individual Canadians in this day of rising costs. I would like to concentrate on the resource aspects of this bill, the attempts by the government to stimulate, in its words, the oil industry in this country, and also talk about how the resource tax part of the bill relates to development of the industry, especially the Syncrude project, which is so vital and which concerns so many Canadians.

When the Minister of Finance (Mr. Turner) brought in his budget of May 6, and subsequently on November 18, and the resource industry saw the provisions on taxation, there was great wailing and gnashing of teeth by the multinational oil companies which have their subsidiaries here in Canada. The corporate executives and the directors of Imperial Oil and Gulf were complaining that the industry was being brought to its knees, that it could not afford to continue exploration and development in the oil reserves, and their wailing was so effective that the premier of Alberta hurriedly gave them an extra $200 million in tax concessions from his government. This government has held firm, to its credit, on to the non-deductibility of royalties in certain areas, but also has counterbalanced that by giving the oil companies 100 per cent writeoffs on oil exploration and avoided imposing the surtax on the oil companies, this despite record profit figures for the oil industry in Canada.

Quoting from the latest *Globe and Mail* quarterly survey of business we find that for the third quarter of 1974 all businesses surveyed had a profit increase averaging 28.4 per cent over the same period last year, but for western oils the profit increase for the same period was not 28.4 per cent, it was 103.1 per cent! For oil refining for the same period the increase in profit was 46.9 per cent.

For the first nine months of 1974 all businesses surveyed had profit increases averaging 38.8 per cent over the same period last year. For oil refining the profit increase in the same period was 68.3 per cent, while for western oils the profit increase was 109.6 per cent. Those are some dramatic percentage increases. In real dollar terms the figures are equally startling. For Gulf Oil for the first nine months of 1974 the after tax profit was $128.9 million. For Imperial Oil for the first nine months of 1974 the after tax profit was $252 million.

Despite the increase in provincial and federal government taxes on a barrel of oil, the oil companies are making more money than they ever have before. I would like very briefly to look at a few significant figures in the realm of price per barrel. I would like to look at the oil company return after royalties, taxes, operating costs, debt repayment, interest costs, and before capital investment and dividends are paid.

In 1973 the price for a barrel of crude oil in Canada was $3.80. The return to an oil company on this barrel of oil was $2.07. In 1974 before the November 18 budget the price per barrel of oil had almost doubled to $6.50, and the return to the oil company had gone up again. It was $2.50 prior to the budget. With the implementation of the November budget, and the price being still $6.50, the oil companies' return drops only slightly to $2.28 per barrel. The Minister of Energy, Mines and Resources (Mr. Macdonald) has indicated that the price of oil will be going up this spring. Predictions are that it will rise from $6.50 per barrel to $8.50, and if it rises to $8.50, then the oil companies' return per barrel will go up to $3.13.

Despite the new tax proposals, the oil companies will still be making money hand over fist.

An hon. Member: A hell of a lot of it.

Mr. Symes: So the oil companies cannot argue poverty in terms of their recent profit intake, but they say that they still do not have enough money, that they still do not have enough capital to develop the resources of this country.

An hon. Member: Have you ever seen a barrel of oil?

Mr. Broadbent: I am looking at one right now.

Some hon. Members: Oh, oh!

Mr. Symes: The Conservative members wallow in the oil and cannot see daylight. You can always tell when you hit a sensitive nerve by the noise coming from the Conservative benches.

Mr. Deputy Speaker: Order, please. I suggest that the remarks of hon. members should be directed to the Chair.

Mr. Symes: As I was saying, the oil companies have been making extraordinary profits, yet they still have the gall to argue that they do not have enough capital.

● (2120)

In addition to allowing the oil companies to keep their large profits, the Liberal government has given them all kinds of tax concessions. Taxes the oil companies should pay are not collected by the federal government because there is in being a system of deferred taxes. For example, as at the end of 1973, Imperial Oil owed the federal government $226 million in deferred taxes. That amount has not been collected.

An hon. Member: Shame!

Mr. Symes: So Imperial, in addition to keeping its profits, has available to it the benefit of this kind of tax write-off. Gulf also owes the government deferred taxes amounting to $116 million; Texaco owes $50 million in deferred taxes; and Shell $122 million in deferred taxes. These oil companies owe the federal government over $500 million in deferred taxes. As if that were not enough, oil companies are given the advantage of fast write-off provisions, which they apply against exploration costs, and generous depreciation allowances. How can the oil companies of this country argue that they find it difficult to raise funds, considering the huge profits they have made and the tax concessions this government has given them for many years?

One must consider the activities of subsidiaries of oil companies in Canada as well as those of their parent companies in the United States. Imperial Oil, the subsidiary of Exxon, is not a poverty stricken branch company. Imperial has made money in Canada, and its parent, Exxon, has made profits which stagger the imagination. In 1973 the profits of Imperial's parent, Exxon, were $2.4 billion after taxes. In 1974 profits had risen to over $3