

to-state relations rather than the activities of individual firms. The proposals outlined above focus on how the Government can promote good business practices not sanction foreign governments.

3. Measures to regulate Canadian firms operating abroad amount to an assertion of extraterritorial jurisdiction and hence are unacceptable.

Response: Although a degree of caution is appropriate here, there is no bar in principle to Canadian legislation aimed at dissuading corporate complicity in human rights violations overseas. The Government of Canada has the sovereign right to regulate Canadian firms. An appropriate precedent here is the Government's willingness to legislate penalties for Canadians who engage in corrupt practices or pay to have sex with children while abroad.

4. Canadian firms would be at a disadvantage vis-à-vis their foreign competitors if the government were to take a more active approach on corporate citizenship issues.

Response: Although true in some cases, this generalization is unsound. For one thing, Canadian firms face a *less* stringent domestic regulatory and legal environment than, say, their American competitors. Moreover, a significant portion of Canadian firms would welcome greater Government involvement in promoting and recognizing good corporate citizens as well as curtailing the activities of 'rogue' firms. Many companies invest significant resources to minimize the human rights or environmental impacts of their overseas operations, or forgo opportunities where the relevant risks seem too high. These socially responsible companies feel themselves to be at a disadvantage vis-à-vis their less scrupulous Canadian rivals.

5. The Government should not try to export Canadian values because these values are not universally shared in the world community.

Response: It is certainly true that government (and, for that matter, businesses and NGOs) need to be culturally sensitive and to show restraint in promoting purely *Canadian* values. However, international human rights standards do exist and are embodied in international legal instruments. For all intents and purposes these can be treated as legitimate expressions of universally held values. If the Government bases its policy on the relevant international instruments, or syntheses of these international legal commitments such as the UN Global Compact, cultural relativist arguments or charges of paternalism do not apply.

6. Businesses should not get involved in the politics of host societies.

Response: Businesses do need to tread a careful line here. Past criticisms of multinational enterprises tended to focus on the issue of 'political interference'. However, while accepting the need for caution and moderation, it is untrue that