

Poor Canada

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Canada's national anthem begins "Oh Canada, Our Home and Native Land." Soon these words may change to "Poor Canada, Our Home and Native Land." Middle Eastern oil producers have begun a price war aimed at high-cost producers of heavy sour crude. Canada's oil sands firms are a primary target. The country would do far better to "sue for peace" today by canceling some expansion plans and putting pipeline projects on hold. Otherwise, prices will drop to levels that lead to bankruptcies, disorderly liquidations, permanent shutdown of many projects, and Calgary becoming a ghost town for the umpteenth time.

PKVerleger LLC forthcoming issue of *The Petroleum Economics Monthly* features an in-depth examination of the current price war and its implications for producing countries.