

STATEMENT DISCOURS

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NOTES FOR A SPEECH BY THE
RIGHT HONOURABLE JOE CLARK,
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
TO THE KEIDANREN (ASSOCIATION OF
JAPANESE BUSINESS ORGANIZATIONS)

TOKYO

DECEMBER 20, 1984

NOTES FOR AN ADDRESS TO THE KEIDANREN

Gentlemen:

I would like to thank you for inviting me here today to exchange views on Canada's relations with Japan. My visit to Tokyo early in my term as Canada's Secretary of State for External Affairs is an indication of the importance we place on relations with Japan. In meeting with you I want to deliver my pledge of government support for business initiatives that will make this important relationship even more beneficial.

Mr. Chairman, I want to take this opportunity to congratulate the members of the Japan/Canada Economic Committee of the Keidanren. Over the last eight years the joint Canada-Japan Businessmen's Conference has developed into a most significant feature of the bilateral relations. Your meetings have given leading Canadian and Japanese industrialists the opportunity to develop closer and more effective personal and corporate links. Before coming to Japan I met with Mr. David Culver, the Chairman of the Canada-Japan Business Cooperation Committee. I am aware of how much the Canadian Committee is looking forward to the meeting in Calgary in May next year. I want to wish you well as you prepare for those discussions.

The new government in Canada is giving priority attention to revitalizing our national economy. We will put into place policies to stimulate investment, foster innovation and increase competitiveness. We will also develop policies to encourage open and improved trading relationships. In developing these policies we will look to the private sector as the major source of growth and new jobs for Canadians.

Canada, like Japan, must trade to survive. More than 3 million Canadians work in industries directly or indirectly related to exports. Japan, is Canada's second largest trading partner. In the past decade two-way trade between our nations has nearly quadrupled. Japan is one of Canada's most dynamic export markets and an important source of quality manufactured goods.

Your imports of our resources have made an enormous contribution to the development of the Canadian economy. We, for our part, have committed considerable effort and expense to the development and efficient delivery of resources to the Japanese market. We are a sure and secure source of resources, but we require secure markets now and in the future at a fair and viable price.

Structural change in the Japanese economy presents each of us with new opportunities. Canadians will search for new Japanese markets particularly for upgraded resources. At

the same time we will invite Japanese businessmen to take a more active role in the development of energy industries in Canada. Plants will be more competitive in supplying both Japan and other markets by locating closer to the source of energy and raw materials.

It is clear to us that as our economies readjust to changes taking place in the global economy, Canada must offer a healthy and attractive climate for foreign investment. For this reason our new government has announced changes to the Foreign Investment Review Act which, in the past, has too often been seen as an impediment to foreign investment in Canada.

Many of the companies you represent already have made investments in our country. We want you to know that we would welcome the expansion of your existing operations new investments and where possible joint ventures with Canadian companies.

Japanese investment has been of crucial importance in certain resource extraction projects. Japanese trading companies and their operations in Canada have been active in finding markets for Canadian goods both in Japan and in other countries. The establishment of Canadian branches and representative offices by Japanese banks has been a welcome development.

Now we want to demonstrate to you and your colleagues that further investment, particularly in manufacturing, will not only be welcomed but encouraged and supported by Canadians, and their government. Canada has been pleased by the recent decisions of some of your leading companies to manufacture in Canada. Canadian businessmen will be able to deepen their understanding of features of Japanese business that have led to its success, and Japanese firms can tap a significant and affluent market in a strong free enterprise society. Every opportunity for a generous return on existing and new investment will be offered.

Increased investment will bring closer corporate links which, in turn, will bring together in fruitful collaboration people and experience from our two different cultures. I am confident that such links can lead to even closer ties in all areas of our bilateral relationship.

Before opening this meeting to general discussion, I would like to say a few words about Canada's relations with the United States. Shortly after our Government was elected there were reports that we were seeking such a close relationship with the U.S. that we would be neglecting other important partners. I want to assure you that this is not the case.

Canada is reviewing economic and trade relationships with the United States because trade across our borders is so immense. Last year 75% of Canadian imports went to the United States. Our two-way trade exceeded \$110 billion. Much of that trade is relatively free, but protectionist initiatives could have a serious negative impact on Canada. But we are conscious of the political pressures for trade protection particularly when trade balances are not perceived as fair, or where trade balances do not reflect fair job creation and employment opportunities. I want to assure you today that in seeking more secure access to the U.S. market we have not and will not diminish our commitment to other trading partners including Japan or to multilateral trade initiatives.

In the final analysis our economic and political future depends upon our ability to use our mutual appreciation of values, strengths, aspirations and responsibilities to work together. The years ahead will be years of challenge and opportunity for Canada and for Japan. We must confront the challenge of restructuring our economies in the global market. We must stand firm in our commitment to an open international trading system. We must find mechanisms to build closer links in trade, technology and investment between our private sectors. We have achieved much in the past. I know that in the years to come we will meet the challenges and opportunities with vigour, imagination and cooperation.