

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.

LIBERALIZATION OF IMPORTS INTO JAPAN

"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.

"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 goodwill 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.

"Japan shares with free mankind the trouble and heartache of modern society as it grapples with a crisis of civilization. Men of faith believe that this crisis can be surmounted without bloodshed, catastrophe and ruin.

"Japan and Canada together, by the example of our co-operation, can point the way to new horizons of mutual respect and understanding.

"Let it be our common aim to conduct our relation in harmony and goodwill. Out of our joint endeavours will come not only lasting benefits for ourselves but the shining prospect of a world where the rising sun of international friendship will melt the icy grip which the cold war has clamped on our generation."

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ADMITTANCE OF JAPANESE GOODS TO CANADA
I think that it is generally agreed that Japanese goods enjoy free access to the Canadian market...
"It is of interest that Canada, with a population of 18 million people, buys more made-up textile products from Japan than does the whole of Western Europe, with over 200 million people. If our industries...
"For that reason, Canada, in the meetings of the GATT and also in the North Atlantic Treaty Organization, has been urging the European countries to relax restrictions on imports from Japan...
"I believe that many of the problems encountered in our trade relations would not have arisen if all countries were taking reasonable and equitable quantities of exports from Japan...
"At the time the trade agreement between Canada and Japan was entered into, it was realized that Japanese exports could cause market disruption in Canada. Therefore a clause was included in the agreement whereby Canada was recognized to have the right to apply fixed values for duty in the event