

tion of Petro-Canada initially, but the opposition has softened.

The evolution of the Foreign Investment Review Agency began in 1971 when Herb Gray, then Minister of National Revenue, suggested that a specific agency be created to screen foreign investments. After thorough debate, a bill to do so was passed by the Canadian Parliament in 1973.

It provides for the review of two types of foreign investments: taking control of an existing Canadian business and establishing a new business in Canada.

## Canada's Energy Policy

Canada's energy policy, announced in October, 1980, has three general goals: to achieve energy self-sufficiency, to provide Canadians with the opportunity to participate in the growth of the energy industry, and to ensure an equitable distribution of energy revenues among all Canadians.

Although Canada is a net exporter of energy, primarily natural gas and electricity, it is still a net importer of oil. Imports are approximately 430,000 barrels a day or 25 per cent of crude oil require-

ments. The new energy policy contains measures to achieve energy independence, including a conservation program, a fuel substitution program and an incentive program for exploration and development in the provinces and the Arctic and off Canadian shores.

At the end of 1980, according to the latest Energy, Mines and Resources data, 72 per cent of the Canadian petroleum industry (in terms of upstream revenues) was foreign-owned, and 78 per cent was foreign-controlled. Before the policy was introduced, seventeen of the twenty-five largest oil and gas companies in Canada were foreign-owned and controlled, and these companies accounted for three-quarters of all production. The government's target is 50 per cent Canadian ownership of oil and gas production by 1990.

Legislation now in the House of Commons offers particular exploration and development incentives to Canadian firms. It also provides that:

- Holders of rights in northern and off-shore lands must maintain active exploration programs.
- Canadian investors, government and private, will have at least a 50 per cent interest in production from such lands.
- As part of this ownership requirement, Petro-Canada (or some other designated Crown Corporation) will have a 25 per cent working interest in these producing wells.



The wildcat wells shown on the map constitute Dome Canada's 3-year Arctic Islands exploration program.