

It will be noted that the Canadian system does not utilize a method of issuing rights based upon discretionary authority vested in the administering body. We do not have a system whereby nominations or applications are invited and the most attractive of these is selected by the administering authority, although I understand that systems of this nature are successfully utilized elsewhere in the world. The duties of administration and management at the national level involve of necessity many discretionary decisions on the part of administrators, and I know that I personally am happy indeed to have distinct guidelines wherever possible in exercising the considerable responsibilities with which myself and my colleagues in Canada are charged. Taking into consideration the complications and pressures on administrators at the national level, one can readily appreciate how much more acute these considerations could be at the international level. I believe it would be wise to attempt to design the international regime so that the administering authority will be able to operate in the most objective fashion possible, without the added complication of political pressures to which an administrator may be subjected when granted the wide discretionary power of selecting the parties to whom rights shall be issued. Care will have to be taken to ensure that the administering authority is not accorded more power than it can exercise effectively.

I might confirm here that the Canadian system has been found quite successful in stimulating exploration in Canada's offshore areas, which are pioneer areas in the truest sense. No commercial production has been found anywhere in the Canadian offshore as yet. Canadian oil and gas permits have been issued off the east coast extending in an unbroken stretch of some 2,000 miles along the coast from the Gulf of Maine region through the Grand Banks and thence to Hudson Strait. These permits extend seaward more than 400 miles east from Newfoundland. Permits have been issued along the west coast over a stretch of 500 miles from the Strait of Juan de Fuca region to the Dixon Entrance region, and these permits extend seaward somewhat less than 100 miles. In the Arctic region, approximately 150 million acres of oil and gas permits have been issued in the Arctic offshore. These are situated in the Beaufort Sea region, where they extend as far seaward as 140 miles off the mainland coast, and in the Arctic Islands region, where they cover most of the channels between the various islands.

Altogether, some 540 million acres, approximately 850 thousand square miles, are now held under Canadian offshore oil and gas permits. This represents more than half of Canada's entire submerged continental margin, which comprises some 1.5 million square miles. These permits have been issued in water depths ranging to 2,200 metres (about 7,000 feet) in the Gulf of Maine region, to 3,700 metres (about 12,000 feet) in the Scotian Shelf region, to 2,800 metres (about 9,000 feet) in the Grand Banks region, to 2,100 metres (about 6,800 feet) in the Labrador Sea region, and to 2,600 metres (about 8,500 feet) in the Beaufort Sea region. Geophysical surveys have been carried out in all these regions, commonly in water depths of several hundreds of feet, in places several thousands of feet, and exploratory drilling programmes have been or are being carried out off the