

atives to increase our share of the largest market in the Asia Pacific area.

We welcome the liberalization policy announced by Prime Minister Nakasone in April. We welcome the Japanese Government's announcement of July 30th containing the major elements of an Action Program to implement that policy. These initiatives point in the right direction. In particular, we welcome Japan's continued support for a new round of multilateral trade negotiations that would include trade in services.

Canada is fully engaged, along with Japan, in promoting and preparing for what would be the eighth round of negotiations under the auspices of the General Agreement on Tariffs and Trade. This is one of the subjects of continuing concern at the Quadrilateral Trade Ministers' Meetings -- which are held twice a year between representatives of Canada, Japan, the Common Market and the United States. I had the pleasure of acting as host for the last Quadrilateral Meeting, in Sault Ste. Marie in July, and I had full opportunity there to discuss the next GATT round with Mr. Keiji Murata, Japan's Minister for International Trade and Industry. It is our hope that all countries that rely on international markets for their well-being will see it in their own best interest to participate constructively in this cooperative undertaking.

We now have an opportunity to get down to work seriously and to cooperate for common purposes and objectives. The new round will set in motion a process that will ultimately determine whether confidence in the multilateral trading system can be restored. An orderly and functioning world trading system is essential to continued economic growth, not only in Canada and Japan but throughout the world. A successful new round will strengthen the abilities of our two governments to preserve and enhance the access to mar-

kets that has been so painfully negotiated over the past four decades. It will also modernize the rules of trade so that they keep pace with the rapidly we are so particularly pleased that the Japanese government's Action Program addresses the need for a new GATT round.

In other respects, the Action Program is not perhaps as comprehensive as we might wish. Japan has responded positively to some specific Canadian requests. Yet the scale and nature of the response to date is not truly significant. We look especially forward to progress in the areas of agriculture, forestry and fisheries.

These are sectors in which we would be competitive were we allowed to be. In forest products, for example, we can ship raw logs to Japan duty-free, but the moment we add value by turning the logs into lumber, the duty goes up to 10 percent. There are import quotas on some of our agricultural products and inspection barriers that others must go through. Every jar of jam we try to get into the country, for example, is subject to individual inspection. As for fish, there are a variety of barriers, including quotas and tariffs in the 15 percent range.

In these all-important sectors, we would welcome measures that would put into action one of the basic tenets of the action program: "freedom in principle, restrictions only as exceptions".

In looking at where we go from here, we intend to take full advantage of the changes in the trade regime. However, we cannot depend on this alone to strengthen our bilateral economic ties with Japan.

And we do intend to strengthen them. You are aware, I'm sure, of the trade initiative that Canada is undertaking with the United States. Since three-quarters of our exports now go to the U.S., this initiative has a certain