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Statements and Speeches

No. 77/2
(Corrected version)

JAPAN -- NEITHER THE SWORD NOR THE CHRYSANTHEMUM

Address by Mr. Bruce Rankin, Ambassador of Canada to Japan, to the Empire Club of Toronto, March 10, 1977.

Having seen the list of your other speakers during your current program, it was with some nervousness that I set about selecting a theme for my remarks today. Many topics, relevant, substantive and worthy of treatment, came to mind and, indeed, I listed a great number of them but decided that each in turn provided a topic in itself. I also had to remind myself that I was not in the process of giving a six-weeks' seminar on Japan but having one opportunity of speaking to a very prestigious and distinguished audience in Toronto.

It seemed logical, of course, that I might well have spoken about our trading relationship with Japan, but then I realized that my audience would already know that Japan is our second-biggest trading partner, that our total trade is over \$4 billion, and that it renders a favourable balance for Canada in excess of \$1 billion, equal to the overall favourable merchandise balance in our global exchange of goods in 1976.

I also thought that, in this context, I might well speak to you about the market itself, and yet I recognized, of course, that this audience would know that Japan is virtually totally dependent on its imports of energy and natural resources and that the skills and hard work of its people in turn produce and market around the world the results in the form of highly-manufactured goods. Indeed, you will already be aware of the considerable outcry in recent months by the Common Market, from the United States and from Australia, at the trading relationship with Japan -- and that Canada stands alone as a major trading partner that is not crying foul in our interchange of goods.

This is not to say, of course, that we are not actively engaged in improving our economic relationship with Japan. We have been working on this intensively for the past three years. Indeed, you will know that the Prime Minister visited Tokyo last October and signed the Framework for Economic Co-operation, which embodies the principles of a new relationship with Japan in the sense that we are looking for a better "mix" in our exports -- the upgrading of our raw materials and easier access to the Japanese market for our manufactured goods. The Framework also gives promise of a new era in terms of
