

The magazine Financial Post 500, 1982, lists the following four firms, which constitute only a small portion of the French presence in Canada:

FIRM	ASSETS (\$ millions)
BNP Canada Inc.	1,127
Canada Cement Lafarge Ltd.	1,520
Crédit Lyonnais Canada	864
B G Checo International Ltd.	33
TOTAL	\$3,544

It should be noted that Elf-Aquitaine of Canada was acquired by the Canada Development Corporation (CDC) in 1981 for \$1.12 billion. This may have lowered French investment in Canada by 10 to 15 per cent.

Some of the other major French investors are: Michelin, Air Liquide, BRGM, Charbonnages de France, Ski Rossignol, Leroy-Somer, Promecan, Société Générale, Solomon, Thomson-CSF, CGE, and Amok Technip. The French government recently increased its control considerably over Canadian subsidiaries of French companies (about 30) through the nationalization of five major French industrial groups: Pechiney-Ugine-Kuhlmann, Compagnie Générale d'Électricité, Saint-Gobain, Thomson-Brandt and Rhône-Poulenc.

There has been an increase in French investment in the resources (primarily uranium and coal) and automotive sectors in recent years and this trend is expected to continue. In addition, French small and medium-size businesses will continue to view Canada and particularly Québec (partly because of the language factor), as the ideal springboard for breaking into the North American market.

2. Trade Policy

The General Agreement on Tariffs and Trade (GATT) establishes the multilateral framework for trade between Canada and France (which participates as a member of the European Economic Community (EEC)).

After announcing its Third-Option policy in 1972, Canada negotiated a Framework Agreement for Commercial and Economic Co-operation between Canada and the European Communities. This Framework Agreement encouraged consultation and co-operation on a wide range of subjects. It also allowed greater emphasis to be put on industrial co-operation activities rather than on strictly commercial ones. Technical and scientific co-operation, investment, co-participation and inter-corporate links would be favoured. Although the Framework Agreement established a co-ordination procedure, it also recognized that the private sectors of both parties would have an important role to play if the Framework Agreement were to be effective. While the official Framework Agreement has already given rise to some activities, its overall impact has, so far, not been as great as one might have hoped.

The bilateral relations between Canada and the EEC affect Canada-France trade relations, particularly

with regard to tariffs and market access. At present, approximately 40 per cent of our exports enter EEC countries duty-free. Canadian negotiators and the business community continue to believe that tariff and non-tariff barriers substantially hinder trade with the Community in semi-processed products, manufactured products and agricultural products. In addition, access to high-technology markets, where government procurement is very important (for example, in the areas of transportation and telecommunications), is still being restricted.

A more specific trade link was established in the early 1950s with the creation of the Canada-France Economic Commission (CFEC). This commission, which meets at least once every three years, was raised to the ministerial level in 1974. The objectives and operations of the CFEC will be discussed in the next section.

INSTRUMENTS OF TRADE DEVELOPMENT AND INDUSTRIAL CO-OPERATION

1. Promotion of Trade

In addition to having a large trade delegation in Paris, the Canadian government, through the Department of External Affairs, provides considerable assistance to members of the business community who wish to export to France. Moreover, all the provinces have very active promotional programs. In particular, Québec and Ontario have permanent representatives in Paris; Nova Scotia, Saskatchewan, British Columbia, and Alberta have representatives in London who regularly visit their contacts in France.

The federal Program for Export Market Development (PEMD), set up in 1971, has been very popular. Since its inception more than 550 applications have been approved for France. The most important sections of the program have been Section B — Market Identification (318 applications approved), followed by Section C — Participation in Trade Fairs (180 applications approved). The economic benefits generated by all the sections have been estimated at \$27.5 million.

The federal and provincial governments provide logistical and financial aid to Canadian companies wishing to exhibit their products at international trade fairs held in France. Canadians have traditionally participated in six such exhibitions:

SIA	— International Agriculture Show
SIMA	— International Exhibition of Farm Machinery
*SIAE	— International Aeronautical and Space Exhibition
*BATIMAT	— International Building Exhibition
*SIAL	— International Food Products Exhibition
SICOB	— International Data Processing, Remote Processing, Communication and Office Organization Trade Fair

* held every two years