



Statements and Speeches

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NEW AND RENEWABLE ENERGY SOURCES: THE NEED AND A RESPONSE

A speech by the Right Honourable Pierre Elliott Trudeau, Prime Minister, to the United Nations Conference on Energy, Nairobi, Kenya, August 11, 1981

...It is good to be here at this conference. I am pleased to have the opportunity to discuss with the distinguished delegates here assembled, one of the crucial economic challenges of our times. In its broadest scope, that challenge is to provide for the future energy needs of all the peoples of the world. Within the more specific goals of this conference, the challenge can be defined as the management of change in the energy economy of our planet, or the management of the transition toward the partial replacement of oil by new and renewable forms of energy....

I need not tell you that there are growing numbers of sceptics in all our countries. I need not remind you that global confidence in the United Nations may be eroding dangerously, principally because the fine words spoken from countless UN podiums have too seldom been translated into concrete expressions of the unity of purpose we so often profess. The harsh reality is that, at a time when we are all affected by many kinds of international crises, political as well as economic, at a time when there is an unprecedented need for the UN to be effective, we find that disappointed people around the world have diminishing faith in the ability of this organization to fulfil the vision of its founding members.

The matters we will be discussing at this conference are compelling enough in themselves to drive us in the direction of co-operative action. But we are also working under the additional imperative to prove that now, when the world's need for it is great, the UN can stimulate practical progress. Later on in my speech I will announce some concrete decisions the Canadian government has taken in support of the UN initiative which this conference represents, and in support of concerted international action in the energy field.

First, however, I should like to share with you some thoughts about the relevance of this conference to the wider North-South dialogue in which so many of our countries are engaged. Through that dialogue, we are reappraising an international economic structure which in the past has provided fertile ground for great growth among countries of both North and South, but which must be adjusted in some fundamental ways to the needs of today and tomorrow.

In this task, it is important to recognize the valid and sometimes spectacular achievements which have been realized within the present order. In the past 35 years, countries of the North have experienced periods of economic expansion unmatched in human history. In many countries of the South, national wealth and living standards have grown dramatically. New economic power centres have emerged in the Third World.

North-South
dialogue

World poverty increasing

Yet, for too many of the world's poorest peoples, diminishing hope has turned into despair. The number of the absolute poor, those hundreds of millions who lack the most basic essentials of life, is not declining, but increasing. Without larger infusions of assistance from outside their borders, the world's poorest countries cannot hope to overcome the poverty of their people within the foreseeable future.

Within the growing group of middle-income developing countries, possessed of resource wealth and industrial capacity, we have seen impressive proof in recent decades that, given the chance, they can achieve higher levels of productivity and growth. For too many oil-importing developing countries, however, the encouragement of visible progress has been replaced by the shock of crushing deficits.

The industrialized North has emerged from a period of unprecedented growth into a period of unprecedented economic uncertainty. Slow growth, high inflation and interest rates, and high unemployment have proven impervious to traditional economic instruments. The rising cost of energy, and the massive capital cost of developing unconventional energy sources, have imposed fundamental reallocations of national wealth. Less is available for needed social spending, for example. The result in many countries is an increased level of inequity, and consequently of social tensions.

In both North and South, economic and social instability is the enemy of freedom, especially the freedom to determine our own future, to fulfil our own dreams, whether as individuals or as nations.

Need for co-operation

In both North and South, there is a craving for national and international stability. We are learning, however, that our craving will not be satisfied unless we achieve a much higher level of international co-operation, a much higher level of co-ordination of our economic policies, and unless together we can improve the global framework within which we conduct our economic relations.

Because such adjustments are so obviously in our mutual interest, I am confident that they are possible. Some may be painful. All should be gradual. But they will come about only if we can muster the political will to do the job. There is some encouraging evidence that this political will is strengthening. There were real signs of movement, for example, at last month's Economic Summit in Canada.

You will recall that at the Venice Summit last year, my colleagues and I agreed that this year in Ottawa, we would give a high priority to North-South issues. We did just that. As this year's Summit chairman, I travelled extensively to countries in both the North and South in the months before our Ottawa meeting, to obtain the views of their leaders on areas of possible progress in the dialogue.

Readiness to respond to Third World

I am pleased to report that the Summit participants in Ottawa demonstrated a readiness to respond more effectively to the needs of Third World countries. We made clear our willingness to join in a process of closer co-operation with developing countries, not just for their benefit, but for our own as well.

We stated our willingness to participate in preparations for a mutually acceptable pro-

cess of global negotiations. That statement, almost by itself, raised the level of reasonable hope for the success of other international meetings later this year, especially the UN Conference on Least Developed Countries in Paris, the Commonwealth Heads of Government Meeting in Melbourne, and the North-South Summit in Cancun.

We are learning that, in this new world of recurring economic shocks, we will survive and grow together, or not at all. There is no more compelling proof of our interdependence than the new energy outlook that has been forced upon us in recent years. The rising price and diminishing supply of conventional petroleum resources have had a major impact upon all of us. In oil-importing countries of the Third World, that impact has profound implications on their prospects for development.

However, the compelling immediacy of dealing with energy-related shocks and deficits, in both North and South, has distracted our attention from the need for internationally co-ordinated energy policies. Therefore, I look to this conference, and to the other international gatherings I have mentioned, to refocus our attention upon co-ordination, and to provide some badly needed momentum for closer co-operation.

The focus of this conference is on a vital sector of the development process. An effective transition toward greater use of non-petroleum energy sources is one of the imperatives of our times. The adjustment will be difficult, given the historical pattern of fuelling economic growth with a heavy increase in the use of commercial forms of energy. The fact that the days of cheap oil are gone forever makes the adjustment all the more necessary, if not any easier.

Conservation

One of the adjustments which has taken on added urgency is conservation, by far the cheapest source of energy in the world. I was pleased to note that, in 1980, the member countries of the International Energy Agency reduced their oil consumption by more than 7 per cent. That reduction has an obviously beneficial effect upon our own economies, and also eases pressure on the global oil supply, leaving more available for others.

Further conservation efforts, while absolutely necessary, will not be enough to solve the problem of supply, nor the problems related to the impact of conventional energy prices upon national economies. Here I have in mind particularly the level of Third World indebtedness for imported oil. In many countries, the problems are intensified by the lack of over-all energy strategies, and by the lack of adequate information about actual and potential resources, about consumption patterns, about the impact of price and supply upon economic decisions.

In many countries of both the North and the South, the need for increased domestic energy production is forcing us to commit massive amounts of capital to projects which will not come on stream for many years.

Against that background, the need to explore ways of developing new and renewable sources of energy takes on compelling urgency. Against that background, this conference is of prime importance to the world, and that is why I would like to tell you

something about Canada's energy initiatives, both national and international.

National energy program

The Canadian government has begun to implement a national energy program, designed in our own interest and the interest of other countries, to eliminate net oil import requirements by 1990. We will, of course, continue to be a net exporter of other forms of energy — gas, coal, uranium and electricity. We have also taken a hard look at our international development policies, with a view of shifting more of our effort toward meeting the energy needs of developing countries.

Within our over-all commitment to raise our official development assistance to .5 per cent of our gross national product by 1985, and to make our best effort to reach .7 per cent by 1990, we have decided to concentrate our effort in three priority sectors: energy, agriculture, and the development of human resources.

The energy-related component of our bilateral assistance has consistently been close to 25 per cent — one of the highest percentages among donor countries. As I have said, the amount of that assistance will grow even further in the next five years, during which period Canada will devote more than \$1 billion to energy-related development projects.

Contrast in energy sources

Furthermore, Canada wishes to support the specific goals of this conference, and for very good reasons. In the industrialized world, some 90 per cent of energy is produced from non-renewable resources — coal, oil, natural gas, and uranium. In contrast, the developing countries derive less than 50 per cent of their energy from such sources, and that is used largely in industrial and urban areas, involving a minority of the population. Two-and-one-half billion of the world's poorest people, the great majority of whom live in rural areas, depend for almost all of their energy needs upon wood, agricultural residues, and dung — the so-called non-commercial fuels.

Energy-related research in and for the developing countries therefore presents a considerable challenge. It is also true that the great bulk of energy-related research is located within the industrialized countries, and is directed toward their needs. There is, for instance, little work being done which has any immediate application to the small scale, rural oriented needs of the developing countries. And because renewable energy technology is a recent and still emerging field of activity, many questions remain unanswered about its potential uses in developing countries. An immense amount of work is required on technologies appropriate for use in the poorest countries.

Support for energy research

Therefore, one of the new initiatives which the government of Canada is undertaking, and which I am announcing here today, involves a \$10 million increase in our support for energy research related to developing countries. We are making that amount available to Canada's International Development Research Centre (IDRC) so that it can undertake an intensified program in this field.

The IDRC would conduct its research largely in developing countries themselves, thus helping those countries to better assess their own options. The goal would be to co-operate with the governments of those countries in the development of tech-

nologically sound energy policies which are directly relevant to the host country's needs. The program would stress the use of indigenous resources in solving local energy problems. The impact of the program would be felt principally in least developed countries.

As a further new initiative, Canada is establishing a program with initial capital of \$5 million, to encourage private companies to adapt new energy technologies to development needs. Many of our most imaginative and innovative companies are too small to do the job on their own and we want to increase their capacity to transfer technology to developing countries.

Aid to Africa

I am pleased to announce that Canada will also contribute \$25 million toward the alleviation of a particular need of African countries, especially in the Sahel region. This amount will be in addition to funds already projected for bilateral assistance.

The need to which I refer arises from the constant spread of the desert into areas of previously arable land. The resulting decrease in food production, and increase in the level of imported food, has curtailed the financial capacity of these countries to import needed energy. Without sufficient energy for agricultural production, more land is lost to the desert, and the vicious circle continues. Canada's contribution is designed to help those countries develop their energy resources, to grow more food, to hold back the encroaching desert, and to retard the depletion of scarce forest resources being used for fuel.

**Planning and
financial
resources
essential**

I mentioned a few moments ago the fact that many countries lack a sound energy strategy. Canada believes that, without proper planning, the investment which we and other countries are prepared to make in energy projects in developing countries cannot achieve its full potential. In the past, Canada has been a leader in providing funds and expertise to developing countries that have sought help in the preparation of national energy plans. I am pleased to inform you that we will make additional efforts to assist those countries which want to develop such plans.

On the multilateral front, there is a need for structural adaptation to the requirements of developing countries. To meet their energy needs, those countries must have access to greater financial resources. At the Ottawa Summit there was agreement about the need for the World Bank to strengthen its role in energy lending. There are obviously a number of ways to accomplish this: Canada has joined with many other countries in calling for the creation of an Energy Affiliate to the Bank for that purpose and we are prepared to support such an Affiliate financially if it can be set up.

In the meantime, there is much that can be done bilaterally, and within our own countries. On the bilateral level, I am happy to report that, in Canada, the legal and financial foundations have been approved for the creation of Petro-Canada International, a subsidiary of our national oil company. Its purpose will be to assist oil-importing developing countries to exploit their own energy resources, particularly hydrocarbons. This new company will provide development assistance directly to Third World countries, and will also be available as an executing agent for other institutions, such as the World Bank.

Total approach

Canada intends to contribute positively and effectively to the sustained international effort toward a diversified pattern of global energy supply. I believe the elements I describe comprise a total approach: exploration and exploitation of all energy sources, research for new methods, incentives for the private sector, new help for better public planning, and a healthy infusion of capital to make it all happen.

The subject matter which engages us here could hardly be more vital. A positive, practical outcome from this conference cannot help but reinforce the creative aspects of North-South relations. Confident in the good will of all the countries here represented, and assured of the dedication of the delegates here assembled, I feel justified in believing that our collective efforts will be fruitful and that the results of this conference will be beneficial to the world's peoples....

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