

to control more efficiently her economic development. This difference, which can be easily explained by our very different economic histories, often leads to misunderstandings.

Japanese businessmen often ask us, for example: "Why is it that, after pressing so long for Japan to open up its domestic economy to imports and foreign investment, you Canadians should now subject us to a screening process when we want to invest in your country?"

Their Canadian counterparts are likely to reply: "Why is it that you Japanese find it so difficult to understand why we should attempt to assess and guide more effectively foreign investment in our country, when your own development has benefited so much from the controls exercised by the Bank of Japan and other government agencies?"

I am convinced that through more frequent contacts and discussions, it will be realized that although we are moving in different directions, we are aiming at the same goal. In dealing with foreign investment and other economic processes, Canada has tended in the past to be too liberal and Japan has tended to be too protective; and our respective governments are now attempting to achieve a better balance between private and public interests, as well as between government planning and business initiative.

To engage in mutually beneficial industrial co-operation, we will also have to dispel misunderstandings caused by the substantial differences between our governmental institutions. Canadian businessmen are often discouraged by the high degree of centralization of your government and by the very close co-operation which has developed between Japanese industries and government agencies. Too frequently, they conclude that the common front presented by what has come to be known in the West as "Japan Incorporated" is impenetrable; that Japanese markets are protected not only by the aggressiveness and competitiveness of Japanese firms, but by administrative rulings; and that for similar reasons, it is hopelessly difficult to negotiate ventures and other industrial agreements with the Japanese. Yet a number of successful Canadian-Japanese joint ventures in Japan prove that these impressions do not necessarily correspond to the facts of business life in Japan.

On the other hand, Japanese businessmen are often mystified by Canada's federal system of government which must sometimes appear to them quite anarchic. Why must there be eleven governments? Which of the two levels of government -- the federal or the provincial -- should be contacted to discuss a commercial or investment project? How should Japanese firms go about finding a business partner in Canada, when Canadian business leaders are not willing to listen to government counsels?