



Bulletin

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CANADA'S ROLE IN INTERNATIONAL TRADE

At a meeting on February 23 of the Export Advisory Council, Mr. Robert H. Winters, Minister of Trade and Commerce, reviewed recent developments in international trade and described Canada's consistent championship of the liberalization of world trade.

Commenting on the possibility of the application of border taxes and export subsidies by the United States, Mr. Winters reiterated the Government's intention of taking "offsetting action" if necessary, so that Canadian exporters would not be put to a disadvantage. "The really important thing," he said, "is that we do not let any temporary balance-of-payments measures by the U.S. obscure or prejudice the gains made under the Kennedy Round."

Mr. Winters also spoke of Canada's trade position, promotion programmes and financing. Part of his address follows:

...Turning to the domestic scene, I am happy to note before this Council the achievement by a good margin of our centennial year export target of \$11.25 billion. Canadian exports for 1967 were \$11.4 billion - more than \$1 billion above the \$10.3-billion level achieved in 1966.

The 11 percent increase was in line with the export growth trend of the previous five years and was particularly creditable in light of an early year slowdown in the U.S. economy and the slower tempo of activity in Europe.

Canadian imports also rose in 1967 - by some eight per cent - but the even sharper rise in exports resulted in an increase in our trade surplus from a quarter of a billion to more than half a billion dollars.

This year's export target of \$12.3 billion calls for a further \$900-million increase over 1967. While a little less than the actual increase achieved last

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year, this nevertheless presents a tough challenge to Canadian exporters. A major positive factor in the outlook is increased business tempo, compared to a year ago in both the United States and Germany.

On the other hand, the Japanese economy, though still moving ahead, is losing some of its momentum. We cannot reasonably expect to duplicate last year's huge 40 percent increase in our exports to that market.

Devaluation has meant stiffer competition in Britain, here and elsewhere for Canadian products that compete with goods made in Britain or in other countries which devalued. However, the bulk of our products sold in Britain have not been adversely affected by devaluation. Thus, total exports to Britain may hold close to the levels which have prevailed since 1964.

Cross-border trade in automotive products continues to expand but the growth in exports this year will likely be much less than the three-quarters of a billion-dollar increase of 1967.

Wheat sales weakened markedly in the latter part of 1967 and sales will be no higher, and in fact may be lower, this year. I anticipate sales between