

exports and for new techniques, and I am sure that Canadian exporters will too.

The Prime Minister has taken our trading message to Europe just this past week. I have led missions to Brazil, Mexico and the Middle East this year. And I am encouraged by what we have seen.

I said when I returned from Mexico that there is a billion-dollar market for Canadian goods and services. After the Middle East mission I estimated that Canadians could sell \$2-billion worth in this market. And I mean it.

We have been doing much follow-up work on these missions. Trade commissioners have travelled all across Canada spreading the gospel. I hope that in the near future we will be able to begin negotiating trade agreements with Iraq, Iran and Saudi Arabia. The agreements will facilitate continuing high-level consultations on matters of mutual concern through joint commissions.

We have already signed \$100 million in sales contracts with Mexico as a result of our mission in February. We are intensifying our bilateral talks with this country to ensure Canadian participation in developments in electric power, agriculture, transportation and other areas.

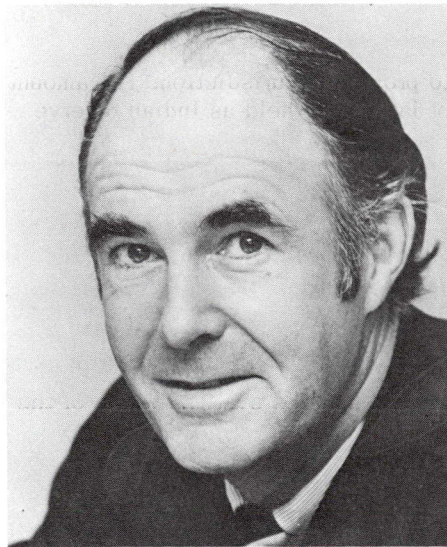
We are continuing our work in the Common Market. We are spending more than one-third of the Department's trade fairs and missions budget in Europe next year. More than one-third of our trade-commissioner strength abroad is in Europe.

We are seeking better market access to the enlarged EEC. We are negotiating to sort out the balance of GATT obligations in light of the accession of Britain, Denmark and Ireland to the EC.

You are aware that the Prime Minister spoke with French authorities last week. Their discussions resulted in decisions which put much greater emphasis on the need for expanded trade between Canada and France.

To this end, two working groups have been formed. They will seek to identify opportunities for increased relations on energy and in the industrial sector generally...on the industrial side, the first area to be investigated will be the transportation sector.

It was also agreed that ministers from



*Alastair Gillespie, Minister of Industry, Trade and Commerce.*

both sides should preside over the next meeting of the Canada/France Joint Economic Committee. This meeting will be held in Ottawa early next year. It will be particularly concerned with questions relating to the expansion of our bilateral trade.

In Brussels, the Prime Minister had very useful talks with the President and other members of the Commission of the European Economic Community. Both sides agreed that the time had come to take concrete steps to strengthen the links between Canada and the Community. They also agreed to begin exploratory talks in the near future on the nature and scope of negotiations intended to define the form and content of the relationship between them.

We have identified market prospects in Eastern Europe. Here again, much remains to be done to convince the buying organizations of these countries that Canadian technology, engineering and contracting are the best.

We are optimistic about future trade with Japan. Prime Minister Tanaka said when he was in Canada last month that the Japanese market is open for fabricated products as well as raw materials. We'll accept this as an invitation to step up our promotional efforts on behalf of manufactured goods exporters.

#### Trade with U.S.

Even with all this effort to diversify our markets we are not overlooking our

old friends in the United States. They're still our best customer. But we want them to take more of our end products — our manufactured goods. Yet our exports of these end products to the U.S. are declining as a proportion of our total trade with that country. And this at a time when there is a ready market available in the U.S. for such products.

...We must correct this trend. I am concerned, for instance, that the Canadian automotive companies should invest more in Canada. I told the presidents of the Canadian companies this summer that they should invest in Canada — invest at a rate that will ensure Canadian production will grow to match the increase in sales opportunities in Canada, the United States and in third countries.

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#### Joint ventures

A new trading opportunity for the enterprising Canadian exporter, both in traditional markets and newer markets, is the joint venture. We consider a joint venture to be an arrangement between a Canadian company and a local partner to take advantage of a particular market opportunity that exists in the partner's country...and which involves the provision of equity, technology and management services.

In some areas of the world the traditional methods of selling finished goods are no longer sufficient. Industrial development policies of many nations are based on import replacement. So much so that joint venturing is the only way to pursue certain kinds of business in these countries.

The Government feels that joint ventures will give assurance of our long-term commitment to the economic welfare of the partner countries. At the same time we will strengthen and broaden relations between Canadian and overseas business communities.

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An excellent example of a successful joint venture is one undertaken by McMillan Bloedel for lumbering operations in Malaysia and Indonesia. The Canadian firm joined in this venture with Jardine Matheson of Hong Kong, local state Government and private interests in the countries involved.

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