

*Supply*

There were major changes in energy policy. The U.S. administration did not agree with our energy policy, for its own reasons. Surely that is a matter which required some proper bargaining.

The Americans were interested in having the NORAD agreement re-signed. That is a matter of some great consequence to both our countries, but it should have been brought in as part of a general state of negotiations in the relations between our two countries.

The same kind of negotiations have taken place with respect to the pharmaceutical industry, and similar concessions were given to publishing where the Government acceded to major demands made by the Americans with respect to Prentice-Hall. Those were very important decisions affecting our cultural industry, our book publishing industry, but the Government gave in and acceded to the Americans. What did we get in return as part of the bargaining?

The fundamental premise articulated by the Prime Minister was that these concessions were a way of showing good faith. If that is the Government's reason, then we accept it. However, we are saying today that this was a flawed approach because it did not achieve the kind of respect that one required in order to develop a so-called special relationship.

How has this given some benefit to your constituents in British Columbia who will be unemployed in four or five days from now? What has this new approach gained for them? We are asking those questions because Canada-U.S. relations are the most important and most crucial of our relations with other countries. We are simply saying that this has been a flawed approach.

**Mr. Cook:** Mr. Speaker, I have a comment. The Hon. Member seems to believe that we should not do anything in the best interest of Canadians because it affects Americans and may work to their advantage occasionally. I would ask all Canadians to look very carefully at the list the Hon. Member gave us in terms of the utter ridiculousness of FIRA and the oil policy of the previous Government. They will realize that this Government's decision was taken in the best interest of all Canadians and essentially did not concern trade talks with the United States.

**Mr. Axworthy:** Mr. Speaker, it is said that beauty is in the eye of the beholder. We obviously have a different interpretation, but I would suggest to the Hon. Member that while he believes our oil policy or investment policy may have been ridiculous, they worked.

**Some Hon. Members:** Oh, oh!

**Mr. Fennell:** It killed western Canada.

**Mr. Axworthy:** I would point out that the state of affairs in Alberta these days is not exactly thriving. There is a much higher unemployment rate in Calgary today than there was two years ago.

**Mr. Shields:** Not true.

**Mr. Axworthy:** There are far fewer drillers working in Alberta than there were two years ago. If the Hon. Member wants to talk about whose policies are working, that is a totally different debate which we are quite prepared to discuss. We were giving an incentive to smaller Canadian operators in the oil and gas industry. They are the very ones who are being taken over by foreign companies and being put out of business. Therefore, I simply say that the Government is welcome to its own mythology because everyone has to live in his own fantasy land.

**Mr. Shields:** Mr. Speaker, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) implied that the Liberal Government knew how to conduct Canada-United States relations. The national energy policy literally discriminated against foreign investment by companies from the United States. I would remind him that those companies came to Canada in 1947 and were the bullwark and developers of the oil industry in western Canada. How did the National Energy Program help Canada-U.S. relations?

FIRA discriminated against foreign investment. How did that enhance our relationship with the United States? I would like the Hon. Member to comment on that.

**Mr. Axworthy:** I would be more than happy to comment. Let me deal with FIRA first. In its latter years, FIRA provided major benefits to the economic program of the present Government. The former Minister of Regional Industrial Expansion made a number of major announcements in relation to investments by Japanese and Korean automobile firms. Those announcements were possible because certain agreements were made as a result of the FIRA process. We did not stop investment with FIRA. In fact, 97 per cent of the applications in the last year of FIRA were approved. However, we were able to gain certain agreements about investment, research and development, and providing a world product mandate. The reason the former Minister of Regional Industrial Expansion was able to make a major announcement of a Hyundai plant in his riding is that it was an agreement that was made under FIRA. We arrived at that deal because we exercised some leverage on that foreign investment.

Similarly, the major thrust of the National Energy Program was to help Canadianize the oil and gas industry and give us some degree of self-sufficiency in this country so we would not be totally dominated by the large multinational companies. During the 1970s we learned that when it came to protecting Canada's interests, those interests were not always first at hand and we were often given second class treatment by those multinationals, rather than the first class treatment we would expect from our own national companies.

**Mr. Frith:** Mr. Speaker, it seems to me that the impact of yesterday's action by the Government on the 4,000 British Columbia families who will be left helpless to deal with their economic situation has been lost in the rhetoric this morning.