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Taxation agreement signed at Canada/Mexico ministerial meeting

The Secretary of State for External Affairs, Mitchell Sharp, and Emilio Rabasa, the Secretary of Foreign Affairs for Mexico, signed an agreement in Mexico City on January 29 to end double taxation of income derived by enterprises of each other's country from operation of ships or aircraft in international traffic.

Mr. Sharp led a delegation at the second Canada/Mexico Ministerial Committee Meeting on January 28 and 29, which included President of the Treasury Board Charles M. Drury, Industry, Trade and Commerce Minister Alastair Gillespie and senior officials of the Federal Government. During the two-day visit the Canadian ministers called on President Luis Echeverria, with whom they had a wide exchange of views.

The following excerpts are from a joint communiqué issued at the end of the meetings:

* * * *

Both Mexican and Canadian ministers noted with satisfaction the advance that had been achieved in the strengthening of relations between the two countries in the period since the first meeting of the committee, which took place in Ottawa in October 1971. They particularly noted the state visit of the President of Mexico to Canada from March 29 to April 2, 1973, in the course of which the President and Prime Minister Trudeau agreed to take a series of concrete steps designed to provide an even greater impetus to Mexican-Canadian exchanges in various fields of common interest.

Mexican ministers welcomed the increased participation of Canada in inter-American institutions, a question which had been examined during the first meeting of the committee. They expressed their satisfaction that Canada has been admitted as a member of the Inter-American Development Bank and as permanent observer to the Organization of American States (OAS). The Mexican side expressed its hope that Canada would eventually become a full member of the OAS. The Mexican Minister of Foreign Relations outlined for the Canadian ministers the steps being taken at present for the restructuring of the inter-American system with the view to making it more adequately correspond to the interests of its members. The Canadian side expressed its appreciation for Mexico's interest and stated that it would follow these developments and their implica-

tions for the Canadian position.

The Mexican and Canadian ministers recalled that during President Echeverria's visit to Ottawa, Prime Minister Trudeau had agreed that the preparation of a charter on the economic rights and duties of states was of major importance in the pursuit of international peace and security. The two governments had agreed to co-operate closely in the drafting of this charter. The Mexican ministers examined with the Canadian ministers the progress achieved by the Group of 40 in its elaboration. In this respect, they reaffirmed the interest of both governments in pursuing their co-operation within that Group which will meet in Geneva on February 4 and in searching for formulas to reconcile divergent interests given that they both recognize that approval of the charter will mark an important step in the codification and development of basic principles of economic relations between states. In particular, they reiterated the desirability of having the final draft of the charter approved during the twenty-ninth session of the United Nations General Assembly (UNGA), in keeping with Resolution 3082 (XXVIII) which had been unanimously adopted on the basis of a draft presented by a large number of delegations, including those of Mexico and Canada.

Law of the Sea

Ministers emphasized the importance of the UN Conference on Law of the