Mr. Waddell: Mr. Speaker, I rise on a point of order. As reported on page 12364 of *Hansard*, we are now dealing with Motion No. 23. I believe the hon. member is speaking to Motion No. 28. Perhaps Mr. Speaker could draw his attention to the fact that we are supposedly debating Motion No. 23 which concerns three-year periods of tax holidays. Perhaps the hon. member could speak to that.

Mr. Deputy Speaker: The hon. member's point is well taken. Debate at committee report stage is supposed to be specifically directed to the amendments before us.

Mr. McKenzie: Motion No. 23 is our motion. We are debating Clause 28 of Bill C-48 with which our motion deals.

Mr. Deputy Speaker: With all due respect to the hon. member, the motion which has been moved and is currently before the House is Motion No. 23.

Mr. Jarvis: That is correct, but Motion No. 23 amends Clause 28.

Mr. McKenzie: I read our motion into the record; it amends Clause 28. I was dealing with the mass exodus of investment money, businesses and technical expertise out of the country because of Liberal policies. Also Mr. Masters indicated:

> They're trying to save their skins, their income and their lifestyle by getting down into the U.S.

He also said that the exodus was triggered by the 35 per cent cut in the cash flow of small, independent oil firms created by the national energy policy. The particular clause to which we are referring to today is a further penalty for small Canadian companies. These companies are predicting wholesale lay-offs just around the corner. Masters says he already knows of 15 companies where the lay-off of 65 technical staffers has been recommended. They have been laid off and are leaving the country. They do not just go back and forth across the border, Mr. Speaker; once they get established down there they stay and we have lost them. I fail to see how that helps Canada in any way.

● (1550)

Bill C-48 and the National Energy Program are causing a great exodus of capital. I should like to go into detail and point out just how devastating this document is. It quotes the Minister of Energy, Mines and Resources as saying that the Canadian energy industry may become 50 per cent Canadian owned by 1985, five years ahead of schedule, and that it may be 75 per cent Canadian owned by 1990.

However, not all economists are rejoicing over such a prospect, Mr. Speaker. In Toronto, William Mackness of Pitfield MacKay Ross Ltd. says the Canadianization program has set off an unprecedented exodus of Canadian capital and that it is questionable the Canadian economy can stand it. If the National Energy Program and Bill C-48 were of any value, Mr. Speaker, they would be attracting capital, not driving it out of the country. The energy program and this bill should be withdrawn and Mr. Clark in the Department of Energy, Mines and Resources, should be replaced with someone who knows something about this business who could draw up legislation which would help make the country energy self-sufficient.

Mr. Mackness went on to say that the method of calculating capital outflow is not perfect and is subject to error but that, nevertheless, there is overwhelming evidence that the outflow of capital from Canada amounted to about $17 billion in the last 12 months, during which time the stock of several major foreign-owned companies was acquired by Canadian companies or the federal government. He said that after deducting capital inflows, the net loss was $6.7 billion, of which about $2.5 billion was moved out by Canadians, the rest by non-nationals. That is a great deal of money, Mr. Speaker, and we cannot afford to have it driven out of the country. He went on to say that the average annual outflow during the 1970s was $600 million, so the new pace is absolutely unprecedented.

We are heading for tragic times as a result of this plan to nationalize the Canadian oil industry, Mr. Speaker. Mr. Mackness said that making matters worse is the fact that Canada does not now have a surplus in its balance of trade against which the capital outflow could have been offset, that instead, there is a deficit of $3.7 billion for the last 12 months. He said that the most alarming aspect is that Canadians are in fact borrowing abroad to raise the money to buy foreign-owned oil stocks. Hence, interest payments abroad rose from the $1.3 billion level they were showing six years ago to $4.6 billion in the last year; also, dividends that Canadians may earn on their newly acquired oil stocks will be offset by overseas interest payments on the money they borrowed to buy them. You can see what a tragic affair this is all around, Mr. Speaker. Mr. Mackness pointed out that all these factors have served to further weaken the Canadian dollar.

This policy of harassing small Canadian oil companies and developers, which would be the result of Clause 28, will do absolutely nothing to make us energy self-sufficient and will do nothing at all for the country.

An article appeared in the Ottawa *Citizen* on October 28 this year to the effect that the government is fleecing the public with the oil pact. That is an excellent way to describe what is happening. It is just unbelievable how the Liberal government can be taken in by some of the bureaucrats it hires. If I were a member of the government I would not be led around by these people. The power that they have over the government is unbelievable; it accepts this stuff that is drafted for it. *The Citizen* article says that some discouraging words were heard the previous Tuesday as the oil industry began to study details of the energy agreement signed the previous Monday by the federal and Saskatchewan governments. It quoted Bill Dutton of Clan Resources Ltd. as saying that the two levels of government had got together and had fleeced the public. He wondered if the public realized that we have only been producing and shipping at about 47 per cent to 50 per cent since last March and he asked when the situation would be straightened out.

The article also quoted Led Stein, the owner of Sage Oilfield Services Ltd., as saying that he was frustrated that the