

Canada Oil and Gas Act

Messrs.

McKnight	Oberle	Skelly
McLean	Ogle	Speyer
McMillan	Paproski	Stewart
Miller	Parker	Taylor
Mitchell	Reid	Thacker
(Mrs.)	(St. Catharines)	Thomson
Munro	Roche	Towers
(Esquimalt-Saanich)	Rose	Vankoughnet
Murta	Schellenberger	Waddell
Nowlan	Scott	Wilson
Nystrom	(Hamilton-Wentworth)	Wright
	Siddon	Yurko—83.

Madam Speaker: I declare the motion carried. Orders of the day.

GOVERNMENT ORDERS*[English]***CANADA OIL AND GAS ACT**

MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed, from Monday, July 13, consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and motion No. 3 (Mr. McGrath).

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as we were concluding our discussions yesterday evening on motion No. 3 pertaining to Bill C-48, I noted that two themes had emerged in our discussions. One was the misgiving on the part of some in the opposition that the bill would somehow delay the realization of the petroleum potential in our Arctic areas and in the offshore. I had cited several examples of recent expansion of activity in those areas which give lie to the misgiving.

What we have also seen during the course of recent years is the need for a clear statement to guide those active in the exploration and development in the Canada lands. They must know the terms and circumstances under which that exploration and development can go forward. In our desire to see the terms clearly established, we are joined by the spokesman on energy questions on the Conservative benches, the hon. member for Etobicoke Centre (Mr. Wilson). Earlier in our discussion of this bill he noted the need to proceed expeditiously with this legislation, welcomed it as being overdue and praised the minister for bringing it forward. I am pleased to note that there is broad agreement that this legislation is necessary and indeed is a matter of some urgency, that in fact it does not hinder but rather promotes exploration and development in the Canada lands. Indeed, since last night we have seen yet another example of initiative being taken in the frontier areas with the acquisition by Husky of the lands held by Shell Explorer.

I turn to the second theme of our discussion as we were concluding last night, which is a misgiving on the part of some of the opposition that somehow this legislation would preclude

the benefits of exploration and development in the Arctic lands and in the offshore areas flowing to the adjacent provinces or territories. Quite clearly from a number of statements which the Prime Minister (Mr. Trudeau) and others in government have made on a number of occasions, it is not our intention to deny to the adjacent areas the full benefit of the revenues flowing from oil and gas exploration and development.

We remain eager to negotiate an arrangement with Newfoundland and the other offshore provinces. We made that very clear on a number of occasions, most recently during the course of this spring. We have offered revenues to the provinces from oil and gas exploration and development comparable to the situation in Alberta today.

With specific regard to the motion put forward by the hon. member for St. John's East (Mr. McGrath), the proposed amendment would delete that part of the definition of Canada lands which refers to offshore areas. This definition that would thereby be deleted does not apply to areas within a province. If it were ultimately determined that a province has jurisdiction in the offshore, those areas over which it has jurisdiction would not be part of Canada lands. In the absence of such a decision, the definition permits the exercise of federal jurisdiction over offshore lands which the Supreme Court of Canada in the 1967 British Columbia reference found to be within federal jurisdiction. The definition of offshore areas is also consistent with the work of the Law of the Sea Conference on the question of coastal state jurisdiction and certainly will not create any international problems.

I might also note that the definition in the bill does not state that the submarine areas in question are owned by Canada. Indeed, with respect to the areas outside the territorial sea, that is the 12-mile limit, it is doubtful that Canada could maintain a claim of ownership under international law. The definition clearly states that Canada lands are those that belong to Her Majesty the Queen in right of Canada or in respect of which Her Majesty in right of Canada has a right to dispose of or exploit those natural resources. Those words refer not to ownership but to Canada's authority under international and domestic law. I would ask the hon. member for St. John's East to bear in mind that the reference within the bill is not there by accident. It is there to repeat the claim of Canada over the disposition of the natural resources in the 200-mile zone.

I have cited some reasons why it would obviously be against the whole tenor and purpose of this bill if this motion were to carry. We would have a bill that would in some curious way relate only to the territory of the Yukon and Northwest Territories. All offshore areas would be excluded whether in the Arctic, Pacific or Atlantic. For those reasons, as well as others I have cited, the amendment is unacceptable to the government.