

Canada has taken notice of Japan's intention to spend \$US75 billion from 1993 to 1998 in Official Development Assistance [ODA]. This is a very important contribution which underscores the value the Japanese government attaches to ODA. Canada has a long-standing commitment to development assistance, globally and in Asia, which began with the Colombo Plan in the 1950s. In my discussions here, I have indicated my interest in further exploring co-operation in this field with Japan, including such ideas as joint development projects and expanded exchanges of personnel. It is a matter of concern to Canada and Japan that some recipients of development assistance concurrently are engaged in major arms purchases. As our government has initiated a review of its foreign and aid policies, I believe these ideas should be considered carefully.

Canada and Japan are also members of regional fora. Next week, Foreign Minister Kono and I will both attend the inaugural meeting of the ASEAN Regional Forum in Bangkok. This will be a historic event, bringing together foreign ministers from 18 Asia-Pacific countries, including China, Russia, the United States, Vietnam, as well as Japan and Canada, to discuss regional security issues. The ASEAN Regional Forum offers the opportunity for our Asia-Pacific community to work together to develop mechanisms to prevent conflicts from breaking out and to deal with them if they do.

To achieve this, we must first develop a habit of dialogue among the key countries. This will go a long way toward building confidence and promoting transparency among countries of the Asia-Pacific region.

#### **Economic and Trade Relations**

The Canadian Chamber of Commerce in Japan and the Canada-Japan Society can testify that Canada's economic relationship with Japan is extremely important. Indeed, they have played, and continue to play, a key role in broadening the linkages between our two countries and in deepening our transpacific relationship.

With over \$19 billion worth of trade last year, Japan is Canada's second-largest trade and economic partner. Despite the economic down turn in Japan, Canadian exports to Japan grew at a rate of 13 per cent last year. With over \$10 billion dollars worth of direct investment a year in Canada and another \$46 billion invested in securities and bonds, Japan is our third-largest source of investment. Japan is also our second-largest source of tourists. Half a million Japanese visit Canada each year.

Of course, the future for expanded bilateral trade and investment will largely be determined by the health of our respective economies. Both our countries have been hit hard by the recession. Japan is also faced with structural challenges posed