

In April 1976 the government set out a broad blueprint to manage Canada's energy future. The document, "An Energy Strategy for Canada — Policies for Self-Reliance" outlined nine policy elements and five major related targets to deal with energy problems over the next 10 to 15 years. Aimed at achieving energy self-reliance within 10 years, the strategy is designed to reduce Canada's vulnerability to arbitrary changes in the price or supply of imported energy, by using domestic resources to the greatest extent possible, and protecting against interruptions in the supply of energy that must be imported.

The policy areas included in the strategy objectives are: appropriate energy pricing, energy conservation, increased exploration and development, increased resource information, substituting domestic energy for expensive imported energy, new or improved transportation and transmission systems, emergency preparedness, increased research and development, and greater Canadian content and participation.

The five major energy-related targets include: moving domestic oil prices toward international levels and moving domestic prices for natural gas to an appropriate competitive relationship with oil over the next two to four years; reducing the average rate of growth of energy use in Canada, over the next 10 years, to less than 3.5% a year; reducing Canadian net dependence on imported oil in 1985 to one third of total oil demand; maintaining self-reliance in natural gas until such time as northern resources can be brought to market under acceptable conditions; and at least doubling exploration and development in the frontier areas of Canada over the next three years, under acceptable social and environmental conditions.

The next 10 to 15 years are crucial for energy in both the short and long term. In the next decade the focus will be on self-reliance in energy, particularly oil and natural gas. It will also be the time to plan beyond 1990, when oil and gas will no longer supply most of Canada's energy needs. The government is planning a subsequent examination of Canada's longer-term energy future.

Energy supply and demand

13.1

Canada's energy needs are met by oil, natural gas, coal, uranium and electricity. In terms of primary energy consumption, the share of oil as an energy source is 45% while natural gas and coal account for 18% and 8%, respectively, with 7% of this total used to produce electricity. About 27% of energy consumption is supplied in the form of electricity which, in turn, is produced from hydro, coal, oil, natural gas and nuclear energy sources. Although nuclear power accounts for little more than 1% of total supply, it will become increasingly important as a source of electric power. Hydro-electricity and thermal generation of electricity from coal, while remaining significant, will decline in importance as nuclear power development increases and the use of natural gas and oil is gradually phased out. However, oil and natural gas are still likely to account for over 60% of total primary energy consumption at the end of the century.

The relative importance of energy sources, in terms of Canada's trade is shown in Table 13.1. There was a marked change in the export-import balance in the 10-year period 1965-75, from a deficit of \$194.0 million in the value of energy in 1965, on a trade balance basis, to a surplus of \$1,185.1 million in 1975. In 1974 a reversal of this trend became apparent as the decline in crude oil exports signalled that the energy trade surplus prevailing since 1969 would diminish rapidly. In 1975 with the further reduction of crude oil exports, oil imports rose and the energy trade surplus continued to decline.