

### Energy

substantial developments this winter. I think it is fair to say that it is a reasonable division. I know members of the industry would like to make more money and pay less to the public sector, but I think it is a fair balance.

**Mr. Cyril Symes (Sault Ste. Marie):** Mr. Speaker, I have a question for the minister regarding section vi on page 5 of his statement about the national petroleum corporation, in which he states that one of the objectives is to be able to negotiate abroad to secure imported oil on the best terms possible. Is the minister stating that this will now be government policy and when the national petroleum corporation is set up it will actively negotiate abroad to secure imported oil, or is this just a pious hope of the minister?

**Mr. Macdonald (Rosedale):** Mr. Speaker, it will depend on the circumstances indicated abroad. From discussions with the government of Venezuela it has become clear that while they are going to be phasing out the current concession system over a period of time and replacing the private industry there, they will not be doing so in the next year or so. At a moment not defined in the future it is clear that state to state dealing may be the preferred course of action on the part of some of our crude oil suppliers. Under these circumstances it makes sense to give the petroleum corporation those powers to secure supply.

**Mr. Symes:** Mr. Speaker, I should like now to refer to page 8 of the statement. When the minister talks about "a reduction in the current annual rate of demand growth" of energy he is setting a target of less than 1 per cent. Can the minister tell the House what the annual rate of national demand growth is for energy, in light of the American experience? That experience has not been successful, I believe, because it was voluntary. Since so much of the government program relates only to federal buildings and employees, how realistic is this less than 1 per cent growth rate compared to the American experience?

**Mr. Macdonald (Rosedale):** Mr. Speaker, I think the demand growth rate could be estimated somewhere between 5 per cent and 6 per cent currently. I would have to acknowledge that the policies the government has brought forward in order to keep down the price of hydrocarbons for Canadians have to a degree worked against the measures that we might otherwise have taken to provide for greater conservation. I believe I would be correct in saying that, relatively speaking, the voluntary restraint program was successful in helping restrain demands in that country.

The decision of the United States administration to go to more drastic means presumably was made because of their concern as a world power and their wish to be free of the kind of pressures that dependence on foreign oil supply would indicate, as well as their wish to go to a faster rate of production.

● (2140)

The position of this government is that we are engaged in a long-run program to reduce the rate of demand and that success will be measured in the long run. We do not believe that Canadians should have this program presented to them in the context of drastic measures.

[Mr. Macdonald (Rosedale).]

**Mr. Symes:** I still think the minister is being overly optimistic. I refer him to page 20, paragraph 3 of his statement, which says in part:

New energy efficiency standards will be considered for nation-wide insulation requirements . . .

Can the minister estimate when concrete measures will be introduced to improve and enforce insulation standards across the country? We need such measures, instead of further studies on the problem.

**Mr. Macdonald (Rosedale):** Mr. Speaker, there has been for many years within the government of Canada an apparatus for reviewing the National Building Code on a biennial basis. It is this particular operation to which I am referring at present. There has been some resistance in the past to adding additional criteria to the National Building Code. The government, by highlighting the importance of energy conservation, has directed the attention of that group, not all of whom are in the public sector, to the fact that energy conservation standards should be one of the standards looked at in connection with any changes to the National Building Code. As the hon. member knows, there is a problem of economic choice in this regard, as a higher insulation standard will add a certain amount to the initial capital cost.

**Mr. Gilbert:** But the consumer will save fuel.

**Mr. Macdonald (Rosedale):** As the hon. member says, in the long run the consumer will save on operating costs as he will subsequently save on fuel.

[Translation]

**Mr. Marcel Lessard (Lac-Saint-Jean):** Mr. Speaker, on page 5 of his statement the minister mentions the assistance the government intends to give for energy research and development and in particular for nuclear-generated power. I have two points to make. First of all, the electricity produced from our hydro-electric resources is one of the best sources of energy, because it is renewable and non-polluting. I would like to ask the minister, since we in Eastern Canada rely on imports for oil, whether in consultation with the provinces, the government intends to make a general survey of the undeveloped potential of our hydro-electric resources, and whether the minister would be willing in his program to help, for instance, the provinces of Newfoundland and Quebec to finance, through loans or otherwise, the development of known resources of already launched projects in Churchill Falls, for instance, down the river and in James Bay where the project could by itself provide more than 40 per cent of all the hydro-electric power produced in the country. There is a minimum of 6,000 megawatts to be harnessed there and I wonder if the department has considered the possibility of helping the governments of those provinces to develop those resources which would be used by eastern provinces.

**Mr. Macdonald (Rosedale):** Yes, Mr. Speaker, the government's intent is to make a transfer, if possible, in the utilization of energy, from hydrocarbon sources to electrical power, especially hydro-electric or nuclear power.

Under this policy we have for instance granted loans to the province of New Brunswick for the construction of nuclear plants at Point Lepreau, and we are now consider-