

B) Direction

Canada's trade to developing countries has not changed direction significantly in the last decade. In 1969, as in 1959, Latin America still led in volume with 50 per cent, Southeast Asia with 26 per cent, the Commonwealth Caribbean with 13 per cent, the Middle East with 7 per cent, and Africa with 4 per cent.

C) Composition

Developing countries still obtain over 80 per cent of their foreign-exchange earnings from exports of primary commodities. These include food, raw materials, ores and minerals, and fuels.

For many years ahead, favourable conditions for the international marketing of primary commodities will remain a basic prerequisite of the modernization and industrialization drive of the developing countries.

It is not surprising therefore that Canadian imports from developing countries are largely composed of tropical foodstuffs and raw and semi-processed materials. The remainder is made up of miscellaneous manufactured products, textiles, and chemicals.

The composition of Canada's exports to developing countries is largely made up of foodstuffs (70 per cent) and manufacturers' industrial materials (25 per cent), for which there is continuing demand by developing countries whatever their degree of economic development.

However, as many of the developing countries make significant progress towards industrialization there are now significant sales of capital equipment and technical services.

In the years to come we expect Canada to be particularly well qualified to provide the necessary equipment and expertise in such fields as telecommunications, grain-storage facilities, hydro-electric equipment, port-handling equipment, pulp and paper machinery, specialized aircraft, road and rail equipment, nuclear reactors, airport construction, aerial surveys, consulting engineering services and educational equipment.

Recently, we have sold quantities of hydro-electric turbine equipment to Brazil (\$5.6 million), oil-well production equipment to Saudi Arabia (\$1 million), locomotives to East Africa (\$14 million) and highway-construction equipment to Indonesia (\$28 million).

To appreciate fully Canada's trading position vis-à-vis developing countries it is useful to review the basic elements of the Canadian approach to trade. Since the World War, Canada has adhered to the rules and principles of multilateralism, freer trade, and reciprocity as embodied in the General Agreement on Tariffs and Trade (GATT). This has been reflected in the full support that successive Canadian Governments have extended to six different rounds of GATT trade negotiations, which culminated in the Kennedy Round in 1967.