

resolve differences with other countries without considering Canada's interests. Our first task therefore is to ensure advantageous expansion in trade.

Canada would like to see an increase in exports of our manufactured goods to Japan, something that Mr. Kanao talked about on his Canadian visit. In recent months, we have seen a dramatic increase in sales of certain Canadian products, such as processed foods. This is an area in which I believe Canadian exporters can achieve greater success.

My basic objective, therefore, is to achieve a more diversified trading relationship between Canada and Japan and to remove obstacles to its expansion.

In my meeting with Miti Minister Tamura, I reaffirmed Canada's commitment to early progress in the MTN with particular focus on agriculture. I emphasized the importance of maintaining our market share of the Japanese coal trade and Canada's intention to remain a competitive and secure supplier. I said that the government of Canada continues to support the efforts made by AECL to introduce Candu into Japan. We also discussed an increase in industrial cooperation between Japan and Canada including the positive decisions of Japanese automobile manufacturers to invest in Canadian assembly plants.

I emphasized the importance of extending Japanese investment in our auto parts industry both for joint ventures with Canadian companies and for direct investment.

In seeking additional direct investment from Japan we are, of course, encouraged by the confidence that Japanese portfolio investors have placed in our country. We note that Japan became the largest overseas customer of Canadian government securities this year.

With the Minister of Construction, Mr. Amano, I plan to discuss building codes revision in order to facilitate three-story timberframe multi-family housing which would benefit Canadian lumber exports. This follows on the meeting between our two Prime Ministers last May, in which Prime Minister Nakasone made known Japan's intentions to amend its building codes in the near future.

With Minister Kato of the Ministry of Agriculture, Fishery and Forestry, I urged the removal of the tariff on spruce, pine and fir lumber. This would allow Canada's lumber industry to compete on an equal footing and share in the growth opportunities in the housing lumber market; an area Canadians have spent so much time and effort to develop.