

"Our concern is that any bilateral discussions or agreements which may be reached with the U.S and the Japanese on their bilateral trade matters could be particularly harmful to British Columbia's mining industry."

The Association said this would be especially so if the Japanese were forced to redress their estimated \$40 billion trade surplus with the United States as a condition of such an agreement by purchasing more raw materials in the U.S. In this event, any benefit to the mining industry in freer trade with the U.S. would be "wiped out" by a shift of as little as 5 per cent of coal purchases from B.C. to the United States.

Another concern about a bilateral agreement would be a development whereby Canada simply came under the umbrella of U.S. protectionists leading in turn to retaliatory measures by Japan and other countries. Japan might attempt to resolve the problem by shifting its purchases of Canadian goods from Canada to other countries -- and this would have serious consequences for the B.C. mining industry.

The Association concluded that the multilateral approach to liberalizing trade was the best option. It hoped the major GATT partners would soon agree to enter a new multilateral round of negotiations. It was only within this framework that the importance of a triangular relationship between Canada, the U.S. and Japan could be addressed.

Lessons in lumber debate

Council of Forest Industries of B.C. (T.M. Apsey and others) said the need for a comprehensive trade agreement with the U.S. was amply demonstrated by the current lumber debate. The Council noted the industry as well as federal and provincial governments