

Discussions have already begun with the governments of the producing provinces and will be vigorously pursued toward an agreement consistent with my Government's energy policy commitment, as endorsed by the people of Canada. My Ministers do not intend to impose an 18¢ increase in the excise tax on transportation fuels, and the made-in-Canada price will result in a lower price to consumers than the one proposed in the budget of the previous administration.

A Petroleum Price Auditing Agency will be established to investigate and report to the government and people of Canada on oil company costs, profits, capital expenditures, and levels of Canadian ownership.

In spite of Canada's large energy resources, which put this country in the extremely favourable position of being a major energy exporter, we remain partially dependent upon imported oil. My Government is determined to reduce that dependence by promoting conservation and by stimulating the production of new domestic energy supplies.

To improve conservation of oil and gasoline in transportation, you will be asked to approve legislation setting mandatory fuel efficiency standards for automobiles. Measures will also be introduced to encourage higher standards of home insulation, and the existing home insulation program will be improved.

In co-operation with provincial governments, other steps will be taken to encourage more rapid substitution from oil to other energy sources in order to substantially reduce the significance of oil in meeting our energy needs. Policies will be introduced to encourage consumers to switch from oil to natural gas or electricity for home heating. My Government equally favors the earliest possible construction of a natural gas pipeline to Quebec City and the Maritime Provinces, and awaits with interest the report of the National Energy Board on this project.

Petro-Canada will be maintained and expanded as an instrument of public policy. My Government has already increased the budget of the Corporation by \$80 million this year, and our national oil company will also receive a renewed mandate to engage vigorously in oil purchase negotiations and agreements with foreign suppliers.

You will be asked to approve a new Canada Oil and Gas Act, which will provide new preferential rights for Petro-Canada and other Canadian companies on federal lands, and establish new and more demanding requirements for exploration and development of these promising frontier areas.

An alternative energy corporation will be created with a mandate to stimulate the development of new and renewable energy sources to replace oil.

My Ministers believe that, if given the opportunity, Canadian companies and investors would involve themselves more heavily in the energy field. My Government, therefore, adopts the specific goal of at least 50% Canadian ownership of the petroleum industry by 1990, and will soon take the first steps to achieve this objective.

III. *Developing our Economic Potential*

Canada's resource base will be used as the basic building block of a vigorous industrial policy. A paramount objective of my Ministers is to develop economic policies that will provide jobs, spur growth, improve regional balance, and promote Canadian ownership and control of the economy.

It is the intention of my Ministers to continue the policies of expenditure restraint and improved government administration which were suggested by the Lambert Report and initiated by the previous Liberal administration. My Government will reduce the federal deficit in a planned and orderly manner, but not to the exclusion of other objectives such as reducing unemployment and promoting industrial growth. Improving the efficiency of the federal government is as important an objective of these reforms as reducing the deficit. My Ministers believe that Canadians want more effective government, not necessarily less government.

Food and agriculture are going to be increasingly important to the Canadian economy in the 1980s. To further strengthen the industry, my Government plans to create a Canadian Agricultural Export Corporation to expand markets for Canadian producers. A Meat Import Act will be introduced to protect both consumers and producers.

Transportation is a vital part of industrial strategy. My Government will ensure that the Canadian transportation system has the capacity to meet the economic challenges of the 1980s. My Government regards the production, transportation, handling, and marketing of Prairie grain as a national priority. Rail facilities will be upgraded, and port facilities improved. You will also be asked to consider, on an urgent basis, legislation concerning the transportation of dangerous goods.

In the fisheries sector, Canada's harvest is expected to increase substantially in the years ahead. To ensure the maximum return to fishermen and fish-processing companies, my Government will undertake major initiatives to further enhance the quality of fish products and to ensure orderly marketing.

Licensing regulations will be changed to permit fishermen to benefit fully from the resources of the 200-mile zone, and legislation will be introduced to guarantee adequate investment in the fishing sector through partial cost recovery and reinvestment of enhanced earnings. To further assist fishermen, the ceiling for individual loans under the Fisheries Improvement Loans Act will be raised to \$150,000.

Canada's capabilities in science and technology lie at the heart of our competitiveness as a trading nation. My Government will encourage more young people to pursue a career in research through a new technology employment program, and will encourage and insist that industry do more research and development work in Canada. My Government reaffirms its commitment to increase Canada's overall expenditures on research and development to 1.5% of the value of the Gross National Product.