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Canada aims at self-sufficiency in oil by the end of the decade, 1

Highlights of national energy statement, 2

Pilot training program expanded, 3

Student summer program in Germany, 4

Light opera at Stratford, 4

Passengers to pay airport charge, 4

Federal clerks' collective agreement, 4

Churchill River impact study, 4

Algonkian Indian stamps, 5

Hockey news at December 17, 5

Canada aims at self-sufficiency in oil by the end of the decade

The object of a new national petroleum policy announced by Prime Minister Trudeau to the House of Commons on December 6 was Canadian self-sufficiency in oil and oil products "to be reached before the end of this decade".

Two of the main proposals in Mr. Trudeau's 45-minute statement was the establishment of a national petroleum company to expedite exploration and development of Canada's oil and gas resources, and the extension of the pipeline to carry Western crude oil to Montreal.

Canada also wished to maintain, he said, "a reliable capacity for some continuing export of oil to the United States".

Excerpts from the Prime Minister's remarks follow:

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My immediate task is to place before the House proposals which will set the basis for a new national oil policy. The objective of that policy, to be reached before the end of this decade, is Canadian self-sufficiency in oil and oil products. During the intervening period, we must create in Canada the physical capacity necessary to give us security of supply, and protection against the type of emergency now threatening us. In moving towards its objective, the Government will also wish to maintain a reliable capacity for some continuing export of oil to the United States and a market in Canada for reliable foreign suppliers of oil to us.

The new policy will abolish the "Ottawa Valley Line". The Canadian market for oil will no longer be divided in two, one for domestically-produced oil and another for imported oil. It will thus be a "one-Canada", not a "two-Canada" oil policy. The Western provinces will have a guaranteed outlet for increased production; and the Eastern provinces will be guaranteed security of supply.

Requirements of new policy

The creation of a national market for Canadian oil is one essential requirement of a new policy. Others are, first, a pricing mechanism which will provide sufficient incentives for the development of our oil resources; second, measures to ensure that any escalation in returns and revenues as a result of any higher prices will be used in a manner conducive to security and self-

sufficiency; third, the establishment of a publicly-owned Canadian petroleum company principally to expedite exploration and development; fourth, the early completion of a pipeline of adequate capacity to serve Montreal and as required, more eastern points; and fifth, intensification of research on oil-sands technology to permit their full and rapid development.

I intend placing these proposals before the meeting of first ministers of the federal and provincial governments. I am suggesting to the premiers that the conference should be held on January 22 and 23 — immediately before the meeting of finance ministers now planned for January 24 and 25. In the meantime, I have asked the Minister of Energy, Mines and Resources to consult with all provinces in preparation for the conference.

Urgency of pipeline

The construction of a pipeline to Montreal, which the Government announced some time ago, is the single most urgent step towards the attainment of our national goals. Without a pipeline, Eastern Canada will never be certain that it can meet its require-

