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## JAPAN-CANADA MINISTERIAL COMMITTEE MEETING

The Canadian delegation to the sixth meeting of the Japan-Canada Ministerial Committee in Toronto on September 13 and 14, was led by Mr. Mitchell Sharp, Secretary of State for External Affairs, and included Mr. Edgar J. Benson, Minister of Finance, Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, Mr. J.J. Greene, Minister of Energy, Mines and Resources, Mr. H.A. Olson, Minister of Agriculture, Mr. R. Basford, Minister of Consumer and Corporate Affairs and Mr. Herbert O. Moran, Ambassador to Japan.

Japan was represented by Mr. Takeo Fukuda, Minister for Foreign Affairs, Mr. Mikio Mizuta, Minister of Finance, Mr. Munenori Akagi, Minister of Agriculture and Forestry, Mr. Kakuei Tanaka, Minister of International Trade and Industry, Mr. Toshio Kimura, Minister of State and Director-General for Economic Planning, and Mr. Shinichi Kondo, Ambassador to Canada.

The ministers reviewed the general international situation with emphasis on the situation in Asia and the Pacific area, discussed the respective policies

of both countries toward China, and agreed to continue their consultations.

Recognizing that the peace and prosperity of Asia had an important bearing on the peace and prosperity of the entire world, they agreed that the individual and co-operative efforts of developing Asian countries to improve their well-being needed to be complemented by those of the developed nations. In this connection, the ministers agreed that further close consultations between the two Governments should be maintained.

### ECONOMIC ISSUES

The ministers reviewed the economic situation in their respective countries.

Various aspects of the new economic policy recently announced by the United States were discussed extensively, with special emphasis on the impact on the world economy, as well as on the economies of the two nations, of the suspension of dollar convertibility and the imposition of the import surcharge by the United States. The Committee agreed that the stability and growth of the United States economy was vital to international stability and economic growth. They noted that the United States surcharge endangered the multilateral trading framework, and adversely affected the exports of both nations. The need was emphasized for the early removal of the United States surcharge. Serious concern was also expressed over the potential disruptive effects of the DISC proposal and over the proposed investment tax credit that would discriminate against foreign suppliers.

The Committee reviewed the international monetary situation. The Japanese ministers explained that their Government had recently adopted a flexible exchange-rate, while the Canadian ministers pointed out that Canada already had a flexible exchange-rate and that there had been a substantial appreciation in

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