

- (3) Mention is also made of the orientation of French trade towards the six EEC countries. No one takes exception to this, of course; but it should nevertheless be emphasized that trade among The Six has increased by 23 per cent from 1962 to 1963. Many Canadians fear that the EEC is going to shut its doors to the outside world. There is no important evidence of this for the time being, especially when it is realized that Canadian exports to The Six increased from \$402 million to \$555 million between 1957 and 1964. The success of the "Kennedy round" of negotiations -- that is to say, an across-the-board reduction of agricultural and industrial tariffs -- would, of course, help to dispel our misgivings.
- (4) Another reason is often mentioned. Jacques Devinat, the helpful Commercial Counsellor of the French Embassy, puts it thus: "The French are only too prone to regard the Canadian market as beyond their reach, and to remember the failures encountered several years ago". Mr. Fillion also has had a few harsh words to say in this respect.

This might explain why the Germans, for instance, manage to sell industrial equipment to Canada without preferential tariff protection, equipment which I am told France is making just as efficiently. This line of products represents 22.5 per cent of German and only 2 per cent of French exports.

On the other hand, a few things have also to be said against Canada:

- (1) We are systematically putting all our eggs in one basket. Close to 75 per cent of our trade is with the United States and Britain; this can be explained by geographical as well as historical reasons which I need not labour. Nevertheless, we certainly have not hitherto put enough effort into the diversification of our trade channels. Yet the trade commissioners of the Department of Trade and Commerce operating in France keep calling the attention of Canadian exporters to the possibilities of the French market. A recent article in Foreign Trade lists many sales opportunities: chemicals, camping equipment and sporting goods, freezers and refrigerators, communication equipment, toys, etc.
- (2) Our customs tariffs are a steep barrier against French manufacturers, as indeed they are against the products of other countries. Our provincial taxes on wines are enough to give a stroke to French exporters, and to Canadian consumers. (Even the quiet revolution in Quebec does not yet encourage the use of still wines).

These problems are very real (I need not mention the word "uranium")

But, it would be going too far to speak, as some have, of the non-complimentary nature of our two economies. To solve these difficulties, increased effort will have to be made on both sides. And often success will follow. Two recent examples will illustrate this. Mr. Hays announced recently that a quarantine station would be built this year at Grosse Isle to promote the importation of Charolais cattle. In turn, I was told yesterday that France will allow the importation of boneless meat as well as carcasses. These decisions will undoubtedly please exporters in both countries. Let us attack other restrictions in the same manner.