

billion in grants during the course of the current year. This will significantly help the cash flow of the industry which at the present time is facing short-term financing difficulties.

I truly regret the amount of time lost by the House over the past few weeks. It could have been better spent studying proposals for energy security rather than ringing the bells. The delay created nothing but continued uncertainty for the industry. I think the uncertainty was best described last month by a leading member of the oil and gas industry from Alberta, Mr. John G. McDonald, chairman of Ranchmen's Resources (1976) Ltd., an Alberta-based independent oil and gas company. In a telex to members of Parliament dated March 16, 1982, Mr. McDonald said:

It is my duty to advise you on behalf of our shareholders that I consider the Tory boycott of debate on a motion of adjournment of the House of Commons that they introduced irresponsible. Our company is largely owned by Alberta investors, but a substantial number of our shareholders reside in Ontario and Quebec, and over 100,000 of them are workers represented by 25 Canadian pension trusts which have supported our collective effort to increase Canadian investment in Canada's petroleum industry.

He addressed the following to members of the Conservative Party:

Your caucus action is now costing our shareholders \$5,000 a day in interest charges on unpaid petroleum incentive payments receivable for exploration drilling costs paid out in 1981. The longer you play political games, the less support you will receive from our shareholders. I am astounded that Tory Members of Parliament from Alberta, including your leader, are supporting this charade in the House.

This was just one of the messages I received from people in the petroleum industry who were angry and concerned about the Tory boycott of Parliament. They were angry and concerned that the millions of dollars we promised the industry in petroleum incentives would be delayed indefinitely, creating untold and irreparable harm to their businesses. The actions of the party opposite were inexcusable and very damaging, not only to Parliament but to the Canadian oil and gas industry. Fortunately, as events turned out, we now have assurances by the House that all legislative proposals contained in Bill C-94, the former energy security bill, will be approved by the end of June. We must now put that regrettable incident behind us and get on with the task of providing energy security for all Canadians.

Since last June when we first released the energy security bill in draft form, we have undertaken extensive consultation with the oil and gas industry, with financial institutions, with Members of Parliament on both sides of the House, and with provincial governments. As a result of the consultative process, I believe we now have an improved energy security package, of which this bill concerning petroleum incentives and Canadian ownership legislation is one of the most important elements.

[Translation]

Mr. Speaker, this Canadianization bill can be seen as the climax of all the measures taken by this government to establish a strong oil and gas industry, Canadian-owned and Canadian-controlled. It is another in a series of steps toward establishing a permanent framework for achieving the goals defined in the National Energy Program, which are: energy

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security, opportunities for Canadians to share in the development of their energy resources and the establishment of a fair system for all Canadians. In addition to helping Canadians become masters of their own energy future, this legislation will also enable the government to meet a formal commitment made to this country two years ago, namely to provide it with a comprehensive energy program that would enable it to meet all its energy requirements.

Mr. Speaker, we have taken steps to meet this commitment, starting on the day we introduced the National Energy Program. We have made encouraging progress towards achieving each of our energy goals, and Canadians have shown very clearly that they want these goals to be achieved in the fullest sense of the word. We firmly intend to do so with the help of this legislation, which is essential to the success of our plans. In addition to generous subsidies for Canadianization, the bill also contains provisions for Canadian ownership and control determination. The aim of these provisions is to ensure that the subsidies benefit Canadian-controlled companies, other Canadian investors and foreign companies who wish to collaborate by allowing increased Canadian ownership of their enterprises. According to the provisions of the bill, certificates will be issued establishing the Canadian ownership rate or control status of applicants wishing to obtain subsidies. The certificates will also enable holders to benefit from other advantages provided under the National Energy Program. There are, of course, strict rules for determining ownership rate and control status. However, the subsidy program will be effective only if it succeeds in benefiting the Canadian investor. We must do everything within reason to ensure that eligibility is determined on the basis of real ownership and actual control. In the case of control status, the criteria are based on definitions taken from the Foreign Investment Review Act. However, we have realized that, especially in the case of smaller enterprises, it is desirable to simplify administrative procedures, which may be a considerable burden.

Regarding the Canadianization legislation, it should also be pointed out that we are introducing two amendments to two sections of the Foreign Investment Review Act. I wish to stress most emphatically that the amendments are in no way aimed at granting additional powers to the Foreign Investment Review Agency. The changes are minor and technical, and are aimed at clarifying the interpretation of relevant provisions of the act, the agency has implemented since it was established in 1974.

[English]

Let us look at the problem we found with respect to foreign ownership. In 1979 nearly 72 per cent of the upstream revenues of the oil and gas industry went to foreign-owned companies. The percentage was even higher when measured on the basis of foreign control; it was 80 per cent. Much has been made of the fact that Canadian ownership was increasing during the 1970s, but that progress was slow and might well have been reversed in the 1980s. This was because of the