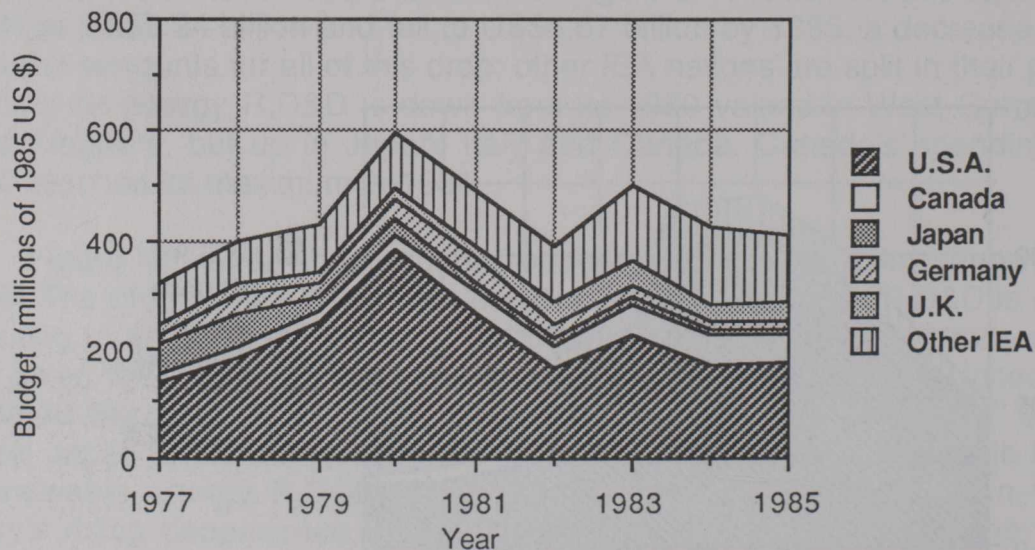


Figure 23 shows the decline in IEA budgeted spending on conservation R,D&D. Down 31% since 1980, the reduction is comparable to that in total energy R,D&D. Most of the participating countries have been affected, although Canada, the United Kingdom, Italy and the Netherlands are above their 1980 budget levels. Canada's 1985 conservation R,D&D budget at US\$50.4 million was near the 1984 peak of US\$54.8 million.

Conservation R,D&D claimed 6.5% of the total IEA energy R,D&D budget in 1980 and 6.2% in 1985. In other words, IEA participating countries spent 16 times as much on other aspects of energy R,D&D in 1985 as they were willing to spend on conservation. Japan's behaviour is extraordinary; according to the IEA data, this energy deficient nation reduced its spending on conservation R,D&D from US\$55.9 million in 1977 to US\$12.3 million in 1985. Given the generally accepted point of view that spending on energy conservation is one of the most cost-efficient approaches to balancing energy supply and demand, this preponderance of spending on the supply side of the energy budget is difficult to understand.

In assessing the data contained in Figures 21 through 23, the reader should keep in mind that exchange rate fluctuations over this period have at times been considerable.

Figure 23: IEA Government Budgets for Conservation R,D&D in 1985 US Dollars



Source: IEA, 1986, p. 119.