

Ministers also discussed the impact on their respective economies, as well as internationally, of the current energy situation. They noted that, although Canada and Mexico were important producers of energy, the current situation for world energy resources had had a substantial effect on the short-term outlook for their economies. An important consideration in this respect would be the impact the energy situation would have on their major trading partners. They also expressed their concern over the consequences of the current situation for the economies of many of the developing countries, particularly those lacking substantial energy resources of their own.

Ministers also examined the outlook for world supply of other industrial materials and noted that, although there was the possibility of some supply shortages in the short term, there was a longer-term potential for increasing world production of these materials. Ministers agreed that, in the production and export of industrial materials, the interest of consumers as well as of producers should be borne in mind.

Ministers noted that the unusual marketing situation of 1973 resulted in a significant reduction of world supplies of basic food-stuffs. They expressed their hope that the current efforts under way in the UN leading to a World Food Conference, which had Canadian and Mexican support, would mobilize support for increased food production and improved international methods of maintaining adequate supplies to meet global requirements.

Ministers expressed their gratification that their meeting provided an occasion for the signing of an agreement on the avoidance of double taxation with respect to the income from ships or aircraft operating in international traffic. They noted that their officials were continuing their discussions on taxation with a view to identifying other areas where agreement might be possible.

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.