

Investment by Canadian business in under-developed countries has much to commend it. For one thing, it will do no harm to get in on the ground-floor of what, if development efforts succeed (and they must), could well become the fastest-growing market in the world before the turn of the century. By the year 2,000, better than three out of four people, out of a total world's population of some six billion, will be living in what is now known as the "Third World". Latin America, today about the size of the United States and Canada, by the year 2,000 is expected to have well over 600 million inhabitants -- half as many again as Canada and the United States combined. Developing nations can be expected to provide a major and growing market for goods and services.

Of course, it takes hard cash to translate potential import demand into effective sales orders. Developing nations will have to rely chiefly on their export earnings to obtain the goods and services they need but cannot produce themselves. A substantial and steadily growing volume of foreign exchange will be required. This can only be obtained, over the long haul, through the expansion of the trade and other earnings of the developing nations.

Later this month, I shall be going to Geneva to meet with the representatives of other governments to consider and set the course for future world-trade initiatives. The problem of the "Third World" will rank high on the agenda as an item to which Canada attaches a considerable priority. Action will be necessary on several fronts: price stabilization for the primary exports which form such an important component of the "Third World's" trade; the diversification of exports; improved conditions of access, particularly for manufactured goods, to the markets of the industrial "Third World". These are among the matters of concern to the developing nations which will receive our attention at Geneva, and subsequently at the Second United Nations Conference on Trade and Development, which will take place in New Delhi next February.

Another important consideration is that these developing nations provide an excellent outlet for the energies of a dynamic Canadian firm. I am not here talking just about those Canadians who take great personal pleasure in surmounting difficult challenges -- although this is a point which cannot be minimized, and which has, I suspect, been an important factor in the thinking of many who have taken the "Third World" as their new frontier. The point I wish to emphasize is that direct investment brings with it the need for production equipment and a continuing reliable source of supply to meet future equipment and industrial material and component requirements. It is not unusual for the parent company to fill these orders, and this can mean new, good business for parent companies and other suppliers in Canada when one of our firms decides to make a direct investment in the developing world. And, it is to be hoped, it can be anticipated that such companies will become paying propositions in their own right, making a real contribution to the Canadian parent's operations and profits.

Investment abroad, as I have often emphasized, need not be considered the prerogative of only the large multinational firms. There are opportunities as well for small-to-medium-sized firms, especially in secondary manufacturing, acting either individually or in concert.

In my opinion, much more use can be made of the consortium technique, and we are at present studying areas in which further government action might