

to date can be found in the appendix of this response. In this respect, the recent meeting of federal-provincial Trade Ministers on February 19, 1998 -- the first meeting in almost six years -- allowed Trade Ministers to have a thorough discussion of Canada's objectives and bottom lines. No provinces advocated that Canada withdraw from the negotiations.

The Government agrees that an MAI will only be acceptable if it protects essential Canadian values, including our culture, education, health and social services, programs for aboriginal people and programs for minorities. The Government agrees that an MAI must have rules to ensure that the interests of labour and the environment are promoted in international trade negotiations; rules to ensure that corporations cannot seek to use the courts to curb the Government from doing its job of legislating and regulating for the benefit of all Canadians. The Government also agrees to keep the negotiating process transparent to ensure that the interests of Canadians can be heard.

The Government believes that Canada would benefit, in principle, from a good and fair set of rules for international investment. That is why Canada is at the negotiating table. But the Government will only sign an agreement that fully supports Canadian values and safeguards Canadian interests. If our requirements are not met, Canada will not sign, and we will continue to attract investment as a country known for the openness and fairness of its rules.

### **Recommendation 1**

**Recognizing the importance of better multilateral rules for the security of Canadian inward and outward investment, Canada should continue to participate actively in the MAI negotiations with its Organization for Economic Co-operation and Development (OECD) partners. Canada should become a contracting party to the MAI, subject to a final text that fully protects Canadian culture, the environment, labour standards, health, education and social services at the federal and subnational levels.**

The Government agrees with this recommendation.

Canada has a long history of active participation and leadership in the development of the multilateral trading system. It is therefore natural for Canada to welcome the further evolution of that system to include this vital field of international investment. As a medium power, Canada has fared much better under a system where there are transparent rules to guide nations' behaviour.

As long as the negotiations continue to hold promises of success from Canada's standpoint, the Government will remain at the table to shape an agreement that meets Canada's objectives and reflects our national interests and values. The Government is committed to achieving the right deal at the right time, not any deal any time.

Canada's participation in the negotiations does not commit us to whatever agreement results from the process. The Government will only sign an agreement that fully preserves our freedom of action, at both the federal and provincial levels, on Canadian culture, the environment, labour standards, health, education, social services, aboriginal programs and programs for minority groups. Simply put, the Government will only accept an MAI that is consistent with our national values and our Canadian approaches to key issues.

### **Recommendation 2**

**The Government should continue and increase its efforts to inform Canadians of the merits of negotiating an MAI, while addressing the concerns brought forward by this**