

**Canada's direct links with Latin America**

Canada itself was relatively slow to develop an independent international personality – we only established a legation in Washington in 1927 – and we did not develop diplomatic relations with Latin America until the Second World War, when five missions were opened. But long before that Canadians had made their presence felt, first through contacts by Canadian missionaries in Chile and elsewhere and subsequently by Canadian-established utility companies in Mexico, Venezuela, Bolivia and Brazil. Canadian manufacturers of agricultural machinery sold combines to Argentine wheat farmers and Canadian companies built railways and mining installations. So our belated diplomatic recognition was a reversal of the old adage that "trade follows the flag". During the 1950s Canada completed its diplomatic accreditation to all the countries of Latin America.

The scale of our trade can be seen in Latin America's standing as the most important region for Canada's trade after the United States, the European Community and Japan. In 1979 our total exports to the area amounted to \$2.5 billion. Our exports to Venezuela alone amounted to about \$700 million, slightly more than Canadian exports to France, and over 60 per cent of that was in auto-parts which generate skilled employment in cities like Windsor. In fact, about 43 per cent of our exports to Latin America are in the form of fully manufactured products, the highest such percentage for any of our major trading regions.

The trade figures are encouraging in that Canada's exports increased five fold between 1968 and 1979. Canada's share of the total Latin American market remained relatively stable during the 1970s, however, after growing considerably in the 1960s. We have not become a major supplier to Latin America, nor is Canada yet a major destination for Latin American goods. Without discounting the progress that has been made there is still a great challenge to increase trade in both directions.

In many ways our relationships with Latin America are still too "one dimensional". They remain essentially a reflection of the early pattern of trade and investment contact between Latin America and Canada. We need to bring new dimensions to our economic relationship, particularly in industrial co-operation and technological exchanges. Some similarities in the structure of the Canadian and certain Latin American economies provide vast scope for potential co-operation and joint ventures. The opportunities lie in both directions. Canada has been a beneficiary as well as a dispenser of technical knowledge: our scientists have benefited from topographical and thematic mapping techniques developed in Mexico and Columbia and from Brazilian research in earth physics.

Canada's relations with certain Latin American countries will naturally be strongly marked by our concern to secure long-term oil supplies from this stable and historically friendly region of the world. We believe that the complementarity of our economies and the possibilities of co-operation should make this very attractive to both sides.

**Latin America as a "Region"**

Both Latin America's new prominence on the world's political stage and its evident economic promise make it a region of special interest to Canada. In developing its policy, I think Canada should avoid the pitfall of thinking of Latin America primarily