- Alternative energy technologies may not have the political or strategic problems associated with the export of nuclear technology.

Canada has the potential to achieve energy self-sufficiency almost across the board in the next decade. This could occur through rapid development of frontier oil resources, the tar sands, alternative energy forms and by aggressively pursuing conservation. Studies undertaken by the Committee indicate that a range of benefits will be derived from achieving petroleum self-sufficiency in particular. They may, however, require ten or more years to become fully realized in the economy.

In assessing the balance of payments effects of a policy of energy self-sufficiency, it is important to distinguish between long-run and short-run consequences. The more self-sufficient in energy Canada is, the more likely it is that the current account balance will be stronger towards the end of the decade although during the interim period, spending on foreign goods out of income derived from energy investment could weaken the current account balance. (Income from direct and indirect employment associated with developing conventional and alternate energy resources will be spent by workers on imported as well as domestic goods and services.) Furthermore, the achievement of self-sufficiency in all energy forms will help insulate the Canadian trade balance from the effects of high world oil prices. In the absence of the development of major conventional and alternative energy projects, our trade balance could be much less favourable and much more volatile.

Estimates indicate that complete energy self-sufficiency would strengthen the Canadian dollar in the long run. Nevertheless, as with the trade account balance, the economic activity which would be associated with a drive toward self-sufficiency in the early part of the decade could weaken the dollar. Unfortunately, this may be part of the cost of achieving self-sufficiency in energy. This might not be the case, however, if Canada received large capital inflows to support energy development. Self-sufficiency would also protect this country from world oil price shocks. A strengthened dollar would mean reduced import costs towards the end of the decade, although too strong a dollar would dampen export sales.

The overall implication of energy self-sufficiency is difficult to discern with clarity. At the very least, however, this brief discussion has demonstrated the complexity of the international sector of our economy with respect to energy. Failure to curb our costly petroleum imports will certainly result in highly undesirable energy trade and current account deficits in the near future.