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Mr. Sharp's address to the first Washington Energy Conference

"Foreign Ministers of Belgium, Britain, Canada, Denmark, France, the Federal Republic of Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, Norway and the United States met in Washington from February 11 to 13. The European Community was represented as such by the President of the Council and the President of the Commission. Finance Ministers, Ministers with responsibility for Energy Affairs, Economic Affairs and Science and Technology Affairs also took part in the meeting. The Secretary-General of the OECD also participated in the meeting. The Ministers examined the international energy situation and its implications and charted a course of actions to meet this challenge which requires constructive and comprehensive solutions. To this end they agreed on specific steps to provide for effective international co-operation. The Ministers affirmed that solutions to the world's energy problem should be sought in consultation with producer countries and other consumers."

The foregoing summary is from the communiqué issued at the conclusion of the Washington Conference.

Leading Canada's delegation to the meeting, which included Finance Minister John Turner and Energy Minister Donald Macdonald, was Secretary of State for External Affairs, Mitchell Sharp. Excerpts from his address to the conference follow:

* * * *

"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, that is 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 problem 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 world-wide 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 new finds, exports too can be expected to decline since the relatively small remaining reserves will be required to meet domestic requirements. Some promising discoveries have been made in the Canadian Arctic and off our East Coast but they are not yet adequate to justify production.

Canadian resources

"As to the oil sands of Alberta, estimates of the oil in place are indeed of a significant quantity, rivalling the resources of the Middle East. However, a number of technological problems remain to be overcome before production of the major part of these resources becomes economically feasible. There are also a number of factors which the authorities in Canada would have to take into account before deciding whether to proceed with a massive development such as has been suggested in some quarters — disturbance of the natural environment, availability of labour and machinery and the effects on the Canadian economy as a whole of the enormous investment that would be required in order to produce large quantities of oil. In any event it is unlikely that any significant volume of oil for export will be available from this source for quite some time. We are satisfied, however, that we, by developing the tar sands, will be able at least to reduce what would otherwise be a higher Canadian demand for imported oil and thus free overseas oil for other importers.