

instruments which include guidelines for MNES and principles of fair and equitable Government treatment of foreign investors.

There are no absolute rights and wrongs. There must, however, be a balance of interests among states that recognize their national responsibilities and the desirability of a relatively liberal international trade and investment climate. MNES must commit themselves to contribute to development by following the laws and policies of the countries in which they operate and international guidelines. This co-operation can minimize excessive or ill-considered economic nationalism that can have negative effects or lead to disaster.

I want to spend a few minutes explaining a number of Canadian policies in the investment area, including the Foreign Investment Review Agency and the National Energy program. We do not consider that Canada's policies are particularly unique. While they have raised some controversy in the international business community, the concern about our policies was probably at a maximum about a year ago. Since then, the difficult international economic circumstances, a realization that many other OECD countries employ measures to achieve goals similar to Canada and our own efforts to streamline and explain our own policies have accounted for these improved perceptions.

Canada's economic development strategy has always been a pragmatic one, free of ideology, relying upon both international investment and public enterprise to supplement private domestic investment. The railway sector in Canada, comprising publicly owned Canadian National Railways and Canadian Pacific Railways, the largest investor-owned railway which nevertheless had both Government support and Foreign Investors is an example of this tradition. A more recent example of this "Canadian" approach to development is the establishment of Petro Canada as a public corporation competing with private companies, both domestic and foreign owned, in the oil and gas sector.

This pragmatic approach to development has served Canada well and has certainly not deterred international investors from taking a stake in Canada. No other country in the industrialized world - and probably in the whole world - has relied as heavily on the process of international investment, sustained it as effectively and benefitted from it as continuously as Canada has over recent decades. It is little wonder then that Canada supports a positive environment for international investment.