

REPRESENTED CANADA: Mr. George HOIL MARKETS NEEDED

Although Canada's potential oil production appears substantial, the extent to which it will be realized depends on the availability of markets, says the Bank of Montreal's Business Review for September.

Crude oil production in this country has risen 23-fold from the seven and a half million barrels in 1946, just before the discovery of the Imperial No. 1 well at Leduc, Alta., to 172 million barrels in 1956, and has been an outstanding "growth industry" in every sense of the word, the Review says.

Production in 1946 equalled only ten per cent of Canadian requirements, while last year's output was equivalent to more than 65 per cent of domestic requirements, despite a three-fold rise in demand in the decade, the Bank of Montreal says.

But there is a growing imbalance between what could be produced from existing wells, termed "producibility", and actual output, the Review continues.

Last year's output was 470,000 barrels per day (b/d), yet it is estimated that production from existing wells alone could have reached 770,000 b/d -- more than total Canadian consumption -- if that quantity could have been sold. By the second quarter of 1957, production had climbed to 525,000 b/d against estimated producibility of 900,000 b/d.

Main reasons for Canada's inability to become self-sufficient in petroleum, the Bank of Montreal says, are costs and difficulties of transporting oil from the western producing areas to consumption areas east of Ontario.

"With pipeline costs substantially higher than tanker rates, Middle East and South

HARBOUR PROJECT Prime Minister, John G. Diefenbaker has announced Cabinet approval of a plan to carry out a major harbour development at Bathurst, New Brunswick.

The Federal Government will undertake initial deepening of the entrance channel and the dredging of a turning basin at Caron Point, at an estimated cost of \$3,500,000, conditional on the undertaking of Brunswick Mining and Smelting Corporation Limited, which has very extensive base metal resources in the area, to go ahead without delay with additional private investment estimated at over \$20,000,000 for a zinc concentrator, lead smelter, wharfage facilities and ancillary installations.

The Corporation will also be required to share on an agreed basis in the cost of annual maintenance dredging of the channel and turning basin. The Corporation has already spent over \$6,000,000 in mine development, mine buildings, roads and various types of equipment. The further development envisaged in this decision will be of great significance.

Seventy-five kilted bandsmen, members of the regimental brass band and pipe bands of the Black Watch (Royal Highland) American crudes can be landed at Eastern Canadian refineries more cheaply than crude from Western Canada," the Review says. "Thus while the construction of two major pipelines has resulted in Canadian crude capturing virtually the entire market in all provinces west of Quebec, the Atlantic provinces and Quebec continue to be served with oil from the Caribbean and the Middle East."

But there may be an extension of the market, the Bank of Montreal says, if it should prove economical to bring Canadian oil to the large Montreal market. Studies are now underway in this direction.

In the meantime, demand is expected to grow in those areas which already use Canadian oil.

Considerable quantities are being exported, the bulk now going to the Pacific Northwest of the United States. These exports may increase significantly during the next few years.

Summarizing, the Review adds that, "while there are obstacles in the way of extending markets for Canadian crude, there is good reason to believe that petroleum will continue to be one of the outstanding growth industries in Canada and a stimulus to industrial expansion generally."

The Bank of Montreal review concludes, "with demand for Canadian gas surpassing all the preliminary estimates, the outlook for natural gas in the future seems assured and production of sulphur and natural gas liquids such as propane, butane and natural gasoline should also grow in importance. With these developments, the petroleum industry can be expected to continue to diversify and strengthen the economy of the Western Provinces and, indeed, of all of Canada."

AIR TRAFFIC: Vancouver airport, with a total of 32,787 takeoffs and landings, was Canada's busiest during August, according to Department of Transport records

During that month the Department's air traffic controllers handled a total of 282,709 takeoffs and landings, a drop from July's all-time high record of 315,583 but an increase of 68,136 over figures for August, 1956.

Cartierville, Que., ranked second in activity with 27,726 takeoffs and landings, followed by Montreal, 24,105; Ottawa, 22,230; Malton, 20,842; Winnipeg, 18,419; Edmonton, 17,080 and Saskatoon, 14,920.

The number of scheduled airline flights arriving at and departing from Canadian airports showed an increase of 2,122 over July figures.

Scheduled airline takeoffs and landings, included in the above figures, showed Malton leading with 4,683. Montreal ranked second with 4,619 and others included Vancouver, 3,144; Edmonton, 2,578; Winnipeg, 2,070.