

time, administered price schedules which do not conform to trends in world markets. Neither is the Committee proposing new versions of revenue-sharing formulas, or prolonged insulation from what is going on in the real world. It does the country no service to languish under artificial protection while the rest of the world is adapting its economies and strengthening them in response to changed conditions.

Much of the disruption after the OPEC price hikes of the 1970s was brought on by the country's inexperience in dealing with extreme changes in energy markets. We should try to minimize the bottlenecks and destabilizing influences that create uncertainty with flexible plans that can accommodate what we fail to anticipate. These proposals help avoid having the continuity of domestic sources of energy disrupted by vagaries of the international market.

By including this discussion in its report, the Committee does not mean to suggest that price shocks are imminent. But it must take the responsibility to consider what might transpire in an uncertain future.

The performance of the Canadian energy industry is crucial to the energy security of all Canadians. While the NEP acknowledged the contribution of foreign risk capital and multinational oil companies to the development of a domestic oil and gas industry, the Federal Government believed that a more "Canadian" industry would better achieve the goals of security of supply, and fairness in sharing energy resource benefits. According to the NEP, the monetary benefits of rising oil prices should accrue increasingly to Canadians.

The previous system of tax incentives encouraged only investors with existing resource income, predominantly foreign companies. This worked against the policy of Canadian ownership first articulated in 1976.

**The Committee supports the continuing Canadianization of the domestic petroleum industry.**