

producers began to market champagne after 1933, the French producers did not avail themselves of the opportunity to take legal action until 1964, by which time a viable Canadian industry had already been established. As a result of a recent court action, Canadian producers are now precluded in some instances from using the term champagne in the Canadian market while French and other foreign producers continue to be able to do so.

In Canada's view, therefore, the Agreement no longer provides for a balanced exchange of advantages and has come to discriminate unfairly against Canadian industry in favour of foreign producers.

Prior to making the decision to terminate, the Canadian Government made numerous attempts, without success, to negotiate a satisfactory compromise with France that would have ended this unfair discrimination and permitted all Canadian producers to continue to market Canadian champagne under that name in Canada. These included meetings between Ministers, officials and representatives of the industry in the two countries. It had been made clear on several occasions that if a solution could not be reached, Canada would have no alternative to terminating the Agreement.

New legislation which is being prepared by the Minister of Consumer and Corporate Affairs in conjunction with the revision of the Trade Marks Act will include provisions for protection for many of the appellations of origin now registered under the Canada/France Trade Agreement but not champagne and certain other terms which have come to be commonly used as the names of Canadian products. This legislation will, among other things, protect appellations of origin in order to avoid deception of consumers.

As provided for in the Agreement, termination will take effect three months from the date of notification. Parliament will be asked to repeal the Canada/France Trade Agreement Act to give effect to the termination of the Agreement.