

During 1956 Canadian refineries received 231,897,606 bbl. of crude oil, of which 125,592,074 bbl., or 54.1 p.c., were from Canadian sources. The percentage of domestic receipts in Ontario is steadily rising. At the same time, deliveries of foreign crude oil to Montreal and Halifax refineries continue to increase rapidly so that the percentage of domestic crude oil received at Canadian refineries has remained practically constant since 1954.

Exports of Canadian crude oil to the United States rose from 14,833,971 bbl. in 1955 to 42,908,085 bbl. in 1956. The increase was equivalent to 66 p.c. of the total increase in oil field production. Forty-five per cent of the exports went to the State of Washington, a total of 41 p.c. to Minnesota, Wisconsin and Michigan, and 14 p.c. to an export market that developed in California during 1956.

A market for Canadian crude oil has not been established in Montreal. Because of the long pipeline transportation distance from Western Canada fields to the Province of Quebec, market outlets have been more readily developed in Western Canada and in adjacent areas of the United States. The building up of crude oil export markets in the Pacific Coast States and in the mid-western States has reduced Canada's net import balance despite the large imports into Montreal, centre of one-third of the nation's petroleum refining capacity. The increased amount of crude oil sold in Canada and the United States in 1956 raised the degree of petroleum self-sufficiency to 65 p.c. This makes allowance for crude oil imports of 106,470,015 bbl., petroleum product imports of 37,633,519 bbl. and petroleum product exports of 2,729,842 bbl.

Natural Gas Marketing.—During 1956, construction was started on the 2,294-mile Trans-Canada natural gas pipeline system to Eastern Canada and the 650-mile Westcoast Transmission system to the Pacific Coast. The construction stage for each project came after a number of years of planning and preparatory work. As construction proceeded, preparations for the marketing of natural gas were well under way in most centres between Vancouver and Montreal. Marketing utilities were being established and distribution facilities installed. With the commencement by late 1957 of natural gas deliveries in many new marketing areas across Canada, a change in the pattern of fuels usage will begin to take place and 1956 natural gas sales of 143.7 billion cu. feet will be greatly surpassed. Much benefit to the people of Canada will result from the availability of large supplies of natural gas to be used as a fuel and as a raw material for chemical manufacture.

Subsection 4.—Coal

The stabilizing trend that appeared in the coal industry in 1955 has continued despite increasing competition for markets from petroleum and natural gas. There is now some evidence that the demand for coal may shortly begin to rise again—that the increasing impetus of the Canadian economy generally and, in particular, the growing use of coal in the production of thermal-electric power to satisfy the clamour for more energy by the expanding pulp and paper and mining industries will beneficially influence the market for this commodity.

At the same time, the market for coal is decreasing in certain fields; the railways are replacing coal-burning locomotives by diesels and oil burners and certain coke and gas-making plants have been found no longer necessary because of the introduction of natural gas. The necessity to operate only those mines that remain economic under the stress of rising costs has resulted in the closing down of the Albion mine in the Stellarton area of Nova Scotia, the Greenhill mine of West Canadian Collieries Limited in the Crowsnest area of Alberta and the Luscar mine in the Mountain Park area of Alberta.

The industry recorded its fifth consecutive decrease in production in 1955, but the decline was only 94,699 tons from the 1954 production of 14,913,579 tons. In 1956 the downward trend was reversed and production increased again to 14,915,033 tons valued at \$95,466,866, though this was still 22.1 p.c. below the record in 1950. Of the 1956 production, 69.1 p.c. was bituminous coal, 15.2 p.c. subbituminous and 15.7 p.c. lignite.