since the early 1950s. There is a direct link between the Alberta and Saskatchewan fields and the Chicago and other Great Lakes markets via the pipeline system of the Interprovincial Pipe Line Company, and from Alberta and British Columbia fields via the Trans Mountain pipeline to refineries in the State of Washington. Western Canada producers exported 341 million bbl of crude and equivalent oil to these markets in 1972 and 413 million bbl in 1973.

Canadian crude oil exports exceeded crude oil imports for the first time in 1969. The favourable balance increased from 9.6 million bbl in that year to 88 million bbl in 1973. Petroleum product exports exceeded imports for the first time in 1972 with an excess of 21.3 million bbl when product exports increased to 73.7 million bbl and imports decreased to 54 million bbl. Product exports exceeded imports by 47 million bbl in 1973. The export increase has been due largely to the fact that demand for heavy fuel oil in the US northeast has grown more than refinery capacity in that region. This increasing export demand was primarily met by the two large new refineries at St-Romuald, Que. and Point Tupper, NS. The new refinery at Come By Chance, Nfld. built in 1972, was also designed with this market in view. These new refineries have also played an important part in filling the needs of the domestic market.

The level of crude oil exports has been kept under surveillance by the National Energy Board and controls were imposed on the export of petroleum products in June 1973.

Venezuela is the major source of Canadian crude oil imports with some 143 million bbl in 1972, a decrease from 148 million in 1971. Imports of crude oil from the Middle East increased to 100 million bbl in 1972 from 57 million in 1971. Other important sources of imported crude oil were Nigeria who supplied 21 million bbl and Colombia with 4 million bbl.

Average annual per capita consumption of natural gas in Canada is highest in Alberta (162.4 Mcf in 1972) and Saskatchewan (96.1 Mcf) where the major natural gas sources are close to markets. This is followed by Ontario with its large industrial market (70.6 Mcf). In the areas east of Ontario, the distance from the major sources of natural gas supply in the West coupled with the competitive oil price in the East has meant a limited market for natural gas in this region. The minor quantities of natural gas consumed in New Brunswick are produced from small local supplies. Average per capita consumption for Canada as a whole rose to 56.3 Mcf in 1972 from 49.8 Mcf in 1971.

More than half of the natural gas sold in Canada is now used for industrial purposes with the greatest part utilized in the large industrial centres of south-central Ontario. In 1960 residential users accounted for 33.8% of total sales, with commercial users taking 15.5% and industrial users 50.7%. In 1972 the proportions were 24.8%, 19.7% and 55.5%, respectively.

The regional consumption of petroleum products is indicated in Table 13.9 for the years 1963, 1971 and 1972. The relatively small percentage of light fuel oil used in the Prairie regions reflects the dominant role of natural gas whereas the amount of light fuel oil used in Quebec and the Atlantic Provinces is well above the national average as a percentage of total petroleum consumption. Gasoline accounts for over one third of total petroleum product consumption in Canada with the ratio in Ontario being the highest of any region.

There were a number of oil policy developments in 1973, related directly to the international oil situation, which had a marked impact on oil marketing in Canada and on the oil economy as a whole. In March the federal government established export controls on crude oil and in June on petroleum products in order to ensure adequacy of supply within Canada. On September 4 the Prime Minister announced a price restraint policy for Canadian crude oil and the price at the wellhead remained at the $4-a-barrel level until April 1974. The price of imported oil also remained under surveillance so that only actual increases in purchase costs were passed on to consumers during 1973. Plans were made to extend the oil pipeline system to Montreal to make western Canada crude oil available in that refinery centre and thereby increase the country's self-reliance in oil supply.

A number of immediate emergency measures were taken in the latter part of the year as the Arab oil embargo continued. These measures included the movement of western Canada crude oil down the St. Lawrence Seaway to Montreal and, after the winter closing of the Seaway, tanker movements from Vancouver via the Panama Canal to eastern Canada. An oil export tax was levied, commencing in October, to ensure that Canadian crude oil sold in the United States was priced at the international competitive level and not at a discount and also to ensure that the windfall profit arising from the increases in international prices would not accrue to industry but would be collected for the benefit of all Canadians. When the very large price increase of January 1, 1974 occurred, the federal government took steps to establish an