

substantial capital investment. The entry into production of these new sources will assure a more secure supply to Eastern Canada and go a long way to meeting the Government's objective, announced as early as 1974, of reducing oil imports to less than a third of Canadian needs by 1985.

The second major decision is one affecting Canadian oil pricing policy. At the time of the major OPEC increases of 1973 the Government cushioned industry and the consumer by taxing oil exports from Western Canada and subsidizing Eastern oil refiners dependent on OPEC supplies. Between 1974 and 1978 this system allowed oil prices to move upward, gradually reducing the gap between Canadian and world oil prices.

In 1978 and 1979 the new round of major OPEC price increases widened the price gap again. In response to this situation the Canadian Government has proposed a new system of oil pricing in which the three existing base prices (for domestic oil now being produced, for new and more expensive oil from the tar sands, offshore fields or the Arctic, and for foreign oil) would be blended. A new supervisory agency would be given responsibility for setting a single blended price for the country as a whole, and for reporting on oil company costs, profits, capital expenditures and levels of Canadian ownership. This proposal is currently being discussed with Alberta and other oil producing provinces.

The third element of the Canadian response to the oil crisis is to make every effort to encourage a switch to other sources of energy, including natural gas, and to save energy. At present supplies of natural gas exceed demand, and new sources are constantly being discovered. A switch to natural gas or other alternative energy sources and a program of energy conservation measures should have the effect of prolonging the life of existing oil deposits and relieving the energy situation generally.

These three policy decisions have been taken in order to assure Canadians of a secure supply of energy at reasonable prices through the 1980s.

PARLIAMENT LOOKS AT NORTH-SOUTH QUESTIONS

A special Parliamentary Committee appointed to examine North-South relations and Canada's response has presented an interim report and a number of urgent recommendations. (Committee Chairman, Herb Breau, M.P., visited Europe earlier this year under the auspices of the European Community Visitors Program).

Addressing itself first to the urgency of the present situation as described at length in the Brandt Commission Report, the Committee endorses the call for a North-South Summit to give political impetus at the highest level to global economic negotiations. It also urges the Canadian Government "to commit itself to an active and positive role, seeking common interests with other like-minded countries and offering proposals which will help resolve, not merely continue, the debate". As host to the next Economic Summit, Canada will have opportunity to exercise some leadership in this field.

The recent decline in Canada's level of Official Development Assistance as a proportion of GNP, due to government austerity and