

- agricultural policies,
- transportation regulation,
- subsidies.

Canada's domestic preparations for international trade negotiations must include a discussion of barriers to internal trade as they affect international trade, the willingness of the provinces to reduce such barriers and ways of arriving at a commitment that will satisfy the provinces as well as Canada's trading partners and be sufficiently binding to ensure compliance.

INVESTMENT RESPONSES BY MULTINATIONAL ENTERPRISES TO THREE CANADIAN POLICY OPTIONS FOR CANADA-UNITED STATES TRADE

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Available from IRPP

Description

This study examined probable changes in foreign direct investment within Canada by multinational enterprises (MNEs). The examination sought answers to three questions about MNE responses to reductions in trade barriers. First, will the level of foreign control over domestic industries change significantly? Second, will foreign-owned firms change their Canadian strategy? Third, what is the impact on our trade with the United States of various economic determinants and policy determinants that are independent of foreign direct investment?

Highlights

The level of foreign control over domestic industries could initially diminish during the medium term after trade barriers are reduced, but over a longer horizon technically advanced foreign investment and foreign control could increase.