

and electrical apparatus, for many other types of equipment and materials. We have recently been supplying a large part of Brazil's wheat requirements and, shortly after our visit, Brazil announced her intention to import a further large quantity of Canadian wheat. Canada is an important market for Brazilian coffee, for cotton, iron ore, tropical fibres, waxes, quartz and other products.

We were glad to learn, while in Brazil, of the plans being made for a solution of their current exchange difficulties. Brazil is giving priority to the liquidation of its commercial arrears. It has introduced a new exchange bill which will, it is hoped, enable it to move its cotton surplus and to sell abroad more of its cocoa and lumber.

As part of her exchange-saving measures, Brazil continues to maintain strict import restrictions against many dollar goods. These restrictions are affecting a number of traditional Canadian exports to that market, particularly codfish, wheat flour, whisky and other consumer goods. I know from my conversations with the Minister of Finance and other members of the Brazilian Government that they are as interested as we are in an early re-opening of the Brazilian market for these goods.

Brazil is a country with tremendous possibilities for expansion. We had an opportunity of visiting the Volta Redonda Steel plant, the largest in Latin America, as well as a number of modern industries in the Sao Paulo area. I was personally most impressed with the efficiency and organization of all these plants.

The growth of the city of Sao Paulo is itself the best illustration of the progress of the country. This is said to be the world's fastest-growing city, and now has over 2 million inhabitants. The 400th anniversary of the founding of the city of Sao Paulo will be celebrated in 1954 with a centennial exhibition. The Canadian Government proposes to participate in this exhibition and it is hoped that many of our Canadian manufacturers will take advantage of this exhibition to show the products they have to sell in Brazil.

Keeping pace with the tremendous industrial and population growth of this area, as in Rio and in other parts of Brazil, the operating subsidiaries of the Brazilian Traction, Light and Power Co. are giving a tangible and impressive demonstration of what Canadian capital and skill can accomplish in cooperation with the people whom they serve.

In the neighbourhood of Rio de Janeiro, we visited the Paraiba-Pirai diversion project. This large-scale power expansion project undertaken by Brazilian Traction will take several years to complete and will raise the capacity of one of the main power plants supplying the Brazilian capital from 190,000 kw to nearly 900,000 kw.

Near Sao Paulo, we visited the Cubatao power installations, also operated by Brazilian Traction subsidiaries, where important generating plants are being expanded to take care of rapidly increasing demand.