

of years after which it would be made available for Canadian use.

It seems probable that activity in the Canadian coal mining industry will continue to decline.

Nuclear energy may begin to appear on a commercial scale before 1970 with the most likely locations being Southern Ontario and the Maritimes. Because of the abundance in Canada of other forms of energy, however, it seems unlikely that nuclear energy for power purposes will become an important factor in Canada as soon as it will in some other countries.

### Suggestions

A national energy authority should be established which would be responsible for:

- (a) Advising the Federal Government and, upon request, any Provincial Government on all matters connected with the long-term requirements for energy in its various forms and in different parts of Canada; methods of promoting the best uses of energy sources from a long-term point of view; export policy including such questions as the further refining of oil and gas in Canada and the disposal of by-products; coal subsidies, etc.
- (b) Approving of contracts or proposals respecting the export of oil, gas and electric power, including where necessary or desirable the holding of public hearings in connection therewith.

### Taxation of the Oil and Gas Industry

#### Criticisms

There are three important criticisms of our tax system insofar as the oil and gas industry is concerned, viz:

- (a) Canadians are at a disadvantage vis-a-vis United States operators in the Canadian oil and gas field.
- (b) Certain acquisition and property costs are not allowed as deductions in computing taxable income.
- (c) The method of computing depletion allowances is not as favourable as in the United States.

#### Conclusion

Despite the importance of the oil and gas industry, it would be unwise for Canada to favour any one industry through tax concessions merely because this is being done in the United States.