

a period, a common market in automotive products in North America. For Canada, this produced exports of about \$4,100 million in 1971, over 17 times the exports of automotive produced in 1965, and up by nearly one-fifth from 1970.

In all, recent gains have reflected encouraging progress by Canada in exports of all manufactured goods. Sales of machinery and equipment and finished consumer goods (other than automotive products) rose strongly in 1970 and continued to increase moderately in 1971.

In resource-based industries, substantial gains were realized in oil and gas in 1971, though other minerals, particularly base metals, lagged somewhat after achieving very large increases in the previous year.

Canadians are counting on improved demand in world markets in the years ahead. They feel that faster growth in the industrial nations should, in turn, strengthen world commodity markets with consequent benefit to the areas of the world producing food and basic materials. Higher export returns in these areas, coupled with Canada's expanding aid programs, will lead to new opportunities for trade with the developing countries.

#### Canada and the World Economy

Canadian industrialists, looking at the viability and fast-paced expansion of their nation as one of the most advanced countries in the world, realize that great challenges, as well as great opportunities, are ahead for Canada.

It is fully realized in Canada that the future of its export trade, particularly in end-products, is closely related to its ability greatly to improve its industrial productivity. To this end, the Canadian Government provides assistance to Canadian industrial companies in the form of grants for capital and current operating expenditures devoted to clearly-defined research and development programs.

In this, the Government also underwrites specific projects that involve important advances in technology, and generally encourages development of products and processes -- such as automatic process control systems -- which serve to enhance productivity or otherwise contribute directly to economic growth.

One result is that Canadian industry is becoming increasingly specialized, to the extent of concentrating main export endeavours on the design, development and manufacture of products which can most successfully compete in increasingly sophisticated markets. This is particularly evident in such fields as specialty machinery and industrial equipment incorporating automated or computer-controlled processes, in telecommunications equipment, in microminiaturized electronics, in avionics and nucleonics.

In working toward these goals, Canadian industry is also well served by the National Research Council, the Canadian Government research agency, which ranks with the most advanced of such establishments in the world, and by research councils organized by Canadian provincial governments and universities.