

America and one quarter per cent of its total exports. These included a relatively high percentage of industrial raw materials and manufactured goods and chemicals.

Another important economic institution for Latin America is the United Nations Economic Commission for Latin America (ECLA), which is a centre of economic studies for the region. The Commission was specially concerned with the Chilean earthquakes and, at a special meeting in June, urged ECLA members to increase financial and technical resources for the Chilean reconstruction programme. Canada has maintained an interest in the activities of the Commission and has attended some of its meetings with observer status.

The Bogota conference of the Organization of American States (OAS) in September devoted considerable attention to the problems of the under-developed countries of South America, and was thus of notable interest to Canada. The conference agreed to establish an inter-American programme of social development based on proposals made by President Eisenhower. The United States also announced its plans for establishing the Inter-American Fund for Social Development, with a capital of \$500 million, to be administered by the newly-founded Inter-American Development Bank.

The facilities recently authorized by the Canadian Government that will permit the provision of long-term credits for the sale of capital goods abroad will open opportunities to Canadian firms for the export of capital equipment, and could be of benefit to a number of South American countries. Considerable interest in these facilities has already been shown by firms wishing to export to Latin America.

In October Canada renewed the *modus vivendi* governing commercial relations with Venezuela originally signed in 1950.

Canadian Commercial Relations

Economic relations with the United States, Canada's most important trading partner, continue to be fundamental to Canada's whole international economic position. Between two countries with so great a degree of economic interdependence there are inevitably many difficulties and problems, which there is an opportunity to review at the annual meeting of the Joint Canada-United States Committee on Trade and Economic Affairs. Among the points raised this year by Canadian ministers was the continuing concern in Canada about the quota restrictions imposed by the United States on imports of lead and zinc and on certain agricultural products. The ministers also discussed problems of surplus disposal of certain commodities and recent developments in the field of petroleum and natural gas.

Although there was very satisfactory progress during the year in dealing with the great variety of particular problems which inevitably arise on economic matters between the two countries, more fundamental aspects of Canada-United States economic relations continued during the year to cause some concern. Among these problems is the volume of United States investment in Canada and the continuing large deficit on current account in Canada's balance of payments with the United States.

Trade between Canada and the United Kingdom and Canada and other parts of the Commonwealth increased during 1960, partly because of the