

## BILL TO PREVENT COURT ACTION BY HOPPE INTERESTS

Special Senate Committee on Coal Leases Says Legislation Will be Government Measure.

### TANGLED HISTORY OF THE CONCESSION

Report Limits Indemnity for Isenberg Family to \$100,000. Dr. Church Speaks.

Another chapter in the tangled history of the Hoppe Coal Lands of Alberta—said to be worth a hundred millions—is written in the report of a special committee of the senate tabled by Senator Belque, chairman, yesterday afternoon.

The report cites a draft bill to permit revocation of the fiat and thus prevent action in the courts to have the leases declared existent. "Your committee was informed by the minister of justice," adds the report, "that this bill will be forthwith introduced as a government measure."

The report further mentions a memo of agreement dated Nov. 1, 1922, between Murdoch and Dr. H. C. Church, of Ottawa, being an option for six months to Church to acquire for two million dollars all Murdoch's rights and privileges in the leases.

As indemnity to the Isenberg interests the report says it should not exceed \$100,000.

The report briefly tells the story of the famous coal leases from the day in 1912 when they were granted to D. P. R. Isenberg. It tells among other things of the previous investigation by a senate committee, which in 1919 held an inquiry under the chairmanship of Senator Bradbury; of the cancellation of the leases by the Dominion government during the war on the ground of non-payment of rental; of the death of Isenberg; of the filing of a petition of right by his executors, the Hawaiian Trust Company and Bertha Isenberg, and of the issue of a fiat last October to enable the executors to take action in the Exchequer Court to have the leases declared still valid and existing.

It was the issue of the fiat which led to the present further inquiry, and a feature of the committee's proceedings was production of an agreement between the executors of the Isenberg estate and William Murdoch of Ottawa, under which all rights in the leases are transferred to the latter.

#### Improper Use Ministers' Names.

In regard to some sensational statements said to have been made during private hearings of the committee, the report has this to say:

"Your committee deems it proper to state that in trying to dispose of the leases in question Wm. Murdoch has very improperly and unwarrantedly made use of the names of ministers of the crown, of departmental officials and other persons, as was conclusively established before your committee.

"If," says the report further, "as your committee hopes and strongly urges upon the government, the fiat granted on October 9th, 1922, is withdrawn, and the above mentioned Petition of Right permanently stayed, the question may arise whether, under the special circumstances disclosed by the records of the department of the interior an indemnity should be

granted to the Isenberg Estate. In the opinion of your committee such indemnity, if deemed advisable by the government to be paid (as to which your committee expresses no opinion) should be paid to nobody else but the Isenberg Estate, and should not exceed one hundred thousand dollars."

The nature of the agreement between the executors of the Isenberg Estate and Murdoch comes in for some special mention. The report quotes a letter from E. L. Newcombe, deputy minister of Justice, dated April 23, 1923, which comments on the agreement as follows:

"According to the narrative of the agreement, Mr. Murdoch had previously been acting as agent of the estate for the purpose of having the leases recognized or restored, and it is implied in the arrangement as concluded that Mr. Murdoch shall have the direction of the petition which was then afoot, although in the name of the estate, he assuming all costs and expenses, and to be indemnified out of the proceeds of the property if successful.

"In these circumstances the arrangement under which these proceedings are being carried on offends against the law respecting maintenance and champerty."

#### A Huckstering Agreement.

"It is obvious," adds Mr. Newcombe, "that the crown cannot very respectably continue voluntarily to be associated with the project of this action which, as it now transpires, has in view the re-establishment of the leases under the stipulations of a huckstering agreement."

"Certainly His Excellency would not have been advised to grant a fiat upon the petition if the facts disclosed by the agreement and Mr. Murdoch's testimony had been before the department when the petition was considered and therefore if there be power to revoke the fiat I would think this is a proper case for the exercise of the powers. The Petition of Right act, however, makes no provision, and so I venture to repeat the suggestion which I made to the committee that it would be advisable to provide generally for such cases by apt amendment of the Petition of Right act, and I submit herewith for consideration draft clauses which I have prepared to give effect to this suggestion."

Dr. H. C. Church, of Ottawa, whose name is mentioned above as having had a six months' option to acquire the property in question for two million dollars, said last night:

"In the first place the statement that Mr. Murdoch had improperly used the name of public men in connection with these leases is absolutely and completely wrong. I rather wish the committee would publish the evidence of Hon. Rodolphe Lemieux, speaker of the house of commons, in regard to the use of names and the public would then see what I say is absolutely confirmed.

"I am strongly of the opinion that the general public should have a

general idea of this case. I question very strongly the honesty of purpose of some of these politicians who are now protesting so strongly about the good of the people. I think there are some exceedingly disappointed politicians.

"For one thing an attack has been made on us and the public has been led to believe that German interests are concerned in these leases. There are not, there never were, and there never will be any Germans concerned in the matter as long as the present interests hold control. Mr. Isenberg was an American and never had anything to do with Germany or the German government. He paid rental on the property of \$130,000 and spent \$120,000 in addition on the property. The rents were due yearly in advance. In one case after nine days, and after Mr. Isenberg had offered part payment which had been refused by the government, the government cancelled the lease, although there was a moratorium in effect in Canada at the time. Then others were allowed to locate the property four days after the cancellation of the lease. Some months later this lease was also cancelled and later the property was created a national reserve.

"Most people will agree," said Dr. Church, "that Canada does not need a national reserve in coal. As long as coal is kept in the ground it benefits no one. What people want is cheap coal and they want it now. As it is, the property is of use to no one."

"It took five months to get the fiat granted. If the government of Canada or anyone else refuses to trust the courts, we might as well live in Soviet Russia and be done with it. All we ask is to get this whole matter before the courts of the country, but it is apparent that a determined effort is being made to prevent this. The government is not willing to let the courts decide if it has acted fairly. And when I speak of governments, I do not speak particularly of the present one but of all. Both sides have behaved badly. We want this matter delved to the bottom.

"The committee has done its best to insinuate that there has been political interference in the matter of these leases. Nothing is further from the act. Whatever we got we had to fight for, and fight for hard.

"We have," said Dr. Church in conclusion, "British capital all signed up—capital from what is probably the largest coal interests in Great Britain ready to develop these properties. But it appears such course would trample on some people's corns. The politicians are not interested in cheap coal."

**TWENTY THOUSAND  
WORKERS AFFECTED**