

These countries offer the possibilities for mutually rewarding economic partnerships for Canada in the 1980s. And they themselves are actively seeking such diversified trade relationships.

For Canada, not a member of any trading bloc, it is necessary to build a global network of trading partners. As Canada does not have traditional relationships with many of these countries, efforts must be made to build long-term and stable relationships with them from the ground up. Stable and long-term relationships will be particularly necessary for Canada in a world which threatens increased instability. A strong policy of strengthening bilateral relationships with key countries is necessary.

The improved technique of concentrating our bilateral relations which I announced on behalf of the government in January is in effect an updating and extension of the third option policy of 1972 by projecting our economic links beyond our traditional trading partners -- the United States, Europe and Japan -- to the Third World.

To illustrate how important the Third World has already become to Canada in trade terms, the following figures will be of interest to the House. Canadian exports to the developing countries constituted 9.7 per cent of total domestic exports in 1979. This figure rose to 11.6 per cent in 1980. From 1979 to 1980, while the value of total Canadian exports increased by 16 per cent, the rate of increase to the developing countries was 37 per cent. Particularly dynamic markets are China, Algeria, Brazil, Mexico and Saudi Arabia. Our exports to Brazil in 1980 rose by 111 per cent; those to Mexico by 104 per cent.

Furthermore, for several years our manufactured exports to developing countries have been of greater value than our manufactured exports to Europe. The Third World now also is the recipient of roughly 25 per cent of Canadian investment abroad. At the same time the rate of growth of imports to Canada from developing countries between 1979 and 1980 is greater than the average rate for all countries. This statement is true even if the export figures for the oil-exporting OPEC (Organization of Petroleum Exporting Countries) countries are eliminated from the statistics.

Specifically, where in the Third World does Canada look for new partnerships of mutual benefit? The countries of the Pacific Rim, and more specifically those of ASEAN, offer many potentially new partners. The annual growth rate of the ASEAN economies of some seven per cent over the last ten years has been twice that of North America and the European Economic Community (EEC) countries. The economic prospects of these countries remain particularly bright. There are growing links between Canada and ASEAN which, in particular, are stimulating the Pacific dimension of Canada's foreign policy.