

ments should overseas supply be interrupted. Moreover, without a pipeline the Government is unable to guarantee a market in Canada for Canadian oil at a level sufficient to ensure the development of the oil sands and other Canadian sources of supply. The Federal Government is taking all necessary measures to ensure that construction begins at the earliest possible moment in 1974....

A second requirement for self-sufficiency is a rapid and significant increase in oil production in Canada. In 1972, Canada produced 1.7 million barrels of crude oil per day and consumed 1.55 million barrels. We exported 950,000 barrels and we imported 777,000 barrels. We were, in a mathematical sense, self-sufficient. We will continue to have the necessary conventional reserves for some time, but not for long. The reserves from conventional sources - mostly from the oil fields of Alberta - are known and no major new discoveries can be hoped for at present. Production from these existing reserves is expected to decline towards the end of this decade and will then be insufficient to meet current and projected rates of consumption.

Canada must therefore move, and move immediately, to develop its frontier and non-conventional sources of supply so as to be able to reach a situation that will permit self-sufficiency. We do not want to cut off our exports and we do not want to reduce imports from reliable suppliers. However, we do want, and we do intend to put ourselves in a position where, in case of need, we do not have to depend on imports with all the risks we now know that dependence entails.

Alberta oil sands

Canada is rich in oil. The Alberta oil sands alone are estimated to contain over 500 billion barrels of oil - as much as or more than the presently estimated reserves of the Middle East. Exploration activity in the Arctic and off the Atlantic coast show considerable promise. But none of these sources is anywhere close to producing oil in the quantities required to meet the challenge of the 70s and beyond. In the case of the oil sands, technologies must be developed which do not yet exist in order to permit the development

Highlights of national energy statement

The Canadian Press listed as follows the highlights of Prime Minister Trudeau's December 6 statement on energy to the House of Commons:

Five-month voluntary price freeze on domestic oil and its products to be extended until at least the end of the winter from original January 31 expiry date.

Legislation establishing a national petroleum corporation to be introduced at next session of Parliament, possibly in January.

Roughly \$40 million to be spent by the corporation to develop, in conjunction with Alberta during the next five years, technology to extract oil from the Alberta oil sands.

Extension of Western oil pipeline to Montreal as soon as possible to help achieve self-sufficiency in oil by the end of the decade.

Oil export tax to be replaced after February 1 with another charge equal to the difference between the domestic and export price.

Federal-provincial first ministers' conference to discuss the new proposals to be held January 22-23, if provinces agree.

Exports of some petroleum to the United States and imports from other countries to be continued "for some years yet".

Construction of a natural gas pipeline up the Mackenzie Valley deemed desirable.

Capital costs of new nuclear generating reactors to be shared with provinces.

of 85 per cent of the sands which are deeply buried. The development of the oil sands and other frontier resources will require a major effort in which all Canadians must, directly or indirectly, join and participate.

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Price freeze retained

...On September 4, I announced that the Government had requested the oil companies not to raise the price of domestically produced oil during the period ending January 31, 1974, and that the companies had voluntarily agreed to this request. The outbreak of hostilities in the Middle East has

resulted in a sudden rise in the price of international oil to a level which few if any expected at the time of my statement on September 4. In recent weeks there have been some discussions with the Province of Alberta and with representatives of some of the companies about the timing and the extent of any price changes. Not unexpectedly, both are anxious to see such changes begin as soon as possible. After careful consideration, the Federal Government has come to the conclusion that there is neither need nor justification for changes in the price of domestic oil during the present heating season. We will, therefore, undertake new discussions with the Government of Alberta and with the oil companies to secure their agreement to maintain the prices of domestically produced oil at their current level at least until the end of this winter....

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The Federal Government will continue to levy a tax or, after February 1, a charge equal to the difference between our domestic price and the export price as determined by the National Energy Board....

* * * *

So far as any future change in domestic prices is concerned, I want to make clear that the Government feels that there will be a national interest to be considered and protected. We will not be prepared to acquiesce in any situation in which windfall profits accrue to private corporations simply because of unusual and unpredictable circumstances of shortage created by major world producers for political and economic reasons of their own. Nor do we feel that it would be fair or just to have any windfall financial benefits accrue only to the producing provinces, leaving all the rest of the people of Canada with nothing but the burdens.

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National petroleum company

One of the instruments of the new national oil policy is a national petroleum company. A bill will be introduced at the next session of Parliament to establish such a company and at that time the Minister of Energy, Mines and Resources will present full details to the House. The new company will