

*Boundary Pipeline Corporation*

proximity to markets and a number of other factors that would tend to affect seriously the prosperity or non-prosperity of the oil well. This, of course, is quite obviously another measure which would encourage companies from all over the continent to come into Alberta to prospect for oil. Also, to companies who wished to go into the matter on a rather large scale, an offer was made that if they desired to pay a 12½ per cent royalty on their gasoline up to 1951, they could have the privilege of recovering gasoline for a 12½ per cent royalty. This was a measure that had quite a good deal to do with the development of Alberta oil.

There exists throughout the country a fallacious notion that somehow or other this oil industry of Alberta descended from the sky. It was a "windfall", I think one of the Ottawa papers recklessly called it the other day. It was nothing of the kind.

**Mr. Byrne:** International finance.

**Mr. Blackmore:** It was the discovery of the means of using great resources which had lain there for generations. The discovery was made because of wise, carefully designed and calculated measures aimed at producing exactly the result that was produced.

**Mr. Laing:** Is that actually a good government out there?

**Mr. Blackmore:** The best answer I can think of is what the Saviour said, namely, "By their fruits ye shall know them!" Certainly the fruits, as far as oil is concerned, indicate that it is a mighty good government.

**An hon. Member:** I do not like oily fruit.

**Mr. Laing:** How did they get the oil in the ground?

**Mr. Blackmore:** The result of all these measures was that by 1948 there were over 60 different companies drilling for oil in over 100 different areas in Alberta, and they were spending \$1 million a month trying to find oil. I will ask this question: Do you think you would be able to get 60 different companies, including the very strongest ones in America, to go into a province where the administration was unsound and where the advice adopted was unsound? Such men having tens of millions of dollars of financial reserves do not throw their money away.

**Mr. Byrne:** What would happen if Social Credit was not there?

**An hon. Member:** Do not keep us in suspense.

**Mr. Blackmore:** Another interesting comment on the development is given by Mr.

John F. Fairlie, manager of the co-ordination and economics department of the Imperial Oil Company, speaking before the American Institute of Electrical Engineers, in Toronto, June 26, 1951. In his speech he estimated that the amount of money that was being spent on exploring, drilling and development with regard to oil in Alberta during 1951 would be roughly \$200 million. Those are the fruits of Social Credit government, admitted by those who can judge.

**Mr. Riley:** They are going to find out in British Columbia, are they not?

**Mr. Laing:** One man made half of that.

**Mr. Blackmore:** The policy of the Social Credit government embraces five main considerations. I am now going to read from "They Belong to You", a document by Hon. N. E. Tanner who had the largest amount to do, I would say, with the formulation of the policy which resulted in the highly gratifying development of the oil industry. He was writing to the Alberta people about their oil resources in 1948.

**Mr. Laing:** Is he Social Credit?

**Mr. Blackmore:** Hon. N. E. Tanner said: That policy—

The policy of the Social Credit government.

—"embodies five major points to which the government is committed and from which it will not deviate.

1. To take all reasonable steps necessary to encourage orderly development to meet the ever increasing demand for petroleum products and to make Canada less dependent on other countries for these essential products.

2. To insist that all development is carried on according to the best known engineering practices, thereby preventing waste and assuring the greatest ultimate recovery.

3. To establish prospecting and leasing regulations designed to effectively prevent monopoly, and encourage individual enterprise. Only by the existence of wholesome rivalry where free and competitive enterprise is carried on, can we expect to get the most active development.

4. To obtain for the people of the province as a whole, a fair share of the returns resulting from the production of oil.

5. To assure to the owner of surface rights fair and generous treatment in determining and awarding full and proper compensation for any loss, damage and inconvenience.

The soundness and fairness of this five-point policy will commend it, not only to those interested in oil development, but to the public as a whole."

If hon. members and the people throughout the country want to know why this spectacular development of oil in Alberta took place at this particular time, they can refer to that document.

**Mr. Byrne:** The fiscal policy of the Liberal government!