

and youth groups in order to help stimulate mutual understanding.

The challenges of fostering greater insights and changing the traditional images apply equally in the trade and economic field. We have already developed a relationship with Japan in this area that is of considerable importance and mutual benefit. This is a fact of which Western Canadians, who have supplied the overwhelming proportion of our \$2.4 billion in exports to Japan in 1976, are already very much aware. Also of tremendous significance to Western Canada is the fact that Japan's needs have been of a magnitude sufficient to justify expansion of Canadian production for the specific purpose of meeting this demand. Coal, rapeseed, copper and lead ores and concentrates, pork, herring roe and pulp are only a few examples. At the same time, Canada, with imports from Japan of \$1.5 billion in 1976, continues to be one of the largest *per capita* purchasers of Japanese consumer electronics and automobiles.

We must also admit, however, that we still know too little about each other, that misconceptions persist on both sides and that in most quarters we are not yet sufficiently aware of the potential for our relationship. I am convinced that tremendous opportunities still await us in the areas of trade, investment, joint ventures and technological exchanges. Yet traditional trade-development programs and established consultative mechanisms have not in themselves been adequate to meet the challenge fully. Therefore governments in the two countries must provide leadership and use the instruments that are within their powers to facilitate these developments. Governments have a role in setting the climate and creating conditions that will encourage positive action by the private sectors of both countries.

The Framework for Economic Co-operation signed by Prime Ministers Trudeau and Miki last October can be seen as a major stimulus to this activity. It represents the commitment of the Japanese and Canadian Governments to seek an enhanced and more balanced bilateral relationship, based on a positive pragmatic approach, mutual benefit and greater understanding of our respective economic policies. It also provides for the establishment of the Canada-Japan Joint Economic Committee that is meeting today, and for both governments to promote the development and diversification of commercial exchanges and to encourage and facilitate co-operation between our respective industries.

The further growth in existing trade will be one important element in the future of our relationship with Japan. However, there are also other important dimensions to the type of enhanced relationship that I believe is open to us.

One will be a broadening in the range of goods in which we trade. Canada wishes to upgrade the composition of its exports to Japan by increasing the proportion of processed and manufactured goods. The Canadian Government, with Japanese co-operation, has mounted an intensive trade-development program to apprise Japanese businessmen and consumers of Canadian manufacturing and export capabilities and to familiarize the Canadian business community with the market structure and opportunities in Japan.

The task is arduous and will require perseverance, but I believe there is evidence that
