

Our West Coast ports have, over the years, done a masterly job in moving Canadian grain to Pacific markets. I am delighted with the progress in train to expand port facilities. The strike in Vancouver is behind us and I look to the highest measure of co-operation from all concerned to insure that the movement of Canadian grain through Pacific ports reaches a new high in the current crop year.

Of course, we cannot expect the record volumes to which I have referred to be repeated every year. But I do expect and look confidently to China to provide a continuing and substantial outlet for Canadian grains in the future -- this in their own interest as well as ours. And I am hopeful that the Soviet Union will come to regard Canada as a usual source of supply in years when their crop is normal as well as when crop conditions in the U.S.S.R. give rise to large import requirements. I am convinced that it makes good economic sense for the Russians to look to Canada as an efficient source of supply, in good years as well as bad, for at least part of the grain requirement of their Pacific region.

Apart from wheat, Canada's exports to the Pacific region, excluding the United States, reached about \$700 million in 1964. The level has been increasing sharply and we look to continued growth. Our trade with the area is illustrative of most of the current challenges and problems of international trade. Our partners include small countries and large, countries of the North and of the South, the developed and the developing, members and non-members of the Commonwealth, market economies and state trading economies and a multitude of races.

Japan, whose interest and friendship we value highly, has become Canada's fourth largest market in the world, after the United States, United Kingdom and the EEC. Canada is in the fortunate position of being able to supply economically many of the imports required by Japan to feed its population and to sustain and expand its industrial complex. Many of you are directly involved in the development and sale of the great forest and mineral resources of this Coast and need no reminder from me of the value of this trade. We should like to see it continued and increased. We should also like to see a greater diversification in that trade. Can we do more of the processing of Canadian resources in Canada? I believe that the opportunities to sell Canada's materials to Japan in a more advanced stage of manufacture are less than they should be. And I hope that in time we will have better access to the Japanese market for fully manufactured goods and that our production of such goods will be sufficiently efficient and competitive to earn us a growing position in that market.

Canada represents an expanding and large market for Japanese goods. In 1964, Japan's exports, at \$175 million made it our fourth largest supplier. While the trade balance is in Canada's favour, it is significant that in the last decade Japan has enjoyed a ninefold increase of sales to Canada while our sales to Japan have trebled.

Over time, continental Asia, with its vast population, should become a major Pacific and world market. The speed with which this occurs will depend on many factors, both political and economic. In this context, mainland China and Russia have massive impact. We in Canada believe that trade with these vast areas should be developed and cultivated as circumstances permit. As a