

Columbia with a reserve of 2,174,000,000,000 cu. feet. This development, particularly in British Columbia, is very remarkable in that the first well in the Fort St. John field, where the main reserves occur, was completed late in 1951. In the past two years the increase in gas reserves in the Peace River area has been at the rate of 1,500,000,000,000 cu. feet a year, but at present there is no market except locally where the consumption is insignificant.

Demand and Markets for Canadian Crude Oil.*—The total demand for oil products in Canada in 1953 showed an increase of 10 p.c. from 1952, reaching 515,000 bbl. a day. The total production of crude oil was about one-third higher than the previous year and supplied about 43 p.c. of Canada's requirements. There was some restriction on output because of market limitations and the 1953 yield of more than 80,000,000 bbl. does not wholly reflect oil-well capacities in the various producing fields in Western Canada.

The Trans-Mountain and the Lakehead pipelines now provide a possible outlet for 600,000 bbl. of oil a day from Western Canada when the markets are developed to receive this volume. The pipeline capacity, therefore, is considerably in excess of the present demand since the yield in 1953 was 77,065,000 bbl. for Alberta, 3,000,000 bbl. for Saskatchewan, and 619,321 bbl. for Manitoba, a total of 80,684,321 bbl. or an average of over 221,000 bbl. a day. Of this amount about 120,000 bbl. a day were refined on the Prairies, leaving about 100,000 bbl. a day for the West Coast and Central Canada and for refining at Superior, Wis., U.S.A. The market for western Canadian oil on the West Coast has been restricted temporarily by imports from the Near East owing to cheap tanker rates so that for the near future the major part of the outlet will be eastward. The recent completion of Sun Oil Company's Sarnia refinery brings the refining capacity in that area to 109,500 bbl. a day and of the 29,600,000 bbl. processed there in 1953, all but 5,224,000 bbl. were Western Canadian crude. In addition, the B. A. Clarkson refinery near Toronto, Ont., processed 5,777,000 bbl. in 1953, of which 2,702,000 bbl. were from Western Canada, making a total of western Canadian crude oil processed in Ontario in 1953 of 27,527,990 bbl. including 450,000 bbl. refined at Fort William. It is expected that, in 1954, this will be increased to approximately 35,140,000 bbl. or an average of about 96,250 bbl. a day. This, exclusive of normal growth, will come close to the saturation point for the outlet of western Canadian crude in central Canada unless it is decided to enter the Montreal market which now is largely supplied from Venezuela by tanker and by pipeline from Portland, Me. The Montreal refineries processed 56,275,000 bbl. of crude oil in 1953 representing slightly more than one-third of the oil refined in Canada. The abundance of oil in world markets at present makes the Montreal market highly competitive for western Canadian oil and it is doubtful whether oil could be supplied from this source without a considerable cut in price. Thus, the crude oil situation in Canada has changed in a few years from one in which very little oil was available from domestic production to one in which the supply now warrants a continual search for new markets. Presumably, in this respect, much will depend on the construction of new refinery facilities along and adjoining the Lakehead pipeline between Superior, Wis., and Sarnia, Ont. In this area the United States market would seem to offer good prospects but there is a duty of 10·5 cents a barrel on light crude oil entering the United States.

* Information on the construction of oil and gas pipelines is given in the Transportation Chapter of this volume.