

otherwise howsoever) without giving to the Company an opportunity for thirty (30) days to acquire the said plant or such part thereof, as the case may be, at the same price and upon the same terms and conditions as His Majesty is able to obtain and is willing to accept from such third party.

His Majesty agrees that any such offer shall include the land on which the plant or part thereof being dealt with is erected, and undertakes to procure all proper assurances of such land according to the circumstances, together with the benefit of all servitudes thereto.

Clause 31 referred to in the above mentioned clause refers to an assignment by the British Government to any Allied Government.

The plant at Calgary, Alberta, for the production of ammonia and ammonium nitrate known as Project No. 12 was constructed by Alberta Nitrogen Company Limited, a wholly-owned subsidiary of Consolidated Mining and Smelting Company of Canada Limited, in 1940 for and on behalf of the British Government without fee or profit. The cost of the plant was \$9,800,000, which was provided by the British Government. The plant was operated for and on behalf of the British Government by Alberta Nitrogen Products Limited, a wholly-owned subsidiary of Consolidated Mining and Smelting Company of Canada Limited, without fee or profit. The plant was taken over by the Canadian Government as part of the assets of the British Government in Canada under the general agreement made for the take-over of British assets in Canada in 1943.

By Clause 13 of this agreement the disposal of the plant was limited as follows:—

Disposal of Plant—The Government agrees that it will not dispose of the plant or any part thereof (whether by sale or upon lease or licence, or otherwise howsoever) without first offering the plant or such part thereof to the Consolidated. If such offer does not result in the disposal of the plant or such part thereof to the Consolidated, the Government agrees that it will not, until the expiration of fifteen (15) years next ensuing after the termination of the present war, dispose of the plant or any part thereof to any third party (whether by sale or upon lease or licence, or otherwise howsoever) without first giving to the Consolidated an opportunity for thirty (30) days to acquire the plant or such part thereof, as the case may be, at the same price and upon the same terms and conditions as the Government is able to obtain and is willing to accept from such third party.

The Government agrees that any such offer shall include the land on which the plant or part thereof being dealt with is erected, and undertakes to procure all proper assurances of such land according to the circumstances, together with the benefit of all servitudes thereto.

These plants were constructed and operated for the production of ammonia and ammonium nitrate for military purposes. Late in 1943, the requirements of ammonia and ammonium nitrate dwindled and it was then arranged with Consolidated that the plants would be operated for the production of ammonia and ammonium nitrate for fertilizer on the same basis until the cessation of hostilities. When fighting ceased in 1945, Consolidated raised the question as to the future operation of these plants. Officials of Allied War Supplies Corporation, the Government-owned Company which was supervising these operations, recommended that if the plants were to be sold, the price of \$7,000,000 would be fair, having regard to the fact that the operations of the plants for the production