

rials for stockpiling and expansion of import financing facilities. However, the most effective method of increasing imports and reducing exports would be to expand the domestic demand for all goods — foreign and domestic. This approach has been attempted with limited success to date. Recent appreciation of the yen, though, has curbed to some extent Japan's export performance.

The high rate of personal savings, combined with the large trade surpluses, made Japan the top capital exporter in the world in 1985. Japan now serves as the principal creditor nation of the world.

Canada-Japan Trade

Canada-Japan trade is based on the General Agreement on Tariffs and Trade (GATT) and the Canada-Japan Agreement on Commerce of 1954.