



communiqué

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JOINT COMMUNIQUE OF THE FOURTH MEETING OF THE CANADA-MEXICO JOINT MINISTERIAL COMMITTEE

The Fourth Meeting of the Canada-Mexico Joint Ministerial Committee took place in Mexico City on the 7th, 8th and 9th of January, 1981.

2. The Mexican delegation was led by Lic. Jorge Castañeda, Secretary of External Relations and the Canadian Delegation was headed by Dr. Mark MacGuigan, Secretary of State for External Affairs.

3. The two delegations included the following:

On the Mexican side

Lic. José Andrés de Oteyza
Secretary of Patrimony

Lic. Jorge de la Vega Dominguez
Secretary of Commerce

Sr. Francisco Merino Rábago
Secretary of Agriculture

Sr. Agustín Barrios Gómez
Ambassador of Mexico to Canada

On the Canadian side

Hon. Eugene Whelan
Minister of Agriculture

Hon. Marc Lalonde
Minister of Energy, Mines and Resources

Hon. Edward Lumley
Minister of State for Trade

Mr. Claude T. Charland
Ambassador of Canada in Mexico

A group of senior officials and advisors on both sides also participated.

4. During their stay in Mexico, the Canadian Ministers had an audience with the President of the Republic, Lic. José López Portillo.

5. The Mexican and Canadian Ministers emphasized the importance of the Joint Ministerial Committee for the promotion of more substantial and productive relations between the two countries. In the ten years since the first meeting of the Committee, important advances have been achieved in the execution of programmes of bilateral cooperation in economic and social matters, among which commercial, industrial, energy, tourist and cultural exchanges have been outstanding.

6. The Ministers agreed that the Ministerial Committee continues to be a useful mechanism to evaluate periodically the progress made in developing the relations between the two countries. The two Foreign Ministers noted that, in line with the views expressed by the President and the Prime Minister in May 1980, they had had supplementary meetings and it was agreed that these meetings should continue on a regular basis.

7. During the three working days of the Fourth Meeting of the Ministerial Committee, both sides examined bilateral relations between the two countries in their political and economic aspects, with special emphasis on cooperation in the commercial, industrial, energy and agricultural fields. In addition, they exchanged views on the current international situation.

8. The meeting produced the following results:

Bilateral relations

9. Both delegations noted with satisfaction the cordial spirit of the relations between Mexico and Canada and, in particular, of the new momentum that the visit of President López Portillo to Canada last May and subsequent visits by Ministers and senior officials of both countries have given to those relations. They agreed that both sides should continue working to maintain and reinforce this momentum, with a view to enhancing mutually beneficial contacts between the public and private sectors of the two countries.

10. The Ministers recalled the agreement of the President and the Prime Minister in May 1980, that there was a need to expand both the range and the frequency of cultural and academic exchange projects and recommended that the meeting of the Canada-Mexico Mixed Commission, which will meet in Ottawa in February 1981, should identify specific projects and programmes to give greater substance to the cultural agreement between the two countries.

11. The Ministers agreed that relations between the countries of North America should continue to develop bilaterally, permitting better understanding in order to increase the respective relationships to the benefit of each of their peoples.

12. The Mexican-Canadian relationship, as agreed by the President of Mexico and the Prime Minister of Canada, is developing within the framework of a global scheme of bilateral cooperation oriented towards a more intense, balanced and mutually beneficial relationship.

13. Both delegations noted with satisfaction that this was the occasion of the first meeting of the Industrial and Energy Cooperation Committees. Ministers also commented on the significant progress which has been achieved in industrial and economic cooperation following from the meeting between President José López Portillo and Prime Minister Trudeau in Ottawa last May, 1980.

14. The Mexican delegation informed the Canadian delegation of the approval of Mexico's National Energy Programme which includes the decision to put into operation 20 reactors between now and the year 2000 with an installed capacity of 20,000 MW. In the first phase, which will be completed at the end of the 1980's, the programme foresees the installation of 2,000 to 2,400 MW for which the responsible Mexican authorities are preparing specifications in order to invite international bids.

15. Selection of appropriate technologies will take into account the Mexican objective to raise progressively to the maximum possible level the domestic production of components.

16. The Canadian delegation reiterated its offer to participate in the development of Mexico's nuclear programme offering their experience and pointing out the advantages offered by the CANDU system. The Mexican delegation noted this proposal with interest and indicated that international tenders would soon be called.

17. The Canadian delegation announced that Atomic Energy of Canada Limited intends to open an office in Mexico City to cooperate with Mexican authorities.

18. Both delegations agreed that there was the possibility of cooperation in this sector which will take into account the basic objectives of Mexico in the form of technological transfers, creation of joint ventures, Mexicanization and financing.

19. In this sector, Ministers attached importance to the symposium on nuclear energy sponsored by the Mexican Academy of Engineers which will be opened by Ministers Oteyza and Lumley on February 2nd in Mexico City.

20. Ministers welcomed the Mexican and Canadian Governments' announcement of an early signing of a technical agreement between Hydro Quebec and the Federal Electrical Commission with regard to electric power generation and the long-distance transmission of electric power. Further, they noted with satisfaction the fact that CFE and Ontario Hydro expect to sign a similar agreement soon.

21. The subject of metallurgical coal was accorded considerable importance in the light of the significant expansion of the Mexican steel industry in the near future. Presently known Mexican reserves are insufficient to meet current needs and thus Canadian cooperation is required in two main areas:

1. Joint cooperation in exploration in order to increase national production of coking coal;
2. A secure supply of Canadian coal by means of a medium term supply contract.

22. The Canadian delegation expressed its interest in this proposal, and noted its international expertise in this sector and indicated that as soon as possible, it will determine the possibility of signing contracts in this regard.

23. Further, both delegations confirmed that a joint seminar on thermal and coking coal will take place next February.

24. The Mexican delegation considered that there exist good long term possibilities for joint cooperation in mass urban transport and the rationalization of the transportation system in Mexico City and in other cities. In this regard, a joint committee exists which is working in this sector.

25. Ministers discussed the trade of crude oil between Mexico and Canada. Both delegations were pleased with the progress in the discussions between Naviera Minera del Golfo and Petro-Canada on the movement of Mexican oil to Canada.

26. 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.

27. 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 of 1981 in Mexico City.

28. Ministers examined projects for joint cooperation in the fields of telecommunications, particularly in the field of telephone communications and satellite transmissions. The Canadian side proposed the establishment of a joint committee for cooperation in satellite communications. The Mexican delegation reported on the situation with respect to international tenders for these projects.

29. 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.

30. The two delegations reiterated that the creation of joint ventures is a principal way to substantiate bilateral cooperation between Mexico and Canada.

31. 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;
- 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 cooperation had been undertaken and would be available in early February.

32. It was noted that joint financial mechanisms exist to support the cooperation of Mexican and Canadian firms for joint investment projects in Mexico. In order to encourage greater use of these instruments, it was hoped that a promotional visit to the principal industrial centres of Canada will take place next spring.

33. It was noted that Canadian financial support for Mexican purchases of capital goods is operating satisfactorily.

34. The two delegations noted the need to increase the use of renewable energy resources.

35. The Canadian delegation informed the Mexican delegation of the formation 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 cooperation 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 Cooperation

36. In conformity with the third item of the memorandum of understanding on agricultural cooperation 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 under the co-chairmanship of the Mexican Secretary of Agriculture and Hydraulic Resources and the Canadian Minister of Agriculture and the Vice Chairmanship of the Under-Secretary of Agriculture and Operations of Mexico and the Senior Assistant Deputy Minister of Agriculture of Canada.

37. 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 programme of cooperation pointing out the advantage of establishing priorities for the order in which they will be developed.

38. With respect to the crop subsector, a mechanism of cooperation 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.

39. 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 cooperative research projects in animal production and veterinary medicine and also in the technical and scientific interchange in matters relating to bilateral trade.

40. The Mexican side pointed out its interest in reinforcing the activities of cooperation in areas specifically related to forestry. The Canadian Delegation offered to bring this matter to the attention of the appropriate Canadian authorities.

41. In light of the close relationship between agricultural production and the problems of marketing such products, it was agreed to transmit to the working group on trade the appropriate technical recommendations.

42. Finally, both sides decided that the Minutes of the First Meeting of the Canada-Mexico Joint Committee on Agriculture, which includes the totality of agreements reached on this occasion, should be an annex of this joint communiqué. *

Trade Cooperation

43. 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.

44. 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.

45. Recognizing that trade in agricultural products is an important component of this exchange, 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

*This document is available on request, but exists only in Spanish.

details with regard to price and contract arrangements. In response to the Mexican request, Canadian Ministers agreed to locate Canadian resources to cooperate in the establishment of an evaporated milk plant in Mexico.

46. The Secretary of Commerce of Mexico and the Canadian Ministers of Agriculture and Trade designated officials of their respective departments and CONASUPO of Mexico to conclude negotiation of the above-mentioned agreement.

47. The Canadian Ministers reconfirmed their invitation to the Secretary of Commerce of Mexico to visit Canada. It is hoped that, among other things, during this visit the agricultural commodities supply agreement might be signed.

48. During this meeting, the Ministers agreed to create a trade working group under the aegis of the Canada-Mexico Ministerial Committee which would be chaired by the Ministers of Trade of Mexico and Canada or their designated senior officials and would include representatives of other interested departments as well as their trade promotion agencies with the intention that it would examine all matters relating to mutual trade and proposed policy and promotional measures to increase bilateral trade.

49. 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 a 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.

50. Ministers noted that in both countries private businessmen are actively pursuing mutually beneficial opportunities and welcomed the forthcoming meeting of the Canada-Mexico Businessmen's Committee in Puerto Vallarta, January 11 - 13, 1981.

51. 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.

52. The Ministers exchanged impressions on the current international situation and underlined their preoccupation with the increase of world tensions resulting from recent international

conflicts. They also reiterated the commitment of their respective governments to cooperate in the international field in order to achieve peace and progress of all nations.

53. The two Foreign Ministers had a wide-ranging and frank exchange on the current situation in Latin America, with special reference to Central America and the Caribbean. They expressed the hope that the existing conflicts in Central America will be resolved by means of the free expression of the will of the respective peoples and without foreign interference. They also agreed on the importance of providing unconditional economic assistance to the developing countries in Central America and the Caribbean to promote social and economic development in the countries concerned. The two Foreign Ministers also agreed that officials of the two governments should continue to exchange views on these subjects on a regular basis.

54. The Canadian Foreign Minister explained the importance which Canada attaches to its relations with the Commonwealth Caribbean and welcomed Mexico's increased interest in that area by the energy cooperation programme established by Mexico and Venezuela for the countries of Central America and the Caribbean within the spirit of the global energy plan proposed by Mexico to the United Nations.

International Cooperation for Development

55. The Ministers recognized the increasing urgency and importance of achieving effective advances in international economic cooperation for development. The fact that, in spite of repeated attempts, it has not yet been possible to achieve the understandings which will permit the initiation of global negotiations with regard to raw materials, energy, trade development and money finance, constitutes a clear indication that it is necessary to find, and put in practice, formulae which permit the effective mobilization of the political will that is needed to resolve the principal problems of international economic relations.

56. Both countries have committed their efforts to the exploration of one of these formulae: the convening in Mexico in June 1981 of an international meeting regarding cooperation and development at the level of Heads of State and/or of Government. The Ministers agreed to continue participating actively in the preparations for this meeting and confirmed their intention to attend the March preparatory meeting of Foreign Ministers in Vienna. They noted with pleasure that the Prime

Minister of Canada and the President of Mexico would meet in Mexico on January 17, 1981, to pursue discussions on this vital issue.

57. The two delegations agreed that the fifth meeting of the Ministerial Committee will take place in Canada on a date to be determined.