

Income Tax

the Canadian people—over \$250,000 for every man, woman and child in the country.

We are dealing with enormous amounts here and with enormous potential profits, considering the price of oil in the last few years. In 1973, Alberta and Syncrude reached an agreement regarding the development of the tar sands. Their forecast at that time was based on projections made by Foster Economic Consultants of Calgary. In 1971, oil was \$4 per barrel. These economists from Alberta predicted that in 1984 it would cost \$6.45 per barrel; in 1994, \$10.50 per barrel; and in 1999, \$13.50 per barrel. Well, we had the 1984 price in 1974, and this year we will have the 1999 price—so what is the price going to be in 1980 or 1990?

As the minister said, the deal with Syncrude is not just for the one plant, but sets the precedent for the future. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) suggested that the other companies will be coming here on bended knee asking for the same tax concessions, and he referred specifically to Great Canadian Oil Sands, now operating in the tar sands. In 1963 that corporation began with \$124 million to build a plant to extract oil from the tar sands. When completed, the project cost \$300 million, but it extracts 65,000 barrels of oil per day, and at \$6.50 per barrel makes a profit.

Let us look at the record of Syncrude. It has the expertise, the economists and technicians from the private world—the boys from Exxon who have all the answers on gas and oil. Let us look at their projections. I know that our brilliant economist, the hon. member for York-Simcoe (Mr. Stevens), will be fascinated by some of them. In 1963 Syncrude started off at an estimated cost of \$356 million and with a projected capacity of 100,000 barrels of oil per day. These figures were revised in August, 1971, to an estimated \$360 million to \$430 million, not including pipeline or utilities, with a capacity of 125,000 barrels a day. In December, 1971, the cost projection was again revised, to \$500 million. By March, 1973, the cost was estimated at \$744 million. Some free enterprise efficiency! That shows how we can trust the economists and technicians of Syncrude who are now advising the federal government. In September, 1973, the Premier of Alberta announced that he had signed a deal with Syncrude. The project was to cost about \$1 billion, with \$800 million going for the plant and the rest for power plant and utilities. In June, 1974—just a few months ago—we heard that the plant was to cost \$846 million.

● (1610)

[Translation]

Mr. Blais: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Nipissing is rising on a point of order.

Mr. Blais: Mr. Speaker, I was wondering if the Chair could indicate whether the bill before us is Bill C-49 and, if so, I would like to know what the speech of the hon. member for Yorkton-Melville (Mr. Nystrom) has to do with it. I do not wish to disturb him while he is talking, but I would like to see the relation, and I cannot. Obviously, if we linger on things that have no direct relation to the bill, we shall stay here for unnecessarily long periods.

[Mr. Nystrom.]

[English]

Mr. Deputy Speaker: I see the hon. member for Yorkton-Melville (Mr. Nystrom) rising. Does he wish to speak on the point of order?

Mr. Nystrom: Yes, Mr. Speaker. I am surprised that the hon. member has raised this point of order, as the bill before us deals with corporate and individual taxation, royalties and the non-deductibility of royalties for tax purposes. The announcement made two days ago by the Minister of Energy, Mines and Resources was one of the most important we have heard for many years. If discussion of that topic is not relevant, I do not know what is. Other members have spoken about Syncrude in the last day or two and I believe that my rights are the same as theirs.

[Translation]

Mr. Blais: Mr. Speaker, I agree absolutely—

Mr. Deputy Speaker: Order, please. The hon. member has had the opportunity to make his point. I think the answer the hon. member for Yorkton-Melville has given him is quite valid. I am sure the hon. member would not want the Chair to prevent one of his colleagues from discussing points that may not have a specific relation to the bill, but which have a general bearing on the oil problem.

[English]

I feel that although the hon. member's remarks were not directly related to some of the clauses of the bill, they were directly related to the effects of taxation.

[Translation]

Mr. Dupras: On the same point of the order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Labelle on a point of order.

Mr. Dupras: Mr. Speaker, I would like to point out to the hon. member for Yorkton-Melville (Mr. Nystrom) that tonight—

Mr. Deputy Speaker: Order. If the hon. member wants to rise on a new point of order, he may do so because the previous one has already been settled. So, the hon. member for Labelle on a new point of order.

Mr. Dupras: Mr. Speaker, on a new point of order, I would say to the hon. member that tonight's sitting has been set aside to discuss tar sands oil. Perhaps he could save his remarks for tonight at eight o'clock.

[English]

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): That is not to be the subject tonight.

Mr. Nystrom: Mr. Speaker, if hon. members opposite come to us, we will tell them what this question is all about. I was going to say that private organizations, oil men and friends of the hon. member for Calgary South projected in June, 1974, that Syncrude would cost \$846 million. This figure was based on estimates made by