

Proceedings on Adjournment Motion

The Boundaries Extension Act of 1912 also supports the case of ownership, by the province of Nova Scotia, of Sable Island. Indeed, by this act vast northern areas, as hon. members know, which were well established federal domain since 1869, were turned over to the provinces of Quebec, Ontario and Manitoba without compensation to the people of Canada. The same procedure was applied a few years later in respect of Alberta and Saskatchewan, and more recently Newfoundland. I simply ask the parliamentary secretary, why should Nova Scotia be turned down? As Mr. E. D. Haliburton of that province points out in an article in the *Mail Star*:

The right of the three provinces of Quebec, Ontario and Manitoba to this northern territory is clearly analogous to the claims of the Atlantic provinces for offshore mineral rights. Our claim comes late because until recently such offshore mineral rights were not known to have value.

In the same vein, Professor Chester Martin maintains that in all former British possessions, Crown property was really the property of the community. In Canada, not only did the British colonial authorities recognize the right of local or colonial responsible governments to exercise full administrative control of these Crown lands and of the public domain, but the BNA Act, section 109, also stipulates that the beneficial control—this is important—of the public domain is vested in the several provinces. In light of such arguments and in view of the aspirations of the people of Nova Scotia, I cannot but reiterate the position taken by the leader of my party last evening in Montreal, when he said:

The royalties on offshore oil should go to the contiguous provinces. This question should not be settled on a strict point of law. The tradition of equity in this country should govern, and the equitable solution is to make the royalties available to the contiguous province.

There are several questions which remain on this issue, and they will be raised until the problem is resolved.

[Translation]

The Acting Speaker (Mr. Boulanger): I regret to interrupt the hon. member, but his time has expired.

[English]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, much has been said about the benefits to the Atlantic provinces of the offshore search for oil. That search will be stimulated and those benefits made more certain by the recent discovery on Sable Island. By the end of this year the petroleum industry will have spent about \$130 million in the oil hunt off Canada's east coast. To date, 24 wells have been drilled. Assuming that all the work required to maintain presently outstanding permits is in fact done, the industry will, over a period of years, spend about one and three quarter billion dollars, half of which will be injected directly into the economies of the Atlantic provinces. During the current year, about \$60 million will be spent on petroleum exploration off the east coast. Announced and tentative programs indicate at least double that activity next year. The Sable Island discovery may well accelerate these programs.

• (10:30 p.m.)

In this vast context, the question of whether or not Sable Island is part of Nova Scotia which is amenable to decision by the courts really begs the main issue. In late 1968 the federal government made an offer to the provinces which would have settled the division of revenues from offshore mineral rights, including those derived from Sable Island. The Prime Minister (Mr. Trudeau) again discussed this offer with the Premier of Nova Scotia a couple of months ago. It is well known that the question is not yet resolved. We hope that the Sable Island discovery will impart a sense of urgency heretofore absent in so far as some of the provincial governments are concerned.

Motion agreed to and the House adjourned at 10.33 p.m.