

### Capital Investment

The Canadian representatives pointed out that we very much welcomed Japanese investment, which had been particularly evident on the West Coast. There had, however, been some disadvantageous features about the flow of funds between the two countries.

One of our concerns is that Japan's controls have encouraged the flow of borrowed funds rather than equity capital into Japan and that investment authorizations are too often subject to lengthy delays. Thus Canadian companies investing in Japan have all too often been unable to secure what we would regard as an appropriate voice in the control over their investments in Japan. This is in striking contrast to the position of Japanese investors in Canada, who are free to invest here in any form they wish.

The Canadian delegation expressed the hope that the remaining restrictions on Canadian investment in Japan would be lifted as soon as possible and also that Japanese investors in Canada would take into account the desirability of increasing the degree of processing in their exports from Canada. The Japanese are now fully aware of our views on this matter and we are confident that they will be giving thought to these problems.

### Conclusion

I have pointed only to the highlights of the discussions on trade matters at the Ministerial Committee meeting. I cannot hope to suggest in this speech the detailed answers to many questions which may arise in the minds of some of those here today. I wanted, rather, to emphasize the wide range of commercial questions which, along with other economic and with political matters, are a normal part of Canada-Japan consultations.

One point which is particularly noteworthy is the obvious determination of our two countries to tackle trade problems in a spirit of goodwill and to adapt and improve the patterns of our trade which are so important to both of us. This determination is based on friendship between our two nations and a confidence in each other as trading partners.

I believe that this friendship and confidence provide evidence of the distance we have travelled from some of the unhappy periods in international relations in the past. On mutual confidence and on continuing efforts towards the effective solution of trading and development problems involving many countries, we can build the political trust which is the essential ingredient of world peace.

This is the path to which Japan and Canada are now committed.

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