As I was asking, is the Canadian homeowner the chief beneficiary of this doubling of the price of crude oil in Canada? The Canadian homeowner who heats his house by oil can expect to pay some $80 more next year to heat his house. Of course, all Canadians will pay more now. Because farmers will have to pay more for fuel, it will mean that the cost of food will go up. Because transport companies will have to pay more to move manufactured goods, the goods in department stores will be more expensive as well. So who is the chief beneficiary of this doubling in price? Not the Canadian consumer. Is it the producing province? Alberta, which is the chief producer of oil in this country, will be getting a great deal of revenue from this new price increase. But I notice that when you compare the amount that Alberta will be getting with the amount which the oil companies will be getting, the province comes out second best. When the price of oil was frozen at $4 a barrel, the Alberta government was taxing at the royalty rate of approximately 22 per cent. Of the recent $2.50 increase per barrel, the Alberta government will get $1.62 and the oil companies will get 88 cents. Therefore, of the $6.50 per barrel of oil the oil companies will now get $4 a barrel. That is not bad when you realize that the production cost of a barrel of oil is approximately $1.53.

Mr. Horner (Crowfoot): I hope you never teach math.

Mr. Symes: That is the last figure I have. It may have gone up a couple of cents since then. The province of Alberta is getting more, but the oil companies are getting much more out of this recent deal. The province of Saskatchewan, which produces a minimum amount of oil for Canada under this new formula gets 10 cents a barrel less than when it was sharing under the old export tax formula. But the difference between what happens in Alberta and Saskatchewan—

Mr. Horner (Crowfoot): —is like night and day.

Mr. Symes: Yes, it is like night and day because all of the difference between the price increase and $3.38 a barrel which the oil companies are allowed to take for their crude oil and the $6.50, which is the new price, goes to the provincial treasury in Saskatchewan to be returned to the people of Saskatchewan in terms of the future development of energy and other provincial programs. This is an example of what a national petroleum company could be doing for all Canadians. If we had a government with a will to do so, it could follow the Saskatchewan example.

The oil companies have reaped a bonanza from this new pricing policy. In 1973, oil company profits were up over 1972 by 45 per cent for Imperial Oil; there was an increase of 43 per cent for Shell Oil over 1972; and in 1973 an increase of 58 per cent over 1972 for Gulf Oil. I can just imagine what the profit increases will now be for 1974! The consumer pays and pays, and meanwhile the oil companies want more with no guarantee that the increased profits will be re-invested in Canada in exploration and energy development. Indeed, Gulf Oil, as I mentioned earlier, in a January publication calls on all Canadians to be willing to pay the world price of $10.50 a barrel here in Canada. This price rip-off is made legal by this bill. It is the result of a lack of a national energy policy. We will be examining Bill C-18 clause by clause in committee, and I hope it will be in the Committee on National Resources and Public Works and not in Committee of the Whole.

I should like to make a few comments on some clauses in Bill C-18 before we deal with them in greater detail in committee. As I mentioned, the export charge will now be legitimized by this bill and will apply to all Canadians. I think it would have been much better if we had remained with the old formula of a fifty-fifty split in the export tax between the province and the federal government. But here we are presented with a *fait accompli*. The March 27 federal-provincial negotiations decided the issue. Bill C-18 will also legitimize the March 27 price agreement for 15 months. It gives the federal government power to set prices if there is no agreement. Again, we will see more of these ad hoc solutions to a national problem.

But the one part of the bill that gives my colleagues and myself the most concern is that part which is designed to compensate oil companies in eastern Canada which import oil. What a beautiful set up! The oil companies in eastern Canada have to import high priced oil because there is no pipeline there. They import the high world price oil, and thus provide the argument for western oil producers to up the price of the cheaper western Canadian oil so that there is one price for all of Canada. Meanwhile, the eastern oil companies are being subsidized by the federal government so that the price will not rise to the world level.

● (1540)

The question then is: how do we determine the amount of the subsidy to go to the multinational oil companies? The minister says that the price difference is common knowledge; that the companies pay the posted price. He may be a trusting soul. He may accept the word of the oil companies, and we saw evidence of that recently when the government agreed to that roundabout deal to purchase Roumanian heating oil at $1 a gallon. But I am more suspicious than that. I wonder how the Canadian government will know the real price of this oil that is being purchased abroad.

The Canadian government does not have access to the financial records of the international oil companies. We have difficulty in finding out the real transportation costs of the multinationals because of their system of selling to subsidiaries. We have seen this take place time and time again in eastern Canada with Exxon, the parent company of Imperial Oil, buying Venezuelan oil, selling that oil to its subsidiary, Creole Oil, at a mark up, and Creole Oil in turn selling it at a mark up to Imperial Oil. Of course this shows as an increase in price to Imperial, but all the time the profit is going back to the parent company, Exxon. It is all one big happy family, and the Canadian government will be subsidizing it.

It is here that we need a guarantee that there will be a thorough investigation of the books of the Canadian subsidiaries, and also access to the pricing policies of the multinationals and of the foreign governments from which they buy oil. We also want to know what guarantee there will be that the foreign oil companies, the multinationals and their subsidiaries, will purchase oil at the lowest price when they know in advance that they will be compensated