



# Bulletin

Vol. 23, No. 51

December 18, 1968

## 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

## CONTENTS

Federal-Provincial Sharing of Offshore Resources.....	1
Midwater Trawl Pays Off.....	2
Air Canada New Chiefs .....	3
Louis Rasminsky Honoured.....	3
INCO in Guatemala .....	3
Feast for Toronto Balletomanes.....	3
UIC Fraud-Prevention Training .....	4
Farm Credit Changes .....	4
Civil Aviation .....	4
National Egg-Marketing Agency .....	5
Curling Stamp .....	5
Films Help Teach Handicapped .....	5
Loan to Bolivia .....	5
Yugoslav Air Experts Visit.....	5
Pensionable Age Down in '69.....	6
Bull Versus Steer .....	6
Otherworldly Mineral Display.....	6

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



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.



## AIR CANADA NEW CHIEFS

The Board of Directors of Air Canada recently announced the appointment of Mr. Yves Pratte, Q.C., of Quebec City as Chairman of the Board and Chief Executive Officer of the company, and of Mr. J.R. Baldwin of Ottawa as President. The appointments are effective December 15.

The establishment of the two senior management posts in place of one, which was held previously by Mr. Gordon R. McGregor, who retired last May, follows a recent study of the problems of operation and development that will face the Crown corporation in the years ahead.

Mr. Pratte is senior partner of the law firm of Pratte, Côté, Tremblay, Beauvais, Bouchard, Garneau and Truchon, and from 1965 to 1968 he was special legal counsel to two prime ministers of Quebec. Mr. Baldwin has been deputy minister of the Department of Transport since 1954.

The Chairman, who will be the Chief Executive Officer of the corporation, will have complete responsibility before the Board of Directors for all aspects of company operations. He will be specially concerned with financing, long-range planning and development of policy. He will also be responsible for liaison with Parliament and Government in regard to these matters.

## LOUIS RASMINSKY HONOURED

Mr. Louis Rasminsky, Governor of the Bank of Canada, has been chosen to receive the 1968 Outstanding Achievement Award of the Public Service of Canada, which was inaugurated in 1966 to honour public servants who had made exceptional contributions to Canada.

Mr. Rasminsky was unanimously chosen by a selection committee of five Canadians under the chairmanship of Mr. T.N. Beaupré of Montreal. The first two recipients of the award were Dr. W.B. Lewis, Senior Vice-President of Atomic Energy of Canada Limited, in 1966, and Mr. R.B. Bryce, Deputy Minister of Finance, in 1967.

The prize, which consists of an illuminated citation and an honorarium of \$5,000, was presented by the Governor General on December 10.

In a letter to Mr. Rasminsky, the Prime Minister paid tribute to his "remarkable contribution over many years to the service of the international community".

"I have no doubt that one of the particular considerations in the Committee's decision was your remarkable role last March in the successful resolution of the serious financial difficulties facing Canada at that time," he said. "The importance of that achievement is now being re-emphasized by the current developments in international finance.

"My colleagues join me in extending to you our warmest congratulations and our deep thanks for the abilities, energy and devotion that you have constantly given to the service of Canada."

The President, who will also serve as Vice-Chairman of the Board of Directors, will be responsible to the Chairman and, through him, to the Board for the management of current operations and for such other duties as are assigned by the Chairman. He will carry out liaison with government agencies on matters for which he is responsible.

## EXPANSION OF OPERATIONS

The Board of Directors noted the major factors considered in the recent review of the problems facing the airline: the expected doubling and tripling in the size of its operations over the next five to ten years; heavy new capital requirements associated with this growth; the need to reconsider a number of basic matters affecting Air Canada's organization and future, ranging from ownership to methods of financing; and the desirability of exploring new areas of growth for the company.

A study of these and other factors led to the conclusion that effective management of the corporation required the existence of two major senior executive positions.

The Board noted that a number of major world airlines facing the same kind of problems as those of Air Canada have established similar corporate organizations at the senior level.

## INCO IN GUATEMALA

A spokesman for The International Nickel Company of Canada, Limited, has confirmed that, as reported in its most recent annual report, the company's majority-owned subsidiary, Exploraciones y Explotaciones Mineras Izabal S.A. (EXMIBAL), will begin large-scale construction of its nickel-mining and processing facilities near Lake Izabal in Northeastern Guatemala promptly upon conclusion of arrangements with the Guatemalan Government and of appropriate financing. Rapid progress with these arrangements appears to be under way. Construction of the facilities is scheduled to extend over three years.

The spokesman also confirmed that the total cost of the project is expected to amount to some \$180 million. This figure covers all costs, including working capital and supporting facilities.

## FEAST FOR TORONTO BALLETMANES

Beginning next season, ballet-goers in Toronto will be able to see the dance at almost any time of year. The National Ballet of Canada, which for the past four years has been performing twice a year in Toronto, at Christmas and in spring, will offer five seasons, the first to begin in March.

The first Toronto season of 1969 will be a series of special spring holiday family matinees scheduled for the spring school vacation. Two of the most popular ballets in the repertoire, *Cinderella* and *Romeo and Juliet*, have been scheduled at hours that



will permit the entire family to attend the theatre together.

The second season will begin a week later with the Toronto première of Grant Strate's new ballet *Cyclus*, the first performances by the National Ballet of George Balanchine's *The Four Temperaments*, and other works from the company's repertoire such as *Bayaderka*, *Concerto Barocco*, *Serenade*, *La Sylphide*, *Solitaire* and the National Ballet's production of *Swan Lake*.

The third season, starting in mid-April, will feature original works by guest choreographers and graduates of last spring's choreographic workshop which was produced by students of the National Ballet School.

In November, seven performances will be given of a new full-length ballet (as yet untitled) by Roland Petit, with music by Iannis Xenakis. This work has been commissioned for the gala opening of the National Arts Centre in Ottawa, where it will have its world première on June 2.

The second week of the autumn season will be devoted to the première performances of a new ballet by Erik Bruhn and the Canadian première of Roland Petit's *Le Loup*. There will also be performances of *Swan Lake*, *Cyclus*, *Concerto Barocco*, *The Four Temperaments* and several other ballets.

The fifth Toronto season of 1969 will be the annual Christmas holiday presentations of *The Nutcracker*.

## UIC FRAUD-PREVENTION TRAINING

Not all those whose cases are investigated will lose out as a result of the Unemployment Insurance Commission's stepped-up drive against fraud. A spokesman said recently that a six-month pilot programme had revealed that fraudulent attempts to obtain unduly high unemployment-insurance benefits represented between 15 and 20 per cent of all claims received.

In the last financial year, \$2 million wrongfully drawn from the Unemployment Insurance Fund was recovered, following investigations. In the financial year ending March 31, 1969, it is expected that \$3 million will be recovered. With the extended and redesigned programme well under way by then, yearly recoveries of overpayments may later reach \$5 million.

"When the amount of fraud starts dropping, we shall know that we are getting somewhere," the spokesman said. "It will not mean we are relaxing our programme of control. It will mean that more and more claimants are realizing dishonesty does not pay."

## DUAL ASPECT

The programme has two aims. On the one hand, it will apply a strong curb to dishonest practices. On the other, it will remedy cases where it is found claimants have received less than they should have. In this case, too, adjustments will be made and the programme will contribute from both aspects to efficiency

in the operation of the unemployment insurance scheme.

To make it clear beyond any doubt what is permissible and what is not, the Unemployment Insurance Commission has launched a large-scale programme of public education. Brochures on the subject of "availability for work" as a condition of benefit, one of the principal areas of abuse, and on the consequences of dishonesty have been prepared for distribution to claimants. Two and a half million copies of each booklet are being printed.

A booklet will also be available for distribution to employers describing the role they can play in ensuring that claimants receive every penny they are entitled to — and do not receive what they are not entitled to. It also describes sanctions that can be applied against them, if they act in collusion with untruthful claimants.

A cross-Canada programme of speakers provided by the Commission will concentrate the attention of labour, employer and other groups on the need for, and the progress of, the "crackdown" operation.

## FARM CREDIT CHANGES

Canada's Parliament recently passed important amendments to its Farm Credit Act.

The limit of \$40,000 on standard loans for individual farmers remains unchanged, but loans of up to \$80,000 may now be made to two farmers working in partnership, and loans up to \$100,000 may be made to three or more joint owner-operators.

Similarly, under the supervised loans, the maximum for an individual remains at \$55,000, but two or more owner-operators may qualify for a loan of up to \$100,000.

A new provision permits loans of up to 90 per cent of the appraised value of land, livestock, and equipment to young farmers.

## CIVIL AVIATION

The six airlines that normally account for 90 per cent of all airline revenues in Canada flew 12.5 per cent more passenger-miles during the first six months of 1968 than during the corresponding period of 1967. The number of passenger-miles flown this year was 3,515,000,000, compared to 3,123,000,000 last year. Operation revenues were up 12.3 per cent, to \$239,284,000 from \$213,009,000, but operating expenses also rose by 11.6 per cent to \$241,187,000 from \$216,105,000, resulting in a deficit of operating income of \$1,903,000 compared to \$3,096,000 in the first six months of last year.

The airlines included are Air Canada, Canadian Pacific Airlines, Eastern Provincial Airways, Quebecair, Transair and Pacific Western Airlines.

Despite the cessation of sugar-beet planting in Ontario, last year's Canadian acreage was 81,200, only 2,100 less than in 1967.



## NATIONAL EGG-MARKETING AGENCY

Agriculture Minister H.A. Olson and provincial ministers of agriculture have achieved near-unanimous agreement on the desirability of establishing a national egg-marketing agency.

Three objects of such an agency are to foster a strong, efficient and economic poultry industry; to provide stable and reasonable returns to producers; and to make a dependable supply of quality eggs available to consumers at stable prices.

The ministers agreed that, should an agency be established to implement provincial, regional or national marketing quotas, it would be instructed to limit allocation of marketing quotas to production facilities established before the end of November 1968. This limitation would remain in effect until further expansion of the industry was necessary.

### RESULTS OF INVESTIGATION

Egg-marketing has been under intensive study by Mr. Olson and his provincial counterparts since mid-summer, following a request by the Canadian Conference on Egg Production. Discussion covered the jurisdictional and economic aspects of a marketing authority. It was agreed that jurisdictional problems could be met either by the delegation of powers by the provinces or by contractual arrangements between provincial marketing agencies and the national agency.

The proposal will now be discussed in detail with representatives of Canada's 175,000 egg-producers.

## CURLING STAMP

A 6-cent stamp in the sports series in honour of curling, the "roaring game", will be released by the Canada Post Office on January 15, 1969.

The new horizontal issue is 40 mm. x 24 mm. and was designed by David Eales, of Toronto.

The British American Bank Note Company Ltd., Ottawa, will combine steel engraving and photo-gravure to print 24.5 million of the curling stamps in three colours on a white background. Silhouetted figures of four players in action form the main design of the stamp.

### UNCERTAIN ORIGIN OF CURLING

Although the origin of curling is obscure, the curlers of the Town of Kilsyth in Stirlingshire, Scotland, whose forefathers started to play the game in 1716, are regarded as having the world's oldest continuing club; the Royal Montreal Curling Club, which was organized in 1807, was the first in North America. Evidence does exist that the game was in vogue in Scotland during the very early years of the sixteenth century, and some writers claim that it was introduced into that country during the reign of James I (1394-1437). The early Icelandic *knattleikr* is a possible contest from which the "roaring game" originated, though some investigators think it came from continental Europe. In 1890, after assessing

claims and counter-claims, the historian of Scotland's Royal Caledonia Curling Club, which affiliated groups in 12 countries regard as the "mother club", wrote: "There are no facts by which we can determine precisely the antiquity of the game."

A recent estimate by a representative of the Canadian Curling Association places the number of curlers in Canada at nearly half a million.

## FILMS HELP TEACH HANDICAPPED

Working under the supervision of Dr. M. Sam Rabinovitch, a psychologist at the Learning Centre of the Montreal Children's Hospital, and his colleagues Margaret Gollick and Renée Stevens, a National Film Board team has produced *Loops to Learn By*, a unique series of 8-mm. films specially designed for children with learning difficulties.

The programme, consisting of over 100 short, inexpensive silent films, has been under continuous development and testing for over two years, by some of NFB's most skilled film-makers, working closely with Dr. Rabinovitch to make the films as attractive and effective as possible. They are designed to help teachers, psychologists, and other professionals who work with children to provide them the kind of specialized training they need for their various learning handicaps such as short-attention span, poor visual skill, limited awareness and management of their bodies, inadequate language development, and incomplete grasp of concepts of space, time and sequence.

## LOAN TO BOLIVIA

Mr. Jean-Luc Pepin, Minister of Industry and Trade and Commerce, recently announced details of Canada's first long-term loan to Bolivia through the Export Credits Insurance Corporation. The loan is for an amount of \$2.5 million to finance the sale of Canadian goods and services for the expansion of electric-power generation, transmission and distribution facilities in and around La Paz.

Under the loan agreement, repayment of which is guaranteed by the Government of Bolivia, financing is provided to *Compañía Boliviana de Energía Eléctrica, S.A.* (Bolivian Power Company Limited, Montreal and La Paz). After a period of grace of two and a half years, the loan will be repaid over 12 years, with interest at six per cent a year. Montreal Engineering Company, Limited, the Canadian exporter, will co-ordinate purchases in Canada and will also provide engineering, construction, technical and similar services.

## YUGOSLAV AIR EXPERTS VISIT

A delegation of senior Yugoslav officials arrived in Canada recently to begin a three-week study tour of Canadian air-transportation facilities and airport-construction capabilities.

The mission, sponsored by the federal Depart-



ments of Industry and Trade and Commerce, are visiting Ottawa, Montreal, Toronto and Vancouver to examine Canadian airport planning, equipment and technology, with particular emphasis on runway-lighting systems, safety-service equipment, navigational aids and communications systems.

The Yugoslav Government is planning to rebuild or re-equip a number of airports to adapt air transportation facilities to the "jumbo" and supersonic jet age.

The members of the mission are:

Mr. M. Djordjevic, General Director, Belgrade Airport Authority; Mr. Z. Kosovic, Director General, Dubrovnik Airport Authority; Mr. S. Karimanovic, Assistant Operations Director, Belgrade Airport Authority; Mr. Z. Markovic, Technical Director, Belgrade Airport Authority; Mr. M. Stojkovic, Chief, Air Traffic Control, Belgrade Airport Authority.

## PENSIONABLE AGE DOWN IN '69

Retirement pensions under the Canada Pension Plan will be paid at the age of 66 in 1969, a year earlier than in 1968.

Reminding contributors to the plan of the reduction in pensionable age, Health and Welfare Minister John Munro pointed out that retirement pensions must be applied for; payment is not automatic. Application may be made at any of the Canada Pension Plan offices in 38 major centres across Canada or at local offices in smaller centres. Applications for retirement pensions under the Quebec Pension Plan must be made to the Quebec Pension Board.

"If you are 66 now, retired, and have been a contributor to the Canada Pension Plan," Mr. Munro said, "get in touch with the nearest CPP office at once. If you will become 66 in 1969, application must be made within three months prior to your birthday." For applicants now 66 or more, payment will begin in January 1969.

The Minister explained that the eligible age for retirement pensions would be reduced each year until 1970, when it would be 65. This is consistent with similar age-reductions in the minimum eligible age for Old Age Security pensions and the Guaranteed Income Supplement.

People of 70 or over and who have contributed to the Canada Pension Plan need not to be retired to receive a retirement pension, but they must, like everyone else, apply for it.

## BULL VERSUS STEER

Beef farmers may be losing money by castrating bulls. Preliminary results at the Canada Department of Agriculture's Research Station in Lacombe, Alberta, indicate that bulls may produce very good carcasses.

Tests so far carried out have graded bull carcasses between 80 and 90 percent "choice". In addition, research results have invariably shown that bulls grow faster than steers, are more efficient feeders and produce a large "loin eye" of lean meat.

A.H. Martin, carcass-quality researcher, says that bull meat is accepted in nearly every country in the world, yet few bulls are produced for slaughter in Canada. He is studying bull carcasses carefully because he thinks that farmers could save money by raising them for slaughter. Farmers could expect lower production costs from better conversion rates and fewer days to market weight. Also, they would be spared the expense and trouble of castration.

The tests are continuing at Lacombe because several questions remain to be answered. Chemical analyses and other tests of the quality of meat will be carried out and a "taste panel" of experts will judge the aroma, texture and taste of bull meat. Preliminary results have already shown that bull meat is highly acceptable in both quantity and quality of lean meat.

## TESTING BOAR MEAT

Similar research with pigs has shown that boars convert feed more efficiently than hogs, their carcasses are leaner, and their meat is tenderer, and of excellent quality.

The last conclusion came from a taste panel, whose members consistently rated boar meat higher for tenderness, though lower for cooking aroma. In the comparison test with other forms of pork, the panel showed a preference for boar meat.

Boar meat is currently banned from the Canadian consumer market.

## OTHERWORLDLY MINERAL DISPLAY

A fluorescent mineral display is attracting many visitors to the National Museum of Natural Sciences' mineral hall in Ottawa.

The display has been created by the Curator of Minerals, Louis Moyd, and the museum staff. Under ultraviolet light, the minerals reveal glowing colours quite unlike their normal appearance in natural lighting, varying from intense blues through pinks, purples and orange-yellows to vibrant hues of green.

A magnificent piece of calcite, approximately two feet wide, radiates a fashion-designer's delight of shocking pink blended with violet. An eight-inch piece of California halite, glowing in a single shade of muted terracotta, contrasts with New Jersey calcite mixed with willemite, which gives off luminous greens, pinks and purple.

The specimens in the display are kept at room-temperature, so that the light they emit is "cold", in contrast to incandescent light, which is produced by very hot objects such as the filaments of electric-light bulbs or the tiny glowing particles that make flames visible.