

supplies, Mexico will be looking for augmented industrial cooperation with Canada in a wide variety of areas. I am pleased that President Portillo will be visiting Canada in May and we expect to be able to make significant progress in the implementation of our agreements on energy cooperation and industrial cooperation. 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.

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 US. 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. Canada looks forward to developing much closer economic, political and cultural links with this vigorous country.

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 we have been very active in economic development and there are very interesting possibilities for joint ventures and the supply of capital equipment. We will also consider promoting our 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 our exports.