

the federal government must maintain influence over the course of Canadian petroleum development. We do believe, however, that government should intervene sparingly and on the basis of long-term energy planning, not in the day-to-day workings of the energy marketplace.

Two premises are integral to this study. First, the petroleum industry must recognize that oil is a strategic commodity and hence government policy will continue to be directed at the energy sector. Second, government must acknowledge the high risk of exploiting a diminishing resource. The petroleum industry has the right to operate within a stable and predictable fiscal regime.

The Committee had to address several practical problems in preparing this report. There is an abundance of confusing terminology and systems of measurement in the energy field. For example, oil statistics may be reported by volume (barrels or cubic metres), by weight (metric tons), or by energy content (joules or British thermal units). Most readers still seem more familiar with English units; thus we have chosen to present the data in barrels, cubic feet, etc. for ease of understanding. We acknowledge that the SI (Système International) scheme of measurement is more logical and ultimately better to work with; in most cases the SI equivalent is also presented. Common energy units, conversion factors and SI prefixes are gathered into Appendix C for ease of reference.

There are also problems of definition, as certain energy terms are not consistently used in the literature. Most of the definitions and concepts which the Committee has adopted are presented on pages 9 through 15 of the report. All monetary values are assumed to be in current Canadian dollars unless otherwise specified.

One final note on energy statistics: data from different sources are not always consistent. Sometimes the variance results from definitional differences. For example, one statistical compilation of "oil production" may include natural gas liquids with crude oil output whereas another may not; some sources report hydro-electric generation by the energy content of the electricity itself (that is, the electric energy is valued at 1 kilowatt-hour equals 3,412 British thermal units) while others report the equivalent energy content of the coal or oil that would be required to generate the same amount of electricity at a modern fossil-fueled power station (the electricity is valued at approximately 1 kWh equals 10,000 Btu). In other cases, sources disagree for unaccounted reasons.

The Committee has endeavoured to be consistent in its use of data which originate from a variety of sources. Where inconsistencies could not be resolved, the Committee has noted this.

Numerous individuals and organizations have assisted the Committee in this study. The names of the witnesses who testified before the Committee are presented in Appendix B. To those who provided additional documentation for our consideration the