

area of agriculture, and follow through with a case-by-case approach to managing the problems of indebtedness of some developing countries.

Canada also supported a call for increased private and other financial flows to developing countries, emphasizing the more effective use of these resources. The government supported an early and substantial eighth replenishment of the International Development Agency and a general capital increase for the World Bank.

### Fight against terrorism

The agreement on terrorism specifically condemns Libya for sponsoring terrorism and includes a series of measures to combat the activities of terrorists from all countries.

Secretary of State for External Affairs Joe Clark called the renewed pledge of co-operation to combat terrorism a very important development.

With respect to the Union of Soviet Socialist Republics' nuclear reactor accident at Chernobyl, the leaders encouraged the International Atomic Energy Agency to continue to improve international co-operation on the safety of nuclear plants and to ensure quicker reporting of details of such accidents.

### Visit to Japan

Enhanced co-operation between the countries, trade and investment were among the major issues addressed during Mr. Mulroney's visit to Japan, May 7-8.

In a speech to a joint session of the House of Representatives and the House of Councillors, the first by a Canadian prime minister to the National Diet of Japan, Mr. Mulroney said that a new era of co-operation was signalled by his address and by Prime Minister Yasuhiro Nakasone's address to the Canadian Parliament in January. "The bonds between our two peoples are long-standing, starting in commerce but maturing through the decades to a new and a special form of close partnership," he said.

Mr. Mulroney suggested there was great potential for a "rich" economic partnership between Canada and Japan. "Canada is well known to you as a reliable supplier of resource products and foodstuffs," he said. "But we also have a world class capacity in transportation and communications equipment."

Mr. Mulroney added that while Canada appreciated Japan's efforts to stimulate domestic demands to increase imports, "we believe...further actions are necessary to enhance access to Japan's markets". He was particularly referring, in this respect, to specific priorities for Canada regarding the need for improved market access for Canadian lumber, agriculture and fish products, the need for a fair share and a fair price for



Secretary of State for External Affairs Joe Clark (left) and Prime Minister Brian Mulroney are welcomed to Japan by Prime Minister Nakasone and other Japanese leaders.

Canadian coal, and the prospects for the sale of a CANDU reactor.

Japan is Canada's second-largest trading partner, but the trade balance has reversed over the past five years. From a trade surplus of \$1 billion in 1982, Canada had a \$368-million deficit in 1985 on two-way trade with Japan of \$12 billion.

Mr. Mulroney stressed that as well as political and commercial exchanges, there should be more exchanges of people. "I am making it a priority to develop increased Canada-Japan exchanges, involving students, professionals, parliamentarians, artists, athletes and industrialists," he said.

Canada's new chancery in Tokyo will have facilities to enhance cultural and artistic exchanges. In addition a program to be developed in co-operation with the private



The prime ministers of Japan and Canada review a guard of honour.

sector will promote Canadian studies in Japan and Japanese studies in Canada.

The bilateral Agreement on Co-operation in Science and Technology, announced during Mr. Mulroney's visit, sets out the objectives of both countries in this area and provides for the expansion of a broad range of co-operative initiatives. The prime minister also announced that the first meeting of the Joint Committee on Scientific and Technological Co-operation under the agreement will be held in Vancouver, September 26 to 28.

In private meetings between the Canadian and Japanese leaders, Prime Minister Nakasone said the stringent Japanese building codes which now prohibit wood-frame construction in high-density areas, or above a certain height, would be eased. The two leaders also discussed Japanese auto imports and investments.

Speaking to some 38 leading Japanese industrialists who are members of the Keidandren (Federation of Economic Organizations) and the Japan Chamber of Commerce, Mr. Mulroney outlined the variety of investment opportunities in Canada. Canada, he said, was a stable country for investment with cheaper production costs than the US but with secure access to its markets.

At the conclusion of the meeting with the businessmen, it was announced that a group of senior Japanese businessmen would visit Ottawa in October to look for investments in the high-tech field.

A double taxation convention between Canada and Japan was also announced by Mr. Mulroney, who said it would encourage trade and investment and contribute substantially to the growing economic co-operation.

### More co-operation with China

During his four-day visit to China, May 8-12, Mr. Mulroney sought to strengthen contacts between Canada and China, to increase co-operation between the two governments and to encourage and promote bilateral trade. In extensive meetings with the country's four top leaders — Premier Zhao Ziyang, Communist Party General Secretary Hu Yaobang, President Li Xiannian and Chairman Deng Xiaoping — a wide range of international, political and economic issues were discussed. Mr. Mulroney also addressed the Canada-China Trade Council, a Canadian business group that promotes expanded trade with China, at their annual meeting in Beijing on May 10.

The prime minister announced that Canada would double its development assistance to China to \$200 million over the next five years. With this increase, China becomes the fifth largest recipient of Canadian development aid.