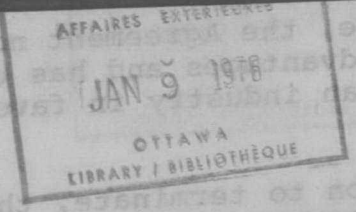




DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

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CANADA'S DECISION TO TERMINATE THE CANADA/FRANCE TRADE AGREEMENT OF 1933

The Secretary of State for External Affairs, the Honourable Don Jamieson, today announced Canada's decision to terminate the Canada/France Trade Agreement signed in 1933. The decision was conveyed to the French Ministry of Foreign Affairs earlier today by the Canadian chargé d'affaires, a.i., in Paris.

The Agreement is no longer significant in governing Canada's economic relations with France; it has been superseded by our common membership in GATT, French membership in the EEC and Canada's developing relationship with the Community as a whole. The only part of the Agreement that continues to have any practical effect is Article 11, providing for the mutual protection of appellations of origin for goods produced in either country.

(An appellation of origin is a geographical name applied to a product to designate that such product originates in that area and that such product possesses specific characteristics.)

While Canada has registered very few appellations, a considerable number of French appellations (including the names of a number of wines, spirits and cheeses) have been registered in Canada under this Article. In recent years this Article has played an increasingly contentious role in Canada/France relations as a result of a series of court actions undertaken in the late 1960's by French industry concerning the use of the champagne appellation by Canadian producers.

As is the case in all Canadian industrial property legislation, the Canada/France Trade Agreement Act of 1933 gave persons registering their appellations the right to seek protection through the Canadian courts. Although a number of Canadian

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.