

Mr. Chairman, the Documents we now have before us for consideration are of considerable importance to my Government.

As one of the countries which initiated consideration of multinational enterprises in this organization, we welcome the agreement that has been reached by OECD<sup>1</sup> Governments on recommendations addressed to MNEs<sup>2</sup>. It is timely and useful for the OECD to set broad Guidelines for MNEs operating within the OECD area. We look forward to continued discussion in the relevant OECD bodies of the basis for the further evolution and improvement of the Guidelines. We would note that the promulgation of these Guidelines in no way infringes on the right of governments to prescribe, in the interest of achieving national economic and social goals, the conditions under which multinational enterprises may operate in their jurisdiction.

Canada considers that the accord on investment incentives and disincentives affecting international direct investment will contribute to greater international cooperation in an important facet of our increasingly interdependent world.

In approaching the Declaration and Decision applying to national treatment, the Canadian Government has had to take account of the particular circumstances of Canada with respect to foreign investment.

Canada has relied more heavily than other OECD countries on imports of capital to develop its industrial structure. Until 1974 there were very few restrictions or even administrative processes applying to investment from abroad. We did not impose significant constraints to establishment as have other OECD member states. As a consequence of this and the attractiveness of Canada as a location for investment, foreign ownership and control have attained levels in Canada that are unparalleled in most other OECD countries.

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1. Organization for Economic Co-operation and Development.  
2. Multinational Enterprises.