

joint enterprises, of investment opportunities and of an exchange of science and technology.

But then it occurred to me that this audience would already be aware of these developments and would know, for example, that Japan represents for Canada our largest single market for agricultural produce in the world. You would already be aware that Japan represents a domestic market of some 110 million well-educated and well-paid people. Indeed, you may have known that their high standard of living results primarily from their own domestic market and not from their role as an exporting nation. Some 13 per cent of Japan's gross national product results from its exporting position -- almost half that of Canada.

I thought I could well speak to you today on how to do business in Japan and I started to make some notes. Obviously, I started off with a description of the consensus process of arriving at decisions in the Japanese community. A slow and painstaking process, it starts at the lower scale of management, or the middle-management level, and gradually works its way up to top management, with each participant's "chop mark" carefully placed on the appropriate piece of paper. Until consensus is reached within the Japanese community itself or within an individual company or, indeed, within government, negotiations cannot proceed very far. A process, when not well understood by Westerners, can be frustrating as well as time-consuming, a subject for a speech all on its own.

I thought it appropriate at one point to prepare my remarks on the complicated distribution system of Japan. The methods of marketing are so complex as to baffle the best minds. Indeed, on one occasion, when I said to the chairman of one of Japan's largest trading companies with offices in Canada "Why don't you 'source' in Canada and arrange to market Canadian products in Japan and thereby overcome the complications to Canadians of the distribution system?", he replied: "I don't understand the distribution system myself". Suffice it to say on this occasion that, depending on the product, it is not unusual to find two, three, four or five levels of wholesalers before goods reach the retailer.

Then, any speech that I might have prepared on how to do business in Japan would, of course, have to refer to administrative guidance, that remarkable and unique system -- unique indeed to Japan -- where all levels of society, government and business, can quietly close ranks and decide what shall be done or what shall not be done -- including, I might add, the import of goods from abroad. There is nothing in writing. The system is mysterious but most effective. It is, indeed, Japan incorporated. It is to be recognized that what is

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