A look at the Canadian scene and the place Imperial has in it, with some side glances at the effect of the petroleum industry on the country.

by James Knight

Here at Home

The one thing you have to keep in mind about Canada is that it's more like a collection of autonomous states than it is a unified country. Canada is split into 10 provinces and two territories for political administration, divided into five regions by geography, follows four main political philosophies by choice, and is founded on two nations by history. Its stated aims are peace, order and good government. Its chronic mood is apprehensive, and its single most unifying force is general disagreement with the federal government no matter what the party in power.

This is the impression a traveller is left with after a trip across the country and a chance to talk with some people who work in industry, education and the arts. The intensity of the attitudes varies from place to place—Winnipeg seems more apprehensive than Vancouver—and from speaker to speaker, but the basic attitudes are fairly constant.

Another thing—the country is so big and so diverse that Canadians identify themselves more frequently as residents of a city or province than as Canadians, and sometimes they narrow it down to a district, or even a town. A Maritimer who says he's from the Bay means Glace Bay, a tough indomitable mining town of 23,000 on Cape Breton Island, and he expects you to know it no matter where you come from yourself. All Canadians think of themselves first as residents of an area, and second as citizens of a country.

These divisions are beginning to make themselves felt at official levels—the Prairie provinces recently rejected union; the Maritimes are thinking about it—but the regional concept has long been recognized by those business enterprises that operate through managers and their staffs located within the region where the business is done, far from the head office, dealing with day-to-day matters on a local basis. This is particularly necessary with the marketing of petroleum
What can you tell anyone about the economics of the petroleum industry? I mean, apart from the fact that it provides most of the low-cost energy we use? After you've said petroleum keeps us warm, keeps us moving, keeps us working, what else is there to say?

A number of things, actually. Take energy. That's force, power, action. You can measure a country by energy, and conclude that the more it uses, the more productive it is. And by that yardstick, Canada comes in second. The United States is first. Last year Canadians used energy at a rate equivalent to 1,967.5 Imperial gallons of oil per year, each. And the value of our production worked out to $3,025 for every one of us. The Americans used energy equivalent to 2,025 Imperial gallons each, and produced at a per capita rate of $4,049. Brazil, which is a poor country, used only 101.5 Imperial gallons per capita, and its production rate was just $3.06 per Brazilian.

products and services, which must adapt itself to the different conditions that apply in the different regions. It's a practice Imperial Oil has followed since it opened its first regional office in Winnipeg 88 years ago. Today Imperial's regional marketing offices are in Halifax, Montreal, Toronto, Edmonton and Vancouver, with smaller area offices in Winnipeg, Regina and St. John's.

These regional divisions are embedded deep in the bones of Canadians, so deep that it is possible to distinguish particular qualities that apply to the people of a region. All Canadians are friendly, of course, and will go to embarrassing lengths to accommodate a stranger. But all the while they will rant about the shortcomings of Canadians from other regions.

The friendliness of the Atlantic provinces is touched with a sort of grave reserve that must stem from the mastered pace of life that is so distinctive of the region. People there have an attachment to the area that is almost like a blood bond, so that a visitor from a region where commitment is not so deep must revel in it. People from the Atlantic provinces like to do business face to face, and deal in cash. There are people who still make their way downtown to Imperial's Halifax offices on Barrington Street to pay their bills, even though the wickets have been closed for months and the clerks put to other work.

Imperial Oil has been a fixture of the Atlantic region for so long that any change seems like an upheaval. The name first appeared

Here in Canada, most of the energy we use comes from petroleum—94 per cent from oil and 24 per cent from gas last year. Total: 13 per cent. Coal and hydro-electricity combined provided less than a quarter of the electrical power generating capacity together. Was it Imperial Oil? Yes.

In the past 25 years, Canada's need for energy has increased more than two and a half times. In that time the amount of energy supplied by oil and gas has increased eightfold. In 1945 oil and gas together supplied just less than a quarter of Canada's total energy; last year they supplied more than three-quarters of the demand. By 1980 Canada's need for energy will have increased by half as much again, and oil and gas are expected to supply slightly more than 80 per cent of it. So much for energy.
in Halifax in 1898 when Imperial took over the Eastern Oil Company, an oil-importing firm that began operations in 1885. In those days the product was kerosene, and it was brought in by sailing ship in barrels. The first tanker—a steamer named Maverick—to bring oil to a Canadian port brought a cargo of 1,000,000 gallons to a huge Imperial tank on Bedford Basin in 1898, and it was from there that products were shipped to markets in Nova Scotia and Prince Edward Island until the refinery was erected at Dartmouth in 1916-1918. The refinery also served New Brunswick and Newfoundland, but those provinces were independent marketing divisions until 1937 and 1960, respectively.

The Dartmouth refinery is Imperial’s third largest, after Sarnia and Montreal. When it began operations in 1918 (after a two-year World War I stint as a fuel oil supply base for the British navy) its capacity was 2,000 barrels a day. Charles Lindbergh stopped there in 1933 to refuel on his flight to map the northern air route between Europe and North America. In World War II the refinery suddenly expanded its capacity to as much as 41,000 barrels a day—it handled a total of 33 million barrels of product for the famous Shuttle Service that supplied Britain through the war. Its capacity is now 61,100 barrels a day, and it supplies all the Atlantic provinces, the French islands of St. Pierre and Miquelon, the Labrador coast and the Magdalen Islands. Late this summer a $10 million expansion will begin that will increase capacity to 75,000 barrels a day and further control refinery emissions.

Delivering oil products around those often stormy coasts in all seasons requires something special in men and ships. For example, on her last voyage of 1970, the 50,000-barrel Imperial Quebec left Halifax for Newfoundland on Dec. 19.

‘Passage to St. John’s was routine,’ Capt. A. H. Campbell noted in a laconic report, ‘gale force winds about the beam.’ On the ship’s passage from St. John’s to Stell’s Cove the weather was described as ‘normal; gale force winds.’

The vessel got to Lewisporte on Christmas Eve and picked up a load at the Imperial tanks there for delivery to Twillingate, St. Anthony and Port Saunders, but warnings of a storm severe enough to prevent them from berthing at Twillingate for 24 hours delayed them. They couldn’t stay at Lewisporte and risk becoming icebound, so they went instead to an anchorage at Indian Arm to ride out the storm and spend a quiet Christmas Day. The storm reached its peak at midnight, but by the morning of Dec. 26 the winds had moderated and the ship headed for Twillingate. They arrived off

What about jobs?

Well, to be truthful, the petroleum industry isn’t one of your labor-intensive industries that employ lots and lots of people. Still, if you count in all the dealers, agents and their staffs you can reach a total of about 150,000 persons. Their payroll comes over to a billion dollars a year.

But the petroleum industry is very capital-intensive. It spends a lot of money and its spending has a definite effect on jobs in other industries. Over the past 10 years the oil industry has bought something like $10 billion worth of goods and services from other industries. If you add in the number of people in those industries who work at producing goods and services for the petroleum industry, you get a total employment figure due to the operations and needs of the oil and gas companies of some 250,000 persons. That’s more than all the jobs there are in New Brunswick and Prince Edward Island combined. Okay?
the harbor three hours later in a dense fog with a ‘very high easterly swell rolling.’ They crept in through the fog, unable even to see the dock until they were within 600 feet of it.

They left that evening for St. Anthony, expecting to find the ice 10 inches thick. There was a storm blowing, of course, which had increased to a full gale by the time they reached St. Anthony. There was a dense fog, too, so the ship crept in on her radar. As if that wasn’t bad enough, they entered slob ice (a mixture of slush and water) and began to lose way. With rocks nearby, Capt. Campbell put the engine at full speed and forced her in. The inner harbor had ice only six inches thick, and the vessel passed through it easily and berthed. When they left the next morning the slob ice was so thick in St. Anthony Bight that although the ship was steaming full speed, she was making only four knots. Once in open water they steamed on to Port Saunders, arriving off the harbor in fog so dense they decided to anchor and await daylight. During the night conditions changed to thick snow and a wind that blew up to gale force from the worst possible direction as far as berthing in Port Saunders was concerned. They went in anyway and, with the help of a local fisherman who carried a line ashore, were able to tie up on their second try. They unloaded, cleared the harbor later that afternoon and arrived back home in Halifax early in the afternoon of New Year’s Eve.

The Quebec is only one of three Imperial ships serving the east coast. The others are the 80,000-barrel Imperial Acadia and 120,000-barrel Imperial Bedford, both ice-strengthened.

These ships are frequently seen in the St. Lawrence also, supplying ports along the river. Imperial has had offices of its own in Quebec province ever since 1889, although agents had handled Imperial products in the region from 1881, a year after Imperial was formed.

But 80-odd years hardly qualifies for long service in Quebec, a region where history is counted in centuries. Quebec was a centre of learning and culture when the rest of Canada was a wilderness; Laval University traces its origin to the Séminaire de Québec, which was founded in 1663.

Montreal is world famous for its medical research and development in many fields. It is a centre of heart surgery, cancer treatment, the study and treatment of high blood pressure. It was in Montreal that Dr. Hans Selye developed his theory of physical stress, and at the Rehabilitation Institute of Montreal Dr. Gustave Gingras
has developed intricate motor-driven artificial limbs that can be switched on by the electricity generated by muscle contractions—under direct conscious control. The number of research institutes in Montreal is so great that the listings in the white pages of the telephone book cover three-and-a-half columns of tiny type. Even the YMCA is engaged in the physical rehabilitation of people who have suffered heart attacks.

Since it opened in 1934, important discoveries in neurology, neurosurgery and the nervous system have been made at the Montreal Neurological Institute, whose former director, Dr. Wilder Penfield, is world famous for his work on pin-pointing areas in the brain that are connected with epilepsy. The brain operations he developed to control and eliminate focal epileptic seizures have made the institute a Mecca for victims of this strange ailment.

Penfield’s skill and reputation are so great that when the Russian Nobel prize-winning physicist Lev Landau suffered a brain injury in a car accident in 1962, the Montreal neuro-surgeon was rushed to Landau’s bedside in great secrecy to see him in consultation with other internationally known specialists.

The institute’s current director, Dr. Theodore Rasmussen was called to India for a similar emergency operation recently and found the Montreal-trained doctors there doing everything that was needed. When Dr. Rasmussen certified the treatment they were providing, the Indian state government felt it could put its faith in its own doctors.

The institute is still doing pioneering work on the brain, and one of its current avenues of investigation is mapping regions of the brain that control some of the higher intellectual functions. This work, under Dr. Brenda Milner, is helping doctors to identify brain damage in persons who show an impairment in the functions Dr. Milner has localized.

But the city is not all doctors with stethoscopes. Montreal is the only city in Canada with big league hockey, baseball and football teams. It is the centre of a score of international institutions, the home of many of Canada’s biggest business firms, including five of the country’s nine chartered banks. It has the biggest inland harbor in the world and rejoices in a night life that makes it the gayest city in Canada and the delight of tourists.

When Imperial’s products first went on sale in Quebec they were handled by an agency whose total staff was a bookkeeper, one salesman, and an office boy. Today, Imperial directly employs nearly
In the history of commercial oil production, Canada comes first. The first commercial oil well in the world came into production in Canada in 1858, at Oil Springs in southwestern Ontario. Those fields still produce oil, but almost from the beginning they were overshadowed by the vastly greater deposits that were found in the United States—more than the Americans thought they would ever need. Therefore, for many years Canada imported most of the oil it used. Matters began to change when large oil reserves were found in Alberta in 1947 (by Imperial, as it happened), which had persevered through a discouraging and costly program—the company spent $23 million drilling 133 dry holes before the discovery well came in at Leduc, near Edmonton).

Anyway, Alberta oil reduced the need for imports. It didn’t eliminate them by any means, Canadian geography being what it is. Canada produces more than enough crude oil to meet its own needs, but the oil is in the west, mainly in Alberta, a long overland journey from the main markets in the east. Alberta oil can hold its own against cheaper imported crudes, even with the added cost of transportation, right into Ontario. But Quebec and the Atlantic provinces use foreign oil brought in cheaply by ocean tankers.

Until last year, Canada paid more for the oil and gas it had to import than it earned from exports of these substances. In 1970 we turned that particular corner, and earned $200 million more than we paid. Economists expect the surplus to grow to over a billion dollars a year by 1975.

3,000 Quebeckers and is represented by some 2,200 more dealers and agents. Of the company’s 45,000 odd Canadian shareholders, nearly 7,000 live in Quebec.

Though Imperial’s residence may be short historically, it is important economically. The company’s Montreal East refinery covers 541 acres and employs more than 500 people. Its capacity of 95,100 barrels a day makes it the second-largest of Imperial’s nine refineries, and helps to make Montreal the largest refining centre in Canada. The company’s regional marketing office in Montreal supplies all of Quebec except the Magdalen Islands, and extends into the Arctic Islands, Frobisher, and the Northwest Territories.

Any business enterprise operating in Quebec is caught up in the changes that are re-shaping this region, and the question of language is paramount. In general Imperial Oil is bilingual most of the time in Quebec and unilingual—in either English or French—in certain circumstances. Imperial requires that all its employees who deal with the public be bilingual because it is company policy to use the language of its shareholders, customers and employees when communicating with them.

As the traveller passes west into Ontario the mood changes and energetic earnestness replaces joie de vivre. Ontario could not be called dour—even in the worst days of Toronto The Good there was a life went on behind those drawn lace window curtains that shuttered many a reputation and ruined many a liver—but the province gives the impression of pleasure tempered with prudence.

Planning might be Ontario’s watchword—the province is further advanced on regional planning aimed at creating an environment in which people can live decently than any other region in the country.

Ontario is the richest region in Canada, and the aim of its plans seems to be to retain its wealth while changing the trends of its development to bring opportunities to areas that are declining, to make its cities more habitable, and to restore and protect its environment. It has not turned its back on industrial development, but it appears to have left behind the days when success in life was measured by hydro dams and highways and to be entering upon a period in which the quality of life is most important.

An example of the changing emphasis might be found in the practices of Toronto’s Hospital for Sick Children, which is probably the best active-treatment children’s hospital in the world. Five years ago the visits of parents were barely tolerated and the short visiting hours were rigidly enforced. Today, parents are permitted to stay all day...
with their children, encouraged to help them with their meals and to read them stories at bedtime— even when the children are admitted for routine procedures. Children who are scheduled to enter the hospital are invited to come and see it beforehand; when they arrive they are treated to milk and cookies and shown around the place. The hospital is as proficient as it ever was, medically speaking, but nowadays it's a good deal more human.

Ontario has long had the wealth to do such things as building decent housing to replace slums; now it's concerned with applying the wit to transform mere housing into real community. The province doesn't lack for suggestions; Ontario life is distinguished by the number and quality of citizen's groups that apply their energy earnestly to virtually every public question from environmental pollution through public support for separate schools to the legal status of pornography.

Imperial has been part of this ferment since it first set up shop in London in 1880. In the 91 yeasty years since then the company has not had a single work stoppage in Ontario—indeed, employees in Ontario have never organized themselves into a labor union. Labor-management committees known as Joint Councils—first formed in 1918—have maintained an industrial harmony that is almost without equal. In that period Imperial introduced the eight-hour day (in 1919) and was the second company in Canada to adopt the five-day week (1932). The first company beat Imperial by a fortnight.

Ontario is the location of Imperial's head office in Toronto, and the number of Imperial people in Ontario exceeds the number in any other province or region. Of the company's 11,800 employees, 4,478 work in Ontario. In addition there are more than 1,500 independent dealers and agents in Ontario, plus their employees in agencies and service stations, as well as 3,775 employees in subsidiary companies owned by Imperial. Imperial is never very far from sight in Ontario, usually in the form of a service station, a bulk plant or a lake tanker, but also at Christmas time in Toronto when the windows of the head office spell out, as they have done every year since 1957, a vast NOEL that stretches 240 feet long and 57 feet high.

When the traveller leaves Ontario and enters the Prairie provinces he finds himself in a country that is conscious of its reputation for friendliness, and it is true that 'western hospitality' is a special kind. It differs from place to place, becoming more open and informal the farther west you go. It peaks in Calgary at Stampede time, when

It would be very nice to be able to report the full effect on the Canadian economy of the discovery of oil and gas in western Canada, but nobody has yet figured out a way to do it. Bits and pieces here and there give an indication, though. Take, for example, the cost of gasoline in Regina and Winnipeg.

Before Leduc was found, the refineries in Saskatchewan used imported crude oil and Manitoba got its gasoline from Ontario refineries, which also depended on foreign crude. When the Alberta oil reached Regina in 1959 the price of gasoline dropped 4½ cents a gallon. When it went on sale in Winnipeg a year later, the price dropped 2.4 cents.

If those reductions can be accepted as the minimum savings over the price of gasoline refined from imported crude oil, then motorists in Manitoba and Saskatchewan have saved more than $350 million since they started using gasoline made from Canadian crude.

In Alberta the effect has been far more profound. Oil and gas exploration and development there have brought a host of service and supply operations connected with the petroleum industry. Together, they reversed the province's declining population and contributed in a very large way to making solvent again a province that was on the verge of bankruptcy.
Here's a word about government revenues. Know what the Canadian oil and gas industry generated in the form of direct and indirect taxes, and in payments for royalties, leases and the like in the period from 1969 to 1969? Thirteen-and-a-half billion dollars, that's what. That's more than eight per cent of all government revenues for the period. In 1969 alone, a billion dollars was for gasoline taxes, an amount that stands for 60 per cent of all provincial retail sales taxes.

The subject of taxes is a gloomy one, but there's another point that could be made: in 1969, government revenues amounted to about $3,500 per employed person in Canada. For the petroleum industry, government revenues per employee came to the equivalent of $15,000.

Indeed, the government gets more out of the petroleum industry than the investors do. For example, last year Imperial generated $400 million in direct taxes, road taxes, and payments to governments for royalties, leases and the like. But dividends came to only $68 million.
it becomes so intense that strangers are very nearly abducted and carried off to backyard barbecues by force to be fed enormous steaks and plied with oceans of expensive liquors.

It’s like that in Regina when the Roughriders are playing, and if the fever doesn’t reach quite such a pitch in Edmonton and Winnipeg it’s because these cities see themselves as more responsibly mature. Actually, the pose of metropolitan sobriety can’t cover entirely the bubbling friendliness just underneath, an open-handedness that makes you think of Red River carts, fur-trade canoes, the CPR and sod-busting on the plains.

Only the CPR and the friendliness remain. The carts and canoes, are gone, and sod-busting is only a memory, but Prairie westerners still see themselves as pioneers. A courageous self-reliance is the foundation for Prairie character, and individual initiative in the face of great obstacles is the quality most prized. Collective action is probably further advanced on the Prairies than anywhere else in Canada, but the loner is very much admired, particularly where he has achieved success through his own efforts against the obstacles of a climate of racking extremes and a land of inhuman distances.

To an easterner used to quick changes in landscape, the Prairies seem stupefyingly endless, their horizons distant beyond measure. It’s a region of grass and shrubs, with uncertain-looking trees and it took a special kind of courage to homestead those lands. The pioneers that made it their home (many of them are still alive) had to be as tough and resilient as prairie willow. In the face of those tests, the country never filled up and it still sees its fulfillment in the future, tinged with a certain regret that its coming-of-age will bring to an end a sort of innocent freedom and closeness to nature that is the reward of a sparse population.

Of course there is more to Manitoba, Saskatchewan and Alberta than the Prairies. The Great Plains cover only about a third of the area of the three provinces; the rest is a combination of rocky shield country, covered with forests and rich in minerals; grassy parklands; rolling foothills; and the Rocky Mountains. Most Prairie westerners see their future in the riches of these unsettled areas coupled with industrialization of the cities of the plains.

This industrialization is already under way. The discovery of oil at Leduc in 1947 led directly to pipe manufacturing in the Prairies; to the creation of the potash industry (they were looking for more oil); to the development of many of the secondary industries that now serve the petroleum industry. But the petroleum industry has been active on the Prairies since long before Leduc. Imperial Oil’s refinery

Ukrainian Catholic Church of the Ascension in Winnipegosis, Manitoba
in Regina, for example, began operations almost 55 years ago, on Sept. 9, 1916, using crude oil from Montana and Wyoming. During World War II the refinery used crude oils that came from as far away as Texas, but now it refines crude produced in the Canadian Prairies. Imperial also operates refineries at Edmonton, Calgary and Winnipeg, and they’re all notable in one way or another. When the Calgary refinery was modernized and rebuilt in 1958, for instance, the program was the biggest single industrial investment in Calgary’s history—a record that stood until 1965.

The Edmonton refinery wasn’t built so much as it was trucked into place. Following its historic discovery of oil at Leduc in 1947, Imperial realized it needed a refinery at Edmonton, so it went out and bought one—for $1,000,000. The only catch was that the refinery was 1,350 miles away, at Whitehorse in the Yukon Territory, where it had been built as a wartime measure by the U.S. government. Imperial took it apart, loaded it on trucks, hauled it to Edmonton and put it back together again. It went into operation on July 17, 1948 with a capacity of 4,000 barrels a day; by the end of that year its capacity was up to 6,000 barrels a day and the cost of the thing had come in at $9,361,000. Today it handles 39,900 barrels per day and the investment it represents is valued at $44,490,000.

Manitoba was the last Prairie province to get an Imperial refinery—in 1951. It is currently making news with an experimental work schedule of 12-hour days that make up a 38.8-hour week. The schedule provides more time off, and the experiment will be assessed later this year. The Manitoba marketing division is the oldest of the company’s divisions. Imperial had an office there in 1883, two years before the Riel rebellion, and only three years after the company was formed. Its territory extended from the Lakehead to the Pacific and its business grew with the settlement boom of the early 1900s. The first agent was selling Imperial products from a bulk plant in Calgary in 1902. The region was still part of the Northwest Territories then, Alberta didn’t become a province until three years later.

When tractors revolutionized Prairie wheat farming in the 1920s, Imperial products were available to fuel them. And when the drought, dust and depression of the 30s bankrupted the farmers, Imperial shared their distress. The price of wheat fell from 70 cents a bushel to 49 cents and the farmers were hard-pressed to pay their debts.

The oil industry is a substantial one in Canada—plus.

Grain elevators in June at Morse, Sask., 40 miles east of Swift Current

Is the petroleum industry apprehensive about the $8½-billion it needs to raise? Not really. The industry thinks investors should find it pretty attractive. Prospects for major discoveries are good, particularly in the Arctic and off the east coast, and the industry is known to be adept at responding to the challenges of technology.

It would be misleading to suggest that the petroleum industry has no worries. The impact of economic nationalism, of government fiscal policy, of the threat of retroactive contract changes are already being felt in petroleum operations. They are also affecting the attitudes of investors—Canadian as well as foreign—who are always sensitive to such things.

The prairies near Cowley, Alta., seen from the Porcupine Hills in April
Imperial responded with a plan that cut all outstanding farmers’ accounts on products delivered in 1929 and 1930 by the same 30 per cent, and cancelled interest on their overdue bills of that period and extended payment time to five years. Imperial received thousands of letters commending its move at the time, and the gesture is still remembered on the Prairies with respect and gratitude.

Oil has been part of Prairie life for half a century, ever since the first wells in Alberta’s Turner Valley began production in the 1920s. Alberta is still the region’s leading oil producer. In 1968 it produced better than 72 per cent of the oil that came out of the Prairies. But Saskatchewan is pretty big in oil, too. In 1968 it produced nearly 92 million barrels of crude oil, constituting almost 26 per cent of the total Prairie production. Manitoba produced a little, too – just over six million barrels, for a shade under two per cent of the region’s total. Not much by Prairie standards, but still it’s almost six times as much as all Eastern Canada produced that year.

There is oil in British Columbia, too. Better than 108 million barrels have been produced since the first well started producing at Boundary Lake in the Peace River district in 1956. In 1968 the province produced slightly more than 22 million barrels of crude oil, a little less than six per cent of the total Canadian production for that year.

Imperial has been a part of the Pacific region since 1896 when the company had its own warehouse beside the old CPR station in Vancouver. Even before that, as early as 1883 – two years before the last spike was driven in the first transcontinental railroad – products were trickling into the area from the Winnipeg marketing warehouses. Vancouver saw the first service station in Canada – perhaps in the world – open at the corner of Smith and Cambie Streets in 1907 (or perhaps 1908, the date is uncertain). It was a three-sided shed open to the street; the pump was a hot-water tank painted red and Imperial gasoline was fed to cars at the curb through a garden hose.

Cars were rare then, and before the station opened motorists used to drive into the warehouse for gasoline. The station was thrown together the day after one of those early cars backfired in the warehouse, causing a pandemonium of plunging tank wagon horses and cursing teamsters. The horses were calmed down eventually, the teamsters stopped cursing and the barrels of kerosene and lube oils were sorted out and stored again, but the foreman locked his doors against automobiles forever. So, if the motorist couldn’t come to the gasoline, the gasoline had to go to the motorist, and the service station was born.

Northern Saskatchewan in August, between Battleford and Prince Albert

Most of the money generated by the petroleum industry stays in Canada. Despite the fact that 76 per cent of Imperial’s stock is held outside the country, less than three per cent of the company’s total 1970 revenues went to the foreign shareholders. Of the rest, just over 12 per cent was spent buying foreign goods and services, leaving more than 85 per cent in Canada in the form of retained earnings, dividends, wages and salaries, taxes, capital investments, exploration costs, and the thousands of everyday expenses of doing business. In 1970, for example, Imperial Oil spent more than $200 million to buy items ranging from paper clips to drilling pipe.
As cars proliferated, the need for petroleum products in British Columbia increased to the point where a west coast refinery was essential. Imperial built one at Ioco, 11 miles from Vancouver on Burrard Inlet. It was finished in December of 1914, but it didn’t start operating until the next year—its first delivery of crude oil by tanker was captured by German raiders. That first refinery had a capacity of 1,000 barrels a day. Since then it has been enlarged, added to and modernized to the point where it can now handle 33,000 barrels a day of crude oil delivered by pipe line from fields in northern British Columbia and Alberta. It makes motor and aviation gasolines, aviation turbine fuel, kerosene, stove oil, diesel fuel, light and heavy industrial fuels, asphalt, naphtha specialties, liquefied petroleum gases and toluene.

Getting these products to British Columbians is something of a problem, particularly when the customers live in the settlements along the spectacularly scenic Pacific coastline. You can drive from Vancouver through the interior of British Columbia all the way to Alaska, but if you want to visit the coastal towns you pretty well need a ship. Imperial has two (three, if you count Barge 10 that serves ships in Vancouver harbor): the new Imperial Skeena launched in 1969, and the 34-year-old Imperial Nanaimo, a bluff little tanker that calls at as many as 320 stops between Vancouver and Stewart, 900 sea miles northwest. The Nanaimo has become an institution on the west coast as a rescue ship. In her 34 years of service scarcely a year has gone by in which the Nanaimo crew has not gone to the aid of stranded vessels, capsized fishing boats and individuals fighting for survival in the cold water. Her biggest rescue came in 1970 when she removed 210 passengers and five dogs from the Taku, belonging to the Alaska State Ferries, which had run aground on the rugged northern B.C. coast. In 1952 the Nanaimo rescued the village of Alice Arm from virtually freezing to death when its fuel supplies ran out and the Arm froze in a sudden cold wave. It took 60 charges of dynamite to blast a passage through the ice, and the work lasted all day, but the Nanaimo made it.

Most of British Columbia’s two million residents are concentrated in the lower mainland region stretching from Vancouver 100 miles up the Fraser Valley to Hope. But the islands and inlets served by the coastal tankers provide a haven for a richly diverse population ranging all the way from conventional pensioners to back-to-the-land philosophers and religious communities that want to cut themselves off from the distractions of 20th century life. Most of the settlers are conventional people, but the islands of the Strait of Georgia have a reputation for attracting misfits, oddballs and eccentrics; the relaxed, easy-going attitude that prevails in the region permits the
rugged individualist to express his life style as much by rejecting the world as by subduing it. Recently hippies have created some concern in Vancouver, but experiments in unconventional social forms still find greater expression in British Columbia than in any other part of Canada.

Scenically, British Columbia is the most spectacular part of Canada, and the setting for the city of Vancouver is magnificent. When these assets are added to a gentle climate that no other part of Canada can match, it is small wonder that the main characteristic of British Columbians, particularly of lower mainlanders, is a rather sassy confidence edged with compassion for Canadians not fortunate enough to live there yet.

Many Canadians eventually will, for British Columbia is one of the three fastest-growing areas in North America (the other two are Florida and California). When the population hits between three and four million (it’s around two million now) businessmen expect the province will be populous enough to provide a market that will stimulate the creation of enough industries to make British Columbia virtually self-sufficient.

It’s not self-sufficient now. British Columbia’s largest industry is based on its forests, and they give employment to 80,000 of the people. Next is mining, and tourism is the third. A slump in any one of these industries hits British Columbia hard, a more diversified
economy could roll better with the punches, and the enormous confidence of British Columbians takes the necessary growth and variety for granted. The 1970 slump has been severe in British Columbia all winter, but the city of Vancouver looks as if it never heard of it—there seems to be more construction there than any other city in Canada, although Calgary comes in a close second.

British Columbia thinks of itself as a young country. When the pioneers hacked Vancouver out of the forest, they had electric lights and telephones to help lighten their load and assuage their loneliness. British Columbia believes it is very much a meritocracy without old traditions, old families and old businesses to hang on to sons. Actually, the region isn’t all that new, and the traditions of Britishness are what make Victoria a unique city, the only other city so distinctive is the country’s oldest: Quebec.

Nevertheless, there is a thrusting optimism in British Columbia that sees two opportunities for every problem. And where a businessman from Halifax might travel to Montreal or Toronto occasionally just to keep up with the times, his counterpart in Vancouver wouldn’t think of such a thing—he is the times.

To a tense, weary Easterman, such an attitude is exhilarating, and there is a certain justification for it. British Columbia is an area of growth, and the region is still young enough, industrially speaking, to learn from the mistakes of older regions. British Columbians believe the environmental problems that are the legacy of industry and urbanization in other regions can be avoided in their province by good planning and careful legislation.

Concern about the environment isn’t restricted to British Columbia, though; it exists right across Canada. In most areas it takes second place only to jobs as the main concern of most people you talk to. But there is one region where it takes first place: the Arctic.

This vast region covers more than a quarter of Canada stretching from Labrador to Alaska. Strictly speaking, the Arctic is that area north of the Arctic Circle—at 66°30’ North latitude. In practice, however, the Arctic is the land north of the trees and by that definition the region loops south from the Mackenzie delta to include a bit of northern Manitoba and a slice along the Hudson Bay shore of northern Ontario before swinging sharply north to Ungava Bay, then south again to take in a part of northern Labrador.

This is the frontier, a stone-hard desert of ice and snow in the interminable winter; a soggy, buzzing, intensely productive spawning ground of insects, fish and birds in the brief and busy summer. Explorers have probed its coasts for centuries, but except for the Hudson’s Bay Company and the church, few people have paid it much heed.

The oil industry is an exception. Imperial Oil has been active in...
the north for more than half a century, both as a supplier of fuels and a prospector seeking natural resources. The most northern oil refinery in the world is the Imperial refinery at Norman Wells, NWT. It began as a distillation unit that refined fuel for the company's operations there in 1921, then closed down until 1932 when it was re-activated to supply fuel to Eldorado Gold Mines at Great Bear Lake. In 1939 the still was replaced by a prefabricated refinery made of pieces that couldn't be longer than 35 feet, wider than 10 feet, or heavier than 10 tons apiece to fit on the flat cars and barges of the time. The refinery is undergoing a $1,500,000 replacement program at present.

For many years Imperial was the only oil company working in the north, and today it is still the most active company there. Over the years it has learned how to operate in the region without destroying the environment. In fact, the conservation practices of the major oil companies are such that a special federal task force appointed to investigate environmental problems in permafrost country, among other things, reported that 'the self-imposed very high standards of the major companies currently active in this region, together with their own research and collaboration with private investigators, have avoided serious, extensive damage to the vegetation and surface of the tundras of this region.' The task force recommended more research into the effect of industrial activity on fish, birds and animals but said they could find 'no evidence that wildlife resources were being affected in any but a minor way.'

The fragility of the Arctic ecology seems hard to accept in the face of its survival in a brutal climate. Yet it is the very harshness that makes the ecology so fragile; it is geared to a life-style that is agonizingly slow and indissolubly wedded to ice. Almost any change is for the worse. To keep harmful effects to a minimum, people operating in the Arctic must take extreme care. With the oil industry, the care extends well beyond the precautions of exploration. When oil is found the methods of getting it out to markets will require the same careful development. Imperial is one of 14 companies investigating the problems of pipe lines in permafrost country where the ground must be kept frozen if slumping and erosion are to be avoided. These lines must also be built in such a way that they won't interfere with the passage of migratory animals like the caribou.

The project has already cost millions, but the answers are beginning to come. When they do they will enable oil companies like Imperial to continue their operations in harmony with the region to the benefit of all Canadians.

And that's about it for petroleum: energy, opportunities, jobs. As for the future, it takes a lot of money to get petroleum, and you have to plan a long time ahead if you don't want to find yourself with an empty tank one day. The Canadian petroleum industry is confident the stuff is there, and we can get it out. The only difficulty is a certain vagueness about the rules and regulations that makes financing something of a problem today. Indeed, it is vital to the Canadian petroleum industry that these uncertainties be resolved in a way that will promote growth for the benefit of all Canadians.