

Production of petroleum from the Turner Valley and other Alberta fields has risen from 1,312,368 bbl. in 1936 to 9,958,000 bbl. in 1943. The principal Ontario oil fields are situated in the southwestern peninsula between Lake Huron and Lake Erie. The maximum production of these fields was reached in the '90's and has since declined. New Brunswick's small production comes from the Stony Creek field near Moncton. For the production by provinces in 1942, see Table 6, p. 297.

*The Development of Oil Production in the Northwest Territories.**—An important development in the oil production of 1942 was the exploratory drilling program undertaken in the vicinity of Norman Wells in the Mackenzie District of the Northwest Territories in connection with the Canol Project. Oil was first obtained from two wells drilled in this area in 1920 and 1925, respectively, but as no market was found for the oil, the wells remained capped for several years. The discovery of radium-bearing and silver ores in the Great Bear Lake region in 1930, and subsequent development of the 'finds' led to a demand for oil products and was further intensified by large-scale developments in the Yellowknife region following the gold discoveries of 1935.

The shipment of oil and gasoline to the mines at Great Bear Lake commenced in 1932, and in 1937 a pipeline was laid along the south bank of Great Bear River for a distance of about eight miles to obviate the portaging of oil around a series of rapids. Additional wells were drilled in the Norman area in 1939 and 1940 and in 1939 a new refining plant was installed at Norman Wells for the production of aviation gasoline and improved fuel oil products, which resulted in a substantial reduction in the price of petroleum products in the region.

The Canol Project is a joint defence undertaking authorized by an exchange of notes between the Governments of Canada and the United States involving: (1) a program of development designed to increase the production of oil in the Northwest Territories to supply the requirements of the Armed Forces in Canada and Alaska and for use along the Alaska Highway; (2) the construction of a pipeline to convey crude oil from Norman Wells to Whitehorse, Yukon Territory; and (3) the erection of an oil refinery at Whitehorse.

Under the terms of the agreement between the two Governments the United States is paying the costs of the project and the Canadian Government is providing sites for structures and rights of way essential to the project, and is also making oil rights available under appropriate regulations. Royalties on oil produced under this project are also waived for the duration of the War. The United States retains ownership of the pipeline and refinery until the end of the War, at which time they will be offered for sale, with the Canadian Government being given prior right of purchase.

Construction work on the Canol Project proceeded through 1942 and 1943. By Jan. 1, 1944, a total of 32 wells had been completed in the Norman field by the Imperial Oil Company, Limited, under contract with the United States Government. Of these wells, 25 yielded oil in commercial quantity. In addition to the new wells,

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