
Energy substitution program

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part in that province...recently announced that public hearings will be held on all aspects of the proposed extension of the natural gas system to Vancouver Island. If approved, this project could as early as 1983 provide natural gas service to a potential market of 450,000 people, about 18 per cent of the British Columbia population....

Commercial and industrial sectors

In the commercial and industrial sectors, in eastern Canada in particular, extensive use now is being made of relatively low-priced heavy fuel oil — the so-called "residual oil" that is a by-product of the refining process.

This residual fuel oil has been the mainstay of the industrial energy market across eastern Canada for decades. But as natural gas becomes increasingly available, it will no longer be sensible to continue to downgrade up to half a refinery's feedstock into this product. Fuel substitutions on the scale envisaged by the Government will require major adaptations on the part not only of consumers, but also by refiners and distributors.

In this connection, I am pleased to announce...that I have secured commitments to install upgrading facilities at three eastern Canada refineries that are major producers of residual oil — the Petrosar and Suncor plants in Sarnia, Ontario and the Ultramar refinery near Quebec City.

The objective is to make better use of available crude oil, meeting market needs for gasoline, aviation fuels, diesel oil and other products, reducing the wastage that is implicit in the current heavy production of residual oil....

The two Sarnia plants have given me

commitments to substantially eliminate their production of residual fuel oil by 1984 and to reduce that output in the interim. The cost of these facilities will be over \$500 million. It will mean that about 35,000 barrels of residual oil a day now being exported to the United States and 10,000 barrels a day now going into the Ontario market will be transformed in Canada to light petroleum products.

Similarly, I have an undertaking from Ultramar Canada to start work almost immediately on upgrading facilities at St. Romuald, Quebec, on the understanding that we will improve its access to Canadian crude. The first stage of this project will involve construction of a catalytic cracking plant at Ultramar's St. Romuald refinery, at a cost of about \$150 million. This will allow an increase in production of other fuel, mostly transportation fuels, and a reduction in residual oil output of over 20,000 barrels a day.

...We have obtained a similar agreement in connection with the Imperial Oil refinery at Strathcona near Edmonton. Imperial has agreed that by 1982 it will be in a position to eliminate its residual fuel exports of 8,000 barrels a day.

About two-thirds of the residual fuel oil produced in Quebec comes from six refineries located close together in Montreal east. We are therefore considering the installation of a central upgrading facility in Montreal capable of handling 50,000 to 80,000 barrels a day of residual oil. A project of that magnitude would require an investment of approximately \$1.5 billion....

The construction of these five installations would provide a capacity to make better use of about 125,000 barrels a day of residual fuel oil, making way for natural gas, providing more efficient use of our total domestic and foreign petroleum supplies, and reducing our dependence on imports.

In terms of volume this is the equivalent of the net addition to our oil supply that would be made by a \$6 billion tar sands plant. Yet through the set of investments I have outlined today we are getting this kind of production at half that cost, and about three years sooner....

The steps I have outlined...will yield an increase in the supply of light petroleum products without depleting our existing reserves. It is an approach from which all parts of the country will gain, both as suppliers and consumers of energy....

News briefs

Lieutenant-General Ramsay Muir Withers will be promoted to general and made chief of defence staff, the military head of the Canadian Forces, the Government has announced. General Withers, 49, now is vice-chief under Admiral Robert Falls, who is leaving to take over as chairman of the military arm of NATO. The Toronto-born general, educated at Royal Roads, Royal Military College and Queen's University, joined the army in 1952, has served in Korea, Germany and Britain as well as in Canada, and in 1978 was made a Commander of the Order of Military Merit.

Imperial Oil Ltd. of Toronto plans a \$100-million expansion over the next four years of its Strathcona refinery in Edmonton. When completed, the refinery's capacity will increase to 200,000 barrels a day from 155,000 barrels. The first and second phases will begin in the fall of 1981 with completion scheduled for a year later.

MacMillan Company of Canada Ltd. of Toronto, a subsidiary of Maclean-Hunter Ltd. of Toronto, and Gage Educational Publishing Ltd., also of Toronto, have agreed to merge. Maclean-Hunter will retain a minority position in the merged company. MacMillan is a publishing and distribution company, while Gage specializes in texts for education levels ranging from kindergarten to university and trade books. A spokesman for Maclean-Hunter said a merger had been sought to enlarge the scope of MacMillan's business.

The Metropolitan Toronto Board of Trade is planning a fall tour of South America covering Panama, Peru, Chile, Argentina, Brazil and Venezuela. The tour party, to number about 100, will leave Toronto October 28 and return November 18.

Dr. A.R.C. Dobell, Surgeon-in-Chief at the Montreal Children's Hospital and Professor of Surgery in McGill's Faculty of Medicine, was recently named vice-president of the American Society of Thoracic Surgeons. Despite the fact that Canadians have pioneered much of modern chest and heart surgery, especially at the Hospital for Sick Children in Toronto, Dr. Dobell is the first Canadian to be chosen to head the world's largest society of chest surgeons. Dr. Dobell will take over as president in January 1981.

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