

countries alike all have combined to produce a situation of overwhelming difficulty.

In some ways Canada appears to be in an enviable position. We export about as much oil as we import. Hence the increase in the world price of oil has not caused a deterioration in our balance of payments, i.e. it has not resulted in a decrease in the world economic resources available to Canada. Neither have we profited. On the other hand, the geographical division of the Canadian internal market for petroleum products has caused economic hardship in precisely those areas of Canada that can least sustain shocks of this nature. In fact the rise in price has resulted within Canada in some of the same kinds of problems between oil producers and consumers that are confounding relations on the international scene.

As I have said, Canada is both an exporter and an importer of oil and at present an exporter of natural gas. In worldwide terms or in terms of the total needs of our principal export market the quantities of our exports of these products are relatively modest. Proven conventional reserves of both oil and gas in Western Canada are expected to decline, and in the absence of significant