

*Oil and Gas Act*

**Mr. Speaker:** Is the House ready for the question?

**Mr. Dinsdale:** Mr. Speaker, I am wondering whether some responsible minister is going to make a statement on this bill.

**Mr. R. J. Orange (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, at the outset may I say that the order paper for today has this bill in the name of the Minister of Energy, Mines and Resources (Mr. Greene). Recently, a change was made which transferred responsibility for the bill from the Minister of Indian Affairs and Northern Development (Mr. Chrétien) to the Minister of Energy, Mines and Resources.

**Mr. Speaker:** Before we proceed further perhaps it might be understood, if it is so desired, that the bill should be presented to the House in the name of the minister. This can be done in a formal way. Is that agreed?

**Some hon. Members:** Agreed.

**Mr. Orange:** Mr. Speaker, Bill S-5, to which this House is being asked to give second reading, provides in effect for extension of the provisions of an act passed by this parliament and will apply to the vast areas off Canada's sea coasts. In the briefest terms, Bill S-5 amends the Oil and Gas Production and Conservation Act, which became law last June, in such a way that it will apply not only to the Yukon territory and Northwest Territories, but also to Canadian lands offshore from our sea coasts—in other words, to those areas which are commonly called our continental shelves.

The amended act would provide for more comprehensive statutory control over oil and gas operations, the prevention of waste and pollution, and the safety of operations for persons working in Canada's offshore areas.

The Oil and Gas Production and Conservation Act was the product of several years of study and discussion by federal officials and industry representatives. It was designed originally so that it could be applied to both the northern territories and to the offshore areas. Since the need was considered to be more urgent in regard to the territories in view of recent discoveries of gas in the south-western portion of the Northwest Territories, and now oil at Atkinson Point, it was decided earlier that the then draft act should be completed and enacted with all possible despatch to ensure the orderly development of those new resources in the Canadian north.

[Mr. Chrétien.]

The time has now come for the act to be extended off Canada's offshore areas as well in order to cope with the increasing tempo of offshore exploration activities, in particular drilling for oil and gas. The need is increasing day by day. Drilling operations have been carried out off the west coast and in Hudson Bay, and extensive drilling programs are now under way off the east coast. It is possible that discoveries could be made in these areas in the near future.

The importance of having legislation pertaining to the offshore as comprehensive as would be provided by Bill S-5 is emphasized by incidents such as those which have occurred in the Santa Barbara Channel off California. Pollution is a matter of paramount importance with respect to the vulnerable multi-resource ocean environment. We must not only ensure conservation of the living resources of the sea; we must protect the recreational and other uses of the water, and we must as well preserve the environment for the owners and users of the shoreline. Extension of the Oil and Gas Production and Conservation Act to the offshore will provide comprehensive statutory authority for effective supervision and control over oil and gas activities, and it will also provide for regulations concerning the safety of the personnel involved.

Accidents elsewhere in the world have provided us with valuable lessons. For a considerable time now, well before the Santa Barbara Channel disaster, the Department of Energy, Mines and Resources has been evolving an excellent system for controlling offshore oil and gas exploration and drilling activities. I am pleased to say that the oil industry has been most co-operative. I might mention here that other countries have been taking notice of our practices in this regard, and interest has been expressed at the United Nations in connection with discussions there concerning the shape of a possible international system to govern the mineral resources of the deep oceans beyond the limits of national jurisdiction.

Hon. members may already be aware of the arrangements we have in Canada with regard to co-ordination between industry and governmental agencies involved in the utilization of the offshore. The primary purpose is to ensure that the special requirements of governmental agencies with offshore responsibilities are made known to industry and that industry in turn meets these requirements. To