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MINISTERIAL MISSION TO PROMOTE CANADA-JAPAN RELATIONS

The Honorable El Lumley, Minister of Trade, arrived in Tokyo, Japan, yesterday to undertake four days of intensive trade talks with Japanese ministers, particularly Shintaro Abe, Minister of International Trade and Industry, and top-level officials of the Japanese government and business community.

Mr. Lumley said that the trade mission would concentrate on three main issues -- Japan's recent trade liberalization measures; the auto industry discussions; and the multilateral trading framework.

With Mr. Lumley will be 50 businessmen representing Canadian food, forest products and high technology industries.

The high technology group includes 18 companies in aerospace, computers/telecommunications and ocean industries. In the food sector, about 35 Canadian companies and five national trade associations, under the sponsorship of the Canadian Government, will be exhibiting their products at FOODEX 82, a major food exhibition being held in Tokyo.

Mr. Lumley noted that the Canadian companies accompanying him to Japan "will be attempting to maximize their potential for increased sales and could benefit from ventures, cross-licensing agreements or other types of industrial co-operation with Japanese partners."

Although there have been a substantial number of negative pronouncements by the European Community and the U.S. Congress recently regarding the package of trade liberalization measures announced earlier this year by the Japanese government, Mr. Lumley said that he would not prejudge the commitment but rather would explore firsthand with Canadian business leaders the new opportunities for foreign exporters in the Japanese market.

The Minister said he would lend support to the food industry's promotional efforts and take up remaining problems of market access (agricultural and fish products quotas) with responsible ministers in Tokyo.

The forest sector will also receive attention as the Minister will ask for the removal of the 10 per cent tariff on dressed spruce-pine-fir lumber, and emphasize the importance of the establishment by Japan of standards for softwood plywood.

"A major bilateral concern, of course, remains the high level of Japanese motor vehicle exports to Canada and the low level of Japanese purchases of Canadian auto parts," Mr. Lumley said. He said it is imperative that Japan understands the difficult situation in the Canadian auto industry and the resulting pressures on the system.

"This," he added, "has resulted in widespread requests in Canada for action on Japanese vehicle imports." Mr. Lumley will endeavour to reach an understanding for the period after March 1982 when Japan's current forecast measures expire, and to discuss with his Japanese counterpart a proposal of increased Canadian content in Japanese vehicles.

In his meetings with the Japanese auto makers, he will continue efforts to convince them of the benefits of locating manufacturing operations in Canada.

In addition to bilateral matters, the Minister will continue discussions begun in Key Biscayne with Minister Abe on multilateral issues relating to the containment of protectionist pressures and to the key role that Japan can play in maintaining an open world trading environment. "That world trading environment has a lot of significance for our two countries, both of which are heavily dependent on foreign trade," he said.

In the same vein, Mr. Lumley plans to discuss the upcoming meeting of GATT (General Agreement on Tariffs and Trade) Trade Ministers, in Geneva, Switzerland, where it will be important to reinforce the view that GATT is a viable instrument for regulating all aspects of international trade.