

problems in maintaining a distinct culture; in developing our own literature; or supporting our own artists. Obviously, this sort of problem does not exist for Australia to the same extent because of the factor of distance.

The third and most controversial key sector is the oil and gas industry. The principal objective of the National Energy Program is to ensure energy security for Canadians. Achievement of this objective requires that more of our oil and gas industry be controlled by Canadian interests, and that there be appropriate participation by the national government, on behalf of the Canadian people in the future development of that industry. Between 1975 and 1979, the Canadian oil and gas industry generated net outflows of capital totalling \$3.8 billion — \$2.1 billion in direct capital and \$1.6 billion in dividend and interest payments. The outflow took place at a time when enormous amounts of capital were required to ensure the rapid development of Canada's oil and gas potential, a national imperative if self-sufficiency is to be achieved. These factors necessitated some form of encouragement for investment in new oil and gas development that would be attractive to Canadian investors and led to the establishment of the Petroleum Incentives Program and the Canada Oil and Gas Lands Administration. Our ownership goal is modest: to have Canadians own 50 per cent of the Canadian industry by 1990.

Canada is by no means the first country to treat energy supplies as a matter of strategic national importance and seek security over oil and gas supplies through ensuring significant domestic ownership and some government involvement in the industry. The entire oil and gas industry is under government control in most producing countries including Venezuela and Mexico. The USA is the exception, rather than the rule, being the home base for the world's largest oil companies which no doubt accounts for the fact that foreign control in the United States oil and gas sector is low. Regarding public enterprise, Petro Canada is still a youngster — though a strong and fast growing one — in the large family of oil companies wholly or partly owned by governments: British Petroleum in the UK, Statoil in Norway, Agip in Italy, La Compagnie Française des Pétroles in France, Veba in West Germany, the National Oil Company in Japan, Petrobras in Brazil.

The foreign oil industry will continue to prosper in Canada. A comparison with policies and practices in Norway, Britain and the USA, among others, shows that Canadian legislation is less stringent and provides as high or higher rate of return on new oil for foreign investors than do these other countries. Assets are not being nationalized. Rather, acquisitions, through private purchases at market prices, have been on terms highly favourable to the sellers of those assets. Moreover, Canada is providing large incentives to foreign companies operating in Canada for oil and gas exploration and development. The regime in the NEP will be more favourable to foreign investors than in virtually any other country. But the incentives are being made even more favourable to Canadians so that they may increase their participation in a growing Canadian petroleum industry.