NEP to FTA:

The Political Economy of Canadian Petroleum Policy in the 1980s

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Oil is unlike other commodities. It is widely used in an exceptional variety of economic activities such as transportation, home heating, electrical generation and chemical manufacturing. Because it is an input to so many production and distribution processes, an increase in the price of oil drives up the price of virtually all other commodities. Such a rise in the overall price level is synonymous with inflation. Although the price of oil is not the only determinant of inflation, since World War II, rising oil prices have corresponded to high rates of inflation. Oil is also the lifeblood of modern armies, navies and air forces. It is, therefore, of unparalleled economic and military importance.

From a Canadian perspective, oil is a particularly interesting resource because Canada sells it to the United States and buys it from overseas. Canada can, from year to year, be described as either a net oil exporter or as a net oil importer. But such descriptions obscure the reality that Canada is, simultaneously, both a major seller and a major buyer of oil. Because oil is so much different from other commodities, and because of Canada's unique position with respect to it, Canadian petroleum policy is worthy of special study.

The 1980s saw Canadian petroleum policy move from the National Energy Program (NEP), the height of the Trudeau government's economic nationalism and the most significant state intervention in the Canadian economy since World War II,[1] to the energy provisions of the Free Trade Agreement (FTA). The FTA fully integrated Canada into a continental oil market and effectively banned anything resembling the NEP.[2] Commentators have frequently sought to describe the NEP as an affirmation of Canadian nationalism or as an assertion of the federal government's supremacy, rather than as good public policy or a rational economic decision.[3] This paper will examine the effects of the National Energy Program on Canada as an oil exporter and

as an oil importer. It will argue that the NEP was a beneficial economic policy and that the energy provisions of the FTA and NAFTA run contrary to Canada's interests.

Perhaps the most striking aspect of Canada's oil industry before the NEP was the extent to which it was foreign controlled. In 1979, at the time of the second oil price shock, 14 foreign-controlled firms accounted for 82% of Canada's oil output. Even after Petro-Canada had been formed, Americans continued to dominate the fastest growing sector of Canada's economy.[4] The classic justification for this degree of foreign ownership was that Canadian investors had been too conservative to finance high-risk oil exploration, and that feisty American businessmen had thankfully provided the venture capital. In any case, it was argued, Canadians should welcome the influx of outside investment.[5]

In reality, most US investment did not come from independent risk-taking entrepreneurs, but from large, well established, multinational corporations. Actual drilling and production was financed primarily by Canadian investment, while American investment went into buying and leasing land, refining crude oil, and building pipelines.[6] The glaring disparity in relative exploration expenditures between foreign and Canadian companies is shown in Appendix A.[7] The multinationals used their capacity to import cheap oil from overseas, their political clout, and their oligopolistic control of refineries and pipelines to squeeze the independents out of the market.[8] There was no influx of foreign capital in the years leading up to the NEP; the oil industry had become a net capital exporter.[9] For these reasons, Canadian nationalists saw American oil companies as parasites on Canada's economy, who deliberately pushed Canadian companies out of the market, rather than filling a void left by domestic investors and sucked profits south of the border, rather than injecting investment dollars into Canada.

American investment in Canada's oil industry must also be assessed in the context of Cold War politics. In 1952, the *Report of the President's Materials Commission* laid out a plan to procure supplies of raw resources, and identified Canada as a source of several strategic materials, including oil. The centerpiece of the long-term materials strategy was the use of American corporations, assisted by US government agencies, not only to develop, but to control resource industries in other "free" countries.[10]

In 1961, the Diefenbaker government implemented the National Oil Policy. East of the Ottawa Valley, Canadians would be supplied with cheap imported oil from the Middle East and Venezuela. West of the Ottawa Valley, Canadians would be supplied with Western Canadian oil. Because of American quotas on overseas oil imports (from which Canadian and Mexican overland shipments were exempt), the price of oil in the US was higher than the world price. Since Western producers could export oil to the US overland and receive the American domestic price, Canadians west of the Ottawa Valley were also forced to pay the higher US price.[11] The National Oil Policy formalized a pattern whereby Western Canada exported oil to the US, while Central and Eastern Canada imported oil from overseas. It integrated Western Canada into the continental oil market and thereby facilitated a high level of American ownership.

In 1973, world oil prices jumped from $ 2.59 US to $ 11.65 US per barrel. American import quotas and the National Oil Policy were abandoned. The Trudeau government responded in two ways. It immediately established a single Canadian price below the world price, which would increase steadily towards the world price. As a corollary to this, it began subsidizing Eastern Canada's oil imports and the domestic production of synthetic oil. An export tax equivalent to the difference between the Canadian price and the world price was used to prevent

foreigners from draining Canada's supply by buying it up at the lower domestic price. Then, in 1976, the Trudeau government established Petro-Canada, a federal crown corporation that would operate in the petroleum sector, as a window on the industry and as an instrument of public policy. The governments of the oil-producing provinces, Alberta and Saskatchewan, moved to capture a greater share of the revenues created by the price increase.[12]

In 1979, the world price of oil leapt from $14 US to $34 US per barrel, and experts predicted that it could go as high as $100.[13] The Clark government did little to address this problem and actually increased excise taxes on gasoline by 18 cents per gallon (roughly 5 cents per litre) as part of its 1979 austerity budget. In what became known as the "energy election" or the "18 cent election" of 1980, Trudeau proposed a new energy policy which closely resembled what would become the NEP.[14] Trudeau's Liberals recaptured most of the "swing" Ontario ridings lost in 1979 and won power.[15]

The National Energy Program and its three objectives were announced on October 28, 1980, as the centerpiece of the Liberal government's first budget. The first objective was to ensure Canada's energy *security* through oil self-sufficiency by 1990, and independence from volatile world markets. The second was to furnish Canadians with the *opportunity* to participate in the petroleum industry. This meant actively curtailing foreign control, with the goal of 50% Canadian ownership by 1990. The third was to establish a made-in-Canada price and procure a greater share of oil revenues for the national government, to ensure that all Canadians were treated with *fairness*, no matter where they lived. To achieve these objectives, the federal government implemented a new regime of taxes and incentives, changed the rules for issuing production licences on the Canada Lands (i.e. land owned by the Government of Canada), and set

out a more aggressive role for Petro-Canada.[16]

The NEP established a new fiscal regime in the petroleum sector. The most significant measures were the imposition of the Petroleum and Gas Revenue Tax, the elimination of depletion allowances from the existing corporate income tax, and the implementation of the Petroleum Incentives Program, which transferred funds to companies investing in exploration and development, according to the degree to which they were Canadian-owned. Grants to encourage oil consumers to conserve oil were also created.[17]

These changes reduced the share of operating revenues retained by foreign firms, but increased the share retained by Canadian firms. Small Canadian firms would, in fact, receive more in subsidies than they would pay in taxes.[18] Because foreign firms accounted for most of the industry, these changes had the immediate effect of reducing the industry's share of oil revenues. However, as the industry was Canadianized, it would become eligible for more federal incentives, and its share of revenues would return to pre-NEP levels. The federal share of revenues was increased at the expense of the governments of the producing provinces.[19]

The new fiscal structure promoted self-sufficiency by making more of the oil industry's revenue conditional on exploration to increase domestic supply, while also promoting conservation to reduce domestic demand. It encouraged Canadian participation by explicitly favouring Canadian-owned firms. It also increased the national government's share of revenues.

Licencing procedure would also serve to Canadianize the industry and bolster federal revenues. The federal government resolved to favour Canadian companies in its allocation of production licences for the Canada Lands. It required companies that received such licences to "use Canadian goods and services in exploration, development and production."[20] The federal

government also reserved for itself a 25% interest in every producing field on the Canada Lands.[21]

Under the NEP, Petro-Canada was to use the revenues from a new Canadian Ownership Levy on the sale of gasoline to aggressively Canadianize the industry by taking over foreign firms. It would expand Canadian supply and promote self-sufficiency through high-risk frontier drilling. It would contribute to the federal treasury by transforming itself into a vertically integrated corporation, controlling a network of pipelines, refineries, and retail service stations.[22]

The Staple Thesis, developed by Innis and Mackintosh, holds that Canadian economic history is defined by the production and export of raw, unrefined staple commodities (e.g. fur, fish, timber and grain). The economic advantage of staple industries is the backward, forward and final demand linkages associated with them. Backward linkages refer to the opportunities created for supporting industries which provide inputs to the staple sector. Forward linkages refer to the opportunities provided for secondary industries which process the staple good. Final demand linkages refer to the value of the incomes generated in the staple industry itself. The disadvantage of a staples economy, according to Innis, is that these linkages often become leakages out of the national economy. The country becomes stuck in a "staples trap" of boom and bust in the staples sector, and perpetual dependence on other industrialized countries.

For Canada as an oil exporter, petroleum was a staple commodity. The backward linkages associated with the petroleum sector did not accrue to the Canadian economy because the equipment and services used for drilling and production were largely supplied by American firms. The forward linkages were lost to a petrochemical industry largely located in the US. The final demand linkages can be broken down into payments to the factors of production: wages paid to oil workers, rents paid to the resource-owning provinces, interest paid to capital, and the profits

received by the companies. While the wages and rents remained in Canada, the high level of foreign ownership of the industry meant that the interest and profits mostly did not.

While the NEP was not explained in these terms, one of its effects was to ensure that the linkages of the petroleum sector accrued to Canada. The Canadian purchasing requirements tied to the Canada Lands licences sought to capture the backward linkages of oil production. The development and expansion of the domestic petrochemical industry through Petro-Canada helped exploit the forward linkages. The array of policies aimed at Canadianizing the industry ensured that a greater share of the final demand linkages remained in the Canadian economy. The NEP therefore multiplied the value of the petroleum sector to Canada's economy by capturing the linkages associated with it.

However, Canada was not simply a staples economy producing oil; it was also an industrialized country consuming oil. Relative to the size of its population and economy, Canada used much more energy than other industrialized countries and was, therefore, proportionally more vulnerable to increases in the price of oil.[23] In the wake of the nearly instantaneous 240% increase in the world price of oil in 1979, Canada faced a dilemma. It could use legislation to hold down the domestic price of oil, thereby cushioning its economy from the price shock and providing domestic oil-consuming firms with an instant advantage over foreign competitors. However, this would curtail investment in domestic oil exploration (because domestic oil would be worth less than foreign oil), thereby reducing the country's future oil supply. Holding down the price would also lead to an over dependence on oil and reduce the incentive to develop other energy sources. In the long run, such a policy could be ruinous. The other option was to allow the world price to prevail, accept the immediate supply shock, and hope that the market would

successfully adjust due to the increased incentives to explore for more oil, to use energy more efficiently and to develop alternative energy sources.

The NEP resolved this dilemma. It insulated the Canadian economy from the world price hike and endowed it with the benefits of a lower domestic price. It also promoted increased domestic production by making more of the oil industry's revenues conditional on exploration expenditures and by using Petro-Canada as an agent of frontier drilling. It employed a massive oil-conservation program to encourage energy efficiency and the development of alternative sources. The NEP was thereby able to deliver the benefits of an oil price-control policy, while avoiding the pitfalls.

The immediate relevance of the NEP was undermined in the early 1980s as world oil prices unexpectedly stabilized and then fell. However, it was a successful program. Canada became essentially self-sufficient in oil production, Canadian ownership of the industry was expanded rapidly (to 41% by 1984), federal petroleum revenues grew significantly, and a pan-Canadian price was maintained.[24]

Shortly after being elected Prime Minister in 1984, Brian Mulroney travelled to New York to announce that the NEP was dead and that "Canada is open for business."[25] He eliminated the domestic price, lowered taxes and increased exports. To the applause of the Reagan administration and of the Canadian Petroleum Association, the Canadian representative of the multinational oil companies, Canada was effectively integrated into the continental oil market.[26]

The US now possessed what it had always wanted in a Canadian oil policy and sought to entrench these gains in the Free Trade Agreement (FTA) that it was negotiating with Canada.[27] The sections of the FTA which pertain directly to oil are Chapter Four, which applies to all

resource industries, and Chapter Nine, which applies to the energy sector. Articles 407, 408, 902 and 903 prohibit legislated prices and restrictions or taxes on exports. Articles 409 and 904, oblige Canada to continually export to the US a proportion of its oil output equivalent to the average proportion exported over the previous 36 months, even during periods of national scarcity or emergency. While the FTA generally disallows government subsidies, Article 906 explicitly sanctions subsidization of the oil industry.[28]

American negotiators hoped to extend the energy provisions of the FTA to include Mexico under the North American Free Trade Agreement (NAFTA), but the Mexicans refused to accept the proportional sharing clauses and received different treatment than Canada under NAFTA. During the 1993 federal election campaign, the Liberals promised not to sign NAFTA unless the US granted Canada the same terms as Mexico. The Americans rejected this demand and the Liberals signed NAFTA anyway.

The energy provisions of the FTA and NAFTA run contrary to Canada's interests. They are bad for Canada as an oil exporter because they ban a variety of tools, such as minimum prices and export taxes, which could be used to maximize the price at which oil is sold to the US. Furthermore, they prevent the government from intervening in the economy to ensure that the linkages associated with the petroleum sector are retained. They are bad for Canada as an oil importer because they effectively prohibit any policy that would put domestic requirements ahead of American demand in the event of an energy shortage or an oil price hike.

During the 1980s, two principal lines of argument were used to attack the NEP and to support the energy provisions of the FTA in public debates. The first was a neoclassical economic analysis which held that both Canada and the US would be best served by free trade in oil (and

other commodities). The second was a regional analysis that saw the NEP as Central Canadian exploitation of the West, and the FTA as a bulwark against such abuse.[29]

The neoclassical case rests on the premise that the free market maximizes efficiency and that any state intervention in the economy is ultimately counterproductive. The Conservatives wanted to withhold the power to pursue a nationalist energy policy from the Canadian state and described the energy provisions of the FTA as "a desirable loss of sovereignty."[30] Even if the neoclassical analysis is accepted in the context of economic theory, it must be stressed that, in reality, there is no international free market for oil and the energy provisions of the FTA do not set out to establish one. Most global oil exports are accounted for by members of the Organization of Petroleum Exporting Countries (OPEC), which operates as a cartel by restricting supply to drive up prices. The international oil trade is controlled by an oligopoly of multinational corporations. Oil-consuming countries have historically employed import quotas, price controls and other such interventionist mechanisms. The two oil price shocks were caused by political events, rather than by market forces. The 1973 price hike was a result of the OPEC boycott and the production cut which the Arab states engineered to punish the Western nations that had backed Israel in the Yom Kippur War. The 1979 hike was caused by Ayatollah Khomeini's Islamic Revolution in Iran. The FTA fails to create a free market for oil. It requires Canada to export a certain proportion of its output, rather than simply removing barriers to trade. It also explicitly permits government subsidization of the oil industry. The FTA recognizes that the oil trade is governed by political rules, rather than by market forces, and sets out to create political rules different from those that existed under the NEP. These facts not only undermine the neoclassical case for the energy provisions of the FTA, but suggest that Canada was foolish to

give up the power to intervene in an industry which, in international terms, is highly politicized.

The regional analysis contends that the goal of the NEP was to force oil-producing Western Canada to subsidize oil-consuming Central Canada by artificially depressing the domestic price of oil and by robbing western provincial governments of resource revenues. The federal government countered this view by arguing that its pan-Canadian economic management responsibilities superceded regional interests. The federal government also pointed out that, when world oil prices had been low during the 1960s, the Government of Canada's National Oil Policy had propped up western oil producers by setting the domestic price (west of the Ottawa Valley) above the world price. When oil prices had been falling, Ontario had been forced to subsidize the West, and, as Trudeau put it, "now that prices are going sky-high, the shoe should be on the other foot and we should share in the opposite direction."[31] This argument decisively refutes the regional criticism of the NEP's low domestic price.

What constitutes an appropriate division of petroleum revenues between the two levels of government is a more nebulous question. The main plank of the provincial case is that the specific jurisdiction over natural resources assigned to the provinces by the Canadian Constitution should supercede the federal government's more general supremacy in the areas of economic management and taxation. The federal case rests on the argument that the producing provinces should not be the exclusive beneficiaries of windfall oil revenues created by foreign political events, particularly in light of the fact that the development of the western oil industry had been greatly subsidized by the Government of Canada through the National Oil Policy and generous depletion allowances. Whatever the arguments on each side, conflict over the distribution of resource revenues is probably an inevitable feature of a federal system in which the provinces are

differently endowed.

The most shattering refutation of the regional analysis is the fact that, with the exception of measures aimed at increasing the federal share of revenues at the expense of the provinces, the policies implemented under the NEP were very similar to policies which had been implemented by the governments of the producing provinces. The hallmark of the Lougheed government in Alberta was using revenues extracted from the oil industry to develop a domestic petrochemical industry and to subsidize frontier drilling. Alberta law ensured a measure of domestic control by requiring oil companies incorporated in Alberta to have a certain number of Alberta-born directors.[32] Prior to 1976, the Government of Alberta had reserved a 50% share of oil discoveries for itself.[33] In Saskatchewan, the Blakeney government formed SaskOil, a provincial crown corporation analogous to Petro-Canada, to act as an instrument of government policy in the petroleum sector, to pursue a policy of local purchasing and to procure a greater share of revenues for the state. In many respects, the NEP was a national application of policies which had been pioneered by the producing provinces. It is telling that, after the federal government made some concessions on the secondary issue of natural gas, Lougheed publically endorsed the NEP in 1981.[34]

The neoclassical and regional arguments therefore fail to refute the case for a nationalist petroleum policy designed to meet Canada's unique needs as both a major exporter and a major importer of oil. Much as the relevance of the NEP was undermined by a sudden drop in the price of oil in the early 1980s, the broader debate about whether Canada should pursue a nationalist or a continentalist petroleum policy has been muted by generally low world oil prices since the FTA was signed. However, two major factors militate in favour of increasing world oil prices and of a

renewal of this debate in the future. The first is the strong possibility of conflict in the Middle East, even though another general Arab-Israeli war seems unlikely. The severe oil price rise produced by the Gulf War could have been sustained had Iraq successfully annexed Kuwait or had Operation Desert Storm lasted longer and been more destructive. The tension between secularist reformers and Islamic fundamentalists in Iran could cause unrest analogous to that of 1979.

The second, and more certain, factor is that, like other non-renewable resource industries, oil is an "increasing-cost industry."[35] Petroleum firms exploit the most accessible, and therefore lowest cost, reservoirs first. As more oil is demanded, they move to more expensive reservoirs and the per unit cost of oil rises. This means that, as the Middle East and other producing regions begin to run out of cheap oil, it will become progressively more economical to mine Alberta's tar sands and exploit the Canadian Arctic's reserves. All of this will present a serious problem for Canada as an oil importer and an unprecedented opportunity for Canada as an oil exporter. The federal government will have to decide whether to control the domestic price of oil to shield the energy-intensive Canadian economy from rising world prices and whether to employ interventionist policy to retain the linkages associated with the development of Canada's vast unconventional oil reserves. Canada will, therefore, face conditions similar to those of the 1970s. These circumstances will highlight the bankruptcy of continentalist petroleum policy and underscore the need for a nationalist program.

ENDNOTES

1. James Laxer, *Oil and Gas: Ottawa, the Provinces and the Petroleum Industry* (Toronto: James Lorimer and Company, 1983), pp. 73-74.

2. John Dillon, "The Petroleum Sector under Continental Integration", in Ricardo Grinspun and Maxwell A. Cameron (eds.), *The Political Economy of North American Free Trade* (Montreal & Kingston: McGill-Queen's University Press, 1993), p. 324.

3. An extreme form of this view is advanced by Peter Brimelow, *The Patriot Game: National Dreams & Political Realities* (Toronto: Key Porter Books, Ltd., 1986), p. 247-250. A more moderate one is presented by G. Bruce Doern and Glen Toner, *The Politics of Energy: The Development and Implementation of the NEP* (Toronto: Methuen Publications, 1985), p. 2.

4. Of these 14 firms, five controlled a majority of Canada's output. Guy Marsden, *The Liberal Third Option: A Study in Policy Development* (Regina: Unpublished Masters Thesis, University of Regina, 1997), p. 105. The preponderance of foreign firms among the major oil companies operating in Canada is also shown in Appendix A.

5. Laxer, *Oil and Gas*, p. 7 and Brimelow, *The Patriot Game*, p. 249.

6. Melissa Clark-Jones, *A Staple State: Canadian industrial resources in Cold War* (Toronto: University of Toronto Press, 1987), pp. 30-31.

7. See Appendix A.

8. Clark-Jones, *A Staple State*, pp. 31-35.

9. Marsden, *The Liberal Third Option*, p. 109.

10. Clark-Jones, *A Staple State*, pp. 13-16.

11. Laxer, *Oil and Gas*, pp. 8-9.

12. Pierre Elliott Trudeau, *Memoirs* (Toronto: McCelland & Stewart, Inc., 1993), pp. 284-285 and Doern and Toner, *The Politics of Energy*, pp. 497-498.

13. Trudeau, *Memoirs*, p. 286.

14. Ibid., pp. 287-288.

15. Doern and Toner, *The Politics of Energy*, p. 5.

16. David Leyton-Brown, "Canadianizing Oil and Gas: The National Energy Program, 1980-83", in Don Munton and John Kirton (eds.), *Canadian Foreign Policy - Selected Cases* (Scarborough: Prentice-Hall Canada, 1992), pp. 300-301, and Doern and Toner, *The Politics of Energy*, pp. 3-5.

17. Doern and Toner, *The Politics of Energy*, p. 323 and pp. 328-335.

18. See Appendix B.

19. See Appendix C.

20. Leyton-Brown, “Canadianizing Oil and Gas”, p. 301.

21. Laxer, *Oil and Gas*, p. 76.

22. Ibid., pp.68-70.

23. Virginia W. McLaren, “Redrawing the Canadian Energy Map”, in John N. H. Britton (ed.), *Canada and the Global Economy: The Geography of Structural and Technological Change* (Montreal & Kingston: McGill-Queen’s University Press, 1996), p. 137.

24. Marsden, *The Liberal Third Option*, p. 131.

25. Dillon, “The Petroleum Sector”, p. 324.

26. Ibid.

27. Ibid.

28. Ibid.

29. Both lines of argument are presented by Brimelow, *The Patriot Game*, pp.246-251.

30. Stephen McBride and John Shields, *Dismantling a Nation: The Transition to Corporate Rule in Canada*, Second Edition (Halifax: Fernwood Publishing, 1997), p. 180.

31. Trudeau, *Memoirs*, p. 293.

32. Brimelow, *The Patriot Game*, p. 247.

33. Dillon, “The Petroleum Sector”, p. 323.

34. Trudeau, *Memoirs*, p. 294.

35. For a full description of the economics of increasing-cost industries, see B. Curtis Eaton, et al (eds.), *Microeconomics*, Fourth Edition (Scarborough: Prentice Hall Canada, Inc., 1999), p. 291.

APPENDICES

Appendix A:
Mean Annual Revenues and Exploration Expenditures of the Major Oil Companies Operating in Canada, 1973-1980*

Company	Ownership	Revenue ($ millions)	Expenditure on Exploration ($ millions)	Exploration Spending per $100 Revenue
Imperial (Esso)	Foreign	4,211	178	4.23
Shell	Foreign	2,391	69	2.89
Gulf	Foreign	2,193	104	4.74
Texaco	Foreign	1,641	0	0.00
British Petroleum	Foreign	650	0	0.00
Petro-Canada*	Canadian Public	525	311	59.24
Dome	Canadian Private	512	229	44.73

* Because Petro-Canada was not operational for the entire period covered, its figures are for 1977 to 1980.

Source: Means calculated from figures in James Laxer, *Oil and Gas: Ottawa, the Provinces and the Petroleum Industry* (Toronto: James Lorimer & Company, 1983), p. 195 (Table 3) and p. 196 (Table 4).

Appendix B:
Financial Effect of the NEP on Different Types of Oil Companies
Percentage figures refer to the shares of operating revenues retained by the companies.

Company Type	Reinvestment Rate	Debt Load	Pre-NEP	Post-NEP
Large Foreign	Low	Low	43%	38%
Large Foreign	High	Low	51%	46%
Small Foreign	High	High	74%	74%
Large Canadian	High	Low	51%	63%
Large Canadian	High	High	52%	67%
Small Canadian	High	High	74%	102%

Source: Energy, Mines and Resources Canada, *Do Governments Take Too Much? - An Examination of Pre and Post NEP Fiscal Regimes* (Ottawa: Government of Canada, 1982), p. 20 (Table 13).

Appendix C:

Annual Division of Oil Revenues

Unbracketed figures are in billions of dollars. Bracketed figures are percentage shares of Net Operating Income.

Year	Net Operating Income	Federal Government	Provincial Governments	Oil Industry
1977 (Pre-NEP)	8.1	0.9 (11%)	3.8 (47%)	3.4 (42%)
1978 (Pre-NEP)	9.2	0.9 (10%)	4.2 (46%)	4.1 (44%)
1979 (Pre-NEP)	11.1	1.0 (9%)	5.6 (50%)	4.5 (40%)
1980 (Pre-NEP)	13.4	1.1 (8%)	6.0 (45%)	6.3 (47%)
1981 (Post-NEP)*	17.0	4.0 (23%)	6.0 (36%)	7.0 (42%)
1982 (Post-NEP)*	22.2	6.2 (28%)	6.7 (30%)	9.3 (42%)
1983 (Post-NEP)*	26.5	6.3 (24%)	8.2 (31%)	12.0 (45%)
1984 (Post-NEP)*	29.1	6.3 (22%)	9.6 (33%)	13.2 (45%)

* For these years, projections made at the time that NEP was implemented in 1980 are used rather than actual figures to show the intended effect of NEP in a climate of rising oil prices instead of what actually happened when oil prices fell in 1983.

Source: Energy, Mines and Resources Canada, *Do Governments Take Too Much? - An Examination of Pre and Post NEP Fiscal Regimes* (Ottawa: Government of Canada, 1982), p. 5 (Table 1) and p. 6 (Table 2).

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