

simple goods such as textiles, clothes, or shoes, and towards exporting goods of a higher added value and producing more goods of a more sophisticated technology. Much has already been done in this line, but more is needed.

It is of note that a main feature of Mr. Chrétien's budget was to offer greatly improved tax incentives for research and development expenditure of Canadian industry. In future it will only have to find 20 cents of every extra dollar spent on research and development: the rest will come from write-offs against taxes.

The other important departure in the budget was a greatly improved tax regime for companies venturing into the tar sands and heavy oil deposits of Alberta and Saskatchewan. They contain several hundreds of billion barrels of oil, but it is expensive to extract and requires technology that still is in course of being perfected. One plant has already been operating at up to 70,000 barrels a day in the tar sands; another is coming into production this year and, in 1979, should reach 125,000 b/d. Plans for a third are under discussion; so are plans for a 100,000 b/d plant to extract heavy oil in the Lloydminster area.

Pipeline benefits

The new tax regime may bring those plans a good deal closer to fruition. Moreover, they are only two of a vast array of energy-related schemes that may go ahead in the coming years. That closest to realisation is the C\$10 bn pipeline to take gas from Alaska to markets in the U.S. It will do more than merely cross Canada: once under construction it will provide jobs on the site, and in the Canadian steel industry, as well as being a route by which, eventually, Canadian gas can be brought south from the Mackenzie River delta and Beaufort Sea.

In the East, in addition to the gigantic James Bay hydro-electric scheme under construction in Quebec, there exist plans for a second electric complex on the River Churchill in Labrador, and for harnessing to electric generators the 50 foot tides that sweep in and out of the Bay of Fundy. Altogether, it is estimated, there are energy-related projects for C\$190 bn that may be realised between now and 1990.

Premiers' conference

These projects took up much of the time of a conference in February attended by Mr. Trudeau and the 10 provincial premiers to try to map a way out of the economic troubles. Quite clearly, as energy becomes more expensive, and with a world oil shortage forecast for the mid-1980s, oil, gas and hydro-electric power will provide economic strength and employment in Canada. The fact that Alberta, at present source of most of Canada's oil and much of the gas has been making additional discoveries, can only be a welcome help.

But the increasing concentration upon energy also means that, for the time being at least, some of the policies of the late 1960s and early 1970s are looking threadbare. There is little scope for economic nationalism in the Canada of 1978: given the payments situation there is little incentive to reduce the role of foreign capital, as was tried, however half-heartedly by legislation, passed in the early Trudeau years, for a Foreign Investment Review Agency; there is little incentive to hold back energy development on conservationist and ecological grounds (though the hearings into the plans for the Alaskan pipeline showed that standards still remain stringent in this respect).

Another idea to have been abandoned is that of "tripartism" — the concept that the market mechanism might be corrected or even supplanted by institutions intended to find a consensus between labour, employers, and government. It originated with the Canadian Labour Congress, and was cautiously taken up in Ottawa. Mr. Trudeau seemed to be lending it support when, in his New Year's broadcast at the end of 1974, he suggested that the market economy might be failing the country.

But the whole concept is alien to North American traditions and fell foul of the growing national mood of conservatism. (Canadians call it "small C conservatism," to distinguish it from the policies of the main opposition party, the Progressive Conservatives). Mr. Trudeau responded to that mood, as he has done in other contexts. Yet it would be rash to conclude that tripartism is dead for ever.

Balancing objectives

Economic nationalism, tripartism and energy policy all illustrate the pressures on any Canadian government to pursue policies responsive to national mood and the international environment. Political and economic prudence call for a constant balancing and re-balancing of diverging sectional, regional, and international objectives.

The hoped-for restructuring of manufacturing industry (and the maintenance of the standard of living) require a high level of foreign borrowing. To service that debt resources will have to be found, developed, exploited, and exported. Canadians refer to that as an economy of hewers of wood and drawers of water. If that be so, then the mere European must marvel at the affluence obtainable from pursuits so humble.

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(1) *A Time for Realism*, edited by Judith Maxwell. C. D. Howe Research Institute. (2064 Sun Life Building, Montreal, Quebec, H3B 2X7), 1978.

(2) *Into the 1980s*, Supply and Services Canada (Ottawa, Ont., K1A 0S9), 1977.

Britons emigrate to oil sands

Thirty Britons have been hired to take part in what claims to be the largest oil mining undertaking in the world, the oil extraction project at Canada's Athabasca Tar Sands in northern Alberta.

Representatives of Syncrude Canada, gearing up for the first processing of the oil-rich tar sands this summer, visited Britain in January and hired 20 mechanical fitters, instrument technicians and industrial electricians, persons with experience in power stations or heavy industry. All will make their homes near the newly built C\$2.1 m. processing plant just north of Ft. McMurray, 250 miles north of Edmonton.

It was the second visit to Britain by Syncrude. Last year, 10 process operators were hired here.

The plant, which sits on a 7,000-acre site over the richest known deposit of tar sand in the world, is about 90 per cent completed. Some 2,500 workers are expected to be at work at Syncrude by the time it reaches its targeted production of 130,000 barrels of crude oil a day in early 1980. Its initial production level is set at 52,000 per day for this year, doubling to about 105,000 next year.

Since last June, a giant dragline shovel has been stockpiling the tar sand in readiness for the processing start-up. By April, some 18m. metric tons of the tar sands had been stockpiled.

Syncrude was established in 1973 at the height of the mid-East oil crisis and after strenuous pressure by the Canadian government on private oil interests to 'get together' in a joint project to develop the tar sands. The Canadian Government owns a 15 per cent equity share in Syncrude, Alberta owns 10 per cent and Ontario five per cent. Their partners in the private sector are Imperial Oil (Exxon) with 32.25 per cent interest, Canada-Cities Service with 22 per cent, and Gulf Oil of Canada with 16.75 per cent.

The Athabasca tar sands have an estimated reserve of bitumen, the crude oil that is extracted from the tar sands, of 600 thousand million barrels which, it is estimated, will take about 25 years to mine. Others, with an estimated 264 thousand million barrels of bitumen, are at Alberta's Cold Lake, Wabasca and Peace River regions, but these are too deep to mine and are not, as yet, being developed.