

AN ENERGY PROGRAM FOR THE PEOPLE OF CANADA

PRINCIPLES

The National Energy Program is a set of decisions for national energy management.

Three basic objectives guide those decisions:

1. *Security* of supply and ultimate energy independence;
2. *Opportunity* for Canadians to participate in energy industries, especially oil and gas;
3. *Fairness* in pricing and the sharing of revenues among governments and industry.

TARGETS

The Program builds on Canadian energy strengths. This country already produces more energy than it consumes and can use its surpluses of electricity, natural gas and other fuels to overcome its deficit in oil.

Specific decisions in brief:

- *Oil prices* will rise substantially but *gradually* and predictably, remaining *below* world prices but high enough to encourage new supplies and conservation through a made-in-Canada system of *blending* the costs of conventional, synthetic, heavy and imported oils.
- *Natural gas prices* will rise *slower* than oil prices, gas-distribution systems will be expanded, and Eastern prices will be equalized to encourage households and businesses to switch from heating oil to gas.

- *Energy substitution* away from heating oil to natural gas, electricity and other energy sources will be further stimulated through federal grants to consumers, with a goal of reducing residential-commercial-industrial use of oil to 40 per cent of those sectors' total energy use by 1990.

- *Energy conservation* measures that are already extensive will be further expanded, including mandatory mileage standards for cars and acceleration of home-insulation programs to ensure that 70 per cent of Canadian houses are upgraded by 1987.

- *Total oil demand* will be constrained to the point where it is in balance with domestic supply by the end of the decade; *oil imports* may rise somewhat in the next few years but then will decline, and will reach *zero* by 1990, the target for Canadian energy self-sufficiency.

- *Renewable energy technologies* will be further stimulated through research and demonstration programs, and supported by a new alternative energy Crown corporation called Enertech Canada, so their contribution to total Canadian energy demand will be *doubled* to 6 per cent by 1990.

- *Canadianization* of the petroleum industry, now dominated by foreign interests, will be actively pursued through programs designed to achieve at least 50 per cent Canadian ownership by 1990, Canadian control of a significant number of the larger oil and gas firms, and an early increase in the share of the oil and gas sector owned by the Government of Canada.

- *Direct incentive payments* for oil and gas exploration and development will supplement reduced depletion allowances and will be structured to favour investment by Canadian companies and individuals anywhere in Canada, with added incentives for exploration on Canada Lands in the north and offshore.

- *A Natural Gas Bank* operated by the Government of Canada will purchase natural gas