

Cross-border trade in automotive products continues to expand but the growth in exports this year will likely be much less than the \$4-billion increase of 1967.

Wheat sales weakened markedly in the latter part of 1967 and sales will be no higher and, in fact, may be lower this year. I anticipate sales of between 350 and 400 million bushels, but it will take hard selling and some favourable circumstances to enable the Wheat Board to achieve the 400-million-bushel figure. Recently, however, there are signs of a healthier market, and we are pushing against all doors.

On the positive side, exports of forest, metal and mineral products as a whole should show good increases this year.

However, it is clear that, if we are to meet the \$12.3-billion target, we are going to have to continue to make major gains in exports of manufactured goods. And this is going to require a quick and vigorous response to Kennedy Round opportunities, as well as strong efforts to contain the still-persisting upward pressures on costs and prices.

#### Trade-Promotion Programmes

This subject is on the agenda for discussion later this morning. Since we are approaching the start of a new fiscal year with a recently revised Departmental organization and with fresh infusions of funds to carry out our trade-promotion programmes, I should like to highlight for you briefly something of the major thrust of our promotion plan for 1968.

#### Financing and Aid

One area in which we are making particular efforts to improve and streamline our operation is in our facilities to provide financing and our activities related to external aid. The existing Financing and Aid Division has been transferred to the Trade Promotion wing of the Department and has been expanded to the status of a branch reporting directly to the Assistant Deputy Minister (Trade Promotion).

As you know, a detailed review is now being carried out, with the assistance of Mr. J. Douglas Gibson, of the availability, cost, terms and conditions of financing from official and private sources in support of export. We anticipate the need to make certain amendments to the Export Credits Insurance Act and to introduce other measures to ensure that Canadian exporters are supported by adequate and competitive financing facilities. We have very much in mind the broad range of trade-promotional measures, including new financial supports, at present being contemplated in the United States.

Our officials were authorized recently to take the initiative in bringing foreign-investment opportunities to the attention of Canadian firms where this appears to be in the national interest and to provide assistance as necessary. We are, in addition, exploring a number of new techniques to