

will fall most on those countries which are of the greatest economic and political interest to Canada, among which Brazil, Mexico and Venezuela must stand out.

Venezuela now has come to be [Canada's] fifth largest trade partner. In 1979, Venezuela was Canada's chief foreign source of oil, supplying roughly 40 per cent of our imports. Instability in the Middle East underlines the importance of Western Hemisphere oil sources for Canada, and I view it as being in [Canada's] long term interest to establish stronger bilateral energy relationships between Canada and Venezuela. As a purchaser of Canadian exports, Venezuela ranks after the U.S., Japan, Germany and the U.K.

The rapid expansion of the Venezuelan economy and its growing oil revenues provides excellent opportunities for Canada to increase its exports of goods and services and to develop co-operative ventures, such as in oil sands technology. Canada should also come to represent a market of growing importance for Venezuelan exports in addition to oil....

Canada-Mexico trade

Mexico is [Canada's] nearest Latin American neighbour. Like us, it was somewhat in the shadow of the American giant, with heavily concentrated trade and many other trans-border issues. [Canada and Mexico] are keen to diversify [their] relations, and Canada is glad to be one of five countries Mexico has designated as being a target for closer relations....

Mexico's vast oil wealth and its increasing industrialization make it certain that Mexico can be expected to play a key role both in this hemisphere and on the world stage. Mexico, whose total imports grew by almost 50 per cent last year, is a very promising market for Canadian manufactured goods. Its economic development plan envisages expenditures of \$40 billion providing excellent opportunities for Canada. Canada has moved to develop closer relations with Mexico. We have concluded a cultural exchange agreement. In early 1979 two major agreements on energy co-operation and industrial co-operation were concluded with Mexico. The energy agreement is particularly important to both Mexico and Canada. It allows Mexico to lessen its dependence on the U.S. market while it assures Canada certain supplies of petroleum. In return for future increased oil supplies, Mexico will be looking for



Secretary of State for External Affairs Mark MacGuigan (left) made a brief official visit to Mexico, April 7 to meet the Foreign Minister of Mexico George Castaneda (right) and discuss arrangements for the forthcoming visit to Canada of the President of Mexico and to exchange views on Canada/Mexico relations and other international developments of mutual interest.

augmented industrial co-operation with Canada in a wide variety of areas. I am pleased that President José Lopez Portillo will be visiting Canada in May and we expect to be able to make significant progress in the implementation of...agreements on energy co-operation and industrial co-operation. We also envisage discussion on major world political and economic issues. Clearly, our relations in future must have both a political and an economic dimension.

Links with Brazil

Brazil with its population, its industry, its huge untapped resources, and its impressive growth is of evident economic importance. Canada has special historical links through investments now totalling \$1 billion, our largest outside the U.S. Our banks are very active, with loans of almost \$4 billion, and our two-way trade last year exceeded \$700 million. Canada was pleased to conclude in January a major grain sale, for approximately \$700 million over three years. Brazil proposes

to triple its installed electric generating capacity in the coming decade, almost entirely through hydro, an area of established Canadian expertise. It is undertaking a very imaginative program to develop gasohol, the production of fuel from plants. Brazil has the potential to become a world power, and it is already being felt as a major influence or partner in such distant countries as Iraq and Angola....

Andean Pact countries

While our relations will be especially strong with Mexico, Brazil and Venezuela, we will be anxious to develop our relations with the countries of the Andean Pact such as Colombia, Peru, Bolivia and Ecuador where significant new trade and investment opportunities are developing, and with the six countries of Central America where [Canada has] been very active in economic development and there are very interesting possibilities for joint ventures and the supply of capital equipment. [Canada] will also consider promoting [its] economic relations with the countries of what is called the Southern Cone, countries whose economies are developing rapidly and which welcome Canadian industrial and commercial participation; with the Latin countries of the Caribbean such as the Dominican Republic, Haiti, the only French-speaking nation in Latin America and a country where we have an active aid program and obvious cultural and linguistic ties; and with Cuba, which is the fourth largest market in Latin America for [Canadian] exports.

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Broadening ties

The next decade presents major opportunities for a broadening and deepening of Canada's ties with Latin America. This will require more than a greater effort by the Government of Canada. Our schools and universities must make more efforts to teach Spanish and Portuguese, and our news media must visit the area more frequently. The Government plans to work closely with individual enterprises, with CALA, the Canadian Association for Latin America and the Caribbean, and with the Brazil-Canada Chamber of Commerce. All of these are playing such an active and valuable role in developing and enhancing contacts between the business communities in Canada and the various countries in Latin America.