

provinces entered Confederation, and since the lines of low-tide are shifting and uncertain and our sea-coasts are characterized by deep indentations, straits, innumerable islands, and inlets of various configurations.

#### LINES OF DELINEATION

After exploring a number of alternatives, it has been found that the geodetic grid system provides the best basis for delineation of areas of offshore administration. This method is already utilized for the issuance of exploration permits. The geodetic grid system is the reference system of lines of longitude and latitude used to identify the precise positions of points on the earth's surface. Using this system, we have drawn so-called "mineral-resource administration-lines", always well within the area of federal jurisdiction on the basis of the principles laid down in the Supreme Court opinion, with the intention that the Federal Government shall administer all offshore mineral rights seaward from these lines. It should be noted that the mineral-resource administration-lines are not to be confused with the "base-lines" from which Canada's territorial sea and fishing zones are measured in keeping with international law.

We are taking into account the undertaking of equitable arrangements made by Mr. Pearson. We are offering to work out in conjunction with each of the coastal provinces a method whereby they would, in effect, administer any offshore mineral rights under federal jurisdiction on the landward side of the mineral-resource administration-lines. In addition, the Federal Government is prepared to concede to the coastal provinces all revenues derived from the mineral resources of the submerged lands within these lines.

The proposed administrative-lines enclose several offshore areas that are linked closely with adjacent provincial lands. Off the West Coast, these include the sea-bottom between Vancouver Island and the mainland, as appreciable areas in close proximity to the mainland and off-lying islands. Off the East Coast, these include large areas of the sea-bottom in the Bay of Fundy, Northumberland Strait and the Passage Jacques-Cartier. These areas will also include historic bays and waters adjacent to numerous off-lying islands, thus making substantial territories available for administration by each of the coastal provinces.

#### ADMINISTRATION AND REVENUES

In view of the many aspects of national significance involved, the Government regards it as essential to retain the administration and management of mineral resources seaward from the mineral-resource administration-lines. With respect to the revenues however, the Government wishes to seek a fair and reasonable basis whereby the provincial governments would share in the revenues that may be derived from these national resources which lie off the coasts of the provinces. It would be the intention to place the revenues accruing from these resources in a single national pool from which half the revenues would be made available to the provinces concerned. This

would be purely a financial arrangement and would not imply involvement by the provinces in the jurisdiction and administration of mineral resources in those areas beyond mineral-resource administration-lines.

I am issuing at this time maps showing the locations of the mineral-resource administration-lines off both the East and West Coasts. Similar lines will also be drawn in the regions of Hudson Strait, Hudson Bay, and James Bay, where it will also be necessary to define a boundary between the submerged lands adjacent to the provinces and those adjacent to the Northwest Territories and Arctic Islands. Acceptance of the mineral-resource administration-lines is the necessary first step in resolving the offshore situation. We can then work together with the provinces in finding a satisfactory basis upon which the provincial share of revenues would be divided.

The question of the basis upon which the provincial share of revenues would be divided is one on which the Federal Government is open to suggestions. We should be agreeable to any proposal that the provincial governments themselves feel is acceptable. It may be that the provinces have already touched upon a basis or method in discussions among themselves that can be utilized in this connection. We should be prepared to hold the provincial share of revenues in escrow for a reasonable time until a satisfactory formula has been decided upon. If it would help in reaching an acceptable solution within a reasonable period, we should be willing to make constructive suggestions....

#### MIDWATER TRAWL PAYS OFF

Huge catches of Atlantic herring by midwater trawling in the Gulf of St. Lawrence have shown that the successful trials of this method by the federal Department of Fisheries and the Nova Scotia department are producing results. The federal Minister of Fisheries, Mr. Jack Davis, recently pointed to the record 1,200-ton catch early in November of the *J.B. Nickerson*, a 156-foot stern-ramp trawler out of Riverport, Nova Scotia, as proof that the method, previously proved feasible with smaller vessels, can be adapted to larger trawlers. The *J.B. Nickerson* is the first of its size to adopt the midwater trawling technique.

The operations now being carried out are part of a federal-provincial project sponsored by the governments of Canada and Nova Scotia, and are under the technical guidance of Mr. W.W. Johnson of the Industrial Development Service of the federal Department of Fisheries.

On November 2, the *J.B. Nickerson*, landed 428 tons of herring. Four days later, the ship arrived in port with 499 tons and with another 300 tons on November 9. The 300-ton catch was made in a single night and would have been greater but for bad weather which put a stop to fishing.

All catches were made at night in the Bird Rock area off the Magdalen Islands, and were landed at Caraquet, New Brunswick, for the production of fish meal.