

B. New Issues

The Canadian Approach

90. The first chapter of this report stressed the need for improved general co-ordination between different sectors if Canada is to adopt a more active and constructive role in the Pacific community. In the economic sphere, which is so central to the present overall relationship, better cooperation (both between and within the government and business sectors) is a particularly urgent necessity.

91. Improved communication is an important condition, and was recognized as such in the Policy Paper. It stated that "the Government welcomes the active co-operation of private interests involved in the Pacific", and pointed out that "the existing Pacific Basin Economic Cooperation Council provides a means for the expression of views to governments individually and jointly" (p. 19). However, the existing channels were not considered adequate, and the Government went further to state that it:

is prepared to consider, with other interested parties, the establishment of a Pacific Economic Advisory Council which would bring private interests and the investment community together with government, in order to take best advantage of trading opportunities and investment possibilities in the Pacific area. (p. 19)

92. The Committee regrets that apparently no further action has been taken on this suggestion. In dealing with the Pacific in particular it is essential to maintain this kind of close and continuing dialogue. This requires a firm organizational structure. The Committee feels that the Canadian Committee of the Pacific Basin Economic Council *(P.B.E.C.)—with its established international connections and its joint sponsorship by the Canadian Manufacturers' Association and the Canadian Chamber of Commerce—should be able to provide appropriate representation from Canadian business for a continuing dialogue with governments. P.B.E.C. has a specialized committee structure and, according to the testimony of Mr. K. H. J. Clarke, the then Chairman of the Canadian Committee, has established a solid basis for exchanges with governments (see pages 4:53, 54). If it can be assured that P.B.E.C.'s Canadian membership is sufficiently representative of Canadian economic interests, the Committee recommends that a joint initiative be undertaken by the Canadian Committee of that group and the Government to establish arrangements for continuing consultation on a firm and regular basis, rather than attempting to set up a new advisory council.

93. Improved communications and continuing consultation are, however, only preliminaries to the kind of concerted economic policy required by Canada in the Pacific. Throughout the Committee's discussion of economic relations with Japan, it was clearly implied that Canada has been at a continuing disadvantage in dealing with that closely integrated and dynamic national entity. Related problems emerge in trading with the monopoly state trading corporations of China. Elsewhere in the Pacific, it has been pointed out, the greatest economic benefits will probably be reserved for countries which can assemble and implement composite "investment-aid-trade packages". Canada now uniformly lacks almost all the necessary characteristics, "Fragmentation of effort" is the rule.

* The name of the organization was changed in May, 1971.