

FURTHER INVESTMENT IN CANADA'S NORTH

Mr. Jean Chrétien, Minister of Indian Affairs and Northern Development, announced in the House of Commons on February 4 that the Federal Government was investing an additional \$13.5 million in Panarctic Oils Limited to maintain the nation's 45 percent equity in that company.

Panarctic Oils, a consortium of 20 companies, and 70 percent Canadian-owned, was created late in 1967 to explore for oil in Canada's High Arctic islands. The first well drilled in 1969 on Melville Island revealed a rich gas deposit.

Canadian ownership and control in Panarctic, Mr. Chrétien said, combined with an extensive and dominant position in oil and gas holdings in the Arctic islands, emphasized Canada's ownership of the islands and would forestall any developments which could challenge the Canada's sovereignty in the region.

When Panarctic was formed, the Government put up \$9 million to complement the \$11 million raised by the consortium, which included leading Canadian oil and mining companies. In return for this participation of 45 per cent in the first stage of Panarctic's exploration program costing \$20 million, the people of Canada, through their Government, held 45 per cent of the common shares and 45 per cent of the preference shares then issued.

Last autumn Panarctic gave notice of its need to raise an extra \$10 million and this spring the company will give notice of its need to raise another \$20 million. The Government will commit \$4.5 million in respect of the \$10-million financing, and \$9 million in respect of the \$20-million financing. The Government will be issued further preference and common shares in respect of its subscription, thereby maintaining its 45 percent equity in Panarctic.

PROCESS OF PANARCTIC

Since Panarctic was formed, the international oil industry has been attracted to the Arctic following the discovery of oil at Prudhoe Bay, Alaska, 200 miles west of the Yukon border. The recent discovery by Imperial Oil at Atkinson Point, 40 miles northeast of Tuktoyaktuk, further accelerated interest in the Canadian North. Expenditures on oil exploration in the region are expected to climb from \$30 million in 1968 to an annual amount of \$75 million by 1975.

At the time of Panarctic's formation, Mr. Chrétien told the House, oil and gas rights in Canada's Arctic were valued at less than \$1 an acre. This figure has since climbed to \$10 an acre or more. The Minister cautioned that, despite a significant gas discovery, until major oil discoveries are made the Panarctic enterprise can only be classified as a high-risk venture.

Panarctic is now drilling its fourth well on Hoodoo Dome, a large geologic prospect located in the southern part of Ellef Ringnes Island. The company must drill a further 15 wells to fulfill its obligations and earn an interest averaging 80 per cent in its oil and gas exploratory permits. Panarctic will complete most of this program and, consequently, requires the additional financing. A part of the drilling program, however, will be farmed out under terms beneficial to Panarctic and other companies interested in exploring for oil in the Arctic.

"The Government's investment is truly an investment in the bright and rich future of Canada's, North," the Minister said.

Geologists estimate that the deep sedimentary basin in Canada's Arctic Islands, the Mackenzie Delta and offshore region contains pools that ultimately may produce 50 billion barrels of petroleum, equal to more than 40 per cent of the potential oil reserves in all of Canada's sedimentary basins, estimated to total 121 billion barrels.

CONSERVATION CONFERENCE

A Canadian delegation attended the European Conservation Conference in Strasbourg, France, earlier this month. The Conference, which was under the sponsorship of the Council of Europe, was attended by all the member and associate states of the Council of Europe and invited non-member countries. It covered a broad range of conservation questions in a European context.

The Canadian delegation was headed by Mr. Paul Beaulieu, Science Counsellor at the delegation of Canada to the Organization for Economic Co-operation and Development, who has been concerned with environmental questions in the OECD and has been the Canadian observer to Council of Europe meetings on the subject previously. Other members were:

Mr. Victor Caron, Science Counsellor at the Embassy in Paris, a scientist formerly with the Department of Energy, Mines and Resources, and an authority on Canadian research into environmental problems, particularly in the field of agriculture; Mr. Christian de Laet, the Secretary-General of the Canadian Council of Resource Ministers; and Mr. J.S. MacTavish, Head of the Renewable Resources Co-ordination Section, Department of Energy, Mines and Resources, and the Federal Co-ordinator for the Canadian Council of Resource Ministers.

The Canadian Government views this conference and others concerned with the preservation and improvement of the human environment as vital steps towards the development of comprehensive Canadian and international programs to preserve the environment.