

EXTRATERRITORIALITY

The unilateral application of laws by foreign countries, particularly the United States, in a manner which seeks to displace Canadian authority over its own territory or which has the effect of placing Canadian companies in the position of having to choose between conflicting legal requirements, has remained of serious concern to Canada.

Canada has accompanied its efforts on specific problem issues with increased attention to the more general economic and political dimensions of extraterritoriality. In 1983, at the OECD, Canada joined with the United Kingdom and other member countries concerned in calling for further study of the impact of conflicting legal requirements being imposed on multinational enterprises, in the context of a review of the 1976 Declaration and Guidelines on International Investment and Multinational Enterprises. In May 1984, the OECD Council, at Ministerial level, specifically endorsed a set of "General Considerations" and "Practical Approaches", including respect for international law, the exercise of moderation and restraint, and pursuit of notification and consultation procedures, as appropriate means to avoid or minimize conflict. A long study by OECD Member countries on national views of the concept of moderation and restraint is in its final phase. Future work in this multilateral