

With regard to sensitive commodities which compete directly with Canadian-made products, I hope that Japanese businessmen will remember that Canadian manufacturing industries are small compared with those of some other countries and can suffer severe damage or even be destroyed by a flood of very low-priced imported merchandise.

Canada attaches major importance to Japan as a large and growing market for Canadian exports, particularly for exports of foodstuffs and industrial materials, as well as for a modest range of manufactured goods.

Canadians have been following with approval Japan's plans for the progressive liberalization of imports. The implementation of these plans, coupled with the removal of restrictions which remain on certain Canadian exports to Japan, will be welcomed by the Government and by Canadian businessmen.

#### Principle of Orderly Marketing

When Prime Minister Ikeda visited Canada earlier this year we agreed on the principle of orderly marketing, and we saw good prospects for the expansion of trade on an orderly basis.

I am optimistic about the future development of mutual trade between Canada and Japan. Trade is essential to both Japan and Canada, and it is in the long-term interest of both nations that the trade between us should develop on a basis of mutual agreement and understanding.

Problems are bound to arise from time to time, but with good will on both sides, and a readiness to understand each other's difficulties, I feel sure that solutions will be found consistent with the expansion of two-way trade.

As partners in the community of freedom and as neighbours across the Pacific, we cannot afford to allow commercial difficulties to obscure the paramount need for co-operation in free mankind's never-ending search for peace and world stability.

To summarize I would like to say that the Canadian Government considers that there is no reason why Japan's exports to Canada should not enjoy a large measure of growth in the next ten years, provided that this trade develops on the basis of orderly marketing.