

Energy Conservation

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Madam Speaker, I very much welcome the opportunity to participate in the debate this evening. I have listened very carefully to several wide ranging and informative speeches. Perhaps there are some other adjectives I will add in the course of my remarks this evening. In particular I enjoyed the contribution of the hon. member for Peel-Dufferin-Simcoe (Mr. Milne). I think the hon. member for Peel-Dufferin-Simcoe has made a specialty of the energy field and I know all members benefited from his contribution.

I also enjoyed very much the remarks of the hon. member for Esquimalt-Saanich (Mr. Munro). I think he touched on a number of very interesting points. I hope all members here had an opportunity to hear the hon. member for Algoma East (Mr. Foster), my parliamentary secretary, earlier this afternoon. If anyone was unfortunate enough to have missed his speech I very much hope he will read it tomorrow because I am sure all members would benefit from it.

One of the main points which I believe has come out in this debate is the importance all members attach to energy conservation. Let me say right from the outset that I share their views, their feelings, on the importance of energy conservation. The government shares their views and is convinced that energy conservation must play a very much larger part in our working lives. Indeed the reason my parliamentary secretary, the hon. member for Algoma East, led off the debate on the government side was that I was today in his constituency. I was talking to the people in the community of Elliot Lake, a community very much concerned with the supply side of our energy resources, although very much concerned also on the conservation side.

I do not think I can put it any better than by saying that we do have a growing gap, a supply-demand gap, which will get worse or widen before it starts to close. There are two essential ways to approach this. One is to increase our energy on the supply side. That is one reason why I was in Elliot Lake today. The other, of course, is to dampen down the increase on the demand side, which is the energy conservation argument.

In the course of my remarks today I note that we are wasting our scarce resources. More particularly we will be faced with soaring capital costs to provide the energy, some of it essential, but some of it we could save thereby saving on the capital cost.

The estimates I have seen indicate that in the next ten years we will require an expenditure of \$110 billion to cover such capital investments as new pipelines, tar sands extraction plants, electrical generating stations, power lines, uranium and coal mine developments, and gas and oil wells. That amount of \$110 billion in the next ten years is an incredibly large amount, representing roughly about \$20,000 for each Canadian family over the next ten years. I think all members must ask themselves where will that money come from at a time when we have greater competition for the scarce capital resources of this country than ever before.

[Mr. Munro (Esquimalt-Saanich).]

● (2110)

What sort of sacrifices will we have to make for other essential services if we are forced to invest \$110 billion for energy? Certainly something will have to go. Other essential services will not get their share, and I am talking about essential services such as public transportation, new factories, houses, or hospitals, and you could add many more to that list. When one considers the potential magnitude of such capital costs and future inflationary pressures—I want to emphasize inflationary pressures because I think there is a close tie between conservation measures and anti-inflationary measures—the value of energy conservation becomes clear.

If, for example, by 1985 we could cut back the annual growth in total energy consumption by 20 per cent below growth rates of the 1960's—thinking of growth rates of the 1960's as something over 5 per cent—which means down to around 4 per cent for the next ten years and then 3 per cent in the balance of the century, the next 15 years up to the year 2,000—still an increase each year—if we could cut it back we could save the equivalent of the output of 15 Syncrude plants costing approximately \$2 billion each.

Those are the sort of magnitudes which we in the government and all of us as members of parliament are grappling with at present. It is not just something the government by itself can do something about; it is something which members on all sides of the House will have to do something about. We must get out and sell the importance of energy conservation to the Canadian people.

Mr. Baldwin: Tell the truth. Come clean with us.

Mr. Gillespie: Before we get too far in this debate it might be helpful if I were to put some numbers on the record. Some members of the opposition have suggested that in the IEA report of the OECD it was stated that Canada had had an increase in energy consumption last year when everybody else had a decrease. I would suggest to you that that is a rather selective choice of statistics, because I could refer hon. members to page 2 of the report in 1973-1974 which shows that the total primary energy in Canada increased by 5.5 per cent. The report points out that in 1974-75 the total primary energy declined 1.9 per cent. So I think it is totally false for any member of the opposition to indicate that we have not had some decline in our energy consumption in the past year.

Mr. Baldwin: I heard him make that report in Strasbourg—he was convincing.

Mr. Gillespie: It may be that the opposition members have been selective and chosen just the gasoline sector. If they have, they are right. It is quite right that the consumption of motor gasoline in Canada has increased in the last year, 1975 over 1974, by 4.6 per cent. But if you want to see this in balance we should add that our home heating oil consumption during the same period declined by 6.9 per cent.

Mr. Lambert (Edmonton West): Last winter was mild.

Mr. Gillespie: And electricity declined by 15.3 per cent.

I am not saying that the Canadian people can take much credit for this. What I am saying is that we have made a start in the direction of energy conservation. The total oil account, as I have indicated, is in the order of decline year over year of about 1.9 per cent.