

CANADA/REPUBLIC OF KOREA

BILATERAL RELATIONS

Canada's interest in the Republic of Korea stems from our desire to ensure continued stability on the peninsula; to develop and protect our rapidly growing commercial and other bilateral interests; and to foster security in the region, thereby safeguarding our expanding relations with countries in Asia and the Pacific. Since the Korean War - in which 26,791 Canadians served and 516 died - a significant and continuing theme in Canada/Korea relations has been support for the political and territorial integrity of the Republic of Korea in the United Nations and elsewhere. (Canada does not recognize North Korea.) On this essential political foundation, our major and growing association in recent years has been in trade and economic relations.

The substance of the overall relationship has been augmented by an increasing tempo of visits, exemplified by that of the Prime Minister to Korea last September. In his discussions with Korean leaders, the Prime Minister reiterated Canada's political commitment to the Republic and our strong interest in building on the momentum of our economic relationship. Minister of State for Trade Lumley, the Speaker of the Senate, Senator Marchand, members of the Canada/Korea Parliamentary Association, and a number of provincial ministers, also visited Korea in the past year. Visits to Canada have included those of the Korean Minister of Commerce and Industry, Suh Suk Joon (1981) and Korean members of the Parliamentary Association. These personal exchanges are reinforced by the presence in Canada of over 40,000 residents of Korean origin, a constant influx of Korean immigrants and intensified travel by families, businessmen and, increasingly, tourists.

Although the concerns of groups of Canadians over the observance of human rights in Korea continue to be a complicating factor in our relationship, Korea will no doubt represent in coming years a priority area in foreign policy terms.

Economic Relations

Trade relations have grown remarkably since Canada opened its Embassy in Seoul in 1973. Two-way trade increased over tenfold by 1981 to \$1 billion. While Canada enjoyed a surplus (\$90 million) in 1980, 1981 saw the balance of trade revert to Korea's favour. With Canadian