

trade agreement with Japan, it would be desirable to try to reserve the right to apply fixed values on any imports which were either causing or threatening to cause serious injury to Canadian industry. There could be a commitment to consult with the Japanese in advance wherever possible. It was proposed that the negotiators seek from the Japanese non-discriminatory treatment for Canadian exports to Japan. This would apply to the 100 percent surtax which the Japanese could impose on goods from any country discriminating against Japan. It would also apply to quantitative import restrictions and the allocation of foreign exchange. The starting position would probably be to insist on complete non-discrimination between hard and soft currency countries. As a minimum Canada should secure non-discriminatory allocation of exchange among the hard currency countries. The question whether to retreat that far would have to be decided, if necessary, in the light of the progress achieved in the negotiations as a whole.

The question was raised whether further consideration should be given at present to the question of sending a semi-official or unofficial economic mission to Japan.

An explanatory memorandum had been circulated.

(Secretary's memorandum, Nov. 14, 1952 — Cab. Doc. 362-52)[†]

25. *The Cabinet*, after discussion:

(a) approved the proposals of the Interdepartmental Committee on External Trade Policy concerning the lines to be followed by the Canadian negotiators in discussions on the trade agreement with Japan in relation to the reservation of the right to apply fixed values on imports causing or threatening to cause serious injury to Canadian industry and the type of assurances that should be received from Japan about Canadian exports; and,

(b) agreed that decision concerning the dispatch of a semi-official or unofficial economic mission to Japan be deferred pending further developments in the negotiations.

...

1030.

DEA/10389-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni
Secretary of State for External Affairs
to High Commissioner in United Kingdom*

TELEGRAM 2113⁸

Ottawa, December 6, 1952

CONFIDENTIAL

CANADIAN-JAPANESE TRADE RELATIONS

Inagaki of the Japanese Embassy called on the Department on December 5 and, under instructions from his Government, left with us an Aide Memoire

⁸Le télégramme porte la mention manuscrite :/Noted on telegram:
and to Washington No. EX-2330 with priority.