

its Report before the Christmas recess of the House of Commons. On the basis of the hearings and written submissions received, the Subcommittee issued its Report, *Canada and the Multilateral Agreement on Investment*, which was adopted by the Standing Committee and tabled in the House of Commons on December 11, 1997.

The Government welcomes this report and accepts its recommendations as a valuable contribution to Canada's negotiation of a potential Multilateral Agreement on Investment.

Canada's Interests

History demonstrates that as a small economy, 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 rules-based international trade and investment system.

In 1947, Canada, together with 22 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 eliminate discriminatory treatment 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 rules-based regime. Today's trading system is more open, more fair and more universal.

The Government has sought rules that maximize the benefits for Canadians in the world economy, and that provide Canadians with an equal footing in the international marketplace. We have such rules for trade in goods and services, but not for investments. The negotiation of an MAI seeks to address the partial, piecemeal and unsatisfactory rules that currently govern 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 first step in pursuing Canada's investment objectives for a worldwide treaty negotiated through the WTO, the ultimate destination and most effective home for any truly multilateral 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 imperative of promoting and sustaining overarching 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 aspirations.

Canada's Bottom Lines

Broad consultations on Canada's participation in the MAI negotiations continue 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 positions. A list of these consultations held