Since the outset of the negotiations in 1995, the Government involved the provinces and consulted them frequently and consistently. They are debriefed after every negotiating session, copied on all reports and have access to all negotiating documents. Federal and provincial trade officials have met numerous times over the past three years to address issues related to the negotiations. The federal-provincial Trade Ministerial meeting of February 19, 1998 allowed for a thorough discussion of Canada's objectives and bottom lines.

The Government agrees to consult further with the Parliamentary Committee on the negotiations towards a potential agreement. The Government will also continue to make public new versions of the MAI consolidation of draft working texts as they become available from the negotiating process.

Recommendation 12 - Core labour standards in the text of the agreement

Canada recognizes that the International Labour Organisation (ILO) is the proper forum for advancing international labour law, but, like other countries in the MAI negotiations, fully supports inclusion in an agreement of references to the principles underlying ILO core labour standards and the association of the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The core principles of non-discrimination on which the MAI rests will not limit the ability of governments to maintain or, indeed, promote labour standards. The Government is committed to ensuring that the MAI does not inadvertently threaten labour standards, whether in Canada or globally.

Recommendation 13 - Introduction of effective environmental standards

The Government is committed to advancing environmental protection and sustainable development. Canada will not accept obligations that would infringe on the right of governments to regulate or take appropriate measures in the interests of protecting the environment or promoting sustainable development.

Canada is currently working with other countries to introduce language into the agreement that would stipulate clearly that the MAI does not prevent countries from maintaining, introducing or enforcing environmental measures of general application.

Recommendation 14 - That Canada achieve an adequate and effective cultural exemption

Canada will preserve the right to adopt or maintain policies, programs and measures that promote and preserve Canadian culture and cultural industries. Such an approach is reflected in the NAFTA, the Canada-US Free Trade Agreement (FTA), the Canada-Chile FTA, the General Agreement on Trade in Services (GATS) and Canada's Foreign Investment Protection Agreements (FIPAs).

Recommendation 16 - That Canada achieve an unbound reservation for health, education and social services

The Government is on record for its commitment to preserving its full freedom of action, at both the federal and the provincial levels, with no standstill or rollback, in key areas such as health, education, social services and programs for Aboriginal Peoples and programs for minority groups. These areas are of critical concern to Canadians, and the Government believes fully that they require a uniquely Canadian solution in terms of public policy.

April 23, 1998