

importance of Canadian interests concerned, prompt action should be taken to raise the Canadian mission in the Philippines to the status of a full embassy, and to establish a resident embassy in South Korea.

42. It must also be stressed, however, that the strengthening of official representation will in no way reduce the need for active, on-the-spot involvement by businessmen and other interested individuals from the non-official sector. The Committee's witnesses have been unanimous in their conclusion that there is no substitute for first-hand Pacific experience and face-to-face contact. Some have also been highly critical of the past performance of Canadians in this regard. The Committee will have further comments on this subject, but it is worthwhile to quote at this point from the testimony of Dr. Lorne Kavic:

The cause of this neglect by the Canadian manufacturer would seem to lie in the comfortable preference for concentrating upon traditional markets in the United States and Europe and a tendency to rely upon the Canadian Trade Service to drum up business for them in less familiar markets. The continuance of such a posture, however, is manifestly impractical in view of contemporary patterns of competitive trade. (1:10)

Japan

43. Japan accounts for 40 per cent of Canadian exports to the Pacific and about the same percentage of imports. It is thus not only the dominant force in Canadian Pacific trade, but a top trading partner in its own right—Japan is the world's third largest export market and was probably even ahead of the U.S. in 1970 as a supplier of Canadian imports.

CANADIAN FOREIGN TRADE PARTNERS

46. 1970 and 1971

Export to	1970		Imports from	1971	
	\$ million	% of total		\$ million	% of total
United States	29,240	22.7%	United States	29,240	22.7%
Japan	11,480	8.9%	Japan	11,480	8.9%
Spain	790	0.6%	Spain	790	0.6%
Germany	780	0.6%	Germany	780	0.6%
France	580	0.4%	France	580	0.4%
Netherlands	470	0.4%	Netherlands	470	0.4%
Belgium	440	0.3%	Belgium	440	0.3%
Italy	380	0.3%	Italy	380	0.3%
Sweden	370	0.3%	Sweden	370	0.3%
Denmark	360	0.3%	Denmark	360	0.3%
Other	1,120	0.9%	Other	1,120	0.9%