

export-oriented products. So let me call on Canadian companies to make their own push into this market, which will now be rapidly expanding.

Another exciting possibility is cooperation in the construction of nuclear reactors in third countries. This should become more and more promising as we gain experience working together on additional Wolsung units in Korea.

There is another key to future success which I want to raise with our Korean guests, with the request that they take it home with them for discussion with appropriate government authorities. The subject is our trade imbalance.

The imbalance has now grown to proportions that can no longer be defended with the argument that there will inevitably be balance over the longer term.

In your discussions last year, the Korean side argued for a prolongation of the General Preferential Tariffs for automobile exports, as well as improved access for footwear and apparel in the Canadian market. The auto request has been granted. Footwear is under serious study. And, as for textiles and clothing, all I can say is that international considerations will weigh heavily in our decision.

What the Canadian side argued for last year was improved access for Canadian products. We are waiting expectantly for

results.

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In total frankness, it will become increasingly difficult to look favourably on Korea's further commercial aspirations in the Canadian market unless we can be encouraged by new inroads in some of the sectors we are trying so hard to penetrate -- sectors, by the way, in which we are totally confident we can compete.

Let me mention some specifics. Korea now applies a 20 percent tariff on our softwood lumber, despite the fact that its own forest resources are sparse, and that it has a severe housing shortage. There is a 40 percent tariff on our canola seed, and an outright embargo on canola oil. There is also a de facto import ban on dehydrated alfalfa, an element of proven value in cattle feed, despite a general shortage of local feed grains. For Canada, penetration of these markets -- and the markets for many of our manufactured goods, as well -- is essential to redress the imbalance in our trade and to elevate the ratio of value-added products in our exports to Korea.

On the subject of market access, I am pleased to note that Korea gave its early support to a new round of Multilateral Trade Negotiations. If the new round is to be successful, it must have the full participation of the newly industrialized countries, such as Korea. The NICs, I suggest, must be willing to undertake the obligations and responsibilities