

Minera del Golfo and Petro-Canada on the movement of Mexican oil to Canada.

The ministers also reported on joint efforts which are being carried out between NAVIMIM and Saguenay Shipping for the establishment of a regular transport line between both countries. The importance of this arrangement was underlined, because among other things, it would relieve the pressure on the railway system for transportation of commodities between both countries.

The ministers were pleased to note Canadian plans to have approximately 100 Canadian companies participate in the "Technology for the People" fair which will take place in November 1981 in Mexico City.

The ministers examined projects for joint co-operation in the fields of telecommunications and satellite transmissions. The Canadian side proposed the establishment of a joint committee for co-operation in satellite communications. The Mexican delegation reported on the situation with respect to international tenders for these projects.

Both delegations acknowledged the importance of the markets in the two countries for capital equipment for the construction, mining, forestry and paper industries, as well as sectors of major importance which are at a similar stage of development in Canada and Mexico. Both sides are working on the formation of joint ventures which will produce this type of equipment....

The identification of specific projects for joint investments in the following areas was advanced:

- livestock feed from cellulose waste;
- design of slaughterhouses and meat processing installations;
- mining equipment (winches);
- high pressure cleaning systems for industrial furnaces;
- design and installation of food refrigeration plants;
- auto parts; and
- design of systems for the storage, handling and distribution of grains.

In addition, the Canadian delegation noted that following previous discussions, technical studies designed to identify potential areas for industrial co-operation had been undertaken and would be available in early February....

The two delegations noted the need to increase the use of renewable energy resources. The Canadian delegation informed the Mexican delegation of the forma-

tion of Petro-Canada International, whose function is to support developing countries in petroleum exploration. In addition, within the ambit of the Mexican-Venezuelan agreement on the supply of petroleum to Central America and the Caribbean, the Canadian delegation offered the participation of Petro-Canada International and other agencies in energy co-operation in that region. The Mexican delegation expressed interest in the possibilities of this co-operation, in view of the forthcoming extraordinary meeting of Ministers of OLADE, which will draft a Latin American Energy Plan.

Agricultural program

In conformity with the third item of the memorandum of understanding on agricultural co-operation between the Department of Agriculture of Canada and the Ministry of Agriculture and Hydraulic Resources of Mexico during the fourth meeting of the Ministerial Committee, there was established the Canada-Mexico Joint Committee on Agriculture....

Both sides presented an overview of the present state of the interchange in the area of agriculture that had been taking place in each country and, on the basis of the first item of the memorandum of understanding already mentioned. They then proceeded to determine the actions that would be included in the corresponding program of co-operation pointing out the advantage of establishing priorities for the order in which they will be developed.

With respect to the crop subsector, a mechanism of co-operation was established through the twinning of experimental stations in both countries, to study the problems of rain-fed agriculture and to undertake work in the fixation of nitrogen. Among other items, it was also agreed to reinforce the interchange of genetic material and of scientists.

Both ministers agreed that they would participate in the near future in an agreement on animal health for the importation and exportation of livestock and livestock products, establish co-operative research projects in animal production and veterinary medicine and also in the technical and scientific interchange in matters relating to bilateral trade.

The Mexican side pointed out its interest in reinforcing the activities of co-operation in areas specifically related to forestry. The Canadian delegation offered to bring this matter to the attention of the appropriate Canadian authorities....

The ministers reviewed the trade relations between Mexico and Canada and agreed that, while trade grew substantially during the last year, it still does not correspond to the true potential of their respective markets.

Trade relations

Taking this situation into account, the Mexican and Canadian delegations agreed to enhance their joint efforts in order to increase and widen bilateral trade relations in an equitable way.

Recognizing that trade in agricultural products is an important component of this exchange, the ministers discussed the conclusion, during the current year, of an agricultural commodities supply agreement, referring principally to powdered and industrialized milk, wheat, black beans, canola and corn for which the two sides specified, in some cases, the quantities Mexico requires and Canada is able to supply, leaving pending certain details with regard to price and contract arrangements. In response to the Mexican request, Canadian ministers agreed to locate Canadian resources to co-operate in the establishment of an evaporated milk plant in Mexico....

The ministers agreed to create a trade working group under the aegis of the Canada-Mexico Ministerial Committee... with the intention that it would examine all matters relating to mutual trade and proposed policy and promotional measures to increase bilateral trade.

The two sides agreed that the first meeting of the trade working group would be held in Canada during the first half of this year at which time the following topics, among others, would be examined: Canadian supply of food products to Mexico; products which have trade potential; the export of Mexican fruit and vegetables to Canada; problems arising from commercial exchanges; alternatives to encourage a greater reciprocal trade; and activities to promote mutual trade....

The Canadian and Mexican ministers noted with satisfaction the establishment on the basis of agreed arrangements between the two federal governments, of Canadian provincial offices in Mexico and considered that these play a useful role in the development of bilateral relations in the areas of trade promotion, culture and tourism....

The two foreign ministers had a wide

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