tonight in New Orleans. We are seeing the swan song of the neo-conservatives around the world. However, they want to leave a legacy of prohibition for any future progressive forces to introduce initiatives or policies on behalf of government that would overtake the kind of mean-spirited actions that we have seen so much of in the last five or six years.

When we recognize that this legislation limits the right of Canadians to make choices about the kind of investment they will have in Canada, we see that it has nothing to do with trade. It concerns the free flow of capital of the large companies and large corporations that do not want to recognize nationality or citizenship of Canadians. They simply want free rein to invest where and how they wish.

That is the real purpose of the Bill. It is to ensure that there will be this kind of open door investment policy. We have seen what will happen as a result. Last week, the Petroleum Monitoring Agency, an agency of the Government itself, indicated that the level of ownership in the energy field is falling drastically. Canadians are far less able to own their own energy resources this year than they were the year before or the year before that. The reason is the immense number of takeovers and acquisitions, $33 billion worth in the last four years under the Tory Government. There were 433 applications, not one of which was turned down. Yet the Government will loosen the rules even further. That is the purpose of the legislation.

It is stated that the purpose is somehow to try to use this agreement and the legislation as a way of encouraging more multilateral trade. That is bunkum. This legislation is creating a preferential North American discriminatory trade bloc that breaks every precedent and historical rule this country has attempted to follow in order to establish an international trading system that treats all nations the same and does not discriminate against nations, large or small. We have fought for that since 1948 and the inception of GATT. Various Liberal Governments have seen that the real interest of Canada lies in a system that is fair and equitable. This agreement does the opposite. It implements an agreement that discriminates against other countries.

Mr. Crofton: What about the Auto Pact?

Mr. Axworthy: Let us talk about the Auto Pact. According to the Auto Pact that we signed, other countries can join in. Under the agreement, they keep other countries out. A Korean or Japanese automobile manufacturer is grandfathered out of this agreement. They cannot get in under these tariff rearrangements. They are locking it up to preserve the status quo.

Members of the Conservative Party say that this represents great, open competition, except that an automobile manufacturer from Asia will not be allowed to have the same rules as those that apply to an automobile manufacturer owned by an American company.

This kind of discriminatory system is being created in North America in energy. We are giving the Americans full access to our resources, which is what they want. If we refer back to 1952 in President Eisenhower's days, and the Paley Commission report, the No. 1 strategic objective of the United States was to get secure access to Canadian resources. It took until 1988 and the Government of the Prime Minister (Mr. Mulroney) to get that. They had to wait until the election of 1984 of a republican Party in Canada to get that security of access. That is the hidden agenda and underlying objective of the Bill. It has nothing to do with opening up markets.

The fact is that it closes down markets in areas and allows that kind of discrimination. It will certainly be one of the most serious roadblocks on the way to important international development in making Canada an effective international trader. That is one reason for my amendment.

The second reason deals with the important Clause 6. It concerns the unilateral assertion by the Government to take over powers in provincial jurisdiction as a consequence of the trade agreement. We know that the Americans have made conditional on accepting the agreement with the letters they want to exchange on December 15, that the Government of Canada ensure that it can provide compliance with all parts of the agreement. In order to do that the Government needs a clause in the Bill that will give it a big stick against the provinces. That is the reason for Clause 6.

Clause 6 runs against the nature of federal-provincial relations as they have evolved since the mid 1930s. At that time there was an important decision in an international labour case whereby the judicial council decided that in any international agreement that affects a provincial jurisdiction, the provincial government has the right to ratify in those jurisdictions. That decision has been followed since that time. There have been countless Acts of the United Nations, charters, covenants on women's rights and labour rights in which provincial rights were affected and the provinces had the right to ratify. They did not become agreements until the provinces did so.

The present Government is asserting that that is no longer necessary. It is changing the fundamental premise of federal-provincial relations unilaterally. If that is what the Government wants to do, that is its business. Perhaps we could evolve constitutionally. But it should not be done as a consequence of a trade agreement with the United States. It should not be done simply by asserting so in federal legislation. It should be done by the proper Canadian means of consultation and discussion and negotiation with the province. In fact, what Clause 6 does is to provide a third partner at the constitutional table; the provinces, the federal Government of Canada, and the Government of the United States. That is what it really does.

• (1920)

An Hon. Member: What nonsense.