

federal government. In applying for a licence to export power, oil or gas, or any other fluid, or to import gas, the applicant must establish that he has the approval of provincial authorities and of the Board of Transport Commissioners for Canada; the Minister of Trade and Commerce may then grant a licence under the Exportation of Power and Fluids and Importation of Gas Act.

Each province and the federal government supervises construction and operation of pipelines through the authority of a Pipe Lines Act. The federal Act applies to all pipelines crossing interprovincial or international boundaries. Provincial and federal authorities must be satisfied before granting a permit that a pipeline has adequate reserves to serve it and suitable market outlets, and that it can be adequately financed. The various provincial and federal statutes relating to pipeline transportation thus assure that the enterprise proposed is in the public interest. An oil line may be declared a common carrier. A natural gas pipeline company may be directed to extend its services.

Crude oil is an important item in Canada's trade. Always a major commodity of import, it continues to be brought in for the large Montreal refinery market while crude oil export markets are being built up in the Pacific Coast States of the United States and in some of the mid-western States. The flow of crude oil is to markets giving the best and most assured financial returns. Marketing arrangements are carried out entirely between purchaser and producer, the oil pipeline company being merely a transporter. Except in the matter of prorationing of production to market demand, there is no government intervention in crude oil trade. The role of the federal government is to promote, through regular trade channels, interest in Canadian crude oil but the individual trade arrangements are made by the companies concerned. At present Western Canada crude oil is not competitive with Venezuelan and other foreign crudes in the Montreal market, and it has not been the policy of government to impose tariffs on imports in an attempt to make Canadian crude competitive in that market.

With a production potential almost double the current production of crude oil, larger exports, as well as increasing domestic markets, will be important objectives of the industry during the next few years.

XII. Conclusion

The Canadian petroleum industry has grown rapidly during the past ten years and is now an important part of the country's economy. This recent period of expansion came after many years of disappointing search. Canadian oil resources are in no sense as prolific as those of the Middle East, but very large expenditures and the application of the best scientific procedures have brought good results. The industry, with its more than 400 oil companies, is highly competitive. In their willingness to participate in intensive and costly exploration programs, oil companies have demonstrated their faith in Canada's petroleum resource potential and also in the stability of the country's economic, legislative, and political environment.