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JOINT COMMUNIQUE OF THE SIXTH MEETING
OF THE JAPAN-CANADA MINISTERIAL COMMITTEE

DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

1. The Sixth Meeting of the Japan-Canada Ministerial Committee was held in Toronto, Canada on September 13 and 14, 1971.

2. Canada was represented by the Hon. Mitchell Sharp, Secretary of State for External Affairs, the Hon. Edgar J. Benson, Minister of Finance, the Hon. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, the Hon. J.J. Greene, Minister of Energy, Mines and Resources, the Hon. H.A. (Bud) Olson, Minister of Agriculture, the Hon. Ron Basford, Minister of Consumer and Corporate Affairs and Mr. Herbert O. Moran, Ambassador to Japan.

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

3. The Ministers reviewed the general international situation with emphasis on the situation in Asia and the Pacific area. The Ministers also discussed the respective policies of both countries toward China, and agreed to continue to consult with each other.

Recognizing that the peace and prosperity of Asia have 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 need to be complemented by the developed nations. In this regard, the Ministers agreed that further close consultations between the two Governments would be maintained.

4. 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 is vital to international stability and economic growth. The Committee noted that the United States surcharge endangers the multilateral trading framework, and adversely affects the exports of both nations. The Committee emphasized the need 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 which would discriminate against foreign suppliers.

5. The Committee reviewed the international monetary situation. The Japanese Ministers explained that the Japanese Government had recently adopted a flexible exchange rate. The

Canadian Ministers pointed out that Canada already had a flexible exchange rate and that there had been a substantial appreciation in the value of the Canadian dollar. The Committee agreed that, inasmuch 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.

6. The Committee noted with satisfaction that the two countries had implemented the Kennedy Round tariff reductions ahead of schedule. The Committee emphasized the importance of strengthening the multilateral system of world trade. The objective should be to move to a new round of trade liberalization at the earliest practicable date. The major trading countries should work together to this end both in the GATT and OECD. In this connection, it was agreed that it was particularly important at this time to maintain the momentum achieved by the Kennedy Round.

7. The Ministers discussed the expansion of their respective development assistance programs. The Committee noted that both countries were making progress in their respective ways in improving both the quality and quantity of their aid programs. It was agreed that the two countries should co-operate in their respective aid programs.

8. Japan-Canada trade has continued to expand, reaching a total, in 1970, of 1.38 billion Cdn dollars. 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, and particularly 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 this month 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. The Committee agreed that anti-dumping procedures should be carried out in accordance with the International Anti-Dumping Code.

9. 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.

10. 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 field and agreed 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.

11. 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.

12. The Japanese Ministers would welcome a Canadian mission to Japan this fall 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.

13. 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. The Committee took note of 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 the Hon. J.J. Greene, 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.

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

15. 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.

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