

Chapter 13

Energy

Energy plays a proportionately larger role in Canada than in many other countries due to the facts of geography and climate. Canadians require a comparatively large amount of energy per capita to provide the food, shelter, clothing, transportation and communications needed to live in reasonable physical comfort. An average Canadian's total energy use is the equivalent of 55 barrels of oil a year, the second highest of any nation in the world. Canadians have become accustomed to a high degree of personal mobility and local and long distance communication, all of which require ample supplies of energy.

The international energy crisis of 1973, however, resulted in a reassessment of the rate and nature of energy use in Canada. There was increasing interest in the conservation of energy, greater attention to efficiency in the production and conversion of energy and a questioning of the amount of energy being allocated to the export market.

While the energy resource potential in Canada is considered to be very large in relation to expected future domestic requirements, there was evidence in 1973 of increasing concern about the decline in the ratio of proven reserves to current production, particularly for oil. A forecast of the country's energy requirements made in 1973 indicated that Canada's requirements by the year 2000 are likely to be more than four times that of the early 1970s; the per capita energy consumption would be 2.7 times that of 1970.

Federal energy policies. Certain basic national objectives have shaped present energy policies. These relate to adequate supplies of energy at competitive prices; safe-guarding national security; encouragement of energy resource development; export of surplus supplies under terms that benefit the national interest; acquisition of energy supplies from abroad when they are more economic than domestic sources; and alignment of energy policy objectives with other national objectives such as those relating to Canadian ownership and the protection of the natural environment. The balance of priorities between energy producer and consumer needs, regional interests, Canada's international competitive position and domestic prices for consumer goods are among the major questions to be weighed in formulating energy policies for the country as a whole.

The federal government's report *An energy policy for Canada — Phase I* published in 1973 presented the results of studies pertinent to the development of energy policies. It included an inventory of Canada's energy resources, estimates of future energy demand and assessments of the economic impact of alternative development options. The report represented a knowledge base for policy decisions relative to energy at a time of considerable change throughout the world in the circumstances of energy supply and demand. The energy crisis of 1973, which centred on world oil supplies and rapidly increasing prices, served to focus immediate attention on the importance of new national energy policies reflecting the changing international circumstances which were beginning to have a marked effect on energy supply and pricing within Canada.

Federal energy policies are developed under the direction of the Minister of Energy, Mines and Resources. His department, which serves as the co-ordinator of energy policy development, the National Energy Board, the Atomic Energy Control Board, Atomic Energy of Canada Limited, Eldorado Nuclear Limited, the Energy Supplies Allocation Board, and many other departments and agencies have responsibilities relative to energy policy matters. The development of new energy policies must therefore take into consideration the needs and objectives of all aspects of national life.

The establishment of the new Energy Supplies Allocation Board resulted from the need to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada. The developing world oil crisis of 1973 pointed to the need for such a Board and Parliament approved the necessary legislation on January 11, 1974.

Since its establishment in 1959 the National Energy Board, which reports to Parliament through the Minister of Energy, Mines and Resources, has pursued two main functions, regulatory (quasi-judicial and administrative) and advisory, to ensure the best use of Canada's