

*Energy Supplies Emergency Act*

I hear them referring very often to the hardship to the consuming public. I hear, too, that the Conservatives were against the concept of the export tax, which would have allowed prices to increase, the windfall profit to the private oil companies and the government, if we had no price freeze, Mr. Speaker. Yesterday afternoon, I heard the Leader of the Opposition (Mr. Stanfield) say that the policy of a price freeze was discriminatory against eastern Canada, but if we did not maintain that price freeze in western Canada then all Canadians would face higher prices, at least \$100 more in expenses this year as far as heating their homes and running their cars and it could have gone higher. Where is the interest in the consumer if that is the kind of policy they are advocating? Surely, if we had a national energy policy and a national petroleum company, we could have the petroleum company set one price for Canada and equalize it until we get the pipeline through by combining the higher cost of eastern Canadian oil with western Canadian oil. That would be much more fair than the policy advocated by the Conservative Party.

The other thing that worries me about so much of past policy, both of the Liberals and the Conservatives, is the degree to which their policies sound like the chairman of the board of some of the large oil companies. If the price of oil goes up in this country by even a dollar a barrel, because we have reserves of some \$10 billion in the ground, that is a windfall profit to the oil companies of some \$10 billion minus, say, one-fifth for royalties. There is no increase in the cost of production. There is just the simple fact that the oil is there, trapped in reserves, and that world price is going up. If we allow the domestic price to rise that results in an unconscionable windfall.

Already the price of oil increased by 95 cents per barrel in this year before the government was forced to put on a price freeze. This meant a profit of 37 per cent to the oil companies, and still they are crying about low profit figures. I challenge anyone to look at the recent reports of the profit figures of the oil companies. They range from 40 per cent to 80 per cent higher than for the last quarter. All the Conservatives could do as far as controlling price was to advocate—and I do not hear them advocating it very much any more—their old policies of a 90 day price freeze. They know what would happen as soon as the price freeze was lifted.

**Mr. Baker:** Such socialist claptrap!

**Mr. Symes:** Mr. Speaker, another oil executive has just spoken! I hear the argument from the oil companies and the energy spokesmen for the Conservative Party very frequently that we must allow the price of crude oil to go up so that the oil companies will have an incentive to explore for oil. Mr. Speaker, we find that in Alberta alone there is an outflow of money to the tune of \$1 billion to the oil companies in that province. Where does it go? Does it go for exploration in Alberta? No, sir. Some \$300 million goes up to the Arctic and \$700 million to places outside Alberta and outside Canada. We have no guarantee that if the price allotted for a barrel of oil goes up, the oil companies will spend their money looking for oil in Canada. We have no guarantee whatsoever.

Why do I say that, Mr. Speaker? In 1957, American oil companies in Canada earned \$600 million and spent \$176

[Mr. Symes.]

million in exploration. In 1972, the same oil companies earned \$2.5 billion and how much did they spend on oil exploration? They spent \$195 million. In other words, there was an increase in profits of some 400 per cent, but only an increase of 10 per cent in their exploration activity in the province of Alberta.

I also see the advertisements in magazines of oil companies to the effect that they need higher prices because labour costs have gone up by some 400 per cent in the last decade. I think Imperial Oil has a glossy chart showing this in many magazines. But I should like the Canadian public to note that between 1962 and 1970, the cost of operating oil wells decreased by some six cents per barrel at the same time as the oil price went up by some 38 cents per barrel. These statistics can be found in the Canadian Petroleum Association statistical year book. The oil companies say they need more money for exploration, again and again. Let us look at what they have and what they are doing with this money.

In 1969, the last year for which we have statistics, out of 681 oil and gas companies in Canada, 556 paid not one cent of federal income tax—not one cent, Mr. Speaker. For the period 1965 to 1971 Imperial Oil, with net earnings of \$1.5 billion and with a tax rate of only 19 per cent—that is the tax rate for a man with two children who earns \$11,000 a year—that company had a cumulative total of some \$170 million in deferred taxes, taxes they did not have to pay, because of our very biased tax laws. That was like a loan of \$170 million to that company, yet they cry that they are not making enough money. When we look at the money they do make, and again I use Imperial Oil, 70 per cent of their dividends, the money they make in this country, is sent to the parent company Exxon Corporation. How much does Exxon return to Canada in exploration expenditures? Are you ready for it—one per cent. The parent gets 70 per cent, and sends back one per cent of that money for exploration. Where is this argument that oil companies need so much money for exploration activity in Canada? It holds absolutely no water, or should I say, oil.

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The pricing of oil and gasoline products in eastern Canada concerns me greatly. Since the voluntary price freeze has been imposed in that area, it is argued that as the cost of imported oil goes up the oil and gas companies should be able to pass on the increased cost to the consumer. The cost of home heating oil and gasoline in eastern Canada has increased by seven cents per gallon. I have asked the Minister of Energy, Mines and Resources (Mr. Macdonald), both in the committee and in the House to make available the formula under which the federal government has accepted Imperial Oil's claim that costs have gone up by some seven cents per gallon. I can only test our figures if the minister does what we ask. Of course, he could question the figures his own officials give him. According to my figures, costs to the oil companies have increased not by seven cents per gallon but by four and a half cents per gallon. That is how much costs should have risen, I submit. If my figure is correct, it means that oil companies in eastern Canada have been getting windfall profits of about \$400,000 per day. I say the increase should be only four and a half cents a gallon.