

missions and fairs in Japan – to make you more aware of what Canada has to offer. For example, just looking ahead to the next three months, I see major participation by Canadian industry in three important Japanese trade shows – the Japan Aerospace Show, the Tokyo Motor Show, and the Japan Packaging Exhibition.

Canadian trade centre in Japan?

Canadian food processors are also planning a series of in-store food promotions throughout Japan this November. In the forestry sector my Ministry is assisting the introduction to Japan of the North American timber frame house-construction system. Promotional plans here include the erection of a Canadian-style home in central Tokyo for demonstration purposes. Additional promotional projects in other sectors are being studied and more and more Canadian businessmen are being encouraged to explore the Japanese market for themselves. We are also giving active consideration to establishing a Canadian trade centre here to demonstrate Canada's wares on a year-round basis.

On the Japanese side we have noted that Japan has responded to changes in the international trade environment, and the advancement of its own status as a major economic power, by liberalizing its import regime, by removing certain barriers to capital flows and by making other adjustments to cope with new world realities. We recognize the importance of the changes that you have instituted and these should lead to improved access for our products into your market.

We are also pleased that your interest in our manufactured products seems to be increasing. Several of your leading trading companies have recently sent exploratory missions to Canada. As a result, I am told, negotiations are now under way with a number of Canadian companies for the sale of our products here. The number of specialized missions from Japan visiting Canada is also increasing. The Osaka Science and Technology Mission, which will tour Canada later this month, is one example of this trend.

We welcome these initiatives and hope they will result in a substantial in-

crease in the proportion of our manufactured exports to you.

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One of Canada's primary objects is to further broaden our industrial base and to develop a greater number of internationally-competitive manufacturing and processing industries.

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We are well aware of Japan's dependence on imports for 90 per cent of your raw materials. We will remain a major and, equally important, a reliable source of resource supplies. However, we insist that more of our resources be further upgraded in Canada prior to export. We will, in future, export more metals and metal products, paper products, pre-cut lumber and plywood, and upgraded agricultural products – to name just a few examples. I welcome the information that Japan now recognizes the many advantages of buying such basic commodities in this more-processed form.

Foreign investment in Canada

...I noted with interest reports of your recent White Paper on Resource Prospects, prepared by your Ministry of International Trade and Industry. Your White Paper suggests that meeting your resource needs for the 1970s will require additional direct investment of over \$15 billion in overseas projects. Your White Paper also points out the need for you to seek out partners for the overseas development of such projects as steel mills, smelters, refineries and other processing plants. This is of particular interest to Canadians, and I would welcome the opportunity to discuss concrete investment proposals concerning Canada with you.

Many of you are already aware that the present level of foreign ownership and control of Canadian industry exceeds that of any other industrialized nation. You can, therefore, well understand Canada's determination to achieve greater domestic control over our own economy. However, our attitude towards new foreign investment remains positive.

Many of you are by now aware that we have a Bill, now awaiting final reading in the Canadian House of Commons, which gives legislative effect to our

decision that future foreign direct investment in Canada must meet the test of "significant benefit" to Canadians.

If, for example, a proposed investment would result in such benefits as the use of Canadian management and skilled labour, the partnership or equity participation of Canadians in the enterprise, the use of local sourcing for supplies and equipment, or the upgrading of our resources prior to export, then our requirement that Canadians receive "significant benefit" from such an investment would likely be met.

But if, on the other hand, a proposed investment would merely result in someone else's machinery being shipped into Canada to ship out our raw resources, this would be of very questionable benefit to Canada.

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It strikes me, as I'm sure that it must strike you, that when I compare Canada's objects in the fields of resource-upgrading and foreign investment with your recently-enunciated policies in these same fields, they fit well together.

The fact that Canada is resource-rich, labour-skilled, politically-stable and a Pacific nation very interested in international trade – along with your willingness to work in partnership with those countries you depend on for reliable supplies of needed resources – means that we will be doing business together for a long time to come. But, as I have tried to convey here today, we must lay to rest any attitude that Canada is a storehouse of raw materials and a market for manufactured products – and nothing else....

Canadian park at Expo '74

The Federal Government will build a park on a small island on the site of the 1974 Spokane World Exhibition in Washington, External Affairs Minister Mitchell Sharp announced recently.

The area, which will be developed with Canadian trees and shrubs, will remain a public park after Expo '74 closes.

Canada's four Western provinces have been invited to participate in the building of the park by the inclusion of provincial displays.