

"10. Examples are given below of some areas of governmental responsibility in which more complete information would help identify problems created by activities of MNEs, and where legal solutions might be appropriate."

The examples given included

- (i) taxation - "If the taxpayer is a foreign-based MNE with a branch in Canada or is the Canadian subsidiary of a foreign MNE, problems can arise in obtaining sufficient financial information to verify his return. ... The basic tax administration problem is the lack of power to examine records and require information from the related non-residents."
- (ii) anti-dumping - "The structure of the multinational enterprise enables it to camouflage injurious dumping activity."
- (iii) restrictive trade practices - "An independent Canadian corporation would run the risk of prosecution under the Combines Investigation Act if it entered into restrictive agreements with unrelated firms abroad. Arrangements having the same effect are frequently legal if the Canadian firm is a subsidiary of a multinational enterprise and if the arrangements are among corporations in different countries which are also direct or indirect subsidiaries ..."

In reply to a question on the objectives to be sought through the development of legal rules, the Canadian document **stated** in part:

"23. Legal rules relating to the activities of the MNEs should ensure that a climate conducive to technological development and economic growth is maintained on an international and a national level while, at the same time, ensuring that MNEs behave in a manner which accords with national policies and interests."