

THOSE OF US OBSERVING THE 1993 PROCESS HOPE VERY MUCH THAT IN BUILDING A EUROPEAN COMMUNITY MORE ABLE TO MEET THE CHALLENGE OF INTERNATIONAL COMPETITION, BARRIERS WILL NOT BE ERECTED AGAINST NON-MEMBER STATES INADVERTENTLY OR OTHERWISE. WE ARE ENCOURAGED BY STATEMENTS BY EUROPEAN LEADERS THAT THE EUROPE OF 1993 WILL REMAIN COMMITTED TO TRADE LIBERALIZATION, AND WILL NOT SUCCEED TO PROTECTIONIST PRESSURES. WE BELIEVE THAT A EUROPE MORE OPEN TO TECHNOLOGY, INVESTMENT AND TRADE WILL BE A STRONGER, MORE COMPETITIVE AND ULTIMATELY MORE SUCCESSFUL EUROPE.

NEVERTHELESS, WE ARE CONCERNED BY SOME TRENDS WHICH SEEM TO THREATEN THE OBJECTIVE OF REMOVING BARRIERS TO TRADE. WE ARE PARTICULARLY WATCHING SEVERAL ISSUES: RULES OF ORIGIN, LOCAL CONTENT REGULATIONS; AND ESTABLISHMENT OF STANDARDS. WHEN THESE ARE FINALIZED THEY COULD HAVE A SIGNIFICANT EFFECT ON CANADIAN EXPORTS TO THE COMMUNITY, NOW WORTH OVER 11 BILLION DOLLARS ANNUALLY.

THERE WAS RECENTLY A CASE WITH RESPECT TO EC RULES IN WHICH FRANCE HAS BEEN OF GREAT ASSISTANCE TO CANADA. THE COMMUNITY HAS JUST ADOPTED A DIRECTIVE WITH RESPECT TO TELEVISION. IT SETS A MINIMUM QUOTA FOR EUROPEAN CONTENT IN TELEVISION PROGRAMMING OF 51 PERCENT WHERE POSSIBLE. WE UNDERSTAND THE REASONS FOR THIS QUOTA. CANADA TOO HAS DOMESTIC CONTENT RULES FOR TELEVISION. FOR A TIME HOWEVER, IT APPEARED THAT THE EC DIRECTIVE WOULD UNDERMINE THE 20 YEAR OLD CO-PRODUCTION AGREEMENT WE HAVE WITH FRANCE. LAST YEAR OUR FILM AND TELEVISION PRODUCERS DID 700 MILLION FRANCS OF BUSINESS TOGETHER MAKING CO-PRODUCTIONS. THIS PROFITABLE RELATIONSHIP WAS THREATENED. FOLLOWING INTENSIVE DISCUSSIONS HOWEVER, WE ARE CONFIDENT THAT FRANCE WILL MODEL ITS OWN LEGISLATION IN SUCH A WAY THAT CO-PRODUCTIONS WITH CANADA WILL ENJOY CONTINUED ACCESS TO FRENCH AIR-WAVES. THIS IS A GOOD EXAMPLE OF THE DANGERS THAT CAN ARISE WHEN NEW RULES ARE BEING MADE AND ALSO DEMONSTRATES THAT WITH GOOD-WILL AND UNDERSTANDING, PROBLEMS CAN BE OVERCOME.

TOMORROW AT THE MEETING OF THE CANADA-FRANCE JOINT ECONOMIC COMMISSION I WILL HAVE AN OPPORTUNITY TO MEET TRADE MINISTER RAUSCH AND REVIEW WITH HIM THE STATE OF ECONOMIC RELATIONS BETWEEN CANADA AND FRANCE.

I WOULD LIKE TO SHARE WITH YOU SOME OF MY OBSERVATIONS ON OUR COMMERCIAL RELATIONS, WHICH SHOW SIGNS OF GREATER ACTIVITY, PARTICULARLY ON THE INVESTMENT SIDE, AND TO TELL YOU WHY I THINK THEY HOLD CONSIDERABLE PROMISE.

WE ARE NOW ENJOYING A RENEWED CLIMATE OF COOPERATION IN RELATIONS BETWEEN CANADA AND FRANCE AND ARE ALSO SEEING ENCOURAGING SIGNS IN BILATERAL TRADE FLOWS. LAST YEAR, TOTAL TRADE BETWEEN OUR COUNTRIES REACHED ALMOST 20 BILLION FRANCS (4 BILLION CANADIAN DOLLARS), A 30% INCREASE OVER THE PREVIOUS YEAR. A SIGNIFICANT PORTION OF THIS INCREASE WAS DUE TO THE PURCHASE OF 12 AIRBUSES BY THE CANADIAN AIRLINE, WARDAIR.