

Fact four: During the past year a number of announcements have been made to streamline FIRA. The processing time on cases has been reduced and the review process expedited through increasing the small business size limits, the issuance of interpretation notes on legal aspects of the Act and formal opinions on reviewability, and the announcement by the responsible Minister of the formation of an advisory panel drawn from the private sector.

If the policies of Canada and other predominantly host countries have been criticized from time to time, particularly by the U.S.A., as being too nationalist, I would be remiss in not mentioning a nationalist element in U.S. policy, as a home country, that is extremely detrimental to the international investment climate. This is the insistence by the U.S. in applying its domestic laws to the foreign affiliates of U.S. MNEs in some circumstances, particularly strategic export controls, against the will and policy of the host country with jurisdiction over that entity. I need hardly dwell on the complications such actions produced last year in the Siberian pipeline. We find such actions unacceptable, legally and politically, and very negative economically if for no other reason than they put U.S. MNEs into difficult circumstances and call into question whether they can be good corporate citizens in the countries in which they operate. We hope the U.S.A. will take appropriate action to correct this problem.

The sum total of Canadian measures, I would submit, represents a minimal and flexible response to the situation of a major host country in which Canada finds itself. Nor do we consider ourselves in bad company. While Canada is not as prone as the U.S.A to criticize the restrictive elements in the investment policies of other countries - I do not wish to dwell here on how France, Japan, Australia, or Sweden, pursue their objectives - they do exist, as perhaps you in the private sector know better than I. Judging from the continuing increases in applications to FIRA the Canadian measures have not, nor do we intend to let them, hamper the positive role that foreign investment has played in Canada, but they do provide the context in which such positive contributions can be made. We are for a liberal international investment environment, and for the fair and equitable treatment of MNEs under international law. In fact in recent years Canada has been a net exporter of direct investment as Canadian MNEs have grown. But we are also sensitive to the concerns that can exist about foreign control of any economy. From time to time national policies may entail some deviation from the very positive precept of national treatment to protect