

Certain elements of the Canadian private sector are fairly active in Latin America, where there have long been private capital investments of sizeable importance, especially in mines and public services. Canadian banks operate there and groups of Canadian engineers and consulting engineers are increasingly active in these countries.

More recently, the Canadian Government took a modest step towards real co-operation with the governments of the Latin American countries in the field of economic development. Since 1964, Canada has each year allocated \$10 million to the Inter-American Development Bank. This amount forms part of the long-term loans which the Bank grants to member countries in order to help them carry out certain development projects. The Canadian Government has the right to approve the projects financed with Canadian funds. This effort is worthwhile but hardly sufficient, if one considers that the amount which Canada contributes each year to help the economic development of Latin America represents only about 3 per cent of the money earmarked by Parliament for external aid. We fully understand the situation. In the field of economic development, we wish to co-operate with the countries of Latin America as much as possible in the future and we are now studying the most practical ways of doing it.

In another area, one related to trade -- that is, the field of export credits -- the Canadian Government has been very active in Latin America in comparison to other parts of the world. Of a total of approximately \$400 million granted for credits to foreign countries in recent years, about \$150 million has been directed toward Latin American countries.

I have already said that trade is unquestionably one of the oldest and one of the most effective ties between Canada and Latin America. The total value of our commercial exchanges exceeded \$965 million in 1968, more than 11 times the figure for 1941. Nevertheless, placed within the context of our world trade, this value represents only 3.8 per cent of our total trade for the year 1968 and, incidentally, indicates a balance in our favor. We sell more to most of these countries individually than they sell collectively on our market. These statistics clearly illustrate the real difficulties which these countries experience in increasing to a satisfactory level their exports to Canada. We are ready to provide our advice, as far as possible, to help them increase their output. In return, one must realize that the exportation of traditional Canadian products to Latin America will from now on have to face the free-trade area customs arrangements which are presently being established in these countries. Canada, while attempting to retain a fair share of the market for the exporters of these products, must also seek to ensure that exports of other kinds, such as the equipment needed for economic development, are given a place in our trade with Latin America.

It is evident that there is a place for closer relations with Latin America in the economic field. Canada can play an important role in the economic development of Latin American countries, not only through the Canadian International Development Agency and the Export Credit Insurance Corporation but also through the investment of capital and the various efforts of private groups. I see two main ways in which this role can be fulfilled: in the first place, through the financing which the Canadian Government could usefully provide in the future; and secondly, by making use of the experience of Canadians who have already had to deal with problems similar to those which Latin Americans must face at the present time.