

## Wheat deal concluded during visit of Brazilian president



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*President João Baptista de Figueiredo inspects a guard of honour in Ottawa.*

A long-term grain purchase agreement, estimated at \$750 million, was signed by Canada and Brazil in a special ceremony in Ottawa highlighting Brazilian President João Baptista de Oliveira Figueiredo's visit to Canada from July 18 to 22.

Prime Minister Pierre Trudeau said at the ceremony that "Canada and Brazil share many common goals and have agreed to work more closely together". The signing of the wheat agreement "reflects the balance and depth of the new Canada-Brazil relationship. Our common economic connection is strong and growing stronger", he added.

### Three-year pact

The grain agreement, which provides for the purchase by Brazil of some 3 to 4.5 million tonnes of Canadian wheat during the 1983-85 period, was signed by the Minister responsible for the Canadian Wheat Board, Senator Hazen Argue and Brazilian Planning Minister Antonio Delfim Netto. Specific sales are to be negotiated periodically over the term of the agreement but Brazil will receive between 1 and 1.5 million tonnes each year. The sales are to be negotiated under government-guaranteed, three-year commercial credit terms.

Senator Argue said Brazil was "a priority market" for Canadian grain because it had been one of Canada's major grain customers for over ten years.

The new agreement is to commence when the current three-year agreement expires later this year. Brazil bought 2.8

million tonnes of wheat in the first two years of the agreement and is expected to buy another 1 million tonnes this year.

### Political committee

Another important document signed at the ceremony reflecting the closer ties between Canada and Brazil, was a memorandum of understanding establishing the first bilateral political affairs consultative committee between the two countries. Canadian Secretary of State for External Affairs Mark MacGuigan and Brazilian Foreign Minister Ramiro Elycio Saraiva Guerreiro signed the agreement which allows for a regular exchange of views, at a senior level, on international political issues of concern to both countries. Canada also has a similar arrangement with Mexico.

President Figueiredo, who was invited by Governor General Edward Schreyer, is the first Brazilian head of state to visit Canada. During the four days, the president attended many meetings, ceremonies and receptions in his honour. The visit followed Prime Minister Trudeau's trip to Brazil in January 1981, the first to the South American country by a Canadian prime minister, and underlined the high priority that Canada and Brazil are placing on bilateral relations.

President Figueiredo was accompanied by a number of Cabinet ministers and some 125 Brazilian businessmen who conferred with their Canadian counterparts in an effort to increase trade between the two countries.

Trade, always an important element in Canada-Brazil relations, has grown rapidly since the mid-1970s. By 1980 two-way trade between Canada and Brazil exceeded \$1 billion and Brazil emerged as Canada's largest export market in Latin America. This trade milestone was again exceeded in 1981.

### Other trade agreements

Several other trade and financial accords were signed to coincide with the visit of the Brazilian president to Canada. The Export Development Corporation (EDC) signed five agreements to encourage Canadian sales of telecommunications equipment, transportation equipment, petroleum and mining technology, electrical transmission equipment and resource exploration technology. In addition, a number of financial agreements were signed by Canadian banks.

Among the trade and financial agreements signed by the EDC were: a \$84.6-million (U.S.) agreement to support the sale of two flight spacecraft, associated ground equipment and related services by Spar Aerospace Limited of Toronto to Empresa Brasileira de Telecomunicações S.A., the Brazilian telecommunications system; a \$36.6-million (U.S.) agreement to support the sale of various components by Bombardier Incorporated of Montreal for the modernization of approximately 75 locomotives owned by Rede Ferroviária Federal S.A.; a \$4-million (U.S.) agreement to support sales by Interimco Machinery Corporation of Ottawa which will act as procurement agent for Companhia de Pesquisa de Minerais in connection with a portion of its equipment requirements, including drilling rigs and accessories and related exploration and testing equipment; a \$30-million (U.S.) agreement to support the sale of Canadian goods and services by various Canadian companies of Petroleo Brasileiro S.A. (PETROBRAS), chiefly for its oil operations, but applicable also for gas operations, mining and fertilizer production; and a \$7-million (Cdn.) agreement to support sales by various Canadian companies to Electricidade de São Paulo South America (ELETROPAULO) of electrical transmission and distribution equipment and related services.

This brings to \$342.1 million the total of export financing agreements signed between EDC and Brazil since the beginning of EDC's financing program.

Included among the financial agreements signed by Canadian banks were: a syndicated loan led by the National Bank