

Hon. Ron Basford (Minister of Justice): I have signed an order for the proclamation of many of the sections of the Act effective January 1, 1978. We are continuing to hold discussions with provincial attorneys general in connection with the acquisition certificate system. The provisions which will be coming into effect on January 1 relate to search and seizure, and the increased penalties in connection with the possession or use of guns in certain circumstances.

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EXPORT DEVELOPMENT CORPORATION

REASON FOR FINANCIAL SUPPORT FOR CANADIAN SUPERIOR OIL TO DRILL IN DOMINICAN REPUBLIC

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. In view of the government's stated policy of moving toward self-reliance in energy, can the minister explain how he reconciles such a goal with today's announcement that Canadian Superior Oil Limited, a subsidiary of the American company, Superior Oil, has been given \$25 million in insurance support by the Export Development Corporation to cover exploration for oil in the Dominican Republic?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): This is a very interesting venture by the Export Development Corporation. For the first time it has supported in this way the oil industry engaged in a drilling venture in another country. For that service the corporation is, of course, being paid a premium. Besides that, Canada gets the right of first refusal on any oil found in surplus to the requirements of the Dominican Republic. So, we are looking to the future and providing a means of sourcing our future requirements.

Mr. Symes: I would have thought self-reliance would be better achieved by encouraging the Canadian industry to explore resources in this country more energetically. Might I call attention to a statement the minister made, according to today's issue of *Ottawa Today*, in which he expressed the view that, having regard to the projected scarcity of oil supplies it would be wise to have a guaranteed source of imports. I should like to ask the hon. gentleman this question: if this oil is assured to Canada why is it necessary to give Superior Oil a \$25 million guarantee against the interruption of supply due to political interference? Surely, the loan is made on the assumption that there is a political risk involved and, this being the case, Canadians could end up with no oil and a loss of \$25 million in public funds.

Mr. Horner: I am certainly glad the hon. member misunderstands the position to the extent he does, since he has given me the opportunity to explain it. First, we are encouraging oil exploration in Canada. All drilling rigs are very busy and hard to obtain. Superior decided it wanted to venture into the Dominican Republic, where it will drill its first exploration well. It has indicated that seismographic exploration would be in the neighbourhood of \$4 million. If it does not find oil it will

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not cost the federal government one cent. If it finds oil but is not able to recover the money in hard currency from the Dominican Republic, then it will collect from its insurance funds. If the company finds oil and is able to bring hard currency out of the country then nobody loses. The insurance premium, though, is paid every year Superior Oil is in the Dominican Republic.

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TRADE

POSSIBILITY OF NEGOTIATIONS WITH UNITED STATES FOR EXPORT OF NATURAL GAS

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether Canada had or presently has a delegation in the United States to negotiate the terms and conditions for additional gas exports from Canada?

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, this subject has been a matter of discussion between the two governments during most of last fall, but any application would have to go through the normal regulatory bodies.

Mr. Malone: Mr. Speaker, in view of the fact that a November 1 release indicated that the United States was willing to accept more gas in return for trade concessions, and that it depended upon the initiative of the Canadian government, why is it that the Canadian government has not taken that initiative to have those ongoing discussions for gas sales to the United States?

Mr. Horner: Mr. Speaker, the hon. member did not hear me. I said that discussions did take place from time to time all fall, but first of all there has to be an application. That application has to go before the National Energy Board, and that board has to declare that a certain amount of gas is surplus to Canada's needs before we can export additional amounts to the United States.

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AGRICULTURE

VETERINARY COLLEGE FOR ATLANTIC REGION—INQUIRY AS TO COMMITMENT TO FINANCE—REFERENCE OF HOWE REPORT TO COMMITTEE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I should like to ask the Minister of Agriculture whether the government has made a commitment to finance the establishment of a veterinary college in Atlantic Canada, notwithstanding the fact that the Atlantic provinces may not be able to agree on the site for that college.