

highways and to impose higher registration fees for heavy cars. A surtax of \$100 on automobile air conditioners has been imposed. Graduated weight or fuel economy taxes for cars and station wagons ranging from \$30 to \$300 are in effect for cars over 2007 kilograms and increases are being considered. Auto makers and dealers have been urged to display automobile fuel economy ratings under a voluntary program. The program may become mandatory. The federal government collects a 10-cent a gallon excise tax on gasoline, partly to encourage thrift in its use. Federal sales taxes have been removed on insulation and on energy saving equipment and rapid depreciation allowances are available for similar equipment. A program of energy labelling for appliances is to be initiated.

In April 1976 the federal government issued a blueprint to manage Canada's energy future. The document outlined nine policy elements and five major related targets to deal with energy problems over the next 10 to 15 years with the general aim of reducing vulnerability to arbitrary changes in price or supply of imported energy by using domestic resources to the greatest possible extent, and by protecting against interruptions in imported supplies.

The policy areas include appropriate energy pricing, conservation, increased exploration and development, better 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 in the energy strategy document included: moving domestic oil prices toward international levels and moving domestic prices for natural gas to an appropriate competitive relationship with oil by 1980; reducing the average rate of growth of energy use to less than 3.5% a year by 1986; reducing 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 doubling exploration and development in frontier areas under acceptable social and environmental conditions.

13.3 Energy supply and demand

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 46%, that of natural gas 19% and coal 8%; of the total, 7% is used to produce electricity. About 27% of energy needs are met by hydro and nuclear power. Although nuclear power accounts for little more than 2% of total supply, it will become an increasingly important source of electric power. Hydroelectricity and thermal generation of electricity from coal, while remaining significant, will decline in relative importance as nuclear power development increases and the use of natural gas and oil is gradually phased out. By the end of the century, probably no more than 50% of primary energy consumption will be met by natural gas and oil.

The relative importance of energy sources, in terms of Canada's trade, is shown in Table 13.3. There was a marked change in the export-import balance in the period 1966-76, from a deficit of \$107.3 million in the value of energy in 1966, on a trade balance basis, to a surplus of \$862.6 million in 1976. A downward trend again became apparent in 1974 as crude oil exports declined. In 1976, with further reductions in crude oil exports, oil imports rose and the decline continued.

Canada's primary energy demand increased at an average annual rate of 5.1% over the period 1960-76, while energy use per capita grew annually by 3.4%. Higher prices, increasing attention to conservation measures and other policies should reduce per capita growth during the remainder of this decade.

Growth in oil use and related supply trends since 1965 are illustrated in Table 13.4. Production of crude oil and gas liquids increased by about 90% in the 10-year period to 1975; declines in production and exports, evident in 1975, continued in 1976. The most notable trend in 1975-76 was the decline in the export-import surplus from 6.4 megalitres (ML) a day to a deficit of 17.3 ML a day.