

Canadian Ministers pointed out that Canada already had a flexible exchange rate and that there had been a substantial appreciation in the value of the Canadian dollar. The Committee agreed that, inasmuch as a stable and viable monetary situation was a prerequisite for the continued expansion of world trade, both countries should continue to consult closely and, within a multilateral framework, co-operate fully in international efforts directed towards overcoming present difficulties.

6. The Committee noted with satisfaction that the two countries had implemented the Kennedy Round tariff reductions ahead of schedule. The Committee emphasized the importance of strengthening the multilateral system of world trade. The objective should be to move to a new round of trade liberalization at the earliest practicable date. The major trading countries should work together to this end both in the GATT and OECD. In this connection, it was agreed that it was particularly important at this time to maintain the momentum achieved by the Kennedy Round.

7. The Ministers discussed the expansion of their respective development assistance programs. The Committee noted that both countries were making progress in their respective ways in improving both the quality and quantity of their aid programs. It was agreed that the two countries should co-operate in their respective aid programs.

8. Japan-Canada trade has continued to expand, reaching a total, in 1970, of 1.38 billion Cdn dollars. All indications point to a continuing growth of this trade.