

That is what it means. It means transferring \$500 million away from the average person to the oil companies.

Look at who owns what we are talking about. It is Syncrude. In Larry Pratt's book "The Tar Sands" he sets out the ownership of Syncrude. That "poor" company, Imperial Oil, owns 31.25 per cent. Gulf, that other "Canadian" company, owns 16.75 per cent. Cities Service, that other "small" outfit, owns 22 per cent. Ottawa took 15 per cent, Alberta took 10 per cent and Ontario took 5 per cent. At page 176 of his book Pratt says that the three companies have 70 per cent ownership and, interestingly, Imperial Oil has just enough equity to out-vote the three governments combined. It was a pretty rotten deal, and we are paying for it out of the taxpayers' money.

This is what this debate is really about today. As I understand the minister, the price of oil in Canada is \$14.75 a barrel. The international price—and the minister can correct me if I am wrong—is upwards of \$38 a barrel. However, the companies in this deal, Syncrude and Suncor, were to get world prices. That was the deal negotiated for them.

The minister brought in the *force majeure* clause, but according to his words today they are still getting somewhere around \$37 a barrel. Who is paying the difference between \$14.75 a barrel and \$37 a barrel? The Canadian taxpayer is paying it. Tonight at midnight he or she is going to pay an extra \$500 million or so, an extra half cent a litre or an extra two and a half cents per gallon.

I hate to say "We told you so". One does not like people who say "We told you so", but Tommy Douglas when he was the energy critic—

An hon. Member: The Husky Oil director?

Mr. Waddell: In 1974 Tommy Douglas said that the government should not go into this deal, that it would suffer for it and that prices would go way up; and that is what is happening.

Mr. Baker (Nepean-Carleton): Tommy Douglas is well oiled.

Mr. Waddell: In 1973 the Department of Energy, Mines and Resources concluded that 30 billion barrels of tar sands oil could be extracted—hon. members should listen to these figures—at \$6 a barrel, that the cost would be \$8.80 by 1981 and that the yield in after-tax rate of return would be 20 per cent to the operators at \$6 a barrel. The C. D. Howe Institute in another report in 1974 urged that Canadian prices rise to this level over the next four or five years to make the tar sands viable. That was \$6 a barrel. The companies sponsored their research, and they said that that was not true. Alsands in its application said that the tar sands would really require \$18 to \$20 a barrel. Imperial Oil in Cold Lake in its application said \$14.50 a barrel was required. That would produce profits.

These companies are not in the habit of understating their case. The Foster Research group in 1975 was doing a study for the province of Alberta and concluded that Syncrude would be

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highly profitable at the figure of \$13.75 a barrel. We are paying them \$37 a barrel. What a subsidy! Who are we subsidizing? We are not subsidizing the average person who is in trouble or who needs subsidies from this government. The profit of Suncor in 1979 showed a 187 per cent increase.

Mr. McDermid: Over what?

Mr. Waddell: An increase in substantial profits. I will get the figure for the hon. member. I do not have it here, but I will provide the figure to him. Let hon. members look and let them deny that profits are substantial. The report of last year's profits shows the profits of the top 500 companies in the country. Let us look at where all the money is going. It is going to private resource companies. It is going to multinational companies. Let hon. members read the figures and they will see. We are about to give them more out of the taxpayers' pocket. Shell, for example, in 1979 made \$243 million in profit.

● (1730)

An hon. Member: From where?

Mr. Waddell: Here. They had a profit of \$243 million, and they did not pay taxes here in 1978.

Mr. Nystrom: Disgusting.

Mr. Waddell: Syncrude was making money for its backers long before production started, due to tax write-offs. So what the minister is announcing today is more subsidies for the oil companies.

The four largest oil companies in Canada—my friend wanted some figures so I will give them to him—recorded profits of \$1.4 billion in 1979. That was up 55 per cent from 1978. In the first quarter of 1980, the industry's profit rose another 83 per cent.

An hon. Member: How much capital did they expend to get that profit?

Mr. Waddell: What we are doing is subsidizing. My friends to the right are great defenders of the oil companies. The whole point of this matter is that we went into a rotten deal with Syncrude. I invite members to read Pratt's book. It shows that it was a rotten deal for Canada and we are stuck with it.

Mr. Lalonde: We are not.

Mr. Waddell: I hope we are not. We would support the minister if he changed it. I know the minister has tried, and we support that, to make future tar sands projects be run by Canadians in partnership with Petro-Can and Alberta Gas Trunk. That is what we should have done years ago. Nevertheless, the fact remains that we are still dealing with an increase in the tax, whether you call it a levy or a tax, and it will come into effect at midnight tonight when all Canadians who are buying gas or consuming fuel oil will take 2.5 cents out of their pockets and put it again, largely, into the pockets of these oil