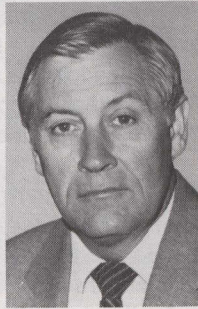


Canada-Japan trade expansion

The ninth Japan-Canada dialogue held in Toronto was addressed by Minister for International Trade James Kelleher on October 28. The conferences are organized to increase understanding and expand commercial relations between the two countries and, in his speech, Mr. Kelleher said Canada's goal was the theme of the dialogue: "Opening Canadian and Japanese markets". He outlined existing trade relations and Canada's major initiative to expand trade in the Pacific Rim. Following are excerpts from his speech:

Japan is our second largest trading partner; we are your eleventh largest market and seventh largest supplier. In 1984 our exports to Japan were 70 per cent of all of our exports to Western Europe.

Canada is pleased to be recognized as a long-term, secure and stable source for such products as coal, aluminum, lumber, wood pulp, copper and canola. Indeed, these commodities accounted for 95 per cent of our export sales to Japan last year.



James Kelleher

policy framework that will meet our goal of economic renewal. Of particular importance are two energy accords, one for eastern Canada and one for the west....

Japanese initiatives

We welcome the liberalization policy announced by Prime Minister Nakasone in April. We welcome the Japanese government's announcement of July 30 containing the major elements of an action program to implement that policy. These initiatives point in the right direction. In particular, we welcome Japan's continued support for a new round of multilateral trade negotiations that would include trade in services....

In looking at where we go from here, we intend to take full advantage of the changes in the trade regime. However, we cannot depend on this alone to strengthen our bilateral economic ties with Japan.

Canadian initiatives

And we do intend to strengthen them.... We have launched a major initiative to expand our trade around the Pacific Rim, and

the Pacific starts with Japan.

Here are some of the things we have in mind. The federal government, working with the business community and provincial governments, will undertake several new initiatives this year to encourage and assist co-operation, particularly in the manufacturing sector, between Canadian and Japanese companies. These initiatives include new trade promotion activities to create joint Canadian and Japanese marketing activities in the North American, Japanese and third country markets.

We have also made several specific decisions aimed at strengthening the trade and economic relationships between our two countries. Two weeks ago, I announced the opening of a consulate general in Osaka. This office will be in operation before the end of the year. The Osaka opening can be seen not simply in the context of our bilateral relations with Japan. It is also part of the implementation of our national trade strategy — with its particular focus on Asia, the Pacific and the United States.

During the month of November alone, missions to Japan, jointly sponsored by my department and the Department of Regional Industrial Expansion, will include 40 Canadian auto parts companies, 16 manufacturers of industrial materials and ten large scale users of robotic manufacturing systems.

Later this year and early in 1986, missions in other sectors, including biotechnology, micro-electronics and space industries, will take place with the full co-operation of Japanese government authorities.

Bilateral investment

Canadian industry's commitment to the Japanese market is evident in the billions of dollars invested in plant and infrastructure to ensure our dependability. We are all aware of the substantial investments which have been made in the coal industry alone during the last 15 years....

In 1984 Japanese life insurance companies allocated 30 per cent of their foreign securities holdings to Canada — second only to the US, which got 35 per cent. The investment in Canada worked out to \$7.2 billion. At the same time, Canadians have become increasingly active in the Tokyo syndicated loan market. Eight provinces made long-term arrangements last year alone.

Direct Japanese investment in Canada totals \$1.3 billion. Our share of Japan's direct investment abroad, however, is not as high as it might be. It's 2.3 per cent, as against 27 per cent in the US and 5 per cent in Australia. My government is encouraged, of course, that many new plans for investment from Japan have been announced since the proclamation of the Investment Canada Act. One effect of this new legislation has been to make the Canadian market more accessible to Japanese companies.

Canada is presenting a freer business environment in other ways, as well. The changes we have made in the National Energy Policy are very important. Over the past year we have constructed an energy

