

UNCITRAL - Multinational Enterprises

In 1972 the U.N. General Assembly decided, following a Canadian initiative, to have the U.N. Commission on International Trade Law (UNCITRAL) study trade law issues related to the activities of multinational enterprises. The first step taken by the Commission in its study of this subject was to direct the Secretary General to circulate to member states a questionnaire asking states to identify problems which they had encountered with respect to MNE activities and to indicate those which they considered might be amenable to solution by legal means. The replies to this questionnaire and other available material on this subject are to form the basis of a report by the Secretary General to the Commission suggesting the direction which its efforts on this subject might take.

The questionnaire was circulated to selected addressees in the private sector for comments. Subsequently an interdepartmental group prepared the Canadian reply, which was submitted to the Secretary General early in February of this year. In the introduction, the reply referred to Section 2 of the Foreign Investment Review Act as the most recent and authoritative statement of the Canadian Government's policy toward foreign investment. The replies to specific questions included the following:

"9. Generally, the most widespread and difficult problem encountered by Canadian authorities in the administration of **existing** legislation and for which legal rules might help provide a solution has been the lack of complete information on the operation of MNEs. It should be possible, through national legislation, to obtain whatever information may be required concerning the operation in Canada of the Canadian element of the MNE. The problem arises in obtaining information concerning the activity of the non-Canadian element of the MNE which affects its Canadian element."