

Research and development

13.2.7

Technical advances to assure adequate sources of energy depend on research and development. In April 1975 the federal government announced the establishment of the Canadian Energy Research Institute. Funded by the Department of Energy, Mines and Resources, the Alberta Department of Mining, Energy and Natural Resources and the private Energy Research Association, the institute will be located at the University of Calgary. It will conduct research and analysis on alternative solutions to medium- and long-range energy problems, develop independent source data, and provide economic research. Creation of the institute is a response to a growing demand for information on energy matters from both the private and the public sectors.

Marketing of petroleum products

13.3

Higher prices for petroleum products in domestic and export markets continued to reduce sales in 1975. Net sales of petroleum products were 582 million bbl (93 million m³) in 1975, down 1.3% from 590 million bbl (94 million m³) a year earlier, a reversal of the 5.4% historical growth pattern over the past decade. Net sales of natural gas in Canada climbed a marginal 0.8% and exports were down slightly.

Oil

13.3.1

The NEB report in October 1974 on exports of oil analyzed established reserves and the likelihood of new oil field discoveries, and reviewed the long-term demand for Canadian oil. The report forecast a decline in production from established oil fields starting in 1975 and continuing into the 1980s, when oil from frontier areas in the north and from the oil sands in Alberta should become available in significant amounts.

Faced with a demand for oil in 1982 that, on the basis of supply and demand trends, will result in an overall national deficit of 200,000 b/d (32 000 m³/d), the board recommended that exports of crude oil and petroleum products be progressively reduced with minimum injury to areas of the US now dependent on Canadian supplies. Subsequent action by the government set a limit on exports of 800,000 b/d (127 000 m³/d) and 750,000 b/d (119 000 m³/d) for the first and second halves of 1975 respectively.

In the September 1975 NEB report, *Canadian oil supply and requirements*, it was recommended that, in view of the increased domestic demand in 1976 due to the extension of the Interprovincial Pipeline to Montreal, the export allocation during 1976 be further reduced. Accordingly, the government set the 1976 export allocation at an average of 460,000 b/d (73 000 m³/d). To achieve this average, progressive reductions were to be made from 510,000 b/d (81 000 m³/d) in January 1976 to 385,000 b/d (61 000 m³/d) by December 1976 in line with increases in the Sarnia to Montreal crude oil movement to an anticipated 250,000 b/d (40 000 m³/d) by year-end.

The amount of oil that can be exported is computed annually, with a system of monthly licences in force to ensure that Canadian requirements are met. The NEB formula fixes the annual amount of crude oil available for export in relation to the amount of oil that can be produced, Canadian demand, and a conservation factor estimated for that year. This has the effect of reducing oil exports progressively as the estimated period of self sufficiency decreases in the area of Canada served by oil of Canadian origin.

In the early 1970s export demand for Canadian refined products increased substantially, largely because the demand for heavy fuel oil in the US northeast grew beyond the refinery capacity of the region. The increased demand was primarily met by the two large new refineries at St-Romuald, Que. and Point Tupper, NS. The refinery at Come By Chance, Nfld., built in 1972, was also designed to meet this market but went into receivership in February 1976 and ceased operations.