

An important step giving concrete expression to this cooperation took place during the visit, with the signing of a letter of intent between Companhia Vale do Rio Doce of Brazil and Kaiser Resources Limited of Canada to establish a joint venture to develop production of metallurgical coal in Canada. Additionally, Siderbras announced its immediate intention to buy a sizeable amount of Balmer coal from the existing Kaiser mine on the West Coast of Canada. At the same time, Siderbras and Cape Breton Development Corporation resumed negotiations for the supply of Canadian coal mined in the East Coast. Of significance to both operations was the economic rationale of balancing Canadian exports of mineral coal to Brazil with Brazil's export of iron ore from Companhia Vale do Rio Doce.

The two ministers also took due note of the interest on the part of Petrocan in establishing a working relationship with Petrobras with a view to an exchange of experiences and other forms of cooperation, and they agreed that this area offers an opportunity for fruitful collaboration.

Besides the interest in having Canadian technology used in the exploration of Brazilian potash, the Minister of External Relations also mentioned the Brazilian objective of expanding its sales of bauxite and other minerals. This initiative was well received by the Canadian Secretary of State, who is prepared to encourage it fully.

On agricultural cooperation, the two ministers noted the results of the conversations between the Canadian and Brazilian Ministers for Agriculture, during which they identified good possibilities for increasing technical cooperation and carrying out joint ventures in forestry, fishing and agriculture.

On industrial development, the two ministers discussed the role of Canadian investment in the progress of Brazil and acknowledged with satisfaction the extent and diversity of Canadian participation in that country's economic development. While expressing their satisfaction with what has been achieved, both ministers indicated interest in broadening this cooperation still further and noted that progress is being made in such fields as hydro-electric and railway equipment, petro-chemicals, metals, and minerals.

The two ministers, recognizing the mutual interest in increasing industrial cooperation, and taking into account the Brazilian requirements concerning the import content of certain equipment, noted with satisfaction the disposition of the Economic Development Corporation to extend to Finame - an organization of the National Bank for Economic Development - and other Brazilian enterprises, financing to facilitate the sale of Canadian industrial components and equipment related to major development projects in Brazil. They also shared pleasure at the announcement of the conclusion of new Economic Development Corporation financing agreements in support of Canadian participation in Brazilian projects for electrical generation and distribution, for oil production equipment for Garoupa Oil Field and in the pulp and paper industry. They viewed favourably the prospects for further Canadian participation in major industrial and infra-structural projects in Brazil, including hydro-electric, railways, telecommunications, airport construction and engineering sectors.

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