

Canada's trade with China is important. Its 1971 exports were valued at approximately \$204 million and imports at \$23.3 million. In addition to wheat, Canada exported to China: wood pulp (\$2.1 million), tire fabric (\$730 thousand), tallow (\$2.0 million), aluminum ingots (\$2.2 million), nickel anodes (\$743 thousand) and X-ray equipment (\$236 thousand) -- some of those sales resulting directly from the mission.

### Mission to Japan

Of all the ministerial economic missions organized these past few years, the one I led to Japan a few weeks ago may well be the most important in trading terms. It was the largest economic mission Canada has ever sent anywhere in the world. It was subject to a very extensive and thorough preparation and the effects have already been most encouraging, as you will see.

Japan is Canada's third-largest market and may very soon displace Britain as our second most-important market. In 1965, two-way trade between our two countries totalled \$456 million and Canada had a surplus of almost \$100 million. By 1971, trade had more than tripled, reaching \$1.6 billion (about \$800 million each way).

What was "the problem"?

While on the surface things appeared to be going very well, Canada had for some time been concerned with the composition of its exports to Japan -- that is, their degree of fabrication. In 1971, fully 97 per cent of our imports from Japan were in the category of manufactured products, which contrasted very sharply with our exports of end-products to Japan -- which account for less than 3 per cent of the total. This compared poorly with our performance in other markets. As a simple example, about 45 per cent of our total exports to the U.S.A. are fully manufactured. In the Philippines, over 60 per cent of our sales are in manufactured form.

Our purpose in going to Japan was to try to remedy the situation, to try to add a new dimension to our exports to Japan. We had suggested that part of the problem lay with Japanese import controls and administrative procedures, which are too restrictive and do not allow the free movement of goods. On the other hand, some Japanese businessmen had suggested that Canadians were not being aggressive enough in pursuing trading opportunities in Japan. There was probably some truth in both explanations, and that is what the mission to Japan set out to clarify.

The problem was: How could Canadian exporters penetrate the Japanese market with manufactured goods?

The 31 Canadian businessmen on the trip spent a whole week meeting with their Japanese counterparts, informing them on Canadian export capacity, discussing business opportunities, determining existing impediments. During the five days we were there, it was estimated that they met well over 1,500 Japanese businessmen and officials. Some people referred to our operation there