



Against this background, the government introduced several steps in 1975 to adapt its energy policy to altered circumstances. To achieve greater self-reliance in oil the interprovincial pipeline system was extended to Montreal. Following publication of the National Energy Board (NEB) report on Canada's oil supply and requirements, the Department of Energy, Mines and Resources announced its decision to reduce exports to the US by almost one third.

The government also continued its single price policy for crude oil for all Canadians. The price of domestic oil was raised to \$8.00 in July 1975 and \$9.05 in July 1976, and a fiscal structure was maintained to ensure an equitable distribution of revenues among producers, consumers and governments and to leave the industry sufficient incentive to continue exploration and development. The Energy Supply Allocation Board, created in 1974 with the authority to allocate crude oil and petroleum products in an emergency, had its responsibilities broadened in 1975 to include administration of the Oil Import Compensation Program. In June 1976, the board's mandate, under the Emergency Supplies Emergency Act, expired but it retained responsibility for the compensation program. The board's functions were reconstituted within the Department of Energy, Mines and Resources. Petro-Canada, the national petroleum company, was set up to ensure, as far as possible, that the rate of development of Canadian petroleum resources would be in the national interest, and to negotiate abroad to secure imported oil on the best terms possible. Federal government assistance was proposed to expand the production of electricity based on nuclear sources and to facilitate a comprehensive interconnection of provincial utilities to ensure greater efficiency and security of supplies. An Office of Energy Research and