

Energy Conservation

strikes world markets with such rapidity, distribution and consumption problems are multiplied immediately. As we well remember, inflation jumped at once even in so-called stable economies. It has taken two years to understand and organize our own Canadian to the economic chaos in the world. This, in turn, has forced us to accept inflation as an evil which, in our case, can only be beaten by every section of our society voluntarily agreeing to the control guidelines on profits, prices, salaries and wages. However, that is another subject.

This rapid shock in 1973 forced the federal government to join with the provinces in taking a hard look at our problem in the light of our confederation framework. At that time, in 1973, we were in balance in oil; that is, we were producing enough for ourselves and somewhat more. We all know that the lack of transport from west to east forced us to import one million barrels daily to make up for our exports to the United States. Federal and provincial governments were all concerned about our need to develop our own resources, our need to transport oil from west to east, and also to try to keep Canadian oil prices equitable throughout Canada and, if possible, below world prices. We should be grateful that today Canadian prices are \$4 to \$5 per barrel under the world price.

A group of decisions was made after our federal-provincial conferences. Temporary transportation measures were taken for use inside Canada. Then extension of the inter-provincial pipeline from Sarnia to Montreal was undertaken. The House will remember how we pressed into service ships going from British Columbia, through the Panama canal and on to the east coast. Apart from transportation costs, we thought Canada could enjoy one-price oil. Revenue from oil was to be properly divided amongst governments, producers and consumers and leave enough for oil industry incentives as well as exploration, research and development. When I speak of research and development, I mean tar sands techniques, gasification of coal and liquefaction of gas, as well as pipeline problems from the Delta and the High Arctic, exports of oil were to go at world prices, but Canadians would enjoy a lower price. The Energy Supplies Allocation Board would function early in our conservation program and thus be ready for future emergencies.

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Do hon. members remember our agonizing, unnecessarily long debate on Petro-Can? That corporation has two special functions among others, those being to decide on the rate of development of Canadian gas and oil reserves and to buy oil for Canada at a favourable price. Furthermore, uranium nuclear plants were to be pushed, as it were, and interprovincial power exchanges and grids encouraged. In addition, the department established an office of energy resource development. A full inventory of Canadian resources in uranium, coal, oil and gas was undertaken. In spite of this, some hon. members allege that the government has done nothing. The government went so far as to establish an office of energy conservation which co-ordinates the activities of all organizations and institutions, governmental and otherwise, in pushing forward conservation principles and effects. The government has studied the National Energy Board's review of oil export policy. So

[Mr. Railton.]

hon. members can see that the government has done a great deal.

Some interesting facts have emerged from all these studies. Rates of development of all energy sources have been evaluated. We now realize that we can have moderate growth in demand, and supply our needs until the year 2000, but at great economic and some environmental expense. Even in the next ten years it will cost us \$100 billion to supply our domestic needs. At present, energy development costs represent 3 per cent of our GNP. The future cost will represent double this figure, or 6 per cent of GNP, leaving less for housing, education and social development. It is obvious, therefore, that a conservation program has become absolutely imperative.

Our conservation program will reduce the rate of resource production and the volume of oil imports. We know that we will have a gap or hiatus in our own capacity with respect to oil and gas production in the early 1980s. That, as I say, is well known. Conservation measures will also reduce appreciably the insistent demand for capital and allow other needed developments. This program will allow our resources to last a great deal longer.

It is clear that conservation is synonymous with good management throughout the Canadian economy. It is said that if we can arrange for energy demand levels in 1990 to be 20 per cent below those projected in "An Energy Policy for Canada, Phase I," we shall effect savings equivalent to the cost of 12 tar sands plants, or over \$12 billion. This can be accomplished by a 1 per cent reduction in our annual energy demand growth rate. I suggest that the figures I have mentioned merit consideration. It seems impractical to effect conservation by letting energy prices rise formidably, at will. Still, we know that in years to come we shall be forced to pay higher energy prices. We do not want to force our people to conserve merely by making them pay higher prices immediately.

The price freeze on energy has given us time to adapt to a new ethic in conservation, and to develop phased increases in costs. The government has developed a five-phase program, about which the parliamentary secretary spoke. It will divide responsibility between the four categories of user: households, manufacturers of plastics and fertilizers, industry in general, and governments federal, provincial, municipal, etc. Each user in these four categories accounts for 25 per cent of our total energy consumption.

Let me say a word about each phase of the program. Phase one is the in-house, federal government conservation program. The federal government itself is a significant user of energy and is making its contribution by saving and setting an example. It is revising its guidelines regarding the heating, lighting and cooling of government buildings. I know some hon. members are shocked to see lights left burning all night in some government buildings. You cannot switch off those lights as such buildings were planned and built long before an energy shortage was envisaged. The government's new code will deal with the efficiency of steam plants, and there will be some building changes. In addition, the government will use smaller automobiles and impose a 55 miles an hour speed limit on its own cars. It will increase the use of recycled paper. Incidentally, it is interesting to note that conservation