

Income Tax

billion. The interesting part is that subsidiary oil companies which plead poverty in this country do not go to their parents for their capital funds. Where do they get their capital? From the federal government, from Canadian banking and financial institutions and, of course, from the Canadian consumer, who has been overcharged by the oil companies.

The November 18 budget continues the oil companies' tax concessions. They are to have a 100 per cent write-off for exploration expenses, and so on. Meanwhile the Canadian consumer must pay ever higher prices for the oil which heats his home and the gasoline which powers his automobile.

The government is relying on the oil industry to develop the resources of this country and for technical information. Consequently it has been misled as no government has been misled before. Throughout the 1950s and early 1960s the government listened to the multinational oil companies operating in Canada, that told it we had a surplus of oil, that we could export as much as we wanted, and that we had enough oil for the next 200 years. The government, lacking its own independent study, swallowed what the oil companies told it and permitted oil exports. Finally, the National Energy Board woke up and told us a few months ago that by 1979 this country will become a net importer of oil. The great panic developed.

The oil companies have manoeuvred the government into a position in which it has to go begging to the oil industry in order to develop future resources. Of course if the oil companies are to do that, there will be conditions—such as that they will sell oil at world prices, probably within the year, and that they are to have the right to unlimited exports, which the oil companies have enjoyed until recently.

So we see the sell-out of the 1950s and 1960s repeated as the government, searching desperately for oil, bows to the terms of the multinational oil companies. For example, let me refer to the multinational company blackmail tactics in the recent Syncrude deal. The government did not have the backbone to say to the companies, "At long last the resources of this country will be developed by Canadians, by the federal government in conjunction with provincial governments, as a public utility which is to serve Canadians."

Canadians would benefit from the point of view of lower prices and the point of view of future security of supply if our resource were developed publicly. The Syncrude deal is one of the greatest resource sell-outs this government has ever allowed, or is about to allow. Fortunately, ink has not been put to paper. The deal has not been signed, because the poker game at Winnipeg a week ago ended with a handshake. Our government and the oil companies talk in terms of hundreds of millions of dollars and trust each other because they are friends, which they are, and therefore feel they do not need any written agreement. So there is hope that if we can arouse Canadian public opinion to the kind of sell-out this is, the public can put pressure on the government to revise the terms.

The government failed to recognize the snow job which the Syncrude partners had been able to do in escalating the costs of the project. You see, it is to the advantage of the oil companies to escalate the costs of the Syncrude

[Mr. Symes.]

project, because the higher goes the cost of the project, at least on the books, the greater will be the tax concessions and tax breaks available to the companies. If they can exaggerate the capital costs they will be able to bring about higher amortization and justify higher depreciation allowances, higher interest write-offs and pay less corporate income tax.

In 1963, when the Syncrude project was first envisaged, the plant which was to produce 100,000 barrels of oil a day was to cost \$356 million. By 1971 that cost had risen to \$430 million; by 1973, it had risen to \$744 million. A few months ago the cost was estimated at \$846 million; today, seven months later, it is estimated that the Syncrude project will cost \$2.2 billion. There we see an incredible exaggeration in the escalation of costs.

If this had happened to a Crown corporation you can just imagine the shouts you would have heard from members of the Conservative and Liberal parties. They would accuse the company of inefficiency, mismanagement and, perhaps, even of corruption. They do not so accuse the oil companies. These multinational oil companies, these so-called experts, know their business and can escalate the costs of a project in seven months by several hundred per cent—yet there is no word of criticism. There is not even a hint of suspicion about this escalation.

The frightening part is that the Minister of Energy, Mines and Resources and the President of the Treasury Board (Mr. Chrétien) went to Winnipeg a week ago Monday to talk to the oil companies. They intended only to ask the oil company partners to delay their decision to pull out of Syncrude. But that was not the plan of the oil companies. Their plan was to get a specific commitment from the government. The government was badgered into granting that. We repeatedly heard from the Minister of Energy, Mines and Resources that the government wanted to have studies done by the Alberta government before it would commit \$1 to the Syncrude project. What happened on that fateful Monday in Winnipeg?

● (2130)

Mr. Paproski: Mr. Speaker, I rise on a point of order. We have been listening to the hon. member for Sault Ste. Marie (Mr. Symes) for the past 20 minutes. I do not believe he has once spoken to the amendment. I ask Your Honour to bring this to his attention so that we can get on with the debate.

Mr. Deputy Speaker: The hon. member's point is, of course, very important. It is one with which the Chair always has difficulty. Hon. members know that we make more progress if we follow the rule of relevancy. It is, of course, difficult to cut deeply between a motion and an amendment. The line is set by members who open the debate to a much broader scope from one speech to the other. It is difficult to ask the Chair at one point in the debate to restrain one particular speaker. However, I would hope that the hon. member will at least once in a while refer to the amendment.

Mr. Symes: I know that members of the Conservative party do not like hearing exposés about how this government, through its tax policies, rips off the Canadian