provincial public ownership. After all, these resources belong to the people of Canada, not to multinational corporations. As I say, this is a fine opportunity to get started because funds are now available for the purpose, and, besides, if we develop our own gas and oil industry we could subsequently develop a petrochemical industry in Alberta and Saskatchewan, where it belongs, thus providing many more jobs for Canadians.

Another point we should consider when talking about a national oil policy is that the presence of energy supplies in the tar sands and elsewhere will enable us to begin processing some of our own raw materials on the assumption that an increasing number of countries are likely to import commodities which are heavy in energy content since they themselves will be suffering from a shortage of gas and oil. For example, Japan and western European countries may be more ready to purchase our manufactured goods because of a necessity on their part to conserve the energy supplies available to them.

In conclusion, I urge the government to consider bringing all Canadian national resources under public ownership and control for the benefit of Canadians, and not limit their thinking to one particular resource in one or two provinces.

Some hon. Members: Question!

Mr. Symes: I just wish to say how pleased I am the Minister of Finance has withdrawn the section on the export charge until after the first ministers' conference. It is interesting to note that if the government had maintained the principle of the export tax for the whole year this country would have derived revenue amounting to between $2 billion and $3 billion. That is not chicken feed. It is enough to supply the wherewithal to begin the public development of our oil industry, an important concept in my view, and we shall look with interest on the kind of arrangement which comes out of the conference of first ministers on the export charge.

I listened to the Minister of Finance last Friday begin to construct an argument which has been echoed by the Minister of Energy, Mines and Resources, namely, that the oil companies need higher prices in order to commit themselves to further exploration and resource development. This is complete fantasy. From 1957 to 1972 oil company profits increased by some 400 per cent, but the percentage increase in exploration amounted to only 10 per cent. There is no guarantee, none whatsoever, that higher profits for the oil companies will automatically mean more exploration, and I hope the Canadian public will see through the hollowness of the arguments of the Minister of Finance, arguments which are identical with those of the oil companies. Imperial Oil, if one follows its accounting procedure, put up only 3 per cent of the total funds used for exploration, that is, out of $201 million set aside for exploration and development the company itself only put up $7 million. The rest of it came from the public, either in the form of deferred taxes or by way of debentures and the sale of assets. It is important to remember that increased prices will not automatically mean increased exploration.

A further point arises. Where will the exploration be carried out? The companies are trying to tell us there are vast oil resources in the Arctic. But when we look at the geological surveys we realize that this is not the case. Only in the Prudhoe Bay area is there any likelihood of sufficient reserves to justify development. The oil which this country will need in the future will have to come from the Athabasca oil sands and we know where they are; no exploration is needed. It will cost about a billion dollars to construct each extraction plant, and one new plant each year will be needed for the next ten years, since it is estimated that conventional supplies will run out in about ten years time. Obviously, we could use some of the revenue from the export tax to develop the oil sands under public control. If we fail to do so we shall only repeat the sell-out, the rip-off, of Canada's oil resources we have witnessed to date.

The oil companies say they need subsidies because of the high cost of Middle East and Venezuelan oil. I should like to remind the committee that Exxon, of which Imperial Oil is a subsidiary, was purchasing oil from Venezuela at $1.45 a barrel through its subsidiary called Creole Oil. Creole Oil, in turn, was selling that same oil at $3 a barrel when the oil was landed at Montreal. It is very interesting, indeed, to note that all of a sudden cheaper foreign oil was jacked up in price to equate with the cost of western oil.

● (1720)

We now have the reverse situation. Imported oil has gone up to $8, $10, $18 a barrel and now the oil companies are arguing that western Canadian oil should also go up to that level. The multinationals are following the same procedure in the United States as they are in Canada. I commend hon. members to read a recent article in *Harpers* magazine by Mr. Rand, who pointed out that during the 1960's American oil companies were buying oil from Kuwait at seven cents a barrel. That was the cost of getting the oil out of the ground and into the tanker. By the time the oil reached the shores of the United States, it was selling for the same amount per barrel as Texas oil, which was then in the $2 a barrel range. That process has continued for decades and the consumer has suffered. Now, the oil companies are saying the consumer must suffer some more because domestic prices must reach the inflated world price. If we did not have an export tax, a tax which, by the way, was instigated as a result of pressure from the New Democratic Party, we would have lost millions and millions of dollars in windfall profits to the oil companies. The consumer has lost millions in the past, but I can see no valid reason for the Canadian government allowing this to continue.

When you average out what the oil companies have been doing over the past decade, you see they have had all kinds of tax breaks while soaking the consumer through higher prices for oil products. How strange it is that oil companies pay only 3 per cent of their book profits in the form of corporation income tax. How strange it is that 86 per cent of dividends and retained earnings pass from the oil companies into foreign hands. And the Canadian consumer ends up paying a 41 per cent price increase.

If we permit crude oil to increase in price in Canada, there will be no net gain to the economy of the country in view of the low tax rate and the fact that dividends are paid to people outside the country. Higher prices that Canadians pay will more than offset any kind of royalties,