

strengthen and articulate our new nationhood. Similarly today we believe that arrangements designed to make Canada's resources of oil and natural gas available to as many Canadians as possible are in our national interest.

But when full provision has been made for Canada's own foreseeable requirements, we will still have large surpluses of those two energy resources. It is our hope that they can be exported to the United States and used to fill such shortages as are apparent or may develop in this country. Here, as so often, side scope would seem to be left for profitable co-operation between the two countries even after each government has given first consideration to the needs of its own citizens.

From time to time we in Canada have been disturbed by doctrines expressed in the United States which, if applied in full rigour, would seem to make such sensible co-operation impossible.

In addition to the difficulties we have been encountering for some time with regard to natural gas, we have been disturbed by recent efforts to restrict imports of crude oil into the United States. It has been proposed by a United States Cabinet Committee that imports be limited to the proportion they bore to domestic production last year. Another suggestion (now before your Senate) would involve restricting imports to 10 per cent of domestic consumption. If either of these proposals were implemented, existing plans to increase imports from Canada would receive a serious set-back. As you may know, there are now two pipelines which bring Canadian oil from Canada to the United States. One runs from northern Alberta across the Rocky Mountains; the other brings Alberta oil to the western end of Lake Superior and on across the border to Sarnia in southern Ontario. New refinery capacity has been built in your Pacific Northwest to process deliveries over the Trans-Mountain Pipeline. There is also large refinery capacity in the United States along the route followed by the Inter-Provincial Pipeline which, we believe, would benefit from access to the oil it carries. In addition, a refinery is now being built in Minnesota to make use of medium gravity crudes from Saskatchewan. It had seemed to us in Canada that the oil industry itself was establishing a pattern of development of which one feature would be an increasing use of Canadian crude oil in the north-central and western areas of the United States. In the past it has proved difficult and costly to move United States oil into those areas; and the emerging marketing pattern seemed to have the advantage of permitting Canadian oil to enter those areas without impairing the interests of the United States petroleum industry or, for that matter, of your domestic coal industry. Now all these projects have been placed in jeopardy.

To what end, we have difficulty in seeing. For one thing, we wonder whether the proposals to limit imports of crude oil have been taken sufficiently into account the figures for Canada's present imports and exports. In 1954, Canada imported crude oil and