

NATIONAL INTEREST AND THE PURSUIT OF CANADA-JAPAN RELATIONS

Speaking notes

INTRODUCTION

IT IS A GREAT HONOUR TO HAVE BEEN INVITED BY YOUR
ASSOCIATION TO SPEAK TO YOU TODAY.

DIPLOMACY

I WOULD LIKE TO BEGIN MY REMARKS BY REFLECTING ON THE
NATURE OF DIPLOMACY AND RELATIONS BETWEEN STATES.
MUCH HAS BEEN WRITTEN ABOUT THESE SUBJECTS,
ESPECIALLY BY ACADEMICS, FOREIGN POLICY
PRACTITIONERS AND DIPLOMATS. I DON'T EXPECT THAT MY
OWN VIEWS ARE VERY ORIGINAL.

NOT BEING A TRAINED ACADEMIC, MY VIEWS COME FROM THE GROUND UP, FOR THE PRACTICE OF CANADIAN DIPLOMACY AS A CANADIAN DIPLOMAT WORKING PRIMARILY IN JAPAN, CHINA AND SOUTH EAST ASIA, SOMETIMES IN THE REGION, SOMETIMES IN CANADA.

I BELIEVE THAT AS CITIZENS OF PROSPEROUS, ADVANCED COUNTRIES, IN A SENSE, ALL JAPANESE AND ALL CANADIANS ARE INVOLVED IN FOREIGN RELATIONS. I AM CERTAIN THAT MOST OF YOU, IF NOT ALL OF YOU, HAVE TRAVELLED ABROAD FREQUENTLY. YOU HAVE CONDUCTED BUSINESS ABROAD, YOU HAVE REPRESENTED THE JAPANESE GOVERNMENT ABROAD, YOU HAVE FRIENDS AND MAYBE RELATIVES OUTSIDE JAPAN. YOU HAVE PASSPORTS AND OBTAINED VISAS FOR YOUR OVERSEAS TRIPS. YOU HAVE LEARNED FOREIGN LANGUAGES SO AS TO BETTER UNDERSTAND THE WORLD BEYOND JAPAN'S SHORES. MOST CANADIANS HAVE SIMILAR EXPERIENCES AND LINKAGES.

IN OTHER WORDS, ALL OF YOU HAVE CONDUCTED FOREIGN RELATIONS IN ONE FORM OR OTHER. ALL OF US, AS CITIZENS OF

FREE COUNTRIES, CAN CONDUCT OUR OWN “FOREIGN RELATIONS”.

FOREIGN POLICY, ON THE OTHER HAND, IS A SUBJECT THAT INTERNATIONAL LAW RECOGNIZES AS THE RESPONSIBILITY OF STATES AND THEIR GOVERNMENTS. FOREIGN POLICIES ARE ARTICULATED BY GOVERNMENTS IN STATEMENTS BY LEADERS, AND IN THE DAY TO DAY CONDUCT OF BILATERAL RELATIONSHIPS, AND IN MULTILATERAL ORGANIZATIONS.

WHEN SOVEREIGN STATES INTERACT GLOBALLY, WE SAY THAT THEY ARE INVOLVED IN INTERNATIONAL RELATIONS, WHICH IS DIFFERENT FROM FOREIGN RELATIONS AND FOREIGN POLICY. INTERNATIONAL RELATIONS INVOLVES MILITARY, POLITICAL, ECONOMIC AND EVEN MORAL POWER. INTERNATIONAL RELATIONS THEREFORE TENDS TO BE THE LOCUS OF ATTENTION OF POWERFUL COUNTRIES, WHO CAN INFLUENCE SUCH LARGE FACTORS AS GLOBAL AND REGIONAL SECURITY, THE RULES OF INTERNATIONAL TRADE AND COMMERCE, INTERNATIONAL STANDARDS IN COMMUNICATIONS TECHNOLOGY, AND EVEN THE GLOBAL POSTAL SYSTEM.

CANADA AND JAPAN ARE BOTH INVOLVED IN INTERNATIONAL RELATIONS MANAGEMENT, FOR EXAMPLE THROUGH YOUR SECURITY TREATY WITH THE USA, AND OUR NATO RELATIONS. BUT MOST OF THE TIME, OUR GOVERNMENTS ARE MUCH MORE INVOLVED IN FOREIGN RELATIONS AND FOREIGN POLICIES, BECAUSE THAT IS WHERE THE INTERACTION WITH OUR CITIZENS IS THE GREATEST.

ACCORDINGLY, ON A DAY TO DAY BASIS, COUNTRIES AND THEIR GOVERNMENTS DO NOT PURSUE RELATIONS WITH EACH OTHER INDEPENDENTLY OF THE INTERESTS OF THEIR CITIZENS AND THEIR INSTITUTIONS. THEY DON'T DEAL WITH EACH OTHER UNLESS THEIR LEADERS AND THEIR GOVERNMENTS HAVE SOME VERY CLEAR PURPOSES IN MIND. ON A DAY TO DAY BASIS, NARROWLY DEFINED NATIONAL INTERESTS ARE THE DRIVERS OF DIPLOMACY.

STRATEGIES AND PLANNING

IN THE SAME WAY, DIPLOMATIC SUCCESS - THE ACHIEVEMENT OF NATIONAL OBJECTIVES - DOES NOT OCCUR WITHOUT A CLEAR STRATEGY AND A SET OF PLANS. THESE ARE ESSENTIAL TOOLS TO ALLOW A COUNTRY TO REACH ITS OBJECTIVES. GOVERNMENTS HAVE TO DEFINE WHAT IT IS THAT THEY WISH TO PURSUE IN LIGHT OF THESE NATIONAL INTERESTS, AND DECIDE THE KIND AND THE AMOUNT OF RESOURCES THAT THEY WILL DEVOTE TO ACHIEVING THEIR OBJECTIVES. GOVERNMENT SUCCESS WILL DEPEND ON CLARITY OF PURPOSE, THE EXTENT OF THE EFFORTS THAT THEY WILL MAKE, AND THE ABILITY TO SUSTAIN A COMMITMENT OVER A LONG PERIOD OF TIME, SOMETIMES EVEN SEVERAL YEARS.

DIPLOMATS

DIPLOMATS ARE GENERALLY THE IMPLEMENTORS OF POLICIES. IT IS SOMETIMES THEIR JOB TO CONTRIBUTE TO THE DEVELOPMENT OF THE PLANS, BUT MOSTLY, AFTER THE DIRECTION IS SET, TO IMPLEMENT THEM. ONLY A SMALL

NUMBER OF DIPLOMATS ARE INVOLVED IN THE ISSUES OF MANAGEMENT OF FUNDAMENTAL INTERNATIONAL RELATIONS, THE DEVELOPMENT OF GRAND NATIONAL STRATEGIES, OR INVOLVED IN DECISIONS REGARDING WAR AND PEACE. THESE DIPLOMATS ARE MOSTLY BASED IN THEIR CAPITAL CITIES. MOST OF US, WHO ARE AT EMBASSIES AROUND THE WORLD, ARE MUCH MORE PREOCCUPIED WITH THE TASK OF IMPLEMENTING GOVERNMENT PLANS AND ASSISTING OUR INDIVIDUAL CITIZENS AND THEIR BUSINESSES, UNIVERSITIES OR ARTS ORGANIZATIONS IN ACHIEVING THEIR OBJECTIVES.

DIPLOMATS, ON A DAY TO DAY BASIS, DO WHAT I AM DOING HERE TODAY: INTRODUCING CANADA TO AN AUDIENCE OF NON-CANADIANS, SO THAT YOU WILL DEVELOP AN INTEREST IN MY COUNTRY.

WHAT DOES CANADA WANT?

WHAT DOES CANADA WANT, AS A GENERAL RULE, FROM ITS RELATIONS, NOT ONLY WITH JAPAN BUT ALSO WITH ALL FOREIGN COUNTRIES?

IN A NUTSHELL, CANADIANS AND THEIR INSTITUTIONS WANT MORE IMMIGRANTS TO CONTRIBUTE TO BUILDING CANADA FOR THE FUTURE. WE WANT MORE TOURISTS FOR THE SERVICES AND HOTEL INDUSTRY. WE WANT MORE STUDENTS FOR OUR UNIVERSITIES AND RESEARCH ORGANIZATIONS. WE WANT MORE INTELLECTUAL PROPERTY AND MORE EFFICIENT TECHNOLOGIES TO MAKE CANADIAN BUSINESSES MORE COMPETITIVE INTERNATIONALLY. WE WANT HIGH TECHNOLOGY CONSUMER PRODUCTS. WE ALSO WANT LOWER COST HOUSEHOLD GOODS AND SERVICES. WE WANT MORE INVESTMENT IN MANUFACTURING AND RESOURCES. WE WANT OTHERS TO SHARE IN THE JOB OF IMPROVING GLOBAL SECURITY. WE WANT PEOPLE IN JAPAN TO THINK OF CANADA AS THE IDEAL PARTNER FOR PURSUING THEIR DREAMS AND AMBITIONS.

THE AMBASSADOR'S ROLE

AMBASSADORS HAVE MANY RESPONSIBILITIES. ONE OF THEM IS TO THINK ABOUT THE FUTURE, AND HELP GOVERNMENTS

DETERMINE THE LONG TERM STRATEGIES THAT WILL ENSURE THAT CANADA AND JAPAN BOTH BENEFIT FROM THEIR RELATIONSHIP, NOT ONLY NOW BUT IN THE YEARS TO COME. I CONSIDER THINKING ABOUT THE FUTURE, AND DESIGNING PLANS FOR THE FUTURE, TO BE ONE OF MY MOST IMPORTANT RESPONSIBILITIES. THE DEVELOPMENT OF ALL OF OUR PLANS FOR THE FUTURE MUST BEGIN WITH THE RELATIONS THAT WE HAVE TODAY.

CANADA AND JAPAN

FROM THE PERSPECTIVE OF OUR TWO GOVERNMENTS, IN JUST ABOUT ALL RESPECTS, CANADA AND JAPAN HAVE A PROBLEM FREE RELATIONSHIP. WE ARE BOTH MODERN DEMOCRACIES, WITH POLICIES THAT REFLECT THE WILL OF OUR PEOPLES. WE BELIEVE IN THE RULE OF LAW AND CAN RELY ON OUR JUDICIAL SYSTEMS TO SOLVE COMMERCIAL OR CIVIL DISPUTES. WE BOTH BELIEVE THAT PROBLEMS, WHERE THEY ARISE,

SHOULD BE DEALT WITH ON THE BASIS OF PRAGMATIC INTERESTS AND NOT IDEOLOGIES.

WE BOTH BELIEVE IN THE RULE OF LAW INTERNATIONALLY AS WELL. WE BOTH STRONGLY SUPPORT THE UNITED NATIONS SYSTEMS, THE AUTHORITY OF THE WORLD TRADE ORGANIZATION, AND THE ROLE OF INSTITUTIONS SUCH AS THE INTERNATIONAL MONETARY FUND OR THE WORLD BANK. WE SHARE SIMILAR VIEWS ON THE NEED TO ASSIST POOR COUNTRIES IN THEIR MARCH TO ECONOMIC AND SOCIAL DEVELOPMENT. WE SHARE SIMILAR VIEWS ON THE NEED TO TACKLE CLIMATE CHANGE IN WAYS THAT DO NOT IMPEDE ECONOMIC GROWTH.

CANADIAN BUSINESSES DEVELOP MARKETS IN JAPAN FOR THEIR GOODS AND SERVICES - ONE HUNDRED BILLION YEN A MONTH IN GOODS AND SERVICES EXPORTS. THEY PURCHASE FROM JAPAN FOR RESALE TO OTHER CANADIANS OR THEIR OWN USE GOODS AND SERVICES WORTH ONE HUNDRED AND FIFTY BILLION YEN, EVERY MONTH. CANADIAN COMPANIES COME TO JAPAN TO PURSUE PARTNERSHIPS IN SCIENCE AND

TECHNOLOGY TO MAKE THEIR OWN PRODUCTS BETTER AND MORE COMPETITIVE.

CANADIAN STUDENTS COME TO STUDY IN JAPAN FOR MANY REASONS, NO DOUBT, BUT ALSO IN ORDER TO EXPAND THEIR KNOWLEDGE AND ABILITY TO COMPETE IN A RAPIDLY GLOBALIZING WORLD.

TOURISTS COME TO JAPAN TO SEE AND LEARN ABOUT JAPANESE HISTORY, VALUES AND PERSPECTIVES, TO ENRICH THEIR OWN LIVES.

THIS IS ALL WELL AND GOOD, BUT DOES NOT REFLECT THE DEPTH OF OUR INTEGRATION. MOST JAPANESE ARE UNAWARE THAT:

SIX PERCENT OF YOUR FOOD COMES FROM CANADA.

TEN PERCENT OF YOUR ENERGY IS GENERATED FROM CANADIAN URANIUM.

TWENTY PERCENT OF JAPAN'S NEW HOUSES ARE BUILT WITH CANADIAN WOOD.

TEN PERCENT OF JAPANESE STUDENTS STUDYING ABROAD ARE IN CANADA.

SO CANADIANS AND JAPANESE, IN THE PURSUIT OF THEIR OWN INTERESTS, ARE THE DETERMINANTS, THE SUBSTANCE AND ULTIMATELY THE BENEFICIARIES OF THE CANADA JAPAN RELATIONSHIP.

ROLE OF GOVERNMENTS

GOVERNMENTS HOWEVER, IN BOTH CANADA AND JAPAN, BELIEVE THAT WE CAN AND SHOULD HAVE A DEEPER RELATIONSHIP, ONE THAT REFLECTS CONTEMPORARY REALITIES BUT ALSO SHAPES THE FUTURE. THE WORLD DOESN'T STAND STILL, AND NEITHER DO JAPAN OR CANADA. CANADIANS WANT TO INCREASE THEIR BENEFITS FROM THEIR RELATIONSHIP WITH JAPAN, AND WE THINK THAT JAPAN CAN

AND SHOULD OBTAIN GREATER BENEFITS FROM CANADA THAN THEY ARE CURRENTLY GETTING.

PLANNING FOR THE FUTURE

WE WANT TO CONVEY TO YOU GATHERED HERE AT MEIJI GAKUIN AND TO OTHER JAPANESE FRIENDS AND INTEREST GROUPS A SET OF IDEAS THAT WE BELIEVE JAPAN SHOULD BE CONSIDERING, BECAUSE WE BELIEVE THAT THESE RESPOND TO JAPANESE INTERESTS AS MUCH AS CANADIAN INTERESTS.

WE THINK THAT CANADA AND JAPAN CAN, BY MODERNIZING OUR ECONOMIC AND TRADE RELATIONSHIP, CONTRIBUTE MORE TO EACH OTHER'S ECONOMIC GROWTH. WE CAN, BY PLANNING AND WORKING TOGETHER, INSURE GREATER PEACE AND SECURITY FOR OUR MUTUAL BENEFIT. WE CAN HELP EACH OTHER ADAPT TO CHANGES IN OUR DOMESTIC SOCIAL CONDITIONS. CANADIAN CAN PROVIDE JAPANESE WITH THE

LESSONS WE HAVE LEARNED ABOUT ELIMINATING TOTALLY OUR FISCAL DEFICITS, AND REDUCING GOVERNMENT EXPENDITURES WHILE INCREASING SERVICES TO CANADIANS. LET ME ILLUSTRATE WHAT I MEAN.

CANADA'S CONTRIBUTION TO JAPANESE ECONOMIC GROWTH.

ECONOMIC GROWTH IS ESSENTIAL TO CANADA AND TO JAPAN. AS A FAST GROWING G7 ECONOMY, CANADA'S MARKET CONTRIBUTES TO JAPAN'S PROSPERITY BY IMPORTING THE EQUIVALENT OF 1.6 TRILLION YEN OF GOODS FROM JAPAN IN 2006, 3.7% HIGHER THAN IN 2005. CANADA IS JAPAN'S FOURTH LARGEST EXPORT MARKET FOR AUTOMOBILES AND FIFTH FOR MOTORCYCLES ON TOP OF HOSTING FOUR JAPANESE PASSENGER VEHICLE ASSEMBLY PLANTS. THE NUMBER OF HOUSEHOLDS IN CANADA CONTINUES TO INCREASE, THANKS IN PART TO IMMIGRATION. THIS POWERS DEMAND FOR JAPANESE CONSUMER ELECTRONICS AND AUTOMOBILES. THIS ALSO PROVIDES NATIONAL WELFARE GAINS FOR BOTH COUNTRIES LOOKING TO BOOST PRODUCTIVITY WHILE AT THE SAME TIME PROMOTING STRUCTURAL REFORM. ON THE OTHER

SIDE, CANADIANS EXPORT 100 BILLION YEN OF GOODS AND SERVICES TO JAPAN EVERY MONTH TO JAPAN.

FUTURE GROWTH

IN 2006 CANADA HAD THE STRONGEST EMPLOYMENT GROWTH IN THE G7 ON THE BACK OF THE GREATEST RATE OF POPULATION GROWTH AMONG THE G7 (UP 5% IN 5 YEARS). AS JAPAN ADDRESSES ITS OWN DEMOGRAPHIC CHALLENGES INVOLVING LABOUR/CONSUMERS, CANADA'S DYNAMISM MAKES THE LUCRATIVE CANADIAN MARKET ATTRACTIVE TO EXPORTERS AND AN FDI FRIENDLY ENVIRONMENT FOR JAPAN. GIVEN THESE EXCELLENT ECONOMIC FUNDAMENTALS, 550 JAPANESE FIRMS INVESTED IN CANADA. FDI NEARLY DOUBLED TO C\$10.8 BILLION IN THE LAST DECADE.

INTELLECTUAL PROPERTY

WE BOTH BENEFIT FROM RELATIVELY STRONG INTELLECTUAL PROPERTY RIGHTS PROTECTION. WE ALSO COMPLEMENT EACH OTHER IN AREAS SUCH AS CANADIAN BIOTECHNOLOGY FOR

JAPAN'S PHARMACEUTICAL INDUSTRY OR CANADIAN SOFTWARE FOR JAPAN'S HARDWARE INDUSTRY. CANADA IS RELATIVELY GOOD AT THE R IN R&D WHILE JAPAN EXCELS AT THE D FOR DEVELOPMENT PHASE.

THIS IS SIGNIFICANT BUT WE BELIEVE THAT THE FULL ECONOMIC POTENTIAL HAS YET TO BE FULFILLED. BOTH COUNTRIES RISK TAKING EACH OTHER FOR GRANTED.

CANADA JAPAN FREE TRADE AGREEMENT

THAT IS WHY CANADA WOULD LIKE TO DISCUSS AND NEGOTIATE AND SIGN A FREE TRADE AGREEMENT WITH JAPAN. A RECENT STUDY UNDERTAKEN JOINTLY BY BOTH OF OUR GOVERNMENTS DEMONSTRATED QUITE CLEARLY THAT CANADA AND JAPAN WOULD EACH BENEFIT VERY SIGNIFICANTLY FROM BILATERAL FREE TRADE. WE ALSO BELIEVE THAT THE GREATER CONNECTIVITY THAT IS PROVIDED BY AN FTA WOULD HELP ADDRESS JAPAN'S VULNERABILITIES WITH REGARD TO FOOD SECURITY, ENERGY SECURITY AND FOREIGN INVESTMENT IN NORTH AMERICA.

AN FTA WITH CANADA WOULD ELIMINATE OR REDUCE BARRIERS, MAKE BUSINESS EASIER, EXPAND TRADE AND INVESTMENT AND DELIVER REAL BENEFITS TO JAPAN. JAPANESE EXPORTS WOULD GROW. BENEFITS WOULD ACCRUE TO JAPAN'S AUTOMOTIVE AND CONSUMER ELECTRONICS INDUSTRIES. SUCH A CLOSER ECONOMIC RELATIONSHIP BETWEEN G8 DEMOCRACIES WOULD HELP BETTER INTEGRATE THE TWO COMPLEMENTARY ECONOMIES AND FACILITATE OPERATIONS IN EACH OTHER'S MARKETS TO OUR MUTUAL BENEFIT. AS A RESULT, FOREIGN DIRECT INVESTMENT WOULD RISE AND REINFORCE EACH COUNTRY'S ROLE AS GATEWAY TO RESPECTIVE MARKETS OF NORTH ASIA AND NORTH AMERICA.

SCIENCE AND TECHNOLOGY

CLOSER INTEGRATION WOULD STRENGTHEN EXISTING S&T COOPERATION IN CUTTING EDGE SECTORS SUCH AS ALTERNATIVE ENERGY, BIOTECH, NANOTECH AND FRONTIER SCIENCE AIMED AT GREATER JOINT R&D COMMERCIALIZATION AS BOTH COUNTRIES SEEK TO BE MORE INNOVATIVE AND

PRODUCTIVE BY MOVING MORE GOOD IDEAS FROM THE LAB TO THE MARKETPLACE.

ENERGY AND RESOURCES

A FREE TRADE AGREEMENT WITH CANADA STRENGTHENS BILATERAL TIES BETWEEN OUR TWO COUNTRIES. THIS WOULD ENCOURAGE BOTH CANADIAN AND JAPANESE BUSINESS COMMUNITIES TO WORK MORE CLOSELY TOGETHER ON SUCH MATTERS AS HELPING JAPAN SECURE STABLE AND RELIABLE SUPPLIES OF ENERGY, METALS, MINERALS AND FOREST PRODUCTS FROM CANADA TO MEET JAPAN'S FUTURE NEEDS IN A MORE COMPETITIVE, RISKY WORLD.

AS WORLD DEMAND AND PRICES FOR ENERGY AND NATURAL RESOURCES GROW AND AS SUPPLY CHAIN RISKS INCREASE, AN FTA WOULD DIVERSIFY OFFSHORE SUPPLY OF INDUSTRIAL INPUTS, REINFORCE ECONOMIC CONFIDENCE AND HELP BOOST JAPAN'S ECONOMY.

AN FTA WOULD HELP SECURE A PORTION OF JAPAN'S INDUSTRIAL NEEDS BY PROMOTING JAPANESE INVESTMENT IN CANADA'S NATURAL RESOURCES INDUSTRY THROUGH A LOWER RISK, LOWER COST COMPETITIVE OPPORTUNITY AND THEREBY HELP PUT IN PLACE ARRANGEMENTS TO ENSURE THE SMOOTH OPERATION OF THIS TRADE INTO THE FUTURE.

TO HELP MANAGE RISK, BARRIERS SHOULD BE REMOVED SO THAT JAPAN SHOULD EXPAND ITS INVESTMENT IN CANADA'S UPSTREAM DEVELOPMENT TO BE STRATEGICALLY POSITIONED FOR FUTURE DOWNSTREAM ASSET SWAPS SHOULD CIRCUMSTANCES DICTATE.

ENERGY

AS THE WORLD'S FIFTH RANKED COUNTRY IN TOTAL ENERGY PRODUCTION, CANADA IS CONSIDERED AN ENERGY POWERHOUSE BECAUSE IT IS TODAY THE LARGEST EXPORTER OF OIL, GAS, ELECTRICITY AND URANIUM TO THE US.

CANADA IS THE WORLD'S LARGEST PRODUCER OF URANIUM. OUR OIL SANDS MAKE CANADA THE SECOND BIGGEST PROVEN OIL RESERVES IN THE WORLD. ALREADY, THEY PRODUCE MORE THAN A MILLION BARRELS A DAY OF CRUDE OIL. THIS IS SET TO INCREASE TO FOUR MILLION A DAY BY 2015. JAPAN HAS ALREADY INVESTED IN OILSANDS PRODUCTION AND HAS BEGUN LIMITED IMPORTS.

IN A WORLD WHERE DISTANT POLITICAL EVENTS CAN DISRUPT NATURAL RESOURCE SUPPLIES OR INFLUENCE THE BEHAVIOUR OF MAJOR PRODUCERS, CANADA IS A DEMOCRATIC, POLITICALLY STABLE COUNTRY WHICH SHUNS RESOURCE NATIONALISM AND BELIEVES IN FREE MARKETS AND BINDING CONTRACTS.

METALS AND MINERALS

CANADA IS JAPAN'S FIFTH MOST IMPORTANT SUPPLIER OF METALS AND MINERALS ESPECIALLY FOR COPPER, IRON ORE, TITANIUM, MOLYBDENUM, COBALT, TUNGSTEN ALUMINUM, POTASH AND COKING COAL FOR STEEL MAKING (ONLY

AUSTRALIA PRODUCES MORE COKING COAL THAN CANADA). CANADA IS ALSO A LEADING GLOBAL SUPPLIER OF NICKEL, ZINC, CADMIUM, MAGNESIUM, PLATINUM AND DIAMONDS.

FORESTY

AS HOME TO 10% OF THE WORLD'S FORESTS, CANADA IS THE WORLD'S BIGGEST FOREST PRODUCTS EXPORTER AND JAPAN'S THIRD SUPPLIER OF WOOD FOR COST EFFECTIVE, ENERGY EFFICIENT, EARTHQUAKE PROOF HOUSING CONSTRUCTION. CANADIAN WOOD PRODUCTS ARE HARVESTED IN AN ENVIRONMENTALLY RESPONSIBLE MANNER, WHICH MEET JAPAN'S "GREEN BUILDING" GOALS.

AGRICULTURE AND FOODSTUFFS

CANADA IS THE FOURTH LARGEST EXTERNAL SUPPLIER OF AGRI-FOOD PRODUCTS TO JAPAN AND HAS A DECADES LONG TRACK RECORD FOR DEPENDABLE SUPPLY OF SAFE, HIGH QUALITY FARM PRODUCTS WHICH HAVE CONTRIBUTED TO THE

JAPANESE AGRI-FOOD INDUSTRY AND MILLIONS OF CONSUMERS.

CANADA HAS A WELL EARNED REPUTATION FOR MEETING JAPAN'S AGRICULTURAL NEEDS. WE ARE JAPAN'S TOP SUPPLIER OF DURUM WHEAT, CANOLA AND FLAX AND THIRD LARGEST SUPPLIER OF PORK AND SOYBEANS.

IN A MORE COMPETITIVE, HIGHER PRICED GLOBAL MARKETPLACE, A SECURE SUPPLY OF SAFE, HIGH QUALITY FOOD INPUTS FROM DEPENDABLE PARTNERS SUCH AS CANADA IS NECESSARY FOR THE JAPANESE FOOD AND LIVESTOCK INDUSTRIES. BOTH CANADA AND JAPAN HAVE THEIR OWN SENSITIVITIES REGARDING CERTAIN FARM SECTORS IN THE RURAL CONTEXT. WITH BOTH THESE REALITIES IN MIND, A GOVERNMENT-TO-GOVERNMENT DIALOGUE ON CLOSER COLLABORATION IN AGRICULTURAL MODERNIZATION, BIOTECHNOLOGY AND FOOD SAFETY WOULD HELP US BUILD CONFIDENCE AND UNDERSTANDING IN THE MUTUAL INTEREST.

CANADA AND JAPAN ALREADY ENJOY EXCELLENT COOPERATION IN SCIENCE-BASED FOOD SAFETY AND IN AGRICULTURAL RESEARCH. WE WOULD LIKE TO MAINTAIN THESE DIALOGUES AND, IF POSSIBLE, EXPAND THEM. CANADA WOULD ALSO LIKE TO ADD A STRATEGIC DIALOGUE ON RESPECTIVE AGRICULTURAL POLICY REFORM AND ON AGRI-FOOD EXPORT PROMOTION.

THE STABLE SUPPLY OF RAW MATERIALS FROM CANADA IS NECESSARY NOT ONLY FOR THE SUCCESS OF THE FOOD INDUSTRY ITSELF (INCLUDING ITS EXPORT ORIENTATION), BUT ALSO TO MEET THE LIVESTOCK FEED NEEDS OF JAPANESE FARMERS (WHETHER THESE BE GRAINS, OILSEEDS OR SOYBEANS).

HERE AS WELL, AN FTA WOULD BENEFIT JAPANESE CONSUMERS WITH WIDER CHOICE AND LOWER PRICES WITHOUT OVERWHELMING JAPANESE AGRICULTURE.

AN FTA WOULD ALSO HELP JAPAN EXPORT TO CANADA AGRI-FOOD SUCH AS SEASONAL FRUIT, SAKE, KOBE BEEF AND

PACKAGED SNACK FOOD. CANADIAN INGREDIENTS COULD GO INTO JAPANESE EXPORTS.

WE SEE AN FTA INCLUDING AGRICULTURE AS BENEFITING BOTH JAPAN AND CANADA, NOT ONLY AS TRADING NATIONS, BUT AS COUNTRIES WHOSE AGRICULTURAL SECTORS MUST CONSTANTLY BE MODERNIZED. LIBERALIZATION OF AGRICULTURAL TRADE, OVER TIME, IS ONE IMPORTANT WAY FOR AGRICULTURE TO ADAPT TO GLOBALIZATION, TO THE BENEFIT OF BOTH OF OUR NATIONS AND OUR CONSUMERS.

INTERNATIONAL PEACE AND SECURITY

CANADA AND JAPAN SHARE MORE THAN AN ECONOMIC RELATIONSHIP.

WE ARE BOTH SERIOUSLY CONCERNED WITH THE MAINTENANCE AND PROMOTION OF INTERNATIONAL PEACE AND SECURITY.

CANADA AND JAPAN SHARE THE VALUES OF FREEDOM, DEMOCRACY, THE RULE OF LAW, SUPPORT FOR HUMAN RIGHTS, AND A MARKET-BASED ECONOMY.

WE SHARE SIMILAR POSITIONS ON GLOBAL ISSUES SUCH AS CLIMATE CHANGE, COUNTER-TERRORISM, NUCLEAR NON-PROLIFERATION, AND AFRICA, WHICH PRESENT OPPORTUNITIES FOR POLICY COORDINATION AND PRACTICAL COLLABORATION TO ADVANCE OUR MUTUAL PRIORITIES.

GIVEN THE STRONG TRANS-PACIFIC ECONOMIC AND CULTURAL LINKAGES BETWEEN NORTH AMERICA AND ASIA, CANADA HAS A DIRECT STAKE IN THE SECURITY OF THE REGION.

AS A CLOSE ALLY OF THE UNITED STATES AND A MAJOR ECONOMIC PARTNER OF BOTH JAPAN AND CHINA, CANADA SHARES JAPAN'S INTERESTS IN THE STABILIZING INFLUENCE OF A STRONG US PRESENCE IN THE REGION, AND IMPROVED JAPAN-CHINA RELATIONS.

AS A MAJOR ENERGY POWER, WE ALSO HAVE A STRONG INTEREST IN ENSURING SECURE SUPPLY LINES FOR STRATEGIC RESOURCES FOR OUR CLIENTS.

CANADA SUPPORTS JAPAN'S INCREASED INTEREST IN PARTICIPATING IN INTERNATIONAL PEACE AND SECURITY EFFORTS, THROUGH THE UN AND IN CLOSER COOPERATION WITH NATO.

CANADA AND JAPAN CAN BENEFIT FROM GREATER COOPERATION IN INTERNATIONAL SECURITY MISSIONS AND PEACE OPERATIONS, SUCH AS OPERATION ENDURING FREEDOM AND AFGHANISTAN.

CANADA WELCOMES JAPAN'S INCREASING PROMINENCE ON THE INTERNATIONAL STAGE, AS DEMONSTRATED BY ITS LEADERSHIP AS CHAIR OF THE UNSC ON THE NORTH KOREA NUCLEAR ISSUE, AND ITS GROWING INTEREST IN INTERNATIONAL PEACE COOPERATION.

CANADA LOOKS FORWARD TO COOPERATING WITH JAPAN IN FUTURE INTERNATIONAL PEACE SUPPORT OPERATIONS, THROUGH THE UN AND IN COOPERATION WITH NATO AND OTHER ALLIES.

CANADA'S PRIORITIES FOR COOPERATION WITH JAPAN ARE:

- A CONTINUING JAPANESE CONTRIBUTION TO THE OEF COALITION MARITIME COMPONENT, AND COLLABORATION ON RECONSTRUCTION AND DEVELOPMENT AND ESPECIALLY WITH RESPECT TO MODERNIZING AND EQUIPING AFGHANISTAN'S POLICE FORCES IN KANDAHAR.
- COOPERATION WITH JAPAN IN CONTRIBUTING TO COMPLEX PEACE SUPPORT OPERATIONS
- PROMOTION OF DEMOCRACY, HUMAN RIGHTS AND THE RULE OF LAW
- COUNTERING THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION
- COUNTER-TERRORISM AND COMBATING ORGANISED CRIME
- SHAPING THE EMERGING REGIONAL ARCHITECTURE THROUGH REGIONAL FORA SUCH AS APEC AND ARF.

CLIMATE CHANGE

CANADA AND JAPAN HAVE A LONGSTANDING BILATERAL COOPERATION ON CLIMATE CHANGE AND ARE STRONG ALLIES IN CLIMATE CHANGE NEGOTIATIONS.

CANADA AND JAPAN AGREE THAT THERE IS AN URGENT NEED TO START WORK NOW TO DEVELOP A NEW GLOBAL CONSENSUS ON HOW TO COMBAT CLIMATE CHANGE IN THE POST-2012 PERIOD.

JAPAN AND CANADA ARE OF ONE MIND THAT IF WE REALLY WANT TO STOP CLIMATE CHANGE, ALL THE MAJOR AND GROWING EMITTERS, INCLUDING CHINA, INDIA AND THE UNITED STATES NEED TO STEP UP TO THE PLATE AND MUST ACCEPT REAL TARGETS, AS JAPAN AND CANADA HAVE DONE.

CANADA'S LONG-TERM TARGET OF A 60 TO 70% REDUCTION OF 2006 EMISSIONS BY 2050 IS CONSISTENT WITH CUTTING GLOBAL GREENHOUSE GAS EMISSIONS BY HALF OVER 1990

LEVELS – A GOAL SET OUT THE EUROPEAN UNION, AND IS FULLY IN LINE WITH JAPAN’S COOL EARTH 2050 STRATEGY WHICH FORMS THE CENTREPIECE OF THE LAKE TOYA G8 SUMMIT.

SOCIAL ISSUES

AT JAPAN’S REQUEST, CANADA IS ACTIVELY INVOLVED IN POLICY DIALOGUE WITH JAPAN ON SOCIAL ISSUES. THROUGH COLLABORATIVE RESEARCH, CANADA AND JAPAN CAN WORK TOGETHER TO FIND POLICY OPTIONS THAT CAN APPROPRIATELY ADDRESS KEY SOCIAL AND ECONOMIC ISSUES OF DIVERSITY, DECLINING BIRTH RATE, AGEING POPULATION AND LABOUR SHORTAGES CHALLENGING OUR COUNTRIES TODAY.

FOR EXAMPLE, CANADA, WITH THE FASTEST GROWING POPULATION AMONG G-8 MEMBER NATIONS, CAN CONTRIBUTE TO THE DEBATE IN JAPAN ON HOW TO INCREASE THE FERTILITY AND BIRTH RATES.

CANADA'S IMMIGRATION POLICIES HAVE ENSURED AN ANNUAL INTAKE OF NEW IMMIGRANTS WHO ARE OF CHILDBEARING AGE GROUPS, WHICH HAS BEEN A MAJOR FACTOR IN OUR INCREASING POPULATION GROWTH.

CANADA'S CONTINUING EFFORTS TO IMPROVE THE WORK ENVIRONMENT, ALLOWING WOMEN TO BETTER HARMONIZE WORK AND FAMILY RESPONSIBILITIES COULD ALSO BE AN APPROACH OF INTEREST TO JAPAN.

ANOTHER EXAMPLE IS WITH THE PROBLEM OF AGING POPULATIONS. CANADA'S PENSION AND TAX REFORMS OF THE 1990'S HAVE ENSURED A PENSION SYSTEM WHICH IS ONE OF THE HEALTHIEST AND MOST DEVELOPED AMONGST OECD NATIONS.

THESE SAME PENSION AND TAX REFORMS HAVE ALSO REDUCED POVERTY RATES AMONGST ELDERLY HOUSEHOLDS.

CANADA'S ANNUAL INTAKE OF IMMIGRANTS HAS HELPED TO SLOW DOWN POPULATION AGEING AND TO MEET LABOUR MARKET SHORTAGES.

THERE MAY BE LESSONS IN THIS FOR JAPAN.

FISCAL REFORM

WHILE THE CANADIAN AND JAPANESE ECONOMIES ARE QUITE DIFFERENT IN MANY WAYS, CANADA HAS AN IMPRESSIVE RECORD AND DEPTH OF EXPERIENCE IN FISCAL CONSOLIDATION AT BOTH THE FEDERAL AND PROVINCIAL LEVELS THAT MAY BE OF INTEREST TO JAPANESE POLICYMAKERS.

IN CANADA, WE ARE EXPERIENCING THE SECOND LONGEST PERIOD OF ECONOMIC EXPANSION IN OUR HISTORY.

CANADA IS ALSO ON THE BEST FISCAL FOOTING OF ANY OF THE G-7 INDUSTRIALIZED COUNTRIES.

IN FACT, WE ARE THE ONLY MEMBER OF THE G-7 WITH ONGOING BUDGET SURPLUSES AND A FALLING DEBT BURDEN.

OUR FOREIGN INDEBTEDNESS HAS FALLEN FROM A HIGH OF 44% OF GDP TO JUST 7%.

OUR NATIONAL PENSION SYSTEM IS ON A SOUND FINANCIAL FOOTING FOR THE NEXT 70 YEARS.

WE LEANED A NUMBER OF IMPORTANT LESSONS WHEN WE WENT THROUGH THE PAINFUL TASK OF RESTRUCTURING OUR GOVERNMENTS IN THE 1990s, AND ELIMINATING THE QUARTER CENTURY HABIT OF FINANCING GOVERNMENT THROUGH DEFICIT SPENDING. OUR SITUATION THEN WAS VERY SIMILAR TO WHAT JAPAN IS FACING TODAY. WE THINK THAT MANY OF THE LESSONS WE LEARNED ARE APPLICABLE AND CAN BE ADAPTED TO THE JAPANESE CONTEXT, AND ARE HAPPY TO SHARE THEM.

CONCLUSION

IT IS CLEAR FROM MY REMARKS THAT CANADA WANTS TO GREATLY EXPAND OUR RELATIONSHIP WITH JAPAN. FOR EXAMPLE, WE BELIEVE THAT A FREE TRADE AGREEMENT WOULD GO A LONG WAY TO ADAPT OUR RELATIONSHIP TO THE

21ST CENTURY. THE GOVERNMENT OF CANADA WILL CONTINUE TO PROMOTE THIS PROPOSAL IN JAPAN.

WE WANT TO WORK CLOSELY WITH JAPAN ON INTERNATIONAL PEACE AND SECURITY, ESPECIALLY ON INTERNATIONAL PEACE KEEPING AND PEACE BUILDING. WE CONSIDER THAT JAPAN CAN ACHIEVE SOME OF ITS FOREIGN POLICY GOALS BY MORE ACTIVE PEACE KEEPING. AS CANADIANS, WE CAN'T THINK OF A BETTER PARTNER THAN JAPAN.

WE ALSO WANT TO DEVELOP ENHANCED DIALOGUES WITH JAPAN ON MANY ON AGRICULTURAL MODERNIZATION, ON SOCIAL POLICY, AND FISCAL ISSUES. WE BELIEVE THAT WE CAN LEARN A GREAT DEAL FROM EACH OTHER, TO THE BENEFIT OF CANADIANS AND JAPANESE PEOPLE, TO OUR GOVERNMENTS AND TO OUR INSTITUTIONS.

WE BELIEVE THAT CANADA AND JAPAN CAN MEET OUR RESPECTIVE NATIONAL OBJECTIVES MORE EFFECTIVELY THROUGH WORKING TOGETHER MORE EFFECTIVELY. I HOPE THAT YOU, AS STUDENTS, AS INDIVIDUALS WITH A GLOBAL

VIEW, AND AS RESPONSIBLE JAPANESE CITIZENS CONCERNED ABOUT THE FUTURE OF JAPAN WILL SHARE MY ANALYSIS AND MY VIEWS, AND PARTICIPATE IN THE TASK OF BUILDING A BETTER JAPAN THROUGH A STRONGER CANADA JAPAN RELATIONSHIP.

THANK YOU.

NOVEMBER 2007