

Quebec. Is it saying that they can get oil from western Canada at cheaper rates than from Venezuela, Saudi Arabia, Abu Dhabi or any other country in the Middle East? I wonder what policy this government has for the future if we are to pay that price for the oil that is to come from the tar sands. I wonder, too, why we have to guarantee Syncrude the international price.

A few years ago the Great Canadian Oil Sands company decided to operate a plant in the tar sands. They built the plant and they are operating it. They are getting \$6.50 for the oil, and they are not going broke. So why do we have to guarantee Syncrude the internationally-oriented price? What will that price be in 1978, 1980 or 1984? These are questions which we have to ask in this House and it is a good time to do so when we are dealing with corporate and personal income taxes. The consortium is being offered great tax concessions by this government as well as by the government of Alberta. I would like to know the total of these tax exemptions, because the people of this country will have to pay for them. Syncrude is also being offered an exemption in respect of prorationing. This means that if we have to cut back in the production of oil, the Syncrude plant in Alberta will not have to cut back; they will be able to sell their oil to Canadian consumers at the internationally-oriented price and gouge the people of this country. Second, it means that they will be able to sell oil to the United States and not have to cut back. It seems to me this does not fit in with Canadian policies or any kind of rational development plan which we should be considering.

These are the questions we have to ask about Syncrude. We also have to ask what we, as Canadians, will be getting in return. When Syncrude was first established it was not intended to make a profit: it was a consortium of four private corporations set up to build a plant to extract the oil, and there were to be no dividends. The four corporations were to be paid in oil, in kind, according to the equity which they had in that plant and each of them was to be billed on a monthly or weekly basis for the expense of operating the plant.

The Canadian government has a 15 per cent share and the two provincial governments have 15 per cent between them. What kind of dividends will they get for this public investment in the plant? We want to know the answers to questions of this kind. Will we be paid in oil? If we are paid in oil, what will we do with our oil? Will we sell it to one of the existing partners in Syncrude or one of the corporations directly, or will PetroCan or the oil corporation which will be formulated get into the refining business and dispose of our oil? These are questions we want answered in this debate before we ratify or rubber-stamp any deal which the federal government has made.

● (1600)

My final question is, why do we have only a 15 per cent equity in Syncrude? Why is the public's share only 15 per cent, when people right across the country are calling for public ownership, or at least public control, of gas and oil?

Mr. Bawden: Alberta gets half of it; half the profits.

Mr. Nystrom: It might get half the profits from Syncrude, but Syncrude is set up not to have any profit but to

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sell the oil to its individual partners who will then make the profit—Exxon, Gulf Oil, Cities Service and anybody else who gets into the arrangement. That is great free enterprise! That is why sometimes I have to admire the free enterprise system: it can manipulate the government of this country and make a profit, but if the government steps in and invests on behalf of the people, that is evil. I find that difficult to understand.

An editorial in the Toronto *Star* of January 21 said, "Let's take control of our oil resources". I think that indicates the opinion of the majority of Canadians and I believe the politicians of this country are running far behind public opinion. In the last few days I have spoken to many people who have voted Liberal or Conservative all their lives and now cannot understand why the government will spend millions of dollars rescuing private corporations and then have no control over them. That is bad capitalism, Mr. Speaker, and people cannot understand it. I have spoken to Conservatives in the hallways here who say they do not agree with public investment in the oil sands, but if there is going to be some it should be enough to give control to the government. If I were on the other side of the argument I would say that makes good business sense. The editorial reads in part:

Syncrude, a company formed of Imperial Oil Ltd., Gulf Oil Canada Ltd., Cities Service Ltd., and the now-defuncted Atlantic Richfield Co., first of all extracted from the Alberta government an agreement made under which it would share half of its profits or pay a royalty of 7½ per cent, the lowest royalty rate in the world.

Then it got a concession from Ottawa that it would not be subject to the tax rules applied to other petroleum firms.

Now, in addition to demanding a government rescue operation, and imposing a deadline that was to have run out today, Syncrude wants an assurance from the government that it will be able to charge the world price for its oil when production starts. Yesterday energy minister Donald Macdonald promised an "internationally related" price for Syncrude oil, as well as a pledge of between \$200 million and \$500 million of federal government money.

It's time to call a halt to this brazen nonsense and establish who's in control.

The editorial continues:

Ottawa has been extremely timid about getting significantly involved in the oil business. It has very modest plans for its proposed national petroleum company. But if the federal government is going to bail out Syncrude, it should get control in return.

For encouragement, Ottawa might look to the province of Ontario for a successful precedent. Nearly 70 years ago, the provincial government decided that production of electricity was too vital to the economy and the well-being of the people to be left in the hands of private companies. The outcome of that decision, Ontario Hydro, is one of the finest examples of a public owned utility anywhere.

When the Toronto *Star* publishes an editorial like that I think it is time for the politicians to start thinking about public ownership of the tar sands and of oil and gas in this country. What are the stakes in the tar sands? The Minister of Energy, Mines and Resources (Mr. Macdonald), *Oil Week* and other authorities say some 300 billion barrels are recoverable with present technology. Of that, some 50 billion barrels are readily recoverable at the present time and there are probably 330 billion more barrels further down that can be recovered as technology advances. If you add these figures together, you have a potential of 630 billion barrels of oil from the tar sands. If you were to get only \$10 per barrel, that would be well over \$6 trillion for