I want to spend a few minutes explaining a number of Canadian policies in the investment area, including the Foreign Investment Review Agency and the National Energy Program [NEP]. We do not consider that Canada's policies are particularly unique. While they have raised some controversy in the international business community, the concern about our policies was probably at a maximum about a year ago. Since then, the difficult international economic circumstances, a realization that many other OECD countries employ measures to achieve goals similar to Canada's and our own efforts to streamline and explain our own policies, have accounted for these improved perceptions.

Canada's economic development strategy has always been a pragmatic one, free of ideology, relying upon both international investment and public enterprise to supplement private domestic investment. The railway sector in Canada, comprising publicly-owned Canadian National Railways and Canadian Pacific Railways, the largest investor-owned railway which nevertheless had both government support and foreign investors, is an example of this tradition. A more recent example of this "Canadian" approach to development is the establishment of Petro Canada as a public corporation competing with private companies, both domestic- and foreign-owned, in the oil and gas sector.

This pragmatic approach to development has served Canada well and has certainly not deterred international investors from taking a stake in Canada. No other country in the industrialized world – and probably in the whole world – has relied as heavily on the process of international investment, sustained it as effectively and benefited from it as continuously as Canada has over recent decades. It is little wonder then that Canada supports a positive environment for international investment.

Stated another way, Canada welcomes foreign investment that will bring significant benefit. We are also particularly interested in MNEs in Canada being good corporate citizens along the lines set out in the OECD guidelines and our own domestic guidelines: by engaging in economically viable export activities; sourcing in Canada where competitive; carrying out independent research and development in Canada; providing equity participation and management responsibility to Canadians; providing significant management independence to the Canadian enterprise; and seeking to use profits and resources generated in Canada to the benefit of the Canadian economy.

At the same time, the high levels of foreign investment in Canada have led to concerns about the implications of this for economic progress and independence and, in turn, to a number of moderate policies that respond to these concerns.

The Canadian approach to foreign investment has three main approaches. The first approach is to minimize legislative regulatory or administrative impediments to the operations of foreign-owned or controlled companies in Canada. We have consistently "extended" national treatment to foreign-owned firms. Once such firms are established