

by an aging society, an appreciating currency and by the need to reduce its growing current account surpluses. I was particularly encouraged in this regard by the comments of Prime Minister Murayama to the Japanese Diet on Monday.

It is our view that the Japanese government is on the right track with its efforts to promote economic growth by stimulating domestic demand through deregulation and market-opening measures. We believe this approach is the best way to deal with the problem of trade imbalances because it reflects the spirit of multilateral free trade and of the international rules-based trading system to which both our countries are committed.

As Japan's economy changes, so does its market. Expanding Canadian exports to Japan will depend on our ability to position ourselves in the most rapidly growing market segments — higher value-added products — while maintaining our traditional exports of resource-based commodities, which still make up the bulk of our trading relationship.

These changes have to be transformed into opportunities for our exporters. Canadian business has recognized the need to adapt and is working with the federal and provincial governments to develop export plans in seven priority sectors: processed foods, fisheries products, building products, information technologies, auto parts, tourism and aerospace.

I am confident that Canada's Action Plan for Japan will realize our potential in these high-priority growth sectors.

Our government believes that the consolidation, with the NAFTA [North American Free Trade Agreement], of a North American market will also create even greater opportunities for Japanese investment in Canada.

Canada-Japan Forum 2000

Many of you may be aware of the Canada-Japan Forum 2000 initiative. As we indicated in our election platform, the Red Book, we take this initiative very seriously. Prime Minister Jean Chrétien has reappointed the Honourable Peter Lougheed to head the Canadian Advisory Group — the group of private individuals assisting with the follow-up to the Canada-Japan Forum 2000 Report. I am pleased to announce that the Prime Minister has reappointed Dr. Geraldine Kenney-Wallace, President of McMaster University in Hamilton, Ontario, and has appointed Jean-Paul Gourdeau, a businessman from Montreal, Quebec, and Tamako Yagai Copithorne, a culture and communications expert from Vancouver, British Columbia, to the Canadian Advisory Group.

The Advisory Groups have been responsible for some successes in the Forum 2000 follow-up, including spurring closer Canada-Japan