

In 1956 the existence of a petroleum industry in Canada made possible a saving in foreign exchange of over one-half billion dollars for fuels which otherwise would have had to be imported. The benefit to Canada's balance of payments is expected to increase year by year as the rate of fuel self-sufficiency rises.

Against this background survey of recent progress, the following brief sections give an indication of the role of government in petroleum industry development.

II. Structure of Government in Canada

Canada is an independent nation, with a democratic parliamentary system of Government. Queen Elizabeth II, who stands as a symbol of free association among the nations of the Commonwealth, is, as Queen of Canada, the head of the Canadian State. Parliament consists of the Queen, the Senate and the House of Commons. Senators are appointed on a regional basis for life, and members of the House of Commons are elected by the people of Canada for maximum terms of five years. The executive power is exercised by the Cabinet, chosen by the Prime Minister from among his parliamentary supporters. He and his Cabinet colleagues are collectively responsible to the House of Commons. Canada's ten provinces have similar systems of cabinet government, with their premiers and legislative bodies.

Canadian courts of law are independent bodies. The Supreme Court of Canada is the final arbiter. Each province has its Police, Division, County and Supreme Courts, with right of appeal being available throughout provincial courts and to the Supreme Court of Canada. At the federal level there is also the Exchequer Court in which proceedings against the Crown may be launched. The Crown may use any court in a case against an individual but generally uses the Exchequer Court. There is also right of appeal from this court to the Supreme Court of Canada. All judges in Canada are appointed for life by the federal government except police magistrates who are appointed by the provincial governments.

Of importance to the petroleum industry is the right of appeal to a court of law from an order or direction made by a provincial government conservation board, and also the right to take a disputed income tax ruling before an appeal board and to the Exchequer Court and the Supreme Court of Canada.

III. Ownership of Mineral Rights

Under the British North America Act of 1867, a federal system was established in Canada with a strong central government and various provincial or local governments. The division of powers and rights as between the governing bodies was set out in Sections 91 and 92 of the Act, and among the powers granted to the provinces then in existence was the right to own and control their natural resources. However, Alberta and Saskatchewan, now the most important oil-producing provinces, did not receive the right at the time of their formation in 1905 and it was not until 1930, when the Natural Resources Transfer Agreement was passed, that these provinces acquired the right to administer their lands, mines, minerals and other resources. The various orders and regulations passed