

Ministers expressed gratification at the substantial increase in bilateral trade during 1973. Mexican exports to Canada during 1973 expanded and diversified considerably while Canadian exports to Mexico also continued to grow. Ministers further noted that trade in both directions included a growing percentage of manufactured products. They also noted that progress had been made in reconciling trade statistics of the two countries and agreed that this work should forward rapidly. Nonetheless, Mexican Ministers expressed their concern at the continued imbalance of trade in Canada's favour. Canadian Ministers acknowledged that a trade imbalance existed but pointed out that Mexico's surplus on tourist account contributed to offset its trade deficit.

Ministers of both countries noted with satisfaction the potential for increasing bilateral trade. The Canadian Minister of Industry, Trade, and Commerce expressed his pleasure over the positive response of Mexican officials and businessmen to the trade development mission which he undertook to Mexico at the invitation of President Echeverria. The Minister was able to confirm that there are substantial opportunities for increasing Mexican exports to the Canadian market as well as matching Canadian export capabilities and technology with Mexican requirements. In meetings with officials of the Mexican private and Public Sectors, a number of opportunities for joint ventures were examined and are receiving serious consideration. The Mission also identified and pursued major opportunities for greatly increased co-operation in a wide range of products and engineering services. In the electric power area, the Ministers consider that an excellent basis for close co-operation exists and it was agreed that a joint committee be formed to identify opportunities for greater Canadian participation in joint projects in this important sector. Ministers agreed that the terms of reference for the joint Canada/Mexico working group on power would be to consider the projected needs for electric power technology and equipment, including nuclear power, in Mexico and to identify areas of joint co-operation. The Canadian Ministers were pleased to note the interest of the Mexican Government in nuclear plants. The Canadian Ministers stressed the advantages of plants using natural uranium and heavy water and drew attention in their highly successful operation in Canada. The Ministers agreed that the prospect of increased co-operation in this important energy sector should receive high priority.

The Mexican Ministers were pleased to learn of a Canadian proposal for substantial involvement in the forthcoming Mexican Railway Rehabilitation Program. This would involve a joint venture to manufacture railway passenger cars in Mexico, as well as the supply of locomotives, rolling stock and rails from Canada under appropriate long term financing arrangements. Canadian Ministers pointed out that Canada had traditionally made available long term financing for the purchase of capital goods and services. Such financing arrangements could be made available if required for projects of interest to both countries.

Ministers discussed their respective legislation relating to foreign investment and agreed on the need to ensure that such investment contribute to the national interest of the recipient country. They agreed that within this framework there were opportunities for mutually advantageous co-operation between Mexican and Canadian firms. They emphasized those areas where Canadian technology and experience might contribute to Mexican industrial development. Canadians including members of the Department of Industry, Trade and Commerce Mission are actively following up joint venture proposals in electronics, auto