

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 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 Pacific -- the U.S.A., Japan, Canada, Australia and New Zealand -- is increasing at an average annual rate of 15 per cent. If this continues, such trade (apart from Canada-U.S.A. trade) would amount to more than \$20 billion by 1972. Canada has a favorable trade balance with our main markets in the Pacific area, which helps to balance our trade exchanges with the rest of the world.

Western Canadian trade in the Pacific is proportionately even more important. Of the 54 commodities from Canada selling in Japan in amounts beyond \$1 million a year and accounting for 93 per cent of our trade with that country, 48 originate in Western Canada. A similar situation exists vis-à-vis other Pacific countries. The growth of our commercial interests in the Pacific has stimulated the growth of Western Canada industrially and in terms of population.

### Japanese Trade and Investment

In Alberta today good work is being done to foster our economic co-operation with Japan by the development of coal and copper and other commodity resources. The Japanese market is one of the fastest-growing in the world and Japan in turn has much of interest to sell here. We are continually expanding our economic trade and investment ties with Japan. The Japanese have already invested a great deal in Western Canada - some \$100 million by the end of 1968 - and this investment is expected to increase substantially in the future. We have pointed out to our Japanese friends that the content of our exports to Japan could easily be upgraded to their benefit and ours. If, as seems to be the case, the Japanese prefer to arrange long-term contracts for raw materials, this same approach may be followed for other important areas of trade, such as cereals and