



Bulletin

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FEDERAL-PROVINCIAL SHARING OF OFFSHORE RESOURCES

In a statement to the House of Commons on December 2, Prime Minister Trudeau proposed the sharing of Canada's offshore resources by the federal and provincial governments. The Federal Government, he said, "regards it as essential to retain the administration and management of mineral resources seaward from the mineral-resource administration-lines", but he added the assurance that the provincial governments would have a share in any revenues that might be derived from these resources. "It would be the intention," Mr. Trudeau said, "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."

The Prime Minister explained as follows:

...The question has been a matter of controversy for some time. Last November, the Supreme Court of Canada provided an authoritative clarification of the legal position with respect to the areas off the West Coast and lying outside the harbours, bays, estuaries and other similar waters which were regarded as inland waters at the time the Province of British Columbia entered Confederation. In brief, the Court opinion was that the Federal Government is entitled to proprietary and other rights in these new areas offshore from the historic boundaries of British Columbia, which were defined generally as the ordinary low-water mark. The Court thus confirmed the view previously reached by the law officers of the Crown that all rights held or acquired by Canada in submerged lands lying outside the boundaries of any province accrue to Canada as a whole.

The reference to the Supreme Court was designed to determine, in the most authoritative way, where the jurisdiction rests. My predecessor, Mr. Pearson, indicated at the federal-provincial conference in

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July 1965, and I repeated in the House on September 19, that we intend to proceed now by negotiation. I am announcing today certain steps the Government is taking and certain proposals we are making to the provinces, which we believe to be both important and equitable.

In the light of the Supreme Court's unanimous finding in favour of the Crown in right of Canada, on the basis of principles that would appear to be substantially applicable to the East Coast as well as to the West Coast, the main problem becomes one of delineating the areas concerned to meet the practical requirements of mineral-resource administration. That is, it is necessary to establish lines for the purpose of differentiating between submerged lands to be administered by the provincial governments.

There are certain difficulties in using for this purpose the boundaries described by the Court, since it is difficult to ascertain what would have been considered as a bay or harbour for the purposes of international or domestic law at the time most of the