

*Northwest Territories.*—Exploration for oil and gas increased but production as yet comes only from the Norman Wells field which was first discovered in 1920 and developed to its present stage during World War II. The first gas discovery outside of this field was made in 1955 at a location 50 miles southwest of Fort Providence.

**Petroleum Refining and Marketing.**—Expansion of the petroleum refining industry has paralleled the increase in crude oil production; in 1955 the crude oil capacity on a calendar day basis was close to 600,000 bbl., compared with 200,000 bbl. in 1939. More efficient refining operations and the production of higher octane gasolines have been made possible by a general cross-country installation of catalytic cracking units. More recently, most of the larger refineries have also started the installation of catalytic reforming units.

The extent of the increase in crude oil production and petroleum refining capacity is shown in the following tabulation:—

PERCENTAGES OF CANADIAN CRUDE OIL RECEIVED AT REFINERIES				
<u>Region</u>	<u>1939</u>	<u>1946</u>	<u>1950</u>	<u>1954</u>
	p. c.	p. c.	p. c.	p. c.
Maritime Provinces.....	—	—	—	—
Quebec.....	—	—	—	—
Ontario.....	0.4	0.5	1	80
Prairie Provinces and Northwest Territories.....	37.0	52.5	99	100
British Columbia.....	—	—	—	88
CANADA.....	<u>3.5</u>	<u>10.0</u>	<u>24.4</u>	<u>54.7</u>
Canadian refinery capacity (barrels per calendar day).	<u>200,020</u>	<u>245,865</u>	<u>358,875</u>	<u>544,750</u>

The above Statement also indicates the progress made in the marketing of Canadian crude oil. In 1954 Prairie Provinces refineries were using domestic crude oil only, British Columbia refineries switched from imported to Canadian crude and Ontario refineries reduced their imports to one-fifth of total requirements. During 1954 Canadian refineries received 169,452,850 bbl. of crude oil of which 92,679,819 bbl., or 54.7 p.c., were from Canadian sources. The 1953 Canadian source supply was 46.0 p.c.

Total crude oil exports in 1954 amounted to only 2,344,948 bbl. In 1955 with two new United States refineries—one in the Puget Sound area of the State of Washington and another near St. Paul, Minnesota—drawing on Canadian crude sources, an appreciable increase in exports was recorded and a daily average of at least 50,000 bbl. estimated.

In 1954 actual daily crude oil production averaged 262,000 bbl., potential production had risen to about 420,000 bbl. a day by the end of the year and oil requirements for the year averaged 559,000 bbl. a day. Discovery, production and consumption trends during 1955 indicated a steady closing of the gap between potential production and oil requirements but a widening of the margin between actual and potential production. Because of the long pipeline transportation distance western Canada crude oil is not competitive with foreign crudes in the Quebec and Maritimes markets even though Canadian field prices are lower than prices of similar crudes elsewhere in the Western Hemisphere. Canadian producers must therefore rely on the growing domestic market stretching from British Columbia to Ontario and seek additional United States markets in areas within range of economic transportation.

#### Subsection 4.—Coal

Production of coal in Canada continued to decline during the period July 1954 to June 1955 in the face of increasing competition for markets from crude petroleum and natural gas. One of the immediate results of the falling demand for coal was the closing of No. 1B Colliery of Dominion Steel and Coal Corporation at Glace Bay, N.S., on June 30, 1955. Over 700 men were employed in this one colliery.