foreign ownership than any other industrialized country. While foreign control of non-financial industries in Canada has declined in recent years, it remains at 27 per cent, the highest in the industrial world. It is particularly high in important industries: oil and gas — about 60 per cent; transportation equipment — 70 per cent; electrical equipment — 60 per cent; and mining — 38 per cent. In the US foreign investment controls about 2 per cent of non-financial industries: 18 per cent of petroleum; 5 per cent of mining and 3 per cent of manufacturing. While 19 of the 50 largest firms in Canada are foreign controlled, this is the case for only two out of the largest 50 firms in the USA. The stock of foreign investment is now higher in the USA than Canada, but of course the USA economy is ten times as large. The US has six times as much foreign investment in Canada, comprising 80 per cent of the total, as we have in the USA.

Again, we have allowed as great or greater access into our market of the foreign goods than most other countries in many sectors. Because the Canadian industrial structure is not as diversified as other larger countries, we generally import a greater percentage of manufactured goods in relation to our total needs than other countries.

The policies adopted by countries will vary greatly depending on their economic size, commercial competitive advantages, position as capital importer or exporter, or host or home country to multinational enterprises (MNEs) and their international political role and perceptions. Canada and Australia, as primarily host countries to foreign investment, employ investment screening mechanisms and may restrict foreign involvement in some sectors for cultural or economic reasons. The investment restrictions of large home countries, like the US and Britain, are often on a sectoral basis and involve considerations of security and defence as well as economic considerations. France and Japan employ a variety of administrative measures to protect their trade and investment interests.

These differences in circumstances and policies must be considered when attempting to define international norms of behaviour: within the GATT [General Agreement on Tariffs and Trade] system with respect to trade and in the various OECD [Organization of Economic Co-operation and Development] and UN investment instruments which include guidelines for MNEs and principles of fair and equitable government treatment of foreign investors.

There are no absolute rights and wrongs. There must, however, be a balance of interests among states that recognize their national responsibilities and the desirability of a relatively liberal international trade and investment climate. MNEs must commit themselves to contribute to development by following the laws and policies of the countries in which they operate, and international guidelines. This co-operation can minimize excessive or ill-considered economic nationalism that can have negative effects or lead to disaster.

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