

In the same article in another paragraph he goes on to state:

Oil executives estimate that even under the new price regime the net return after taxes on conventional oil is four times higher in the U.S. than in Canada. And despite the high price accorded new oil from Canadian frontier reserves and enhanced recovery, the producer will receive less than in the U.S. because much of the increase in Canada goes to taxes and royalties.

Then the clipping quotes one Canadian who is now down there. It states:

"I find psychologically I've written off Canada" says Stan Jones, former director of the Canadian Association of Oilwell Drilling Contractors and now Vice-President of Trio Petro Inc. "I'm no longer angry."

That is sad; this Canadian who worked here says he has just written off Canada. He is no longer angry but he just left. He was tired of fighting and he just left. Let me bring a more illuminating fact to the attention of those opposite. This clipping goes on to state:

Perhaps the most ironic illustration of this lack of confidence is Lochiel Exploration Ltd., owned by Alberta Liberal Party Leader Nick Taylor.

Peter Kneeland, Lochiel's Secretary-Treasurer, and Sheldon Crewson, its Vice-President of Exploration, sat in on the conference. Crewson said the company is expanding its projected \$10 million U.S. exploration budget, highlighting its Kansan drilling program. Lochiel, which has been here for more than a year, already has some production in Colorado.

Kneeland said Lochiel has been forced to cut back on its Canadian drilling. Not because it wants to, but because needed capital is nowhere to be found. It has fled to other investments or is waiting on the sidelines for better times.

Kneeland betrayed discomfort recalling his boss's initial support for the National Energy Program, but was quick to point out Taylor has attacked the Sept. 1 pricing agreement as a sellout of the industry and consumers.

Lochiel's presence in the U.S. is not hard to understand, says Jones.

When the NEP came out a year ago one of the few people in Canada who said it was a good thing was Nick Taylor, leader of Alberta's Liberal party. He was showing that he was more of a Liberal than he was honest. We now see that he said, for the benefit of his hopes or aspirations to join the Senate or some other body, "Yes, you are doing a good job"; but when it comes to his own oil company he says, "Fellows, you better go to Kansas or Colorado and drill there because there is no future for us in Canada". So he says one thing and does another.

We hear members opposite standing up and asking what we are talking about when we say oil companies are leaving. If they do not believe us I suggest they phone Nick Taylor. He is of their own stripe, the Alberta Liberal party leader. Phone Nick Taylor and ask him why Canadians are leaving to go to the U.S.

The final point I want to talk about is this matter of Canadianization and what it means. We have been accused, particularly by members of the NDP but also by members of the Liberal party, of somehow being against Canadian ownership, or of somehow not favouring Canadians having a larger position in the Canadian oil and gas industry. That is an absolute absurdity. In fact, I will personally put my record in this regard up against that of any member of this House of anybody who has spoken.

I was a charter member of the Calgary section of the Committee for an Independent Canada, now defunct. I joined, as a matter of fact, in indignation and outrage over what was

### *Canada Oil and Gas Act*

then the law in Canada. The law in Canada in 1970 was that an American could drill a well in Canada on pre-tax dollars but Canadians could not. That was the law of this country and it had been the law for decades. It was an absurd law.

In 1947, which really was the birth of the current oil industry in Canada, the majority of the industry was Canadian owned. Through that period of activity during the 1940s and the early 1950s, particularly during the Korean war period, Americans were coming to Canada in great numbers to invest in the oil and gas industry. There was a particularly attractive tax regime in existence which was not available to Canadians. Canadians could not afford to compete with Americans for investments in Canada. That is what it amounted to.

James Gray, a well known Alberta-based author, talks about coming to Ottawa in the early 1950s and talking to the deputy minister of finance who was a personal friend. He asked what was happening with all these foreign-owned companies coming in and buying up all this development when Canadians could not compete. He said the deputy minister of finance said, "We don't give a damn who owns the industry as long as we can tax them". That is what happened as a result of that stupid policy, and that is all you can call it, and by 1975 the industry was foreign owned to the extent of more than 90 per cent.

After I was first elected in 1972, for the next four years this was a project I had in mind and I never lost an opportunity to speak in the House or to lobby ministers about this law. I see the hon. member for Sarnia (Mr. Cullen) sitting opposite. He will recall my lobbying when he was minister of national revenue. I remember lobbying the Hon. Donald Macdonald when he was minister of energy, mines and resources. I remember him saying in exasperation one day, "I agree with you but I am not the minister of finance and I cannot do anything about it". To his credit, when he became the minister of finance he changed the law in his first budget. He removed the principal business test.

What happened in the next five years was that the industry changed from over 90 per cent foreign owned to 70 per cent foreign owned with increased Canadianization. There was a huge increase in Canadian content in that period of time. This was not the result of the establishment of Petro-Canada and not the result of government intervention, but the result of adopting a set of laws which said that Canadians could compete on par. That is what is so phony about this current program. The government claims it invented Canadianization. That is absurd and the record is there. Give Canadians a fair shake to compete at par and they will in fact take up their rightful position as the movers, shakers and doers of this industry.

This is what they were doing until the NEP came along, and now they have all gone south, all in the name of this new discovery or invention "Canadianization". This is an absolutely phony and false declaration of what this government's policy really is. Its policy is to take more control for the bureaucrats, for government, rather than having individual Canadians being the owners, participants, actors and drivers in this industry.