

Alberta Natural Resources

Mr. STIRLING: What date was that?

Mr. EDWARDS: About March or April of 1941. At that time I took the position, and made representations to the minister, that this parliament should not proceed with such legislation when the oil industry and the individuals who had bought federal leases in years gone by did not know what was being done. Be it said to the credit of the minister that the bill was not proceeded with at that time. The gentleman who drew this matter to my attention at that time was counsel for the province of Alberta on the royal commission which was set up at the request of the government of that province to ascertain, among other things, what if any loss the province has sustained by reason of the alienation of its resources prior to those resources being transferred back to the province. I do not think I can do better than place before this committee the opinion of that gentleman. After reciting the order in council of 1920, which I have just read, he says:

From the foregoing you will observe that the royalty is fixed at a maximum of 10 per cent, and it seems to me the dominion is under a clear obligation to see that its contract in that respect is carried out just as it would expect any one of us to carry out our contract if we were parties to a like arrangement.

I was counsel for the province of Alberta in the presentation of its case for compensation for the loss of revenue from its resources under the provisions of the agreement of the 14th of December, 1929. A commission was set up and the province presented its case before that commission. That commission made a finding awarding to the province of Alberta \$6,250,000. The province has never accepted the award as being adequate. In presenting its claim for compensation the province pointed to many things which the dominion had done with the resources as items on which potential revenue was lost. One of these items for which the province claimed compensation was the loss of royalty revenue due to the very orders in council which I have quoted, which fixed the royalty at 5 per cent for a time and 10 per cent thereafter.

The province in that submission took the position that the agreement of the 14th of December precluded it from raising the royalty or varying it in any way from that imposed by the dominion, and claimed a consequent loss of revenue, alleging that the province would, if free, have at that time imposed a higher royalty.

That is the opinion of the learned gentleman who presented the case for the province of Alberta to the royal commission, and that gentleman had with him as associate counsel a member of the legal staff of the present attorney general's department.

Then the minister referred to the support given this bill by certain oil industries. I said in a previous discussion, and I believe I may reiterate at this time, that the only

[Mr. Edwards.]

companies who have subscribed to this bill are those oil companies who had more potential value in provincial than in federal leases. I challenge the minister and the provincial government to show me the name of one federal leaseholder possessed of potential leases who has subscribed to this agreement. There is not one.

What have they to say about it? I have in my hand a sheaf of telegrams from various oil companies and leaseholders protesting against the inequity and the unfairness of this legislation. Under date of May 19, 1941, the Alberta Petroleum association write to the oil controller, if you please; and what do they say? This is the concluding paragraph:

The operators are strongly opposed to any interference with dominion government leases and are firm in their view that royalty payable under these leases should not be changed whatever the government may decide to do with the later provincial leases.

Mr. CRERAR: What do they say in May, 1942?

Mr. EDWARDS: The letter continues:

The operators are also strongly of the opinion that this is not the time to place any additional financial burden on the industry, either by royalty or otherwise, and that it is essential that so long as war continues there should not be any unnecessary disturbance of the industry and changes in either regulations or crown royalties. The industry needs stability and permanence in these things if it is to do its job properly.

That is signed by the president of the Alberta Petroleum association. What did the oil controller say about this matter when it was considered a year ago? In the documents filed by the minister we find a telegram from the oil controller to the minister, dated April 4, 1941. It reads:

Stimulus to well drilling dead as result of Alberta legislation made possible by recent agreement between province and dominion government.

This was signed by Mr. Cottrelle.

Mr. CRERAR: It is quite true that the oil controller expressed that opinion in May, 1941. But as a result of the understanding reached between the majority of the companies and the Alberta government early this year, the oil controller sent a telegram expressing his approval of it, and hoping the legislation would go through.

Mr. EDWARDS: That raises other considerations. Stability, but at the cost of what? A broken pledge and broken promise. Let us not make that our claim to power.

Mr. BLACKMORE: Would the hon. member indicate the pledge or the promise that is going to be broken?