

to their own satisfaction and conviction that the democratic processes which characterize the non-communist world offer more substantial opportunities for material and cultural advancement than the empty promises of communism. Through co-operation in these undertakings, we in Canada have acquired a broader understanding and a deeper sympathy for the people of Asia.

I think that one of the most effective means of bringing about a lasting improvement in the standards of living of the people of Asia would be a healthy expansion of world trade in which Japan and other friendly countries could and would share.

As I have already stated, Canadians are well aware of the importance of broader and freer international trade. Our country, like yours, is dependent upon foreign trade to a very large extent for its economic well-being. There are, of course, differences. Canada's main exports are foodstuffs and raw materials, while I take it that yours are primarily manufactured goods.

But our two countries have a common interest in expanding trade and there are opportunities for the growth of trade on a complementary basis with many other nations as well as with each other. We in Canada are anxious to sell the products on which we depend to pay for our imports. On the other hand, you have an interest in buying food for your people and in acquiring the raw materials for your industries where you can get them in the most economical and satisfactory conditions. In that way, your country will be better able to sell competitively in the markets of the world, and as a consequence your people will enjoy a higher standard of living.

In these circumstances, it was not surprising that our two countries should endeavour to work out suitable arrangements for exchanging most-favoured-nation tariff treatment and for promoting trade between them. I am gratified to feel that there is every indication that these negotiations will shortly have been successfully completed. I am confident that the Agreement, when it comes into operation, will be of great benefit to both our countries. With goodwill and sympathetic understanding on both sides, this Agreement when it has been ratified should serve to promote trade and to encourage even closer business relations between Japan and Canada.

We appreciate that Japan has been one of Canada's very good customers during the past few years. While, from the very nature of our economy and the size of our population, it may not be practicable in the near future for you to sell directly to us as much as we sell to you, I hope that, without disturbance to our economy, we will be able to absorb an increasing quantity of the kind of goods which you desire to export, and I think you realize as well as we do that we already consume a larger quantity of goods originating in Japan than are shown in the commercial statistics of direct purchases by Canadian firms from Japanese dealers. We have been in the fortunate, or unfortunate position, if you will, of relying to perhaps too great an extent upon our American neighbours as the intermediaries and I know from my own experience that people of my family wear fabrics that come from Japan but that come to Canada from the United States. That doesn't affect the broad picture but will endeavour to broaden the market for Japanese exports among our people