

Bill No. 67 of 1949.

A BILL TO PROVIDE FOR THE SUPERVISION AND
ADMINISTRATION OF THE CONSTRUCTION AND
OPERATION OF THE PILOT PLANT FOR PRO-
CESSING OIL SANDS AT BITUMOUNT AND
TO CONFIRM ORDER IN COUNCIL NO.
199-49 DATED THE 15th DAY OF
FEBRUARY, 1949.

NOTE.

This Bill enacts a new Act to be known as "*The Oil Sands Pilot Plant Administration Act*".

The pilot plant for processing oil sands at Bitumount was built with moneys supplied by the Government under agreements which were ratified, validated and confirmed by the following Acts of the Legislature: 1945, chapter 11; 1946 chapter 12; 1947, chapter 23.

Section 2 of the agreement known as the Construction Agreement provided that construction and operation of the pilot plant would be under the supervision of a Board of Trustees consisting of two Ministers of the Crown and the President of Oil Sands Limited.

Oil Sands Limited defaulted under its agreements with the Government and by an order of the Supreme Court of Alberta the Company's interests in the pilot plant under the said agreements were terminated and determined. As the Company has no further interest in the pilot plant there is no reason why the President of the Company should remain a member of the Board of Trustees. An Order in Council was passed appointing a new Board of Trustees consisting of three Ministers of the Crown. Under the supervision of this new Board of Trustees, the Provincial Marketing Board will continue to act for the Government in the construction and operation of the pilot plant.

As the Construction Agreement providing for the appointment of the former Board of Trustees was confirmed and validated by statute, and as there was no statutory authority for the appointment of a Board of Trustees consisting of three Ministers of the Crown, the Order in Council was passed subject to ratification by the Legislature. This Bill ratifies the Order in Council.

Section 2 of the Bill provides for a Board of Trustees consisting of three Ministers of the Crown to be appointed from

time to time by the Lieutenant Governor in Council. The Board supervises the construction and operation of the pilot plant at Bitumount.

Section 3 provides that the Provincial Marketing Board, under the supervision of the Board of Trustees, may expend such moneys for the construction and operation of the plant as may be appropriated by the Legislative Assembly.

Section 4 enables the Lieutenant Governor in Council to make regulations.

Upon the coming into force of this Bill it is made retro-active to the day following the date of the order vesting possession of the pilot plant in the Government so that the appointment of the new Board of Trustees will be effective from that date.

KENNETH A. MCKENZIE,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 67 of 1949

An Act to Provide for the Supervision and Administration of the Construction and Operation of the Pilot Plant for Processing Oil Sands at Bitumount and to Confirm Order in Council No. 199-49 dated the 15th day of February, 1949.

(Assented to _____, 1949.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. This Act may be cited as "*The Oil Sands Pilot Plant Administration Act*".

2. A Board of Trustees consisting of three Ministers of the Crown to be appointed from time to time by the Lieutenant Governor in Council shall supervise the construction and operation of the Government pilot plant for the extraction and refining of oil from the oil sands at Bitumount.

3. The Provincial Marketing Board under the supervision of the Board of Trustees may expend such moneys for the construction and operation of the Government pilot plant as may be appropriated by the Legislative Assembly for the purpose.

4. The Lieutenant Governor in Council may from time to time make regulations to facilitate the administration of this Act and the carrying out of its provisions according to their true intent.

5. A certain Order in Council dated the fifteenth day of February, 1949, and intituled O.C. 199-49 and set forth in the Schedule to this Act, is hereby ratified, validated and confirmed, and shall have the same force and effect as if the same had been enacted by this Act.

6. This Act shall come into force on the day upon which it is assented to, and upon so coming into force the said Order in Council shall be deemed to have been in force at all times since the twentieth day of November, 1948.

SCHEDULE.

Approved and Ordered,

(Sgd.) J. C. BOWEN,
Lieutenant Governor

Edmonton, Tuesday, February 15th, 1949.

The Executive Council has had under consideration the report of the Honourable the President, dated January 25th, 1949, stating that:

Whereas the Government of Alberta and OIL SANDS LIMITED entered into two agreements dated the 4th of December, 1944, which were ratified, validated and confirmed by Chapter 11 of the Statutes of Alberta, 1945; and

Whereas the said Agreements were amended by amending Agreements which were also ratified, validated and confirmed by Chapter 12 of the Statutes of Alberta, 1946, and by Chapter 23 of the Statutes of Alberta, 1947, respectively; and

Whereas pursuant to the said Agreements the Government through the facilities of the Provincial Marketing Board and in conjunction with the Company constructed a pilot plant to extract and refine oil from the oil sands at Bitumont under the supervision of a Board of Trustees consisting of two Ministers of the Crown appointed by the Government, and Lloyd R. Champion, President of the Company; and

Whereas the Company defaulted in its obligations under the said Agreements, and in an action in the Supreme Court of Alberta between the Government of the Province of Alberta as plaintiff, and Oil Sands Limited as defendant, it was adjudged and ordered on Friday, the 19th day of November, 1948, that all right, title and interest of the defendant Company in and to the pilot plant and the lands and premises, arising under the said agreements should cease forthwith, and was thereby determined, and that the said plant, lands and premises thereby became and were declared to be the sole and absolute property of the Government free and clear of any claims whatsoever by the defendant Company or any one claiming through or under it; and

Whereas the Government is desirous of completing the construction of the said pilot plant and operating the same; and

Whereas it appears desirable that the construction and operation of the said pilot plant should be under the supervision of a Board of Trustees consisting of three Ministers of the Crown to be appointed by the Lieutenant Governor in Council, and that the Provincial Marketing Board should continue to construct and operate the said pilot plant under the supervision of the Board of Trustees; and

Whereas no statutory authority exists to enable the Government to appoint a Board of Trustees consisting of three Ministers of the Crown, and it is deemed expedient to appoint the said Board by order in council subject to the same being validated at the next session of the Legislature;

Therefore, upon the recommendation of the Honourable the President, the Executive Council advises that:

1. The construction and operation of the pilot plant at Bitumont shall be under the supervision of a Board of Trustees consisting of three Ministers of the Crown to be appointed from time to time by the Lieutenant Governor in Council;

2. The following three Ministers of the Crown be and are hereby appointed as members of the Board of Trustees effective on the 20th day of November, 1948:

The Honourable N. E. Tanner, Minister of Lands and Mines;

The Honourable D. B. MacMillan, Minister of Public Works;

The Honourable Dr. J. L. Robinson, Minister of Industries and Labour;

3. The Provincial Marketing Board continue to act for the Government in the construction and operation of the said pilot plant under the supervision of the Board of Trustees hereby appointed.

(*Sgd.*) ERNEST C. MANNING,
Chairman.

No. 67

FIRST SESSION
ELEVENTH LEGISLATURE

13 GEORGE VI

1949

BILL

An Act to Provide for the Supervision
and Administration of the Construc-
tion and Operation of the Pilot Plant
for Processing Oil Sands at Bitu-
mount and to confirm Order
in Council No. 199-49
dated the 15th day
of February, 1949.

Received and read the

First time

Second time

Third time

HON. DR. ROBINSON.
