we suggested. They are concerned about the importation of speciality cheese from abroad, but there will not be more than 50 million pounds brought into Canada.

[Translation]

INDUSTRIAL MILK—EFFORTS TO DISPOSE OF SURPLUS IN THIRD WORLD

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, I would like to ask a supplementary question. Given the overproduction of industrial milk in Canada, is the minister prepared to accept our proposal and send our milk surplus to Third World countries, which badly need it, in order to help them on one hand and, on the other hand, to dispose of our surplus and sustain our milk industry?

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, the main surplus product we have in Canada at the present time is skim milk powder. There is a world surplus of skim milk powder—in Europe, New Zealand and all the countries producing it at the present time. We have ample supplies and are trying to find placement for areas of need but it is most difficult.

[Translation]

**Mr. Beaudoin:** Mr. Speaker, I have a final supplementary for the right hon. Prime Minister.

So as to be able to take fast and efficient steps to resolve this problem of industrial milk and other agricultural product surpluses, could the right hon. Prime Minister say whether he is prepared to undertake to entrust the Department of Agriculture with the responsibility for importing and exporting dairy products and all other agricultural products?

**Mr. Trudeau:** Mr. Speaker, the hon. member is asking a question regarding the internal organization of the government. Of course, I respect the hon. member's views, but I assure him that I organize the ministerial council in such a way as to get the maximum output.