

# Canada Weekly

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## Current state of Canadian trade and outlook for the future

On October 29, the day following his return from Brazil, Industry, Trade and Commerce Minister Alastair Gillespie stated that he was looking forward to Canadian exports of goods and services to that country "topping \$400 million this year - a doubling of the trade over last year - and a doubling of this \$400-million figure over the next four or five years".

In an address to the Canadian Export Association's annual meeting, the Minister went on to describe the current state of trade and his hopes for the future:

...For the year to date, it looks good. Our exports are running about 26 per cent ahead of the same period last year - for the first eight months, that is. We project a new record total for the full year of \$31 billion - this will be well ahead of last year's record of \$25 billion.

\* \* \* \*

Exports to the U.S. and Britain are up by just 22 per cent in the first eight months. But our exports to Japan are running 39 per cent ahead of last year. We're up by 34 per cent on exports to Commonwealth countries - by 42 per cent to the Common Market Countries - to Latin America by 58 per cent - and to Brazil alone, the increase is more than 200 per cent.

There is also another way of looking at these figures. What do they mean in terms of our efforts to diversify our trade? It wasn't too long ago that we looked to the United States to take upwards of 70 per cent of our exports. Last year this percentage was about 68 per cent. For the first eight months of this year it is down again, to 66 per cent, even though our absolute value of exports is up.

I don't want to mislead anybody. These are value figures which reflect a substantial increase in prices received for Canadian exports. Nevertheless, it's an excellent performance in present conditions.

We realize, of course, that there are difficulties, largely in automobiles and lumber. Sales of cars and trucks have held up remarkably well in Canada in spite of the energy crisis. Such, however, is not the case in the United States, where our automotive exports have fallen off.

We have had a forest-products mission

here from the EEC. Members of the mission, from five member countries, have crossed Canada to see what we are doing - and assess what we can do in the way of providing an assured supply of forest products. Members of the group were fully briefed on our objective of increasing the degree of processing in Canada of our resource exports. We are confident that they were impressed with what they saw and that our exports will increase as a result.

### Imports

Meanwhile...our imports have been rising again this year - to the end of eight months they are up by 34 per cent.

Thus our commodity trade surplus has narrowed - to \$460 million so far this year, compared with \$1,277 billion for the same period last year. I expect, however, that there will be further additions to our commodity trade surplus. Seasonally adjusted data to date suggest the surplus for the year will be in the neighbourhood of \$1 billion.

### Outlook for exports

What about that other important question - what are our prospects for increasing trade next year?

Naturally a major trading country like Canada cannot hope to pass unscathed through the current difficult international economic situation... It is probable that the economies and buying power of principal markets will be somewhat subdued during the coming year. Even so, I am sure that, in value terms, Canada's exports will continue to rise.

The Government will continue to exploit methods of pushing for greater

- Current state of Canadian trade and outlook for the future, 1
- James Bay hydro project - agreement in principle, 3
- Montreal Military and Maritime Museum open all year, 3
- November madness - or football time in Canada, 4
- Montreal wins Grey Cup, 4
- Visit of the Prime Minister of Iran, 4
- New program to aid developing countries, 4
- Kings's Landing, N.B., restored as historic village, 5
- Canadian travel films presented to State of Nevada, 6
- Computer curbs potato blight, 6

