

than we had of events in another part of Canada 50 years ago. In part, the change is due to the growing realization that foreign policy is not a thing in itself but rather an external dimension of domestic policy. Both are aspects of one central national policy — to preserve and strengthen Canada and to preserve and enhance the well-being of all Canadians now and for the future. External policy itself has several dimensions, two of which are the political and economic. These, too, are indissolubly linked. We must be equally concerned with the preservation of our national sovereignty and the preservation of our economic health. Both of these are essential to the well-being of all our people, particularly in our case, where, as a great trading nation, we must steadily increase our exports or wither away into penury. There is a common misconception that my Department in Ottawa, with its posts and embassies abroad, serves some generalized national interest. I suppose it does, but this isn't the whole story. The purpose of Canadian missions abroad is to serve the interests of all parts of Canada, and all sectors of the Canadian economy. They do this in close co-operation with our sister Department of Industry, Trade and Commerce, which provides a component in nearly every diplomatic mission and maintains a number of posts of its own where our interests are essentially trade-oriented. There is a growing number of provincial trade missions, from Alberta as from other provinces, travelling abroad. I think it is fair to say that those taking part in such missions have been impressed by the expertise available to them in our posts abroad, and by the understanding of their specific needs and interests shown by External and Trade and Commerce personnel resident in their target countries.

I should like to turn now from the more general considerations of foreign policy and its domestic implications to some questions of specific interest to this part of Canada. First, to our growing trade with the nations on the "Pacific rim".

Canada and the Pacific

The importance of the Pacific to the Canadian economy today is not always realized. In 1968, the Pacific rim was our third-ranking market, following the U.S.A. and Western Europe. Canadian exports to the Pacific (excluding the U.S.A. and Latin America) amounted in 1968 to more than a billion dollars, double those of 1963. This performance has been sustained during 1969. In the decade from 1958 to 1968, Canadian exports to the world increased by 175 per cent, but those to the Pacific market increased by more than 400 per cent. The large component of our trade in the Pacific directed to Japan is not likely to change essentially in the 1970s, although we may expect a wider market for finished goods if, as we hope, access to the Japanese market is further eased. In the rest of the Pacific the drive to industrialization in the less-developed countries should result in larger exports of Canadian capital goods and raw materials. The mutual trade of the developed nations of the