

*Energy*

are acting as men in a disciplined way in regard to a matter that should come to an end at this time.

Our veterans were never anything but first class citizens, and as first class citizens they do not want to be handed something on a platter. They have received their opportunity. I made my choice when I took an educational grant. My sister in the navy took her choice when she went to the Royal Academy of Drama in London, England. My brother took his choice if he took the Veterans' Land Act. These people say that the time for choice has gone.

Respectfully, Mr. Speaker, I wish to bring to the attention of members on the opposite side of the House that I respect their opinions very strongly. I respect both hon. gentleman concerned very highly, and I look forward to working with them on the veterans committee for the benefit of veterans—

**The Acting Speaker (Mr. Penner):** Order, please. The hour accorded the consideration of private members' business has now expired. It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

**AFTER RECESS**

The House resumed at 8 p.m.

**ROUTINE PROCEEDINGS****ENERGY****STATEMENT BY MINISTER ON CONSERVATION MEASURES**

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, long before the shocks imposed on the world by the price and supply actions of the Organization of Petroleum Exporting Countries, it had become apparent from the relentlessly rising rates of growth of demand that the world was entering a period of vastly increased costs of energy and material resources. Indeed, it was largely this rapid and uncontrolled rate of growth, with its increasing dependence on imported sources of supply, that put OPEC in a position in 1973 to undertake such effective cartel action.

At the beginning of this decade, the government of Canada foresaw the dawning of this era, but we did not foresee how rapidly we would enter it. I do not think anyone did. Our consciousness of the need to assess the problems of a future of great change was embodied in the publication of "An Energy Policy for Canada—Phase 1" by my department. We thought there would be ample time for the careful consideration and debate of the issues that that study laid before the Canadian public, but a scant three months after its publication OPEC began the actions that would swiftly bring about the quadrupling of international oil prices, and we have had to cope with the resulting issues almost daily since that time.

[Mr. MacFarlane.]

I would like to underline that point in the minds of hon. members for it is fundamentally significant. To put it colloquially: the world was ripe for the actions of OPEC; it had become so by unthinking demand growth. The world was at the edge of an era where its undisciplined appetite would force it to turn to less accessible and thereby more expensive energy and material resources. The actions of OPEC propelled consuming countries into that era with such a shove that we are still trying to regain our balance.

The significance of this analysis is that it tells us that a basic change in our economic course is dictated. Our new course must be the intelligent and careful use of our resources—in a word, conservation; conservation not just for the short term, because of the actions of OPEC, but conservation for our future and for our children's future. We are as a man who has gorged himself and imperilled his health; it is of no benefit to diet for a week and then go on another binge, we must adhere to a new sensible course of consumption now and into all the future. To continue the analogy, what we seek is not a short-term loss of weight, but a permanent change in our consumption attitudes. I speak as one with great experience in diets of all kinds.

[Translation]

So, Mr. Speaker, the effect of OPEC action, both in its rapidity and its scale, has been to compress into a very short period of time this adjustment process. The fact that these actions were imposed on a world troubled with a deep-seated inflation and a world in which the growth process itself had distributed its fruits inequitably, has added complex dimensions to the problem. And as we are well aware in this country, any sharp movement in the price of a commodity, particularly where endowments of the commodity are unevenly distributed as is the case with most basic resources and certainly with crude oil and natural gas, raises deep and troublesome issues of income distribution and the distribution of benefits and costs among producers and consumers.

The reactions of the Canadian government and of the provincial governments to these international shocks to the world energy economy have been rapid by necessity, and I believe, marked by the true spirit of Confederation. When the world was faced with higher oil prices and simultaneous supply cuts last winter, Canada was in the unique position of being one of the few industrialized countries that was, on balance, self-sufficient in oil.

The federal government was guided by the desire to increase the opportunities for Canadian self-reliance in energy, while protecting the Canadian economy from the dislocations visited on the rest of the world by OPEC.

[English]

In the past year these principles were given expression in decisions reached through the co-operation of the federal government and the provincial governments. Let me list them:

(1) To establish a high degree of self-reliance for Canadians in oil and in the short term this was achieved through a series of temporary transportation measures, and it will be achieved in the long term through an extension of the interprovincial pipeline system to Montreal;