

have had direct impact on a number of the world's established smelters. PUK holds an option on land in Bécancour, Québec, suitable for a smelter and it has negotiated with Hydro-Québec on hydropower costs. During his visit in April 1982, Prime Minister Mauroy witnessed the signature of the electricity contract. Feasibility studies on this \$1-billion project have just been completed, and a France-Québec final understanding should be reached in June 1983.

4. Energy Sector

France's intention to reduce substantially its dependence on petroleum supplies and to diversify the origin of energy affords Canada opportunities to benefit substantially in terms of incoming direct investments and transfer of technology. Because the French have become participants in the production of foreign resources (including Canada's), there are mid- to long-term prospects, not only for exportation, but also for co-operation in developing processing technology, among other things. The areas where the French are more prominent in Canada are coal, uranium and natural gas. (*The reader is referred to Chapter 4, Energy Products, for details.*)

5. Telecommunications, Information Processing

The Canadian and French governments admit to the need to keep their respective leadership in the telecommunications and information processing sectors to ensure the viability and vitality of their respective economies. In 1974, Prime Minister Trudeau and President Giscard d'Estaing agreed to improve relations in the telecommunications sector. By February 1977, the Canadian Minister of Communications and the French Minister of P.T.T. agreed in principle to a program of action in five sectors, namely, exchanges of information, personnel exchanges, joint use of one "Symphonie" satellite, interconnection of packet data switching, and industrial co-operation.

Although some sharing of research and exchange of information has occurred (e.g. in computer communications standards and behavioural research as well as the eventual establishment of a Mitel subsidiary), no real breakthroughs in teaming Canadian and French industries or in major sales by Canadian industry in France have been consummated. In effect, the French believe that the Canadian market is protected by the preference of Canadian telephone companies to buy from vertically-integrated manufacturers. While the French market is open, the requirement for P.T.T. technical approval of equipment acts as an effective non-tariff barrier.

With regard to videotex, the reader is referred to Computers and Related Products, Market Considerations, page 16.

In the area of electronic office equipment, the Canadian government has a program to encourage the Canadian industry. The French, for their part, invest heavily in this area in order to avoid total dependence on U.S.-made products. Preliminary contacts between Canadian and French officials indicate that

their respective projects could be complementary and, therefore, lend themselves to scientific and industrial co-operation including, standardization of techniques, research on human behaviour, and socio-economic analysis of office productivity.

Competitive Factors

It is evident that for some of the sectors and projects described above, co-operation between Canadian and French concerns will depend on policy consideration by both governments and/or successful proposals by French firms in specific projects. Canada is, nevertheless, confident that all of these sectors may offer prospects for industrial co-operation.

With regard to direct investments, both governments have in place laws and regulations which were established to ensure that any investment will be in the respective national interest. The Canadian Foreign Investment Review Agency (FIRA) is inevitably a subject of concern when serious discussions of industrial development in Canada are undertaken by foreign companies. The creation of FIRA has been a legitimate response to ensure that the evolution of ownership in the Canadian economy reflects the greater interests of Canadians as a whole.

The French, for their part, have an Inter-Ministerial Committee which analyzes most direct investment or acquisition proposals. Foreign investments bringing new technology, know-how, new employment and increased exportation are favoured.

Recent Canadian Promotional Activities

In recent years, the following activities have taken place for the promotion of industrial development opportunities:

- The provinces, which have offices in Europe (Québec and Ontario in Paris; B.C., Alberta, Saskatchewan and Nova Scotia in London), have been actively seeking foreign investors.
- A Canadian business mission on industrial robots travelled to France in 1982 and received an enthusiastic response from the French.
- The Canada-France Economic Commission and its working group on agriculture and industry met and discussed industrial co-operation in early Spring 1982.
- Constant monitoring of France's energy policy as well as its investments in areas of interest for Canada, for the purpose of counselling and, where appropriate, reference to provincial authorities.
- Officials at the Embassy in Paris have conducted seminars with various groups in the French automotive sector on possibilities offered by co-operation with Canadian firms.