

The agricultural discussions were somewhat less difficult than in the past, and we had some good exchanges on trends which favour increased interchanges in food products. Both sides welcomed the establishment of the informal consultations which have now begun between our Embassy in Tokyo and Japanese officials on the many agricultural trade irritants that inhibit the fuller development of this important dimension of our relationship.

I would not want to leave you with the impression that all the discussions in Banff were easy. We have some real and abiding concerns with the Japanese on a number of issues -- particularly as regards trade access -- which were raised and discussed at Banff. The automobile issue, the tariff on dressed whitewood lumber, and the quota on squid were three major items. To be fair, the Japanese side also had a number of preoccupations they wanted to discuss with us, perhaps the most important being their traditional worry about Canada's foreign investment climate and the role of the Foreign Investment Review Agency.

But on the whole, the tone of the third JEC was up-beat and our exchanges on points of difference were directed to better understanding and to searching out possible solutions. While none were reached, the consciousness of the effort to bring improvements was a welcome change from some previous discussions we have had.

One reason why I welcome seminars such as this is the opportunity they provide for a balanced assessment in public of Canada-Japan ties. Too often the man in the street reads or hears of our relationship with Japan only in terms of the problem areas. Some other commentators seek to portray Canada as a small nation holding at bay the exploitive advances of a massive economic machine.

On the first point I do not deny that problems exist and that I am personally concerned about them. The difficulties we are encountering in the automobile sector are a case in point. But there are many positive aspects that do not seem to catch public attention: for example -- a volume of trade exceeding \$6 billion in 1979 with a higher trend in 1980; our large bilateral trade surplus; Japan's interest in development of Canadian coal mines and in the oil sands and Arctic oil and gas. While we still have access issues, there has been fine progress in the forestry and fisheries sectors and we have made major strides in sales of agricultural products such as rapeseed and pork. Few Canadians are not touched in their daily lives by the benefits of our economic relationship with Japan.