

BACKGROUND

- Japan, which is a priority for Canada's attention, is by far Canada's largest trading partner in Asia. Bilateral trade amounted to \$18 billion in 1988, an increase of 23 per cent over 1987. Japan is also a major and growing source of investment in Canada.
- After the United States and the United Kingdom, Japan is the third largest source of tourism to Canada. In 1988, 330 thousand Japanese tourists visited Canada, an increase of 30 per cent over 1987. In 1988, Japanese tourists spent an estimated \$250 million in Canada.
- The Japanese Government has adopted a "Ten Million Program" for doubling over a five year period the number of Japanese tourists going abroad to 10 million by 1991. That goal is expected to be substantially exceeded.
- Air traffic between Canada and Japan has been increasing by about 10 per cent annually in recent years.
- Due in part to a lack of non-stop services, approximately 30-40 per cent of passenger traffic between Eastern Canada and Japan has been via United States gateways.
- The new agreement with Japan is the first revision of the bilateral Air Services Agreement of January 12, 1955.
- The following services are expected to be operated during the peak summer season this year:
 - New Toronto-Tokyo non-stop services using DC10 aircraft three times weekly in a joint venture between Canadian Airlines International Ltd. and Japan Air Lines (JAL). Canadian will provide the aircraft and the two airlines will share the capacity and cooperate in the marketing of the service and in the operation of the aircraft.
 - Daily Toronto-Vancouver-Tokyo "Orient Express" service by Canadian using DC10 aircraft.
 - New weekly Edmonton-Tokyo non-stop services by Canadian using DC10 aircraft. The aircraft will also provide same plane through service from Calgary via Edmonton to Tokyo.
 - New weekly Vancouver-Nagoya DC10 service by Canadian.
 - Three DC10 flights weekly Vancouver-Tokyo by Canadian.
 - Nine B747 flights weekly Vancouver-Tokyo by JAL, with two weekly flights continuing on to Mexico City.
 - New DC10 services two times weekly to Hong Kong by extension of Canadian's flights beyond Tokyo.