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Inter-Parliamentary Group



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**Report of the Canadian Parliamentary Delegation
respecting its participation to the
Co-Chairs' Annual Visit to Japan**

Canada-Japan Inter-Parliamentary Group (CJIG)

**Tokyo, Japan
April 23-26, 2014**

Report

The Honourable JoAnne Buth, Senator, and Mr. Mike Wallace, M.P., both Co-Chairs of the Canada-Japan Inter-Parliamentary Group (CJIG), conducted the CJIG's annual Co-Chairs' visit to Tokyo, Japan, from April 23 to 26, 2014. The primary purpose of the visit was to discuss the parameters for the upcoming Bilateral meeting between Canadian and Japanese parliamentarians, to be held in Canada. The visit also allowed the Co-Chairs to meet the new Co-Chair and Executive Committee members of the Japan-Canada Interparliamentary Group, and reaffirm to their Japanese counterparts the importance of the Canada-Japan partnership. The Co-Chairs were accompanied by Mr. Michel Marcotte, Executive Secretary for the CJIG.

Objectives

- To discuss the objectives and parameters for the Bilateral meeting;
- To raise Canada's profile in Tokyo through the strategic engagement of Diet members, local officials, and Japanese and Canadian businesses; and
- To reinforce links between parliamentarians from Canada and Japan.

Meeting with the Japan-Canada Diet Friendship League Executive: Despite a busy schedule compounded by the state visit of President Obama, the League's President, Minister of Justice Sadakazu Tanigaki, and its Secretary General, Senior Vice Minister for Health, Welfare and Labor Ms. Shinako Tsuchiya, were able to meet with the Co-Chairs to discuss the 2014 Japan-Canada Parliamentary Consultations. Minister Tanigaki indicated that the Japan-Canada Diet Friendship League would like to visit Canada the week of 2 September to 5 September. Minister Tanigaki remains interested in a visit to both Ottawa and Saskatchewan. Mr. Wallace requested that either Minister Tanigaki or Ms. Tsuchiya inform the Canadian Co-Chairs of any specific elements they would like to see included in a program of activities. Minister Tanigaki would like an opportunity to meet with his Canadian counterpart during the visit to Canada. As for the subjects for discussion, the Japanese side indicated that they would be interested in discussing immigration, preventing criminal recidivism and managing an aging society, especially its effects on the labor force. Other topics will be decided upon in due course. The League-hosted dinner for the Co-Chairs¹ featured a lively discussion on a variety of topics that the Japanese delegation may want to discuss further during the annual consultations. These included peacekeeping, an aging population, immigration, constitutional reform, child welfare and the role of women.

Minister Tanigaki said that the Trans-Pacific Partnership (TPP) negotiations held throughout the previous night between the U.S. and Japan had been an exhausting endeavor and the Cabinet hoped there would be a positive outcome. However, as Minister of Justice, he felt that he should not comment on the discussions. He reinforced that the

¹ The dinner was hosted by Mr. Masaharu Nakagawa and attended by Ms. Shinako Tsuchiya, Mr. Katsumasa Suzuki, Mr. Asahiko Mihara, Mr. Yuichi Goto, Mr. Hiromi Mitsubayashi, Mr. Nobuguki Tanigaki and Mr. Taroh Sasaki, as well as Senator JoAnne Buth, Mr. Mike Wallace, Mr. Martial Pagé (Canadian diplomat) and Mr. Michel Marcotte.

government remains interested in progressing on the Canada-Japan Economic Partnership Agreement (CJEPA) — a subject that was discussed in greater detail with other representatives of the Liberal Democratic Party (LDP).

Meeting with the Democratic Party of Japan (DPJ): The Co-Chairs met with Mr. Kaname Tajima (Director General of the DPJ International Bureau) and Mr. Yuichi Goto (Vice Director-General of the DPJ International Bureau and Deputy Secretary General of the Japan-Canada Diet Friendship League). They warmly received the Co-Chairs and had a frank discussion that covered the DPJ's fall from power and the main issues facing Japan. In principle, the DPJ supports the ongoing TPP negotiations (as it was a plank of its 2012 election platform), but the party decries the lack of details shared by the negotiators with parliamentarians. If the TPP slows, the DPJ will support increased efforts on bilateral EPAs including the CJEPA. Mr. Wallace reminded the DPJ members that progress on the CJEPA could occur simultaneously with the TPP negotiations.

On the DPJ's future, both members indicated that the DPJ needs to regain the trust of the electorate, which means greater engagement with Japanese voters at the constituency level. Short-term priorities for the DPJ include reducing the widening income gap in Japan and energy reform. On the subject of energy, the DPJ members explained the evolution in their policy. While the goal of eliminating the use of nuclear energy by the 2030s remains, the party accepts the need to restart nuclear reactors in the meantime to assist the economy. When queried on collective self-defense, Mr. Goto explained that the DPJ does not have a party-wide position, as some members prefer a reinterpretation of the war-renouncing Article 9 of the Japanese constitution (as currently being pursued by the Abe Administration), while others believe that only through an amendment to the constitution would Japan be able to participate in collective self-defense. This is an issue constituents raise with DPJ members of the Diet.

Meeting with the New Komeito Party (NKP): Discussions were held with Mr. Isamu Ueda (Chairman of the NKP's International Affairs Committee) and Mr. Mitsunari Okamoto (Deputy General Manager NKP's International Department) of the LDP-New Komeito coalition. The NKP members expressed support for the bold concessions by all parties in the TPP process and hope for an early conclusion to the negotiations. However, they noted that, given the domestic political climates in participating countries, this will be a difficult process. The coalition remains strong according to the NKP members, although there are challenges to the LDP/NKP relationship. Changes to the regional security environment is requiring the NKP and the LDP to work together to find common solutions. The NKP has mixed views of "Abenomics," seeing some success with Abe's push on monetary policy and fiscal stimulus; however, the party is concerned that insufficient attention has been given to efforts to boost Japan's productivity. In conclusion, Mr. Okamoto asked how the NKP can help the relationship between Japan and Canada.

Meeting with LDP members: The Co-Chairs first met with Mr. Koya Nishikawa, Chairman of the LDP Committee on TPP strategy. Mr. Nishikawa is a senior member of the LDP who is active within the party on trade issues, including establishing the five sensitive agriculture sectors and the Japan-Australia EPA. Unprompted, Mr. Nishikawa brought up the importance of the CJEPA negotiations as separate from the TPP. He emphasized that Japan and the LDP are both seriously committed to the CJEPA. Mr. Nishikawa and the Co-Chairs agreed that the CJEPA will be important, especially for the automotive industry

and agriculture. On other issues, he mentioned that Canadian timber is important for the Japanese market and he would like to see additional Canadian timber entering Japan. He went on to describe beef as a difficult issue for Japan due to the competition between Australia and the U.S. in the Japanese market.

The final Diet-related meeting was with Mr. Mitsuhiro Miyakoshi, Head of Directors for the Lower House Committee on Agriculture and Fisheries. Like Mr. Nishikawa, Mr. Miyakoshi is a senior member of the LDP who is active on key files of concern to the party, especially agriculture. Mr. Miyakoshi, a former senior vice minister in the Ministry of Agriculture, Fisheries and Forestry, spoke fondly about his previous visit to Canada and his high regard for the quality of Canadian agricultural products. He asked about this past winter's problems in moving grain by rail in Canada. Senator Buth provided a detailed answer to Mr. Miyakoshi, explaining the government's actions to improve the situation in Canada. Mr. Miyakoshi feels that the number of sensitivities between Canada and Japan should be low when it comes to finalizing bilateral negotiations. When queried by the Co-Chairs, he agreed that CJEPA talks should continue in parallel to the TPP. He did mention that he had questions/concerns related to Canada's supply management system, as he had spoken to unnamed Canadian agricultural groups this past February in Singapore. Mr. Miyakoshi expressed his personal concern that without trade promotion authority (TPA), it is difficult to trust the U.S. in the TPP negotiations.

The discussions with Mr. Miyakoshi ended with a brief overview of recent developments at the Diet related to agricultural policy. He highlighted four advances: (a) a shift of focus from land ownership to land use; (b) changes in the type of assistance provided to rice farmers; (c) development of an income insurance program for farmers; and (d) changes in the rice industry. One of the major frustrations for Japanese farmers is a lack of clarity on the complete picture of the sector and future government support. Increased effort is required to explain the Abe government's reforms and programs to Japanese farmers.

Meeting with Mr. Hirofumi Nakasone and Mr. Shigeru Tanaka, Upper House Member: The Co-Chairs were to have met with the influential former prime minister Yasuhiro Nakasone (honorary President of the Asia-Pacific Parliamentary Forum) but, due to illness, he was represented by his son, the former foreign minister Hirofumi Nakasone. The Co-Chairs discussed the future and the requirements for hosting the Asia-Pacific Parliamentary Forum with Mr. Nakasone and the newly elected Mr. Tanaka.

Private-Sector Meetings

Meeting with Ushio (Mr. Wallace): Ushio is very pleased with its investment in Christie Digital and in particular its global R&D and manufacturing centre based in Kitchener-Waterloo. Ushio has increased its presence in Kitchener-Waterloo from 300 to over 700 people. Ushio likes the engineering talent at the University of Waterloo. Ushio is thinking of further expanding Christie Digital's R&D centre and would like to figure out how to send some of its engineers to the University of Waterloo, acknowledging the university's high TOEFL requirements (the President of Christie Digital Canada is on the Board of Governors of the university). Mike Wallace spoke to the President of Christie Digital Canada in preparation for his meeting with Ushio.

Meeting with Mitsubishi Heavy Industries (Senator Buth): Mitsubishi Heavy Industries (MHI) is not only one of Japan's larger companies, but also one of the world's largest prime contractors. MHI's Energy and Environment division is currently engaged in a consortium in Winnipeg, Manitoba, with New Flyer Industries, Manitoba Hydro and Red River College to develop a platform for electric buses for public transit. MHI is providing battery units for installation and testing. Senator Buth and MHI discussed the prospects and challenges facing the next stages of the project, including the development of markets for electric buses in North America. Participants discussed alternate uses for the MHI battery units following their use in electric buses. MHI noted that Buy America policies in the United States might pose challenges for commercializing the program.

Meeting with JOGMEC (Senator Buth and Mr. Wallace): JOGMEC discussed the strengths and challenges associated with Canada potentially supplying liquefied natural gas (LNG) to Japan. The strengths are a good business environment with significant, long-term resource reserves. The challenges are a lack of infrastructure, concerns about securing labour and the prospect of wage inflation due to competing major projects. BC's LNG tax lacks clarity, and First Nations engagement requires federal government support. Japan's LNG project experience in Australia provides the basis for these concerns. The MP and Senator committed to relay these concerns back to the appropriate people in Ottawa, assuring JOGMEC that the federal government is committed to energy export diversification.

Luncheon meeting with the Canadian Chamber of Commerce Japan (CCCJ) (Senator Buth and Mr. Wallace): The CCCJ's activism in recent years was highlighted, including its contribution to the CJEPA initiative. The CCCJ reinforced the message that Japan is back and that there is a resurgence in foreign interest in Japan. The CCCJ raised its concerns over the citizenship bill, which prevents third-generation Canadians born outside of Canada from becoming Canadian citizens. Mr. Wallace said that the government has to draw a line in the sand somewhere with respect to defining who becomes a Canadian citizen, and the government is very comfortable with the legislation and won't change it. After some discussion, it was suggested that the CCCJ develop a proposal for the Immigration Minister, whereby there could be a new landed immigrant category for these people. It was agreed that when the Canadian parliamentarians returned, a social networking reception, perhaps as part of the embassy's happy hour, would be organized for the CCCJ membership and the visiting parliamentarians.

Meeting with Mitsubishi Corporation (Mr. Wallace): Mitsubishi praised Canada as a role model in terms of its financial system and as a basis for Japan to undertake necessary reforms. Mitsubishi Corporation has been trying to convince the Japanese public pension funds to invest in funds other than Japanese government funds, such as OMERS. Discussion followed on Japan's political and legislative barriers to the privatization of state-owned assets, particularly road assets.

Meeting with JSR Corporation (Mr. Wallace): An overview was presented of the JSR Corporation and its strategic focus on life sciences for future growth. For the past two years, JSR has been a 20% strategic owner of Natrix, a biotech firm based in Burlington (30 to 40 employees), as well as a global distributor of its products. There is a complementary fit between Natrix's products and JSR's life sciences product gaps. Discussion ensued on other opportunities that the embassy could provide to the JSR Life

Sciences Group, noting its recent \$30M JSR Life Sciences VC Fund and its interest in medical devices.

Meeting with the presidents of Ebara and its subsidiary Elliott (Mr. Wallace): This high-level meeting with Ebara was an expression of the Japanese corporation's interest in Canada — particularly in relation to supplying emerging LNG and oil sands industries. The Elliott facilities in Burlington and Edmonton have Nova Chemicals and Suncor as their major customers. Elliott is currently contemplating expanding its Burlington staff by 1 or 2 people, as it believes its business prospects in Canada are bright. One concern was noted about securing engineering talent at competitive wages. Mr. Wallace noted this and acknowledged that the federal government is aware of the issue and is focused on trying to address it on behalf of the business community.

Tour and briefing at the Nisshin OilliO Group's Isogo factory (Senator Buth): Senator Buth toured the oilseed crushing and bottling facility at the Nisshin OilliO Group's Isogo factory courtesy of the Japan Oilseed Processors Association. During her tour, Senator Buth was able to talk to the Plant Manager (Mr. Yasushi Kawarasaki) about the importance of Canadian canola to the Japanese market. Mr. Kawarasaki explained that they usually source their canola from Canada; however, due to the rail transportation problems in western Canada this past winter, canola for processing in January and February 2014 was partly sourced from Australia. Senator Buth explained the measures the Government of Canada instituted to mitigate the transportation issues. Senator Buth was very impressed by the oilseed processing system, from the unloading of the canola to crushing, refining, bottling and packaging for sale to consumers. She commented that she would like to revisit the facilities with a large parliamentary group in the future.

Conclusion

The Canadian Parliament and the Diet of Japan share a very special relationship, enhanced through visits such as the annual Co-Chairs' visits. These visits allow both legislatures to acknowledge the importance of the Canada-Japan partnership and to work towards a better understanding of the more immediate issues. The visit to Tokyo was an excellent opportunity for the CJIG Co-Chairs not only to strengthen existing relationships but also to create new contacts in Japan. Moreover, it allowed the Co-Chairs to undertake necessary discussions with their counterparts related to the planning and organization of the 19th bilateral meeting in Canada.

A summary of the travel costs is appended to this report.

Respectfully submitted,

Hon. David Tkachuk, Senator
Co-Chair of the Canada-Japan

Mr. Mike Wallace, M.P.
Co-Chair of the Canada-Japan

Inter-Parliamentary Group

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Travel Costs

ASSOCIATION	Canada-Japan Inter-Parliamentary Group
ACTIVITY	Co-Chairs' Annual Visit to Japan
DESTINATION	Tokyo, Japan
DATES	April 23-26, 2014
DELEGATION	
SENATE	Honourable JoAnne Buth, Senator, Co- Chair of the Canada-Japan Inter- Parliamentary Group (CJIG)
HOUSE OF COMMONS	Mike Wallace, M.P., Co-Chair of the Canada-Japan Inter- Parliamentary Group (CJIG)
STAFF	Michel Marcotte, Executive Secretary
TRANSPORTATION	22,301.90\$
ACCOMMODATION	2,446.13\$
HOSPITALITY	330.75\$
PER DIEMS	1,167.11\$
OFFICIAL GIFTS	574.88\$
MISCELLANEOUS / REGISTRATION FEES	2,125.22\$
TOTAL	28,945.99\$