

that in fact became part of the deal. The fact is that we gave an awful lot more, we gave up a whole series of instruments.

● (1620)

For example, there is energy. I ask Members to go back and read a very interesting document produced by the Paley Commission during the Eisenhower administration. It put forward the notion that the United States could only have national security if it had complete control over continental resources. That was a number one priority going back to the 1950s. In 1988, the United States achieved that priority.

Mr. McDermid: They have not got it.

Mr. Axworthy: They have it in spades. I hear the protests of the apologist for the Government across the way. Let me quote from statements by William Martin, Deputy Secretary of the United States Department of Energy. He was appearing before the subcommittee in the House of Representatives and said: "The free trade agreement will benefit industrial energy consumers . . .", American consumers, ". . . by ensuring non-discriminatory access to Canadian energy resources, increasing the availability of energy supplies such as electricity and gas; improving security of supply by reducing circumstances under which supplies can be interrupted; reducing energy costs by eliminating price discrimination in U.S.-Canada energy trade and increasing the competitiveness of U.S. industries in world markets".

Mr. Martin then went on to point out how U.S. industry, by getting access to cheaper Canadian energy, will be available to virtually put us out of those world markets. The industries he cites include petro-chemicals, pulp and paper, primary metals and so on.

He said: "The agreement can help make Canadian electricity imports cheaper. Under current regulations, Canadian exporters may not charge a price for that electricity that is significantly less than the least cost energy alternative available to their U.S. customers".

Mr. McDermid: That is wrong.

Mr. Axworthy: Of course, the U.S. Under Secretary of State is wrong. The Government apologist—

Mr. McDermid: Do not be silly.

Mr. Axworthy: The problem we have in the House with the Government is that it thinks an assertion is evidence. It thinks that by simply saying something is so, makes it so. The fact of the matter is that no one trusts the Government.

We are talking about the way the Americans understand the agreement. You can bet your bottom dollar that when it comes to a question of using the trade agreement to challenge, the Americans will be up there with all their high priced Washington lawyers.

Canada-U.S. Free Trade Agreement

The problem is that we have seen the Government, from the day it came into office, give away on every single count.

Some Hon. Members: Shame.

Mr. Axworthy: Pharmaceuticals, softwood lumber, potash, cedar shakes and shingles, you name it. I would like to know when the Government ever had the gumption and guts to stand up and defend Canadian interests. Not once has it had the gumption to do so. Do government Members think Canadians will believe them? Do they think Canadians will accept their bald-faced assertions? They are like these stupid documents which the Government prints up at a cost of \$30 million or \$40 million in taxpayers' money which do not tell the truth but simply state a selective case and miss the important essentials.

Investment is a great example. We are now at the point where there has been \$33 billion worth of foreign investment since the Government came into power, 95 per cent of which has been takeovers and acquisitions. The Government is not simply selling off our resources, it is selling off everything that owns them. Everything is being given away lock, stock and barrel. It is not good enough for the Government that 95 per cent of all foreign investment is in the form of takeovers and acquisitions. It wants to give the rest of it away.

The Petroleum Monitoring Agency, the Government's own agency that measures these matters, points out that Canadian ownership is dropping rapidly. Why is that important to Canadians? If we lost the requirement to have Canadian ownership, we lose research and development, management jobs and we lose all the supplementary jobs that go with it.

Head offices create a lot of jobs in this information age, with people who work on the computers, do the data processing and innovation. The more they buy up Canadian companies, the more they do that work down at the head office. The Government will make it that much easier.

Will that create jobs? Is it in the Canadian economic interest to not only open the doors, but now open the windows without making one performance requirement? We will no longer have the right to require the creation of jobs here or the conduct of research and development. The Government has simply said: "Open Sesame".

This morning the Minister said that Canadians can be competitive. He referred to Northern Telecom as a Canadian company that can be held out as an example of what we can do in the international market-place. I agree.

However, the possibility of another Northern Telecom ever occurring in Canada under this agreement is virtually nil. There is a part of the agreement that limits the powers of monopolies. It prohibits preferential purchasing on a monopoly. We know how Northern Telecom began. It was a subsidiary of Bell, which is a monopoly and was granted that power under federal regulation. It was able to give a preferred purchasing arrangement to a small subsidiary to do all its R and D. With that protection, over time it grew and developed. Its engineers