

S. O. 29

It has also been suggested that Petro-Canada should play an active role with respect to the acquisition of Dome Petroleum. Under the terms of its mandate Petro-Canada must now operate on the same basis as any other commercial undertaking. However, Petro-Canada remains a Crown corporation, and considering the nature of Dome Petroleum's problem, it would have been impossible for it to make a purchase offer without bypassing the principle of seeking a solution to the problem through the private sector and without committing the Government, which might have had to pay a substantial amount disguised as a subsidy for the purpose of buying Dome Petroleum.

● (2110)

[English]

It is therefore clear that responsibility for decisions concerning the acquisition of Dome Petroleum rests, for the moment, in the hands of management, stockholders and creditors of the corporation. There is no reason for the Government to intervene on behalf of one buyer rather than another.

The future of Dome, its thousands of employees and hundreds of other companies which depend on its activities, rests on its ability to prosper within the domestic and international energy markets and not on massive injections of public funds. Key players in the private sector have said it can be done.

The size and importance of Dome Petroleum, whose revenues from its upstream activities account for 7.3 per cent of all revenues for the Canadian oil industry, certainly raises questions about Canadian control and about competition in the domestic market. The Government is fully aware of the potential impact of the proposed transaction on these two issues and its responsibilities with respect to them.

Our Government has clearly stated in its legislation and policies its position on foreign investment in general and foreign investment specifically in the upstream oil industry, and its principles on competition in the domestic market. Any transaction involving acquisition by a foreign company is subject to examination under the Investment Canada Act with a view to establishing whether the proposed foreign investment represents significant benefits for Canada.

The criteria for evaluating these investment projects are well known by Members of this House, particularly with respect to Canadian participation, its economic impact and our competitive position in foreign markets. Moreover, my colleague, the Minister of Consumer and Corporate Affairs (Mr. Andre), and the Minister responsible for Investment Canada, assured us that all provinces in which Dome is active will be consulted during the examination by Investment Canada.

● (2120)

Our Government also stated in December, 1985, its policy on foreign investment in the upstream oil industry. Because it was designed to promote concurrently 50 per cent Canadian

participation as well as foreign investment, which our industry greatly needs if it is to prosper, the policy, among other things, prohibits the acquisition by foreign interests of financially sound gas or oil undertakings whose net worth is over \$5 million. However, it does allow the purchase of Canadian corporations that are experiencing serious problems.

There is clearly no doubt in the House that Dome, which is considered to be a Canadian controlled undertaking by Investment Canada even though it is 52 per cent owned by non-Canadian interests, is in extremely poor shape.

Any proposed purchase of Dome must also be subject to the provisions of the new competition legislation. If the Director of Investigation and Research deems it appropriate he could, where applicable pursuant to the Act, refer it to the competition tribunal. Once again, the evaluation criteria are clear and well known to Members of the House.

These provisions will be complied with. I have committed myself to that. My colleagues and I will submit any proposed transaction to a rigorous examination and will ensure that if the acquisition of Dome Petroleum is approved by its creditors and shareholders it will serve the Canadian interest.

[Translation]

At this point, however, we are not about to prejudge any eventual decision by speculating on the potential advantages or drawbacks of a transaction that has yet to be agreed upon by the parties concerned.

The Leader of the Opposition asked me earlier to table the information or to set up a committee to examine the transaction. He should know that, first of all, the transaction has yet to be concluded by Dome management, and second, that the Canadian Government has not been advised, through Investment Canada, of any proposal whatsoever in this respect. We will be so advised at the appropriate time, when the Government will make a decision, Mr. Speaker. However, I cannot pass judgment on a proposal that does not exist.

Mr. Turner (Vancouver Quadra): You wash your hands!

Mr. Gauthier: Pontius Pilate—

Mr. Masse: In view of the precarious financial situation at Dome Petroleum, it would be totally irresponsible in our view to try and establish policies on the basis of mere assumptions.

We know very well, Mr. Speaker, that Amoco Canada, which reached a memorandum of agreement with Dome's management, is 100 per cent under foreign control, just as the officers of that American Corporation are aware of Canadian laws and policies. When taking over Dome Petroleum, Amoco Corporation would become the most important Canadian oil company. In that capacity, it should be in our view a model Canadian corporate citizen, respecting the host country's context. I can assure this House that the Government will require satisfactory commitments to that end, as a prerequisite for approving any takeover of Dome Corporation.