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CANADA'S NATURAL GAS INDUSTRY

The natural gas industry in 1956 completed preparations and commenced construction work on a cross-country pipeline transmission and distribution system. The industry's achievements in transportation matters came after several years of intensive resource development, pipeline planning, and market appraisals during which time many company negotiations took place and detailed hearings were held by government regulatory boards, according to a survey made public by the Department of Mines and Technical Surveys.

With the establishment of long-distance transportation now assured, the natural gas resources of Western Canada will be linked with large markets throughout Canada and a change in the pattern of fuels usage will begin to take place. Benefits from this new fuel will accrue to domestic, commercial and industrial consumers throughout the country. In addition to its energy applications, natural gas will find a use in many chemically-based industries. Developments in the natural gas industry in 1956 thus give promise for the future of far-reaching effects in the Canadian economy.

Natural gas reserve build-up in 1956 was well in line with developments in other sectors of the industry. By the end of the year reserves were in excess of 23 trillion cubic feet. This represents a five-fold increase since 1950, whereas natural gas production registered a two-fold increase during the same period. The favourable factor of rapidly in-

creasing gas reserves has emphasized the need for adequate market outlets. A large proportion of these reserves have been developed incidental to oil exploration; therefore, except in British Columbia, there has been little direct effort to enlarge gas reserves. The outlook for continuing reserve growth appears excellent.

Natural gas production in 1956 amounted to 169,542,504 M cu. ft. compared with 150,772,312 M cu. ft. in 1955. Alberta accounted for 86.3 per cent of 1956 marketed production, a slight percentage decrease from recent years due to the rise in output from Ontario and Saskatchewan. Ontario accounted for 7.8 per cent and Saskatchewan, 5.8 per cent. Minor amounts of natural gas were produced in British Columbia, New Brunswick and Northwest Territories.

In spite of restricted extra-provincial market outlets, the Alberta production of 146,133,713 M cu. ft. in 1956 represents a marked increase over the 1950 production of 58,603,976 M cu. ft. During the 1950-1956 period there were relatively minor extra-provincial shipments and the growth rate is therefore a function of Alberta market expansion. In this same period Saskatchewan marketed production registered a 12-fold increase, Saskatchewan's rapidly expanding distribution system having been initiated in 1951. Ontario's long-established natural gas industry is experiencing new activity, with the 1956 output of 13,203,671 M cu. ft. being almost double the low point reached in the mid-1940's. In

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