

rules. This will create conditions of greater certainty for trade, and to regenerate the momentum developed during the Tokyo Round in the 1970's to expand and liberalize trade. We must prepare for a meeting that will strengthen our conviction that the open trading system, with GATT at its centre, is essential to the protection and promotion of our interests.

As you will be aware by the daily press reports, I have spent a good part of my time here discussing the current situation in the Canadian motor vehicle industry, and the very substantial share of the market for motor vehicles in Canada taken by Japanese suppliers. Indeed, this, along with the opportunities for market penetration for Canadian forest products, was the most pressing issue we discussed and perhaps best exemplifies the type of difficulties Japan's trading partners, including Canada, are facing. I tried to sensitize our Japanese friends to our domestic problem, including the substantial pressure to restrict the import of Japanese automobiles and, although this goes against our instincts to maintain as free a world trading environment as possible, we do have to face the economic and political realities of the current situation.

Accordingly, I made proposals to the government and to the industry in three areas. In the short term, an extension to the voluntary weather forecasting system with respect to automobiles and commercial vehicles, and in the longer term, an undertaking to commence discussions concerning a content arrangement for the future. In all three areas my proposals were rejected.

Needless to say, we are indeed disappointed that we could not come to a mutually-satisfactory understanding in this regard. We have spent a great deal of time trying to find a formula which would relieve to some degree the pressure on our domestic industry and at the same time did not have a major impact on the Japanese industry.

I regret that we were not able to convince our Japanese friends that Canadians can no longer tolerate the meagre export of \$8 million of automotive parts to Japan while Japan exports \$1.5 billion of motor vehicles and parts to Canada. I regret that we were not able to sensitize our Japanese friends to the serious consequences to our domestic market when in a declining market the share of Japanese cars and trucks rose from 8 per cent and 3 per cent in 1979 to 23 per cent and 12 per cent in 1981 respectively.