

wheels of empire well oiled

Canadian producers...
 and cut his far...
 taining a hand...
 Canadian oil industry...
 oil producers...
 ce, therefore...
 ducer who rebel...
 orce war...
 his price being...
 m the internati...
 the game, they...
 one tries to buck...
 es for markets...
 system, coupled...
 production, alre...
 is even beyond...
 rts...
 our neighbor...
 and if he chooses...
 and why Joe Gre...
 liberal Governm...
 the Sixties, the...
 quaver. For the...
 surplus of oil ste...
 control of the...
 mining undone, and...
 shifting its face...
 tion stemmed from...
 rnational compan...
 osy party of the...
 the "Internati...
 nationalism in...
 o a number of sta...
 of share block...
 percentages of pro...
 of exploitation...
 al increase of the...
 ownward pressur...
 n international pri...
 ave remained stea...
 et, shielded by a...
 rtable profitability...
 port policy of 193...
 crisis in internati...
 ion of a quota...
 vely sealed out...
 ealing off the pri...
 ces and, of cour...
 in diverse pieces...
 the Eisenhower...
 gely at the insist...
 ducers who could...
 uction facilities...
 f cheaper world...
 r Texas oil lobb...
 of Senatorial...
 important in the...
 Majors, since the...
 crude oil reserv...
 ries they control...

markets for Alberta oil in the United States...
 to placate the independent Alberta...
 Clearly, the 1961 policy left Canada...
 to US whims and wishes, since...
 on could, and did, impose quotas on our oil...
 it felt like it.
 set of policies in the two countries — the oil...
 policy in the US and the national oil policy in...
 — has begun to show a number of very large...
 Powerful interest groups and forces in the...
 States are aligning themselves against the oil...
 in a confrontation between the Northeast...
 Southwest.
 quota wall has raised US prices domestically...
 such a disparity in petroleum costs...
 domestic and foreign crude that the heavily...
 US Northeast is beginning to rebel against...
 set by the oil producers of the Southwest.
 England senators and congressmen...
 Northeastern industry, have been...
 for a policy which would allow foreign im...
 come in at a controlled rate, thus providing...
 or oil.
 wide-spread lobbying power of the industry —...
 early in its home territory, the South — has...
 oilmen to shrug off the liberal gadflies for the...
 years, since the profitable depletion allowance...
 vision was voted in.
 England consumers have focussed their...
 on a request to build a refinery at...
 port, Maine, and are demanding for it an...
 allocation of 100,000 barrels a day.
 low-cost oil which would come out of such a...
 would be sufficient to undermine northern oil...
 But even worse, in Southern minds, this break...
 1-year-long import quota program would set a...
 very likely to lead eventually to the total...
 of the program itself, and with it the vast...
 market which has guaranteed high profits...
 many years.
U.S. compromise
 US oil interests would much rather com...
 on a continental oil scheme which would...
 comparatively high cost Canadian oil into the...
 main battlefield for the fight between the...
 ers and consumers in the US has been a series...
 rings on the petroleum industry held by...
 an senator Philip A. Hart's Antitrust and...
 Subcommittee, as well as hearings con...
 by a special task force to review US oil policy.
 other these investigations have brought forth a...
 ture of a monopolistic, profit-grabbing in...
 that oilmen would rather had not seen light...
 the same companies that dominate the US...
 also own the Canadian one, and tactics and...
 s are virtually indistinguishable, that picture...
 strong parallels with our own.
 result, estimated Sen. William Proxmire, in...
 refineries averaged only 11 per cent federal...
 their earnings while other manufacturing...
 averaged nearly 41 per cent.
 York Democrat Bertram Podell finished off...
 ture by releasing figures showing that 13...
 oil companies have been paying federal taxes...
 te lower than that of taxpayers earning \$4,000...
 ear. Of the 13 companies, with net incomes...
 g as high as \$2.3 billion per year, Sinclair and...
 ic Richfield paid no taxes at all; Gulf Oil paid...
 an one per cent in federal taxes and Standard...
 New Jersey paid less than 10 per cent of its \$2.3...
 net income to the Federal Treasury.
 US oil interests have found themselves...
 rately looking for an answer, but necessarily...
 which will not fundamentally shake their...
 eged position.
 ing their eyes about for some sign of relief...
 ee it on the northern horizon, just over the 49th...
 el — Joe Greene's "invisible border".
 ere was something pathetic about Joe Greene...
 ing a nationalist fist before the oil men in...
 r warning them that Canada will not stand for...
 r at idly by for that. Only Canadians might have...
 believed what he said, and the hollow posture...
 ummed, because they would like to believe what...
 is possible. But the men he spoke to in Denver...
 have viewed the performance with amusement.
Choices already made
 fundamental choices were made years ago...
 we geared our resource policy to the United...
 needs, when we set no national goals on...
 exploitation.
 Canada's first mass oil export was born of...
 rnia's energy shortage in the time of the...
 an War. The basis of the co-operation was, from...
 beginning, not economics, but political and

military security. The initiative was American, not Canadian.
 The United States Petroleum Administration for Defense decided in 1951 that California needed more oil, the west's traditional oil shortage having been aggravated by the war. A safe source of oil was required; for strategic reasons Canada was chosen to be the supplier.
 A pipeline from Alberta to California was constructed, and a \$65 million tab was picked up mostly by the major American oil companies.
 The framework for this first exercise in continental energy planning had been set out in a joint agreement in 1950, which in effect established a sort of economic NATO or NORAD for scarce resources in time of emergency. It gives us a view of what a continental energy policy would be. That agreement declared that the two governments agree to "co-operate in all respects practicable... to the end that the economic efforts of the two countries be co-ordinated for the common defense, and that the production and resources of the two countries be used for the best combined results..."
Unmarketable commodity
 Canadian oil is too expensive to sell abroad — almost three times more expensive than Middle East oil. So we have a commodity that is unmarketable overseas. But we allowed it to be developed and a sector of our economy and country to become dependent on it.
 If our American markets are lost, a massive recession will hit the West. Our economy is, then, controlled by the economic vicissitudes and political decisions of a foreign country.
 The American offer today is a simple exchange — yield what political control you have over your energy production, provide for our needs, and reap the economic benefits. Don't, and reap the economic consequences.
 It is uneconomic for Canada to have become the ninth largest oil producer in the world. Our oil is only

marketable in one market, because of the high fixed and controlled prices.
 Canadian producers are getting steadily frozen out of the American market because of such developments as Alaska oil finds, and the building of a pipeline to Illinois that speeds Texas oil to the Northeastern US industries.
 The Ottawa Valley line has already begun to crumble, and the big Ontario market has begun to fall to foreign oil. Golden Eagle (Canada) Ltd., Petrofina (Canada) Ltd., Newfoundland Refining Co. Ltd., Gulf Oil (Canada) Ltd. all announced refinery building programs, signalling an impending influx of foreign oil.
Dry up Canada
 In the short run, the US can dry up the Canadian oil industry without suffering any setbacks. But in the longer run, we will be a crucial supplementary source of supply. The long-run thirst that will develop in the US explains Washington's pushing for the continental policy. The short run security of the US market is the club with which it can clout us into that continental scheme.
 And these are the choices we have allowed ourselves to be faced with:
 * agree to a continental energy scheme and pay the political price of taking a giant step towards further economic and political domination by the United States,
 * face the fact that our oil is uneconomic and get out of the oil business, causing a massive recession in the West,
 * or make the decision we refused to make over ten years ago (under pressure from the US Majors) and build the Alberta to Montreal pipeline.
 The last choice may end up being the least of three evils, but it's no easy way out.
 Gordon Cleveland was formerly with the Department of Industry, Trade and Commerce.

The Playhouse

Two carefree and footloose drifters...
 A couple of bucks... A bottle of beer...
 And always the dreams... of tomorrow

Goin' Down The Road

Directed by Donald Shebib



Starring
Doug McGrath **Paul Bradley**
 with Jayne Eastwood,
 Cayle Chernin, Nicole Morin

And an exciting musical score
 by Bruce Cockburn

2 shows, at 7 and 9 p.m.
Fri. Dec. 4 **Sat., Dec. 5**