

In the field of financial co-operation, the Brazilian Minister for External Relations expressed the interest of the Brazilian government that Banco do Brasil SA be authorized to carry out full-fledged banking operations in Canada on a basis of reciprocity. The Secretary of State for External Affairs pointed out that his government had recently tabled in Parliament a white paper on Canadian banking legislation which envisages the operation of foreign banks in Canada as subsidiaries incorporated under the Bank Act. Both ministers agreed that the expansion of the operations of Banco do Brasil SA in Canada would be an important instrument to increase the flow of business between the two countries.

The two ministers expressed the hope for the successful conclusion of negotiations for an agreement between Canada and Brazil to avoid double taxation as a contribution to improving the economic and financial exchanges between the two countries.

The two ministers noted the progress of the programme of co-operation initiated by the Canadian International Development Agency and the responsible Brazilian institutions.

The ministers noted that within the framework of a special Canadian fund administered by the Inter-American Development Bank, Brazil utilized Canadian \$13.7 million to finance activities related to Canadian competence in the sectors of electrical energy and mining exploration.

With regard to technical and scientific co-operation, the Minister of External Affairs of Brazil showed the appreciation of the Brazilian government for Canada's participation in the implementation of the second national programme of technical co-operation in the fields of professional training, electricity, fisheries, geology, telecommunications, forestry and agricultural development, urban development and food and computer sciences.

To finance these activities both countries agreed on the expenditure over the period of 1977 to 1981 of contributions by Canada totalling approximately Canadian \$17.5 million, and by Brazil totalling approximately \$62.7 million.

The Secretary of State for External Affairs, the Minister of External Relations and the Brazilian Minister of Finance signed a loan agreement of Canadian \$5 million for the financing of projects in the sectors of telecommunications; training of personnel in the electricity sector; processing and engineering in the field of mining; research in electrical energy and technical consulting services.

The Canadian minister summarized the strategy for international development co-operation of his country. The two ministers agreed to look into new forms of co-operation.