

- using the MTN process to secure greater trade liberalization;
- promoting tourism.

The findings of your economic mission will signal to Japanese businessmen that there have been significant changes brought about in Canada's economic direction since the last economic mission to Canada led by your predecessor, Mr. Makita in 1976.

There is in Canada today, a government policy of encouraging and stimulating foreign investment with a minimum of regulation. Since the Foreign Investment Review Agency was abolished and replaced by Investment Canada, we have seen a steady increase in investor interest in Canada. Direct investment flow has increased from \$3.1 billion in 1985 to double that rate in the first six months of 1986. The largest source of direct investment in Canada is the United States followed by the United Kingdom, West Germany, and the Netherlands.

Where is Japan?

Well, investment from Japan has been increasing, particularly in the automotive sector, although statistics from this activity are not yet available. Estimates place Japanese direct investment in Canada at only \$2 billion. The current and announced investment plans by Japanese automotive and auto parts manufacturers should add another billion. There is clearly potential for much more.

There is in Canada today, a strong and cooperative spirit between Federal and Provincial Governments to encourage new investment. I am sure that Mr. Kanao and members of the mission saw this during their meeting with Provincial Premiers in their visits to British Columbia, Alberta, Ontario and Québec.

There is in Canada today, a thriving economy marked by a steadily improving trade performance averaging 17 per cent annual increase from 1983 to 1985. Canada's share of world export trade reached 4.4 per cent in 1984 and 4.8 per cent the following year.

There is in Canada today, a level of productivity which has continued to rise following the recession of the early 1980's -- a Canada in which unit labour costs compare very favourably with those of the United States. We are now in the front rank of OECD countries on all important competitiveness indicators. That alone offers an attractive magnet for investors.