

forced to centre their preoccupations on the solution of their internal problems and the affairs of the Hemisphere. As I shall mention later, the Canadian people's involvement in international affairs is a fairly recent phenomenon. Despite this, Canada has always been relatively open to the outside world, either for historical or internal reasons, or because of the need to counter-balance the influence of the United States.

As a result of technological changes since the Second World War, the geopolitical gap between Canada and Latin America has narrowed. Aviation and telecommunications have greatly facilitated contacts between the various parts of the Western Hemisphere, and between this Hemisphere and the rest of the world. Canadians are showing a greater interest in the affairs of this Hemisphere than they did in the past; at the same time, the people of Latin America are becoming more interested in world affairs. This interest on the part of the people is reflected at the government level. I was one of the members of the ministerial mission which visited nine Latin American countries at the end of last year; during these visits, the Secretary of State for External Affairs and myself were struck by the willingness of the ministers of foreign affairs of these countries to talk with us about several aspects of the situation in the Hemisphere and by their great eagerness to discuss in depth current international problems....

#### ECONOMIC RELATIONS

Regarding economic development, the position of the Latin American countries is somewhat paradoxical. In the first place, some of these countries are far more advanced economically than the others. This gap has long existed for some of them. At the same time, in many of these countries, there are on the one hand, striking economic development, fully comparable to that of the most advanced countries, and, on the other hand, very serious economic and social problems which affect a wide segment of the population. It is to these problems that the governments of these countries are increasingly turning their attention, and it is, of course, for them to make the necessary decisions, which in certain cases are of immediate urgency.

Certain elements of the Canadian private sector are fairly active in Latin America, where there has long been private capital investments of sizable 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 worth-while 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.

#### EXPORT CREDITS

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 what it has done in 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.

#### TRADE

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,