

from Canadian gas producers who, despite successful exploration efforts, face severe cash-flow problems because of market inaccessibility.

- *Federal energy revenues* will be increased through a new tax on natural gas and gas liquids, a special tax on net corporation revenues from oil and gas production, and a *gradual* shift in the burden of import-oil subsidies from the taxpayers to refiners and thus to consumers.
- *Federal energy funds* will be applied mainly to investment in Canadian energy security rather than reduction of the federal budgetary deficit. These expenditures will include over the period to 1983 over \$8 billion for new energy programs, \$3.4 billion for ongoing programs, and a \$2 billion Western Development Fund.
- *Producing provinces* will continue to have a share of oil and gas revenues that is higher than in any other state or province in any other petroleum-producing nation in the world: the Alberta government will receive an estimated \$100 billion in oil and gas revenues over the 1980-90 period and its per capita revenues by 1985 will be *several times* the level of the late 1970s.
- *Petroleum industry revenues* will continue to rise substantially, providing ample incentives to develop new oil and gas supplies; total cash flow will almost *double* between 1979 and 1983 without counting the special new incentives; and "netbacks" or before-tax net revenues on conventional oil production will *quadruple* by the end of the decade.

THE NEED FOR TIME

The National Energy Program provides substantial stimulus to new oil supply through higher prices, direct incentive payments, and assured cash flow to the industry. The Program does not, however, *rely* on an increase in oil supply beyond that forecast a year ago by the Department of Energy, Mines and Resources. The Program,

rather, makes a massive, unprecedented commitment to a reduction in *demand* for oil through conservation and substitution. Against a background of an assumed average annual increase of 3.2 per cent in economic growth, the Program is directed towards reducing oil consumption by 20 per cent between 1979 and 1990.

The National Energy Program has a horizon that stretches beyond the end of this decade. Increasingly, energy security will require new and more efficient energy-using structures, and a new mixture of fossil fuels and renewable forms of energy. Towards that objective, the Program offers solid new encouragement to energy research, development, and demonstration.

Meanwhile, Canada can capitalize on one more strength inherent in our energy situation—the time, denied to many other industrial nations, to choose carefully from a wide array of energy options such as coal, nuclear power, new liquid fuels and others, without having to rush headlong into projects that might compromise our social and environmental goals.