

# Canada Weekly

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## Canada moves towards self-reliance in energy by 1985

*Energy self-reliance within ten years is the target of a new national policy paper, "An Energy Strategy for Canada: Policies for Self-Reliance", tabled in the House of Commons by Energy Minister Alastair Gillespie on April 27.*

*"The strategy is designed to minimize Canada's dependence on imported energy sources while ensuring that we become as self-reliant as possible on secure, domestic sources of energy," said Mr. Gillespie.*

*One of the main targets in the plan is to raise domestic oil prices towards international levels and move domestic prices for natural gas to an appropriate competitive relationship with oil over the next two to four years. The price of oil in Canada has been controlled since September 1973, when international prices began to rise. World prices are now about five times higher than they were at that time. The Canadian price, frozen at \$3.60 a barrel in 1973, was raised to \$6.50 a barrel in 1974 and to \$8 last July – about \$4.60 below the international price.*

*Highlights from the Government's new 170-page paper follow:*

Self-reliance in energy is measured by the degree to which Canadians are independent from oil imported from insecure sources and the vagaries of unstable supply and unpredictable price changes that dependence implies.

To achieve self-reliance, Canadians will have to lower their growth-rate of energy demand, accelerate the search for new domestic sources of energy and for new technologies in production, distribution, conversion and use.

Canadians will have to pay prices closer to international levels to support these activities. Federal-provincial consultation and constructive co-operation will be essential as will supplementation of the market forces by government initiatives, for example, in the area of energy-conservation.

"An Energy Strategy for Canada: Policies for Self-Reliance" speculates on a number of possibilities in Canada's energy future over the next 15 years.

It discusses the problems these possibilities imply and outlines a strategy consisting of nine major policy elements, specific targets and proposed actions to resolve these problems in support of the self-reliance objective.

### Elements, aims and action

The elements are:

- appropriate energy pricing;
- energy conservation;

- increased exploration and development;
- increased resource information;
- interfuel substitution;
- new delivery systems;
- emergency preparedness;
- increased research and development;
- greater Canadian content and participation.

The targets are:

- to move domestic oil prices towards international levels and move domestic prices for natural gas to an appropriate competitive relationship with oil over the next two to four years;
- to reduce the average rate of growth of energy use in Canada over the next ten years to less than 3.5 per cent a year;
- to reduce Canadian net dependence on imported oil in 1985 to one third or domestic total oil demands;
- to maintain self-reliance in natural gas until such time as northern resources can be brought to market under acceptable conditions;
- to double, at a minimum, exploration and development in the frontier areas of Canada over the next three years, under acceptable social and environmental conditions.

Proposed actions include:

- changes to oil and gas land regulations that will revise royalties to facilitate exploration and development, increase Canadian participa-