

S. O. 29

What is the matter with a Canadian solution? We have come up with Canadian solutions in the past when the country was in crisis. Why does the Government not look at the possibility of a Canadian private company like TCPL, or a Canadian public company like Petro-Canada, or a combination of both? It is up to them to come up with a creative solution instead of throwing up their hands, giving up on Canada's energy future, and giving up on Canada itself.

Some Hon. Members: Hear, hear!

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to participate in the debate this evening. I should like to comment briefly on the suggestions made by the previous speaker.

The bottom line was that we should support a Bell Canada—TransCanada PipeLine, takeover of Dome Petroleum, that the Government should get onside and support the group. However, he failed to mention that by doing this we would be giving TransCanada PipeLines a monopoly from the gas field, through the transmission, right to people's homes in central and eastern Canada. How does he square giving a large corporate entity a monopoly?

The Hon. Member also said that an alternative would be getting Petro-Canada involved. He failed to mention from where Petro-Canada would get the funds. Of course it would have to get them from Canadians through the tax system. Of course that would mean another Canadian ownership charge at the pumps. We are familiar with that. We have been through that before.

Dome Petroleum employs nearly 4,000 people, almost all of them in western Canada. It has been hamstrung in developing its attractive land holdings and using its other assets to the best advantage of the economy of the west and of Canada by an extended financial crisis occupying much of management's valuable time. It is a corporation which faces the real threat of bankruptcy. That is the bottom line.

I congratulate members of the Opposition on recognizing that the future of a company so important to western Canada and to our economy in general is indeed an emergency. It is a rare example of the sensitivity on their part to the problems of western Canada.

The urgency of the Dome situation, however, is virtually the only aspect of the situation which opposition Members seem capable of understanding. They have portrayed our policy in respect of Dome as a failure. It has in fact been a resounding success. They have argued that we do not have a Canadianization policy. Our policies and our record show the opposite. It is clearly on record. They also claim that an acquisition of Dome will compromise Canadian energy security when in fact it will be enhanced. Finally, they urge us to use the ability of government to intervene in the process and select a predetermined winner.

This shows an abysmal misunderstanding of the principles which we as a Government have laid down to guide our

conduct. They want to return to the good old days when the Government determined which companies would be successful and which companies would not, the good old days which gave us the national energy policy and helped create the very problems with which Dome is living today.

Let me discuss our policy on Dome. When we came to office in September, 1984, Dome's difficulties were already well known. We established clear principles to guide us on this troublesome legacy of the National Energy Program. Let me outline them briefly.

First, we said that Dome's problems should be settled in the private sector, not through a costly bail-out backed by the Canadian taxpayer.

Second, we said that, given the nature of Dome's problems, acquisition by any buyer should be considered because after all it was on the verge of bankruptcy.

Third, we said that any outcome must be consistent with the national interest as applied through legislation and in government policies, that is, that Dome's problems would not guarantee government approval of a proposed acquisition. Each proposal is to be judged on its merits according to the law.

The application of these principles has been a resounding success. Dome has been teetering on the brink of bankruptcy for a number of years. Today the corporation has selected Amoco as the successful bidder from among three suitors. Although the final outcome will not be known with certainty for some time, Dome's prospects appear considerably brighter today than they have for many, many years, to say the very least.

Let me now turn to Canadianization. The Opposition has argued that our willingness to consider Amoco means that we have no Canadianization policy. On the contrary, our Canadianization policy for upstream oil and gas acquisition is a clear one.

First, it allows the acquisition of already foreign controlled firms subject to commitments on Canadianization and investment.

Second, it disallows acquisition by foreign controlled firms of Canadian controlled firms in good financial health.

Third, it allows consideration of acquisition of Canadian controlled firms in clear financial difficulty.

This policy has been successful. When the present Government came to office in 1984, Canadian ownership in the upstream oil and gas industry stood at 42.5 per cent. In 1986 it was 48 per cent. All these gains were achieved through consultation and negotiation, not through costly incentives and heavy-handed regulations which characterized the previous Government and, I might add, which characterized the policy of the previous Government supported by the New Democratic Party.