
Summit Countries

Japan

Prime Minister Yasuhiro Nakasone

Mr. Nakasone was born on May 27, 1918 in Takasaki City, Gunman Prefecture. At the Faculty of Law at the University of Tokyo he specialized in Political Science. From April 1941 to September 1945, he served in the Imperial Navy reaching the final rank of Lieutenant Commander. Following demobilization he served in the Home Ministry.

Running for the first time in the general election of April 1947, Mr. Nakasone was elected to the House of Representatives. He has since been re-elected 14 successive times. Mr. Nakasone won his first cabinet post in June 1959. He has since served in a variety of senior cabinet and party positions. Mr. Nakasone was Deputy Prime Minister in charge of Administrative Reform and Director General of the Administration Management Agency, 1980-1982. In November 1982 he became Prime Minister.

This is Mr. Nakasone's fourth economic summit. He will be joined by Shintaro Abe, Foreign Minister, Michio Watanabe, Minister of International Trade and Industry and Noburu Takeshita, Minister of Finance. His personal representative is Reishi Teshima.

The Japanese Economy

The Japanese economy experienced continued growth in 1985, but a growing policy debate has developed over the length of time which the Nakasone government should continue its austere fiscal policy. The economy remains highly dependent on the export sector for growth, and it remains to be seen whether the recently announced package of economic measures will have the effect of stimulating domestic demand. The effects of the rise of the value of the yen in relation to the U.S. dollar are now beginning to be felt in the Japanese export sector.

The fundamentals of the Japanese economy were impressive in 1985. Growth was 4.6%; inflation was 2.5%; productivity remained over 10%; unemployment remained low at 2.7%. The current account

surplus exceeded U.S. \$50 billion surpassing 1984's record of U.S. \$35 billion.

As a result of the export boom, corporate profits for large scale enterprises such as autos, electronics and machine tools soared to all-time highs in 1985 and in 1986 to date. This high accumulation of corporate profits, combined with a household savings rate of 18%, brings gross national savings near the 30% mark. These funds are being directed abroad at record capital outflows of U.S. \$55 billion per year.

Canada-Japan Relations

Our second largest trading partner since 1973, Japan is also the preeminent economic power in the Asia/Pacific region, an area of growing importance to Canada. Japan is a valued customer for Canadian resource and agricultural exports and represents a potential major source of investment and technology. Canadian exports to Japan include coal, copper, lumber, grains and oilseeds, fish products and increasing amounts of consumer products such as sports equipment and processed foods. Canada is continuing its efforts to introduce sophisticated manufactured products to Japan in fields where we are world leaders.

In recent years both Canada and Japan have sought to broaden the base of the bilateral relationship, and this objective was furthered by the visit to Canada in January of this year of Prime Minister Nakasone. There are regular contacts between individuals in the two countries in the context of initiatives to foster governmental, parliamentary, academic, labour and cultural exchanges. In recent months new consultative mechanisms have been established in arms control and disarmament, in the struggle against terrorism and development assistance.

United States of America

President Ronald Reagan

Ronald Wilson Reagan was born on February 6, 1911, in Tampico, Illinois. He graduated from Eureka College (Illinois) in 1932 with a degree in economics