

# Canada Weekly

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## Oil exports to the United States controlled

*Exports of crude oil to the United States will be placed temporarily under regulation by the National Energy Board, effective March 1.*

*In a statement to the House of Commons Committee on National Resources and Public Works on the Export of Crude Oil, the Minister of Energy, Mines and Resources, Donald S. MacDonald, said that this action by the Government had been taken on the recommendation of the National Energy Board to make sure that only oil surplus to domestic requirements would be exported to the U.S.*

*Since 1959, when a Royal Commission on Energy reported that oil reserves in Western Canada were plentiful enough to meet both the export and domestic requirements, oil has been exempt from export licensing.*

*In recent weeks, however, exports to the U.S. have been accelerated because of shortages in that country. In January, exports to the States were estimated at about 1.1 to 1.2 million barrels a day.*

*Mr. MacDonald's statement to the Committee follows:*

I wish to advise the Committee that the Governor in Council has today approved amendments to regulations made under Part VI of the National Energy Board Act which have the effect of bringing under licence the export of crude oil and equivalent hydrocarbons, but not refined oil products, effective March 1, 1973....

This action has been taken on the recommendation of the National Energy Board and after discussions which I

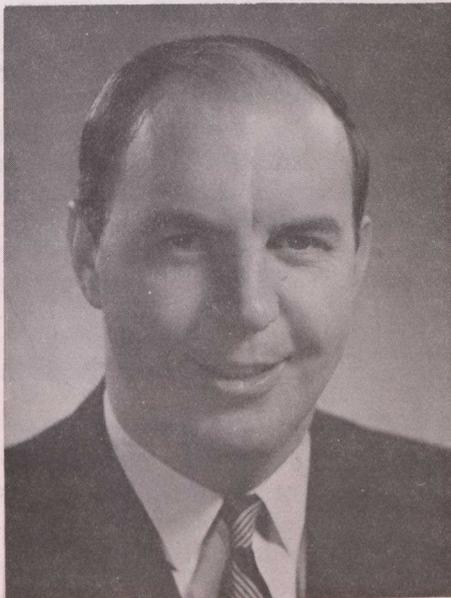
have held with provincial ministers, and industry. Today's amendments will ensure that oil exports do not exceed quantities surplus to reasonably foreseeable requirements for use in Canada.

I need hardly remind members that it is long-established national policy to export only those quantities of energy which are clearly surplus to our domestic requirements.

In regard to oil, export licensing under the Exportation of Power and Fluids and Importation of Gas Act was in force until 1959. This licensing was terminated on the recommendation of the Royal Commission on Energy which concluded that Western Canadian oil reserves were at that time more than adequate to supply foreseeable domestic and export requirements.

The power to control exports and imports of oil was, however, embodied in Part VI of the National Energy Board Act which came into effect in 1959 but, with regard to oil, the licensing provision was subject to later proclamation. Such a proclamation was made in May 1970 but the attendant regulations excluded oil other than imported motor gasoline.

The past 14 years have seen rapid growth in our oil exports, almost all of which go to the United States and are mostly in the form of refinery raw



Mr. Donald S. MacDonald, Minister of Energy, Mines and Resources.