

Many Japanese companies have a long history of investment in Canadian resource industries. The automotive investments have led the way to Japanese direct investment in manufacturing. In Canada, Japanese firms make colour television components, floppy disks, electrical equipment, including ceramic capacitors. We would like to attract more of these investments.

There is in Canada today, a highly skilled and competitive labour force. We have a large and increasing pool of scientists, engineers and technologists. Our work force is stable. Both the amount of time lost in work stoppages and the average duration of stoppages compare favourably with the United States. Our workers are competitive -- in Canadian dollars the average hourly wage in manufacturing in August 1985 was \$11.60 in Ontario, compared with \$17.00 in Michigan and \$15.30 in Ohio.

There is in Canada today, a growing awareness among business people of the important role that Japan is playing and will play in the future of our economy and prosperity. During the first five months of 1986, we held a series of seminars across the country highlighting Japanese technologies in sectors such as advanced industrial materials, advanced manufacturing technologies, auto parts, space, biotechnology, micro-electronics. Eleven hundred Canadian business representatives attended these seminars to learn from the more than 100 Canadian firms who participated directly in the technology missions to Japan.

We are concerned, however, that Canada has attracted only 2.1 per cent of Japan's direct overseas investment compared with 32 per cent destined to the United States. The Canadian market for Japanese exports is expanding -- a 30 per cent increase in the first six months of 1986. The factors which lead Japanese insurance companies to invest heavily in Canadian securities, and that are responsible for a greatly expanding investment activity by American companies, should also lead to a stronger Japanese presence in productive investment in Canada. This is in Japan's interest as well as Canada's.

My message is plain and simple. When you look toward North American for investment opportunities, I would urge you to consider Canada.

Given the importance of our bilateral relationship, the need for broad mutual understanding of each other is clear. This is a subject that was also touched on by Mr. Kanao in his press conference in Ottawa. He suggested an exchange of visits by businesspeople at the middle management level. On that occasion he pledged the Keidanren's support for this process.