

*Excise Tax Act*

ment in which the Liberal government finds itself because it relies so heavily on the multinational oil companies to find new oil for this nation.

I have just pointed out that we will be running short by 1980. Because we do not have an industry that is controlled in Canada and, more important, a publicly owned industry owned by the people of Canada through their government, the Liberal government must rely on the oil industry, which is 90 per cent foreign controlled, to do the exploration to develop the oil resources in this country. As a result it has been boxed into a corner from which it does not dare tax the oil companies or amend the taxation laws that give so many concessions to these oil companies. Faced with the problem of raising revenue it can only turn to the individual consumer and make him pay for its misguided policies over the past decade.

The oil companies in fact are threatening to go on strike against the Canadian people. They are saying that if the government through its budgets does not give them further concessions—and the minister did eventually bow to their demands to give them 100 per cent oil exploration write-offs and other kinds of tax concessions—they would not continue to look for oil in this country.

If there is ever an example of corporate irresponsibility and an example to justify public ownership in resource industries, this is it, because if we bow to the demands of the oil companies in this country we will be continually at their mercy as seen by the kind of policy that they develop which divides the country in half, makes one half dependent on high price oil imports, and hence puts us in the position of seeing our price for oil in Canada rise to international levels. It is ridiculous when we consider the amount of oil reserves in this country. We should not be in the position of France, and some of the other European countries, of having to pay high international prices.

● (2010)

The Liberals have nowhere to go because they do not dare challenge their corporate friends in the oil industry, and because they are not serious about setting up a viable national petroleum company. Of course one is on the books. It had a modest capitalization of \$500 million, but in the last budget the Minister of Finance reduced that to \$100 million. That company is turning out to be a joke, a public relations gimmick to make the Canadian people think the government is doing something to buy back the oil industry, or even to find oil.

Faced with the option of telling the oil companies they have made so much profit from the Canadian consumer in the past that they are going to be asked to absorb some of the price increase, the government chooses instead to levy a ten cents per gallon excise tax.

Where is this half billion dollars going, Madam Speaker? It is going to the oil companies that got us into this predicament to begin with, and which have made incredible profits in the past few years because of the escalation in price.

I should like to cite two companies as examples. In 1973, Imperial Oil made a profit after taxes of \$227 million; in 1974, it was \$290 million. In 1973 Gulf Oil profit after taxes and expenditures was \$100 million; in 1974 it was \$161 million. These poor oil companies will receive this ten

cents a gallon tax that the government is imposing. Is that justified in light of some of the practices of the oil companies based in Canada?

A court case in Nova Scotia revealed some very interesting things. The government of Nova Scotia took Imperial Oil to court over the price it was charging the Nova Scotia Power Corporation. Testimony showed that Imperial Oil, and most likely many of the other oil companies operating in eastern Canada, found loopholes in the government's conservation program and were able to get money through compensation payments that they should not have had in the first place.

These oil companies have ripped off the consumers in the past and, as evidenced by the Nova Scotia court case, have had questionable import arrangements. The minister himself said in the House that it was a technicality—they found a loophole and were able to get millions of dollars through compensation payments that they should not have had.

There was an interesting analysis of the situation in the May 30 issue of the *Montreal Gazette*. That newspaper summarized the case and showed that Imperial Oil got around a law designed by this inept government, by using a token Bermuda company to skim off \$35 million in profits of crude oil for five years, and then transferred the profits to Canada tax free.

**The Acting Speaker (Mrs. Morin):** Order, please. I regret to interrupt the hon. member but I am afraid he is straying from the subject, which is a bill to amend the Excise Tax Act.

**Mr. Symes:** Madam Speaker, I am just trying to follow the example set by the Minister of Finance in his address on the budget. The point I am trying to develop is that Canadian consumers are paying a ten cents a gallon excise tax to these major oil companies who, through questionable economic practices, have already bilked the Canadian government and the Canadian taxpayer of millions of dollars in revenue. As a result I say this kind of compensation payment is unwarranted and unjust.

I should like to give further evidence in support of my objection to the government paying these companies the revenue from the excise tax. The court case in Nova Scotia shows that Exxon of the United States, which is the parent company of Imperial Oil of Canada, exercises very tight control over Imperial Oil's supplies, and Imperial's executives in Canada have little to say in regard to what price will be paid for oil. In other words, decisions on the price of oil in eastern Canada are not being made by directors of the Canadian corporation, Imperial Oil; they are being made by the parent company directors of Exxon in the United States. There is a pricing policy beyond the jurisdiction of the government. The government, because it has allowed the oil industry to be foreign owned, is helpless and goes along with policies made in a foreign country. What an example that is of loss of economic sovereignty.

The government is going to make consumers pay ten cents per gallon more for gasoline, and is going to turn that revenue over to those oil companies who carry out very questionable practices in this country.