

*Adjournment Debate*

guarantee, Superior Oil and other companies would not undertake this exploration.

The government has a stated policy of self-reliance in energy, and if we are to take the government seriously it should be expanding efforts to explore for oil here in Canada rather than helping companies to do so outside our boundaries. The minister argues that because of this contract we might have a guaranteed supply of oil in the future, if Superior finds it in the Dominican Republic.

First, let us find out who Superior Oil is. Superior Oil Canada is owned by Superior Oil of the United States. It is a subsidiary of an American oil corporation. Superior Oil of the United States is owned by MacIntyre Mines, which owns Falconbridge in the Sudbury area. As we all know, Falconbridge recently announced that it is laying off employees because of the so-called slack in the nickel market throughout the world. It is interesting that, like Inco, Falconbridge is undertaking development of nickel mines in Third World countries, particularly Guatemala and other central American countries, and that the use of oil is a very important process in the development of the nickel industry. I wonder if there is not some consideration beyond merely supplying Canada with oil in this deal which has been worked out. However, what worries me most is the assumption by the minister that somehow we are going to have a guarantee of oil in the future.

If it is necessary to give a \$25 million insurance policy to Superior Oil, I think there is some doubt as to a guaranteed supply of oil from the Dominican Republic. The insurance policy provides that if Superior Oil is interrupted because the Dominican Republic either nationalizes the oil wells or holds back on export permits, then Superior can claim the loss in terms of drawing on this insurance policy. The minister says on the one hand that we will have a guaranteed supply of oil. If it is so guaranteed, why is it necessary to give Superior this insurance policy against interruption of supply? It seems to me there is a contradiction here and that conceivably, in the future, because of the political instability in the Dominican Republic, we could end up with no oil coming from the Dominican Republic. Therefore the Canadian taxpayer has lost out on the supply of oil as well as the insurance in the amount of \$25 million issued to Superior Oil through the Export Development Corporation.

● (2212)

This seems to me to be a very questionable venture at a time when we have a policy of self-sufficiency in oil. We should be directing our energy and dollars to stimulating exploration here in Canada. Also, because of the activity of multinational corporations, particularly in the nickel mining industry and the relationship that Falconbridge has to Superior Oil, I do not think that deals of this kind should be worked out, considering the callous disregard for the workers of the Sudbury area by companies such as Falconbridge and others.

I would like the parliamentary secretary to explain to me why the minister keeps on saying this is going to be a guaranteed supply of oil for Canadians. The very existence of

this insurance policy and terms indicate to me there is some doubt that the oil is guaranteed.

[*Translation*]

**Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** Mr. Speaker, Canadian Superior Oil Limited, located in Calgary, Alberta, can rightly be considered as one of the major companies dealing with exploration and development of oil and natural gas in Canada. In 1976, the company achieved an ambitious exploration and development program, particularly in the province of Alberta. Their operations have set a record in 1976. They took part in the drilling and the opening of 210 wells, including 96 at the prospecting stage, and 114 at the development stage. Those wells were distributed as follows: 202 in Alberta, four in British Columbia, three in the Northwest Territories and one in Saskatchewan. Canadian Superior Oil Ltd. has also taken part in the drilling of 52 wells in various foreign countries.

They intend to follow this dynamic exploration program in Canada as well as throughout the world whenever the economic and geographic situation is favourable. The company has shown a rapid growth during the past years. Therefore, its operating capital has increased from \$44 million in 1972 to \$147 million in 1976. It paid \$32 million in taxes in 1976 as compared to \$5 million in 1973. Projections for 1977 are much greater still.

Since its inception 30 years ago, Canadian Superior Oil Ltd. has accomplished tremendous technical progress in the exploration for and development of hydrocarbons. In order to take full advantage of the talents of its 440 Canadian employees, the company expanded its operations to the international scene some years ago. To remain competitive in an area that is so competitive, the company must seize every promising opportunity that comes along, both in Canada and abroad. The international nature of its operations exposes it to foreign techniques for hydrocarbons exploration, thereby enabling it to develop some technical expertise for its Canadian exploration programs. This is most significant in this day and age, in view of the increasing difficulty of oil detection and extraction in Canada. The use of the most sophisticated techniques available has become an essential feature, if we are to simply obtain oil and gas self-sufficiency in Canada at some point.

The production sharing agreement signed by Canadian Superior Oil Ltd. with the Dominican Republic is another opportunity for Canada to sell geophysical and drilling services, and if the well proves commercially productive, it will offer opportunity for selling Canadian equipment.

● (2217)

[*English*]

**The Acting Speaker (Mr. Turner):** Order, please. I regret to interrupt the parliamentary secretary, but his allotted time has expired.