

The Japanese people could gradually reclaim the scarce territory in their islands which has been absorbed by the rapid industrialization of recent decades by arranging for the gradual transfer to Canada of those industries which are the most space-extensive. How can Japan import space from Canada? In my view, long-term arrangements between our two countries to that effect could be the foundation of the partnership which we Canadians wish to develop with your country.

I am referring, of course, to those heavy industries which process raw materials, especially the refining and primary transformation of metals, such as iron, copper, zinc and aluminum, the processing of agricultural products and the manufacture of pulp and paper. These industries need space because they tend to be polluting and must therefore be widely dispersed if the most advanced techniques of pollution control are to be used.

Canada has all the space necessary for the efficient deployment of these advanced anti-pollution techniques. These industries also require large tracts of land to site bulky plants, to stockpile raw materials and finished products. For these reasons, most are better located far from large metropolitan centres. In short, these industries are ideally suited to the large expanses which we have in Canada where, in addition, water and energy are abundant.

I might add that bilateral arrangements for the gradual migration of these industrial activities to Canada would bring about substantial savings in energy and shipping costs for Japanese industry. Furthermore, it would be easier, within this framework, to ensure secure supplies of industrial materials for Japanese industry and, reciprocally, assured access to markets for Canadian producers of the same. We have accumulated considerable experience and expertise in most primary processing activities and we would be prepared to welcome additional enterprises of this sort in Canada as joint ventures between Japanese and Canadian interests, which would provide a profitable outlet for Japanese investors. I hardly need to point out that the political stability and steady economic growth of Canada would guarantee the long-term profitability of these investments.

A second area where a closer partnership between Japan and Canada would be mutually advantageous, in our view, is industrial co-operation.

By exploiting so successfully your own large domestic market and the opportunities of international trade, your businessmen have developed a wide range of efficient and sophisticated industries, whose marketing ability and competitiveness have become world-famous. Similarly, although on a smaller scale and with a much greater concentration