

election promise from a political party that cannot be trusted, and certainly a minister who cannot be trusted based on his record.

The National Energy Program called for increased Canadianization. The goal was to be 50 per cent Canadian ownership of the oil and gas industry by 1990. That is a worthy goal. It is a modest goal. In fact, it should be a higher percentage of Canadian ownership.

It is dishonest not to examine how we got to the stage we are at now. We should consider undoing some of the things that brought us to this point of such a high level of foreign ownership and see if in fact the Canadian-ownership percentage could be increased by undoing a few things.

In 1971, before I became a candidate in the 1972 election, I attended the founding meeting of and joined the Committee for an Independent Canada in Calgary. I joined because I was outraged about the fact that over 90 per cent of the oil and gas industry, the major industry in my city, was foreign-owned. I was particularly outraged because it was foreign-owned as a result of federal government policy. At that time an American could invest in Canada what amounted to pre-tax dollars. A Canadian could not. At that time an American could borrow money to make an investment in Canada and deduct the cost of interest on his loan against his income in the United States. A Canadian could not do the same in Canada.

The reality was that an oilman in Calgary, wanting to put together some funds to explore for oil and gas, was faced with the situation of finding investors in Canada who would invest with after-tax dollars or going to the United States to find somebody who would invest with pre-tax dollars. That was the situation that existed. Obviously someone in Calgary wanting to raise money would fly to Toronto and change planes for New York, Zurich or somewhere else. There was no use talking to Canadians.

This infuriated and outraged the people in the oil and gas industry. They came to Ottawa and pounded on the doors of Liberal ministers and the Liberal government. They said it was absurd that they could not compete with Americans in their own country for investment in this country. The Liberal government said it did not care who owned the industry as long as they could tax it. That was the reply from the great Canadian nationals, the Liberals. They did not care about the oil and gas industry. It was an insignificant industry in western Canada. Who cared? It did not count for anything compared to the important industries in the rest of the country.

Successive groups of Canadians from Calgary and other parts of the west came and petitioned the federal government for some equity. In return, all they got was a big, fat no. Colonials should stay in their place. What right did they have to come knocking on the doors of the great masters in Ottawa asking for treatment similar to the treatment the United States gave its citizens? As a result of that, by 1975 the industry was over 90 per cent foreign-owned, totally because of that reason.

The pressure continued and, to give credit where credit is due, finally the Hon. Donald Macdonald was able to convince

those idiots who frequented the bureaucracy of the Department of Finance that maybe the tax should be changed. They were not willing to make a permanent change. As a temporary measure, however, they did introduce that change. In the next four years, the degree of Canadian ownership went from less than 10 per cent to well over 20 per cent.

In the next five years, it was the Canadian companies that provided the growth. They provided the impetus that resulted in most of the wells being drilled. Canadianization was going on full blast from 1975 until October 22, 1980, when the National Energy Program was brought in. That program, more than anything else, has put an end to the Canadianization. The sad fact is that the National Energy Program, supposedly introduced to Canadianize the gas and oil industry, has in fact helped to de-Canadianize it. The National Energy Program with its horrendous new taxes—\$8 billion brand new taxes from this one industry this year alone, an incredible tax load—while hitting all of the petroleum sector, is in fact hitting hardest the Canadian-owned independent oil and gas companies. It is the Canadian-owned oil and gas companies that paid the biggest price. The proof for that is available in the monitoring survey of 1981 for six months in the Petroleum Monitoring Agency. This monitoring agency, to which we voted earlier to give more power, showed that in the first six months of 1981 foreign-oil companies suffered a 28.5 per cent income drop in their Canadian operations compared to the first six months of 1980, while Canadian companies suffered a 52 per cent income drop for their Canadian operations, that is to say, foreign-oil companies, 28 per cent; Canadian-oil companies, 52 per cent. The reality is that the National Energy Program, in the name of Canadianization, has devastated the Canadian-owned oil and gas companies.

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The consequences are that many of these companies are in deep trouble and most of those that are not have transferred most of their activities to the United States, to Australia or to other countries.

The Petroleum Monitoring Agency again indicates that comparing the first six months of 1981 with the first six months of 1980, Canadian controlled—these are Canadian-owned and controlled companies—increased their foreign exploration budgets by 247 per cent. So the National Energy Program caused the Canadian-owned oil and gas companies to leave Canada, to increase their foreign exploration by 247 per cent. And furthermore, the trend continued to accelerate.

That is just one example. Another is Ocelot Industries, a Canadian-owned company with a spectacular growth rate, one of those companies that was able to earn money as a result of the tax change in the fall of 1975, a spectacular growth in those five years, a real performer, a company that Canada should be proud of. In 1982, they are planning to spend 82.5 per cent of their exploratory funds outside of Canada. This is a Canadian-owned and controlled company, planning to spend 82.5 per cent of its budget outside of Canada this year as a result of the National Energy Program brought in by the