

PART B

Chapter 5: ASIA AND THE PACIFIC

North Asia and the North Pacific

Two visits to Canada in 1981 by the Japanese Prime Minister highlighted the continuing closeness of Canada's relations with Japan and the desire by both countries to further mutual understanding through exchanges at the highest level. The first visit in May afforded the Canadian and Japanese Prime Ministers an opportunity to engage in a wide-ranging review of current multilateral and bilateral issues. The Japanese Prime Minister, accompanied by his Ministers of Foreign Affairs and Finance, later returned in July for the Ottawa Summit.

Canada remains very interested in encouraging the process of political consultations with Japan and, to this end, the Secretary of State for External Affairs travelled to Tokyo in November for the second Annual Foreign Ministers' Consultations. These talks were begun in 1980 to ensure that Canada and Japan are fully aware on a continuing basis of each other's policies on questions of global and regional interest. Five other Canadian ministers also visited Japan in 1981, including the Minister of State for Trade and the Minister of Energy, Mines and Resources. From Japan, the Minister of International Trade and Industry and the Minister of Construction visited Canada. The Japanese Minister of Finance paid a short visit to Alberta and British Columbia following the Ottawa Summit.

The Japan-Canada Parliamentary League dispatched a four-man delegation from the Diet to Canada in June and July and, throughout the year, the Canada-Japan Friendship Association, composed of members of the House of Commons and the Senate, continued its various activities aimed at strengthening the bonds between parliamentarians in both countries.

In economic and commercial affairs, Japan continues as Canada's second largest trading partner after the United States. Canada-Japan two-way trade registered a record total of \$8.5 billion during 1981, up 19 per cent from the 1980 level, although most of the growth was in Japanese exports to Canada to \$4.04 billion, reducing the trade surplus in Canada's favour from the \$1.6 billion registered in 1980 to \$446 million in 1981. The slow growth in Canadian exports was largely attributable to a cyclical fall in demand and depressed commodity prices. Our major exports continued to be raw and processed products such as metals and minerals, grains, wood pulp, lumber, pork and fish roe. Prospects for our single largest export, coking coal, improved significantly with the conclusion of major new contracts for long-term supplies from northeastern British Columbia beginning in 1983-84. A reciprocal banking agreement was also successfully negotiated during 1981, indicative of the continuing diversification and complexity of Canada's interests with Japan.

Established in 1980 by the Canada-Japan Joint Economic Committee, a bilateral working group on resource processing held two meetings in 1981.