

the value of the Canadian dollar. It was agreed that, in as much 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.

#### TRADE

The Committee noted with satisfaction that Canada and Japan had implemented the Kennedy Round tariff reductions ahead of schedule. They emphasized the importance of strengthening the multilateral system of world trade. The objective should be to move to a new round of trade liberalization as soon as possible.

Both countries are making progress in their respective ways in improving both the quality and quantity of their aid programs and it was agreed that Canada and Japan should co-operate in their respective aid programs.

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

The Canadian ministers stressed the need for opportunities to diversify further Canadian exports to Japan - in particular to increase exports of processed and manufactured goods - while continuing to develop Canada's traditional exports of foodstuffs and primary raw materials. The Japanese ministers pointed out that, as a result of progressive liberalization of imports, the number of tariff categories remaining under quotas, now numbering 60, would be reduced to 40 by the end of September and that further liberalization of a number of items in the first half of 1972 was actively under study. The Canadian ministers welcomed such developments, and encouraged Japan to continue the liberalization of the remaining import restrictions and other barriers to trade, particularly where they affect Canadian exports. The Committee expressed satisfaction that settlement had been reached recently in the annual bilateral discussions on the export restraints of some Japanese products to Canada. The Canadian ministers pointed to the importance of continued Japanese co-operation in the orderly marketing of Japanese exports to Canada and of avoiding trade diversion from other markets. The Japanese ministers, for their part, pointed out that export restraints, in any case, should be temporary measures and be dispensed with as soon as possible. They agreed that anti-dumping procedures should be carried out in accordance with the International Anti-Dumping Code.

#### ECONOMIC MISSIONS

A Japanese economic mission to Canada led by Mr. Chujiro Fujino visited Canada in June of this year. A high-level Canadian business mission will visit Japan early in the new year.

The ministers explored common interests in the agricultural field and, in particular, the possibilities for further expansion of trade in agricultural products, including rapeseed and other products of interest to Canada. The possibility of longer-term supply arrangements was also discussed. They welcomed the increasing technical co-operation in this area, and agreed that it was desirable that Canadian and Japanese officials responsible for insect, disease and health protection regulations affecting agricultural products should meet from time to time to discuss problems arising out of each other's regulations.

The Committee agreed on the value of exchanging information on foreign investment policy. It welcomed the increase of capital investment both ways across the Pacific, and the Canadian ministers noted recent Japanese progress in the liberalization of investment flows into Japan. The Canadian ministers indicated that a policy review was now being conducted with respect to foreign investment in Canada.

The Japanese ministers said they would welcome a Canadian mission to Japan in the autumn to discuss ways and means of enhancing scientific and technological co-operation between the two nations. The Committee exchanged information on environmental matters and agreed to maintain contact in preparation for the forthcoming conference in Stockholm.

#### RESOURCES AND ENERGY

The Committee agreed to establish a sub-committee on resources and energy matters, composed of senior government officials, with the objective of keeping under continuous review developments in these sectors. Ministers noted the increased importance of resources and energy matters in economic relations between the two countries as expressed by the mining mission to Japan, headed by Mr. J.J. Greene, the Minister of Energy, Mines and Resources, in December 1970, when matters relating to trade in copper, coal, iron, uranium and other mineral commodities and the possibilities of further processing in Canada for the international market were discussed.

The Committee welcomed increased contact between the people of Canada and Japan in various fields, which was given added impetus by the successes of Expo 67 and Expo 70. The visit to Japan by Prime Minister Trudeau, on the occasion of Expo 70 had symbolized the close relations between Canada and Japan in recent years.

The ministers agreed that the sixth meeting of the Committee had proved useful in providing for the exchange of views between the two sides in many matters of mutual concern and had thereby contributed to increased understanding and friendship between Japan and Canada.

The Committee accepted the invitation of the Japanese Government to hold its next meeting in Japan.