

in 1990 before the Committee on the House of Commons. On the basis of the hearings and written submissions received, the Subcommittee issued its Report, Canada and the International Investment Agreement, which was adopted by the Standing Committee and tabled in the House of Commons on December 11, 1993.

The Government retains the report and reports its recommendations as a result of its contribution to Canada's position on a potential Multilateral Agreement on Investment.

Canada's Interests

History demonstrates that as a small country, open to international trade and investment, Canada benefits greatly when there are clear and equitable rules governing participation in international markets. Canada has a long and proud history as a champion of the free-based international trade and investment system.

In 1947, Canada, together with 23 other founding countries, entered into the General Agreement on Tariffs and Trade (GATT). This was a landmark agreement to reduce tariffs and other barriers to trade and economic activity between nations in international commerce. In 1994, more than 45 years later, 124 countries launched the World Trade Organization (WTO) advancing the GATT in support of a more integrated multilateral trading system. The WTO signatories also advanced their shared objectives of creating employment and improving standards of living, while remaining committed to sustainable development and the protection and preservation of the environment.

The GATT and its successor organization, the WTO, have succeeded in providing the stability of a set of common rules, a commitment to progressive market liberalization and a rule-based regime. Today's trading system is more open, more fair and more successful.

The Government has sought to maximize the benefits for Canadians in the world economy, and that process continues with an equal footing in the international marketplace. We have such rules for trade in goods and services, but not for investment. The negotiation of an MAI seeks to address the partial, piecemeal and non-transparent liberalization currently covering international direct investment. A much more comprehensive and widely accepted set of rules would enable Canada to compete more effectively in the increasingly global economy.

The MAI represents a new step in pursuing Canada's investment objectives for a world-wide trade regime. Through the WTO, the global environment and most effective forum for any truly world-wide agreement on investment, Canada's initiative led to the creation of the WTO Working Group on Trade and Investment at the last WTO Ministerial Meeting in Singapore in 1996.

Canada's strategy in trade and investment negotiations can be simply stated: Canada wants investment rules that are fair, open and transparent, not just rules to benefit corporations but rules that balance the needs of the economy with the importance of protecting and sustaining our existing Canadian values and interests.

In the end, Canadians want Canada to be at the table when the rules are negotiated to ensure that the rules meet our needs and expectations.

Canada's Bottom Line

In all consultations on Canada's participation in the MAI negotiations, consistent with a wide range of groups - provinces, business groups, labour and non-governmental organizations - to ensure that the interests of all Canadians are reflected in Canada's negotiating position. A lot of these consultations held