

and Japan. We believe in multilateral trade which has regard to overall balance and does not consider that the value of trade between two individual countries should be approximately equal.

I should add that the experience of other countries shows that attempts to balance trade bilaterally usually mean balancing it at a low level which could only result in the lowering of living standards.

Canada buys from Japan - textiles, clothing, toys, optical goods, radios, and other electrical items, plywood, footwear, canned fish, manufactured goods -- virtually all of which compete with similar products made in Canada.

Canada sells to Japan, foodstuffs and industrial raw materials - wheat, barley, oil seeds, iron ore, copper, woodpulp, coal and other primary products, virtually all being used for processing in Japanese mills and factories, thus contributing to the expansion of Japan's industries. These facts would indicate that, in the composition of trade with Canada, Japan enjoys a significant advantage.

Entry of Japanese Goods

I think that it is generally agreed that Japanese goods enjoy freer access to the Canadian market than to the market of any other industrialized country in the world. Canada's tariffs are moderate and the only special safeguard for Canadian industry rests on a number of restraints on specific exports being applied by Japan itself. Such restraints are in the interests of Japan's future markets and long-term economic well-being.

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. When industrial nations maintain severe restrictions on imports from Japan, problems of market disruption are bound to arise in Canada and other countries that do not maintain such restrictions.

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 of damage