sumers while the benefits would not be fairly shared by Canadian investors because of the industry's ownership.

That was one part of the picture. We also knew that the bulk of Canada's future oil and gas would be coming from the oil sands and the frontier regions to which Bill C-48 applies. We knew that most of these oil and gas lands, the Canada lands, were leased to foreign-controlled companies. It was therefore likely that the progress made in recent years toward increased Canadian ownership of our own petroleum industry would be stalled or even reversed in the future as these new multibillion dollar supply projects were developed.

We faced then a jigsaw puzzle of problems, but with one common theme. They all related to the necessity for a dynamic energy program in Canada in the 1980s and beyond. For our part, we developed a program that embraced that necessity in the most careful and comprehensive way.

In pursuing our oil self-sufficiency target, we shall spend several billion dollars on oil substitution and conservation programs during the decade of the 1980s, an estimated $3 billion of that by 1983 alone. We aim to reduce oil consumption to 10 per cent of the total energy demand in the residential, commercial and industrial sectors by 1990. We are convinced that it can be done. Saskatchewan and Alberta have already achieved that target.

Even with the massive switch away from oil, there will be a need for huge new investments in additional sources of oil and in other forms of energy. The agreements with the provinces provide that there is a stable foundation for such investments. Our energy program affirms the principle that Canadians are entitled to share more fully in the growth of their own petroleum industry, but also seeks fairness for all Canadians in oil pricing and revenue sharing. These goals are entirely compatible with our achievement of oil security.

There is a much more basic question than compatibility. Opportunity and fairness are prerequisites for the achievement of our oil security. This is not only because the government has made a decision to that effect. Most Canadians would simply not tolerate the national economic, social and political costs of an energy policy that threw more money at the industry in the hope of increasing supply, while not doing anything to lessen demand or create increased opportunities for Canadians themselves in their own petroleum industry.

● (1610)

One way or another, Mr. Speaker, energy development will demand a large share of our wealth over the next years. The government is determined to create the environment in which the necessary growth can take place. In that respect some comments by the president of the Investment Dealers Association are especially pertinent. He stated recently that this country stands on the verge of the largest and most challenging two decades of new capital investment in its history. He estimated that Canada will need $1.5 trillion of new investment between 1981 and 1990, 36 per cent of which will be made in the energy field.

Those are staggering figures, Mr. Speaker. The figures might prompt some to wonder whether Canada can generate enough investment itself to meet those needs. The president of the Investment Dealers Association is optimistic that 94 per cent of the $1.5 trillion required can be generated here in Canada, with a mere 6 per cent imported. I should like to quote the president because he made a particularly telling point that all of us should keep in mind. The president noted:

> All of us should be planning and preparing now for a world of opportunity and growth.

In the National Energy Program, we put a great deal of emphasis on opportunity. Canada has in place the most generous fiscal incentives for exploration of any jurisdiction we know of. It provides Canadians with encouragement to participate in the petroleum industry. We added to this base a sliding scale of direct grants into the new incentive system designed to give the greatest benefit to those who are most vigorous in exploration and who raise their Canadian ownership level to be eligible for the grants.

For the maximum incentive grants in 1981, the minimum standard is Canadian control and at least 65 per cent Canadian ownership. This standard will rise to 75 per cent by 1986. The maximum grants payable under our incentive program are 80 per cent of exploration costs in the frontier regions, a powerful encouragement for exploration of those promising prospects. These incentives are also available to individual investors.

Bill C-48 makes available to current lease and permit holders, as well as to new players in the industry, an entirely new regime which includes as one element a 25 per cent Crown share. The new regime, including the Crown share, is a vehicle formulated to provide that exploration and development of the vast resources in the frontier lands so that it moves forward quickly but carefully.

As I have noted in the past in this House, under the program there will be a 25 per cent federal cash incentive grant available to all explorers, foreign and Canadian alike, to offset the 25 per cent Crown share. This grant means that the government will be paying, and ultimately the Canadian taxpayer will be paying, its own way. The Crown share will not be a free ride.

Under the legislation, if the Crown corporation converts to a working interest during the exploration stage, the government in effect pays almost twice for its interest during the balance of that stage. The private interest holder will continue to receive the minimum 25 per cent exploration grant in respect of his 75 per cent interest, while the Crown corporation will pay 100 per cent of its 25 per cent interest.

Considering these two sources of funds combined, almost 44 per cent of exploration costs will be met by or on behalf of the government. Clearly, the government is being generous to all explorers.

Unlike the policies of other countries, Mr. Speaker, in seeking to redress similar ownership situations, this government has offered profitable inducements to Canadianize, not