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Ottawa, Canada

Eleven years ago today...
Premier John Robarts of Ontario and Premier Jean-Jacques Bertrand of Quebec signed an historic agreement establishing a permanent Commission for Ontario-Quebec Co-operation to provide public services in the English and French languages and education in the two official languages wherever feasible, and to implement an exchange program between public servants.

Energy substitution program to reduce oil use

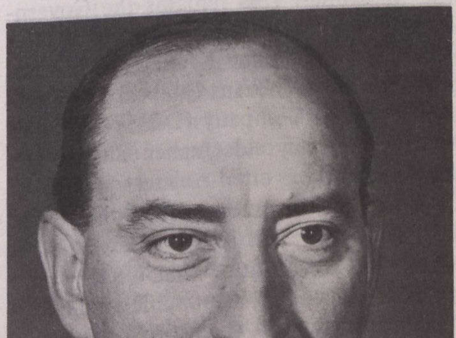
Canada is, and will continue to be, in an enviable position with regard to its over-all supply and distribution of various forms of energy, said Minister of Energy, Mines and Resources Marc Lalonde during a speech to the Pipeline Contractors Association in Montreal on May 15. Excerpts from the speech, in which the Minister announced the Government's goal of a 10 percent reduction in oil use within a decade, follow:

...We have a relatively abundant supply of electrical energy, a surplus of natural gas, and we rely on imported oil for only 15 per cent of our net energy requirements. We are a net exporter of energy — not a net importer — and last year on the balance of payments we had a $4-billion surplus on all international trade in energy....

At present, we in Canada use oil for about 25 per cent of the total energy requirements of our commercial and industrial sectors, and for about 40 per cent of the energy consumed in the non-farm residential area.

This rate of oil usage varies a great deal, of course, from one part of the country to another, depending partly on the extent to which consumers have a real choice among several fuel alternatives.

In Alberta, where natural gas is readily accessible to most consumers, oil is used for only about 5 per cent of residential and commercial energy requirements. In Ontario about one-third of total household energy requirements are now being met by oil, and the comparable figure in the Ontario commercial sector is about 20 per cent. In Quebec over half of all residential and commercial energy consumption is fed by oil, and in British Columbia the proportion is about one-quarter in both sectors.



Marc Lalonde

The pattern of energy use which now exists in Canada reflects historic costs and the influence of past incentive policies. At one time, it may have made a great deal of sense to develop an energy system that allowed Canada to export large amounts of oil and gas from the West and import large amounts of oil to the East. That time is past. It is no longer in my view sensible to perpetuate such a system.

If we were to replace all of the oil that we now import with energy we now export, we would still have energy to spare for the export market.

For most parts of Canada a substitution of oil by other forms of energy now makes economic sense. For the country as a whole it has become a strategic imperative.

I am therefore announcing...that as a general goal the Federal Government intends to begin working immediately towards a reduction in the residential, industrial and commercial use of oil to 10 per cent of their net energy requirements.

Obviously, this goal can be attained more quickly in some parts of the country than in others. I am confident, however, that through the policies I am about to announce and others that will follow