

'Real and personal property of every description may be taken, acquired, held and disposed of by an alien in the same manner in all respects as by a natural-born Canadian citizen; and a title to real and personal property of every description may be derived through, from or in succession to an alien in the same manner in all respects as through, from or in succession to a natural born Canadian citizen.'

"The extent of national treatment accorded to Japanese natural and juridical persons and their interests in Canada in respect of the other activities referred to Article 12(b)(1)(ii) of the Treaty of Peace depends, in varying degrees, on the existence of provincial statutes and municipal by-laws and would have to be determined in individual cases as they arose. This Embassy is not, however, aware of any particular limitations that would affect the status or activities of Japanese nationals as such.

"In matters of shipping and navigation the Canadian Government has already indicated, in this Embassy's note of August 4, 1952,[†] that it would continue to accord to the flag vessels of Japan freedom of entry into, as well as treatment and facilities in open ports, open places and waters of Canada in a manner no less favourable than those which were accorded by the Canadian Government to vessels operated under the control of the Supreme Commander for the Allied Powers.

"The question of a bilateral air agreement between Canada and Japan was raised by this Embassy in its note of May 17, 1952,[†] under cover of which the text of a draft agreement was submitted which is at present under study by the Japanese authorities in preparation for the initiation of detailed discussions.

"In his note of July 16, 1952,[†] the Secretary of State for External Affairs conveyed to the Ambassador of Japan the readiness of the Canadian Government to commence discussions with a view to arriving at mutually satisfactory arrangements which might serve as a basis for trading relations between the two countries. While the exact scope of the proposed discussions has not yet been defined, it is expected that the question of most-favoured-nation treatment with respect to customs duties, charges, restrictions and other regulations is likely to be covered by any bilateral arrangement upon which agreement may in due course be reached."

2. I should be grateful if you could present this note to the Japanese Ministry of Foreign Affairs at your earliest convenience. The Japanese Embassy here has approached us several times during the past two months to ascertain when our reply might be expected. Although they do not say so explicitly, we are inclined to think that the Japanese are waiting for this reply before they will let us know what date would be acceptable to them for the opening of the bilateral trade discussions proposed in our note of July 16. It may well be that, in their view, the scope of these discussions could be defined only on the basis of the information we supply concerning the extent to which Canada is now according most-favoured-nation or national treatment to Japanese persons and their interests.