

A new round should provide an opportunity to reduce further the tariff barriers to trade, to tighten discipline on the use of non-tariff measures, to facilitate the adjustment of industries which are internationally threatened and to secure commitments to multilateral trading obligations from newly industrialized and developing countries. As Economic Summit partners we must examine, on a priority basis, the preparations necessary for a new round and the opportunities it might present for new areas such as trade in services and high technology products and trade-related investment regulations, as they emerge. I will be attending the Quadrilateral Conference this weekend in Kyoto and I hope to explore with my colleagues from Japan, Europe and the United States the initiatives that we might individually and collectively take to bring a new round of negotiations closer to multilateral reality.

In the meantime, we have the bilateral reality of the Japan-Canada economic relationship. Let me share with you some of my ideas on the direction in which I believe we are going in that relationship. Japan has been Canada's second largest trading partner for more than a decade. Two-way trade has more than tripled. Japan has become our fastest growing export market. Last year our exports to Japan took a quantum leap of 25% over the previous year's exports. We value our trading relationship with Japan and are committed to retaining our market position.

Japanese imports of Canadian resources -- coal, copper, wood products and other commodities -- have made an enormous contribution to the development of the Canadian economy. I can assure you that our Government shares Canadian suppliers' strong commitment to the Japanese market. We intend to remain reliable and competitive suppliers of basic industrial materials as well as basic foodstuffs. I cannot foresee the day when Canada would be unable to meet Japan's requirements. Our willingness to ensure security of supply requires, in turn, continuing market security at prices sufficient to ensure the viability of our resource sectors.

I recognize that the critical means of securing our existing markets in Japan is to increase our international competitiveness. My Government will be concentrating on two parallel initiatives to improve our competitive position in the world.