

94. The extent of adjustment required should not be under-estimated. Mr. G. H. D. Hobbs, of Cominco Ltd. was asked if he was not suggesting "restructuring the whole Canadian economy along the lines of some of these other countries" (and notably Japan). He replied that:

. . . in any economic situation you are dealing with dynamic factors that require change. Certainly the Pacific requires closer collaboration between industry and government, and the development of institutions to ensure that our best interests in aggregate are further to our maximum effort. This is a very sophisticated group of competitors that we are dealing with and it is quite unlike those in other areas of the world. (p. 6:17)

95. A necessary adjustment is the development and enforcement of uniform national requirements for the processing of resource exports. Resolution of the federal-provincial jurisdictional problems involved will be a less formidable matter when weighed against the heavy costs to the national economy of the continuance of the present unsatisfactory situation.

96. Another basic consideration in any attempt to extend and expand Canadian economic relations in an area is the availability of incentives and other stimulants from government to Canadian industry. These encouragements range from a tax climate which is generally favourable to exporting and to investment abroad by Canadian corporations, to a number of specific programmes of financial incentives including export credits insurance, export financing and foreign investment insurance. It is essential that Canadian businesses receive Government support which is fully comparable with that provided by other countries. A number of witnesses implied that this is not now the case. The Committee therefore recommends that urgent study be given by the Government to the incentives available to Canadian businesses involved in the Pacific region, with a view to ensuring a continuing level of "comparability" (especially in export incentive programmes) with the support available in competitor countries. The Pacific region is a highly competitive economic environment. It is therefore vital to remove unnecessary obstacles to a more dynamic Canadian performance.

97. Another far-reaching suggestion, which has been supported by a number of witnesses, is for the creation of some kind of Canadian counterparts for the most successful Japanese trading corporations. These corporations, with their special responsibilities and expertise in trading and overseas representations, are all either affiliated or integrated with a wide range of financial, producing and transportation companies. They are thus able to maintain continuing global representation and carry export transactions through from prospect to actual delivery. In carrying out these functions, they acquire an enormous fund of economic intelligence and familiarity with conditions in the countries in which they operate.

98. The contrast with the situation of Canadian companies is startling. In dealing with Japanese firms, for example, most smaller Canadian companies (and some of the larger ones) lack even their own translation services and are sometimes in the position of having to rely solely on the interpreter of the other party. Economic intelligence is sometimes comparably deficient.