

labour/management relations. The Kanao Report details the improved state of federal/provincial relations and its positive implications for foreign investment, the implementation of policies to secure international competitiveness of Canadian products, successful development of high technology, improved labour relations and enhanced productivity.

Mr. Kanao's major observations are:

1. Japanese direct investment in Canada is expected to increase;
2. joint technological co-operation shows excellent potential for growth;
3. the export of Canadian manufactured goods to Japan is likely to expand;
4. Canada-Japan trade in resource products is based on long term considerations and will continue to be an important element in our bilateral commerce; and
5. joint co-operation in third countries is cited as having strong export potential.

The Report also places importance on the prospects of enhanced access to the United States market as a key element in Canada's attractiveness as a manufacturing location for serving North America.

The Minister advised Ambassador Okawa that Canada will actively pursue the investor interest the Report is generating in Japan's business community. This process has already begun. The Minister, during her November 1986 official visit to Japan, addressed investment seminars organized by the Keidanren for business leaders in Tokyo and Osaka on the Mission's findings and investment opportunities in Canada.

As a result of these meetings Canada is undertaking, among other initiatives, the following investment promotion activities:

- In early March an investment seminar will be organized by the Canadian Consulate General in Osaka in co-operation with the Osaka Chamber of Commerce.