

Canada lives by trade. We know firsthand the value of rules that ensure Canadians a fair basis for participating in an increasingly global marketplace of goods and ideas. That is why Canada has always been at the forefront of the development of a world trading system based on rules rather than on power.

## 2. Bottom Lines not Arbitrary Deadlines

- **In the ongoing negotiations towards a possible Multilateral Agreement on Investment [MAI], we should address the outstanding issues, not impose arbitrary deadlines. Canada strongly opposes any new deadlines. We must all take the time to negotiate rules that will serve our national values and interests. Clearly, Canada will only sign the right agreement at the right time — in other words, when Canadian interests are met.**

Canada brings to the negotiating table valuable experience in terms of investment rules. Together with our partners, we have negotiated the North American Free Trade Agreement [NAFTA], an agreement recognized as incorporating the most comprehensive set of investment rules. We have also negotiated bilateral investment treaties with some 24 developing countries, enhancing our trade and investment partnerships and providing welcome assurances of fair treatment for Canadian investments abroad. Canada wants to secure the same quality of rights and obligations within a multilateral agreement.

We are all committed to ensuring that the MAI is developed on a solid framework of first principles — non-discrimination and protection — supported by an effective dispute-settlement mechanism. In addition, Canada believes that the extraterritoriality issue raised by the U.S. Helms-Burton and Iran-Libya sanction acts must be addressed in the context of the MAI negotiations.

The only satisfactory MAI for Canada is one that will serve Canada's interests and support Canadian values. Throughout the negotiations, we stated clearly our positions on key issues. Canada will only accept an MAI with the following elements:

- a) a narrow interpretation of "expropriation" that makes it entirely clear that legislative or regulatory action by government in the public interest is not expropriation requiring compensation, even if it has adverse profitability consequences for companies or investors;
- b) ironclad reservations that would fully preserve Canada's freedom of action, at both the federal and provincial levels, in key areas including health care, social programs, education, Aboriginal matters and programs for minority groups, and no standstill or rollback requirements in any of these areas. In other words, no restriction on our freedom to pass future laws in these areas, and no commitment to gradually move our policies into conformity with MAI obligations;
- c) the continued ability of the Government to preserve and promote Canadian culture and Canadian cultural industries. Simply put, Canada's culture is not negotiable;
- d) the continued ability of Canada to maintain its current measures relating to areas such as transportation and financial services, business services industries, communications, the auto industry, land and real estate, energy, fisheries, investment review, privatization practices, government finance, agriculture, the supply management regime, and the management of natural resources.

For Canada, country-specific reservations are intrinsic to ensuring that our respective national interests are addressed within the text of the proposed MAI. The reservations would have equal legal status with the text of the Agreement and together would determine what each of us will obtain from our partners and