

Mr. Chairman, Mr. Kanao, ladies and gentlemen: It is a distinct honour to address this distinguished forum of business leaders. It is a great pleasure to be in your dynamic country.

I am especially pleased to be in Osaka. I am impressed with its rich history as a commercial and financial centre. I am aware that a large number of Japan's leading enterprises started in your city. Every Canadian knows the names of companies and brands produced by firms headquartered here such as Sharp, Sanyo, Sumitomo and Matsushita.

Prime Minister Mulroney has asked me to convey his greetings and appreciation for the leadership of the Kankeiren in strengthening Canada-Japan relations and economic ties.

As you know, Prime Minister Mulroney is strongly committed to seeing our bilateral relationship develop to its full potential.

Our Government's statement of its priorities during the opening of the latest session of Parliament highlighted the importance of Japan. Subsequently, the Canadian Cabinet adopted a strategy intended to provide both leadership and coordination as government, business and labour sectors focus on Japan. This strategy is aimed at encouraging all levels of government and all segments of Canadian society to recognize that developing stronger ties between Canada and Japan will enhance our security, technological capabilities, and prosperity. We recognize, as national policy, that our future prosperity is tied to the Pacific and, in particular, to Japan.

I chose Japan as my first bilateral overseas trip as Minister for International Trade to demonstrate my commitment to strengthening our trade and investment relations.

In Canada today, we are committed to opening up the rules relating to both trade and investment. Thus, one of our first major economic initiatives was to establish Investment Canada whose role is to encourage and facilitate investment.

We moved quickly to limit government intervention. We moved to invigorate Canada's economic environment by creating a new business climate favouring entrepreneurship.

In this new spirit, the performance of our economy has improved markedly. Declining interest rates, moderate and stable inflation, and credible fiscal initiatives translated into real economic growth in 1985. Price increases in the first half of 1986 continue to be moderate. Current wage settlements are reasonable, about 3.5%, which augurs well for future cost pressures.