

If one of the main thrusts of Canada's relations with the Latin American countries generally is in the field of technological transfer, the main aspect of our bilateral relations is in the field of trade and commerce. Our trade relations with Latin America and the Caribbean region go back a long time. It might interest you to know that Canada was exporting wheat to the northern parts of New Spain during the early eighteenth century. We are still exporting wheat to Mexico today. We were exporting codfish to the Caribbean area at the same time and are still doing so.

Canadian exports to Latin America and the Caribbean have substantially increased in recent years, doubling between 1960 and 1970 and reaching over \$2.2 billion in 1978. These exports represented 4.7% of Canada's total exports worldwide, but I note that they also represented only 4.7% of Latin America's total imports of \$53 billion. In my view, this illustrates that our mutual trade could be vastly expanded.

The most important markets for Canadian exports in the area are Venezuela, Brazil, Mexico and Cuba. Argentina and Chile are gaining importance as trading partners for Canada also. Among the principal Canadian exports to Latin America are traditional resource-based commodities such as wheat, aluminium, asbestos and newsprint, but cement, metal-processing plants and consulting services are rising also.

Canadian imports from Latin America and the Caribbean totalled almost \$2.5 billion in 1978. This sum has risen rapidly in recent years due mainly to the substantial increase in oil prices. As a result of Canadian purchases of petroleum for Canada's east-coast market, Venezuela is now our third largest supplier after the U.S.A. and Japan. However, Brazil, Mexico and Cuba are increasingly important suppliers of coffee, fruit and vegetables, textiles and footwear, along with a growing range of machinery and automotive components. I find most interesting this rise in industrial exports and I have every reason to believe that it will grow in both directions in the future.

In another important area of our economic relations, Latin America is second only to the United States as a recipient of Canadian foreign investment. Canadian investors have long been established in many countries from Mexico to Argentina in a wide range of sectors and activities. Today, interest is growing among many small and medium-size Canadian firms in establishing joint ventures in Latin America as a means of mutual expansion and benefit. At the end of 1976, Canadian direct investment in the area totalled \$2.3 billion, of which \$1.2 billion was in Brazil alone.

Canadian private banks have had branches throughout the region since the turn of the century. Recently, they have been particularly active in making Euro-dollar loans to the Brazilian public sector as well as to private financial institutions. Their exposure in Brazil today is well over \$2 billion. They have traditionally participated in foreign bank consortia but increasingly they have been successful in becoming lead managers and agents for some large syndicated loans. As a small aside here, I am told that the largest Canadian branch bank anywhere in the world, including Canada, is to be found in Buenos Aires!
