

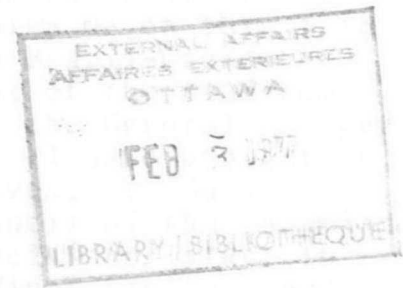
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# STATEMENT DISCOURS

SECRETARY  
OF STATE  
FOR EXTERNAL  
AFFAIRS.

SECRÉTAIRE  
D'ÉTAT AUX  
AFFAIRES  
EXTÉRIEURES.



NOTES FOR A SPEECH TO BE  
PRESENTED BY THE SECRETARY OF STATE  
FOR EXTERNAL AFFAIRS,  
THE HONOURABLE DON JAMIESON,  
AT A LUNCHEON GIVEN IN HIS HONOUR BY THE  
BRAZIL-CANADA CHAMBER OF COMMERCE  
IN SAO PAULO ON JANUARY 14TH, 1977

Mr. Chairman, Ladies and Gentlemen:

I am deeply honoured by the invitation to address this most prestigious group, a group that holds in its hands many of the major strands of our bilateral relations. We regard the Câmara de Comércio Brasil-Canada, like its Canadian counterpart, as a most important organization and one with which we are happy to cooperate in expanding the ties between our two countries.

Because of the key role that the two Chambers of Commerce play, I have been glad to have with me on this trip Mr. Duncan Campbell, the President of the Brazil-Canada Chamber of Commerce and the Vice-President of the Aluminum Company of Canada; and Mr. Lou Bourgeois, the General Manager of the Brazil-Canada Chamber of Commerce. I have brought in addition, two other business representatives, Mr. Gary German, the Chairman of the Executive Council of the Canadian Association for Latin America and the Special Assistant to the Executive Vice-President of Noranda Mines Limited, and Mr. Frank Clark, the Executive Director of the Canadian Association for Latin America. I also have with me Mr. Marcel Prud'homme, the Chairman of the Committee on External Affairs and National Defence of the House of Commons as well as senior representatives of my own department and of the Department of Industry, Trade & Commerce, the Canadian International Development Agency, the Department of Agriculture, and the Export Development Corporation of Canada.

I am also glad to be here in Sao Paulo, which as a city and a state, is not only the industrial, commercial and agricultural centre of Brazil, but has been the focus of so many of our joint endeavours over the past 80 years.

This city is but the latest stage on my journey through your impressive country. I have been to Manaus in the heart of the Amazon basin where a new Brazil is being carved out of the wilderness. I have admired the striking modernity of your capital Brasilia, the city in which economic guidelines and the targets for this country are decided. Now I find myself in this overwhelming metropolis, which contains a population equal to that of half of my country, and which provides so much of the drive behind the expansion of this country.

The purpose of my visit to Brasilia as well as here is of course not tourism. I came here to seek ways of broadening our relations. In particular I wished to see how we can expand our trade and economic relations, I wanted to explore the possibilities of cooperation with you on an equal basis in the industrial, scientific and technological fields. I hoped to discuss questions related to the North-South dialogue and a new international economic order with a country that has exercised a significant moderating influence. Similarly I wanted to review with your government progress in the Multilateral Trade Negotiations in Geneva and to discuss ways in which resource exporting countries like Canada and Brazil can gain substantial benefits. I wished to consult on Law of the Sea matters with a close ally. I finally wanted to consider inter-American questions with a fellow American state whose views we value.

The results of my visit to Brasilia to my mind have been impressive. We have concluded a certain number of agreements. More important, however, we have reached a deeper degree of understanding of each other's points of view, and hence, of our mutual interests, in a wide range of areas, both political and economic. I think it is fair to say we have set the stage for further progress in the future.

The aim of my visit to Sao Paulo, as well as to Rio, is to see how we can strengthen our commercial relations. I am certain that my visits here will justify, just as much as did my stay in Brasilia, the high expectations we had formed before our trip.

You should know that we attach a high priority to our relations with Brazil. In fact, there is no country in Latin America that is more important to us than you. We consider that we have much to offer each other, both because of the tremendous potential of our two countries, and, also, because of the similarity of our patterns of economic development.

We like you, stand before a great future. Together we constitute two out of the leading industrial powers of the hemisphere. You, with your gigantic size and your population of 110 million, are surely destined to become one of the major powers of the world. We, with a population of less than a quarter of yours, have already managed to achieve a Gross National Product that is approaching some of the major industrial countries of Western Europe.

Both you and we, have, throughout our modern history, faced the problem of developing, with inadequate financial resources, relatively small domestic markets and an often hostile nature, enormous territory enclosing an often unfathomable potential. To do this, we have responded in a similar manner. We both have developed or acquired the organization, the technology and the infrastructure necessary to open up our vast virgin territories and to realize their potential in hydro-electric power, in raw materials and in agriculture.

Because of the similarity of our patterns of economic development, it is, to my mind, no accident that we should have become closely involved economically over the last 80 years, that so many Canadian companies such as Brascan, Massey-Ferguson, Alcan, Moore Business Forms, Noranda, MacMillan Bloedel, Dominion Engineering Works and Royal Bank of Canada, should have become so much a part of Brazilian life. In each case, the organization skills and the technology that had been worked out for the development of our economy could be directly applied to the development of yours.

Today, our economic relations are substantial. Canada has more money invested in Brazil than in any other country save the United States. Canadian investments in Brazil amount to around one billion dollars. Canadian banks have lent a further billion. Canada is Brazil's fifth largest source of capital; within the Western hemisphere we each are one of the other's most important trading partners. Our trade is roughly in balance with a slight surplus for us, if we do not include shipping services, but a slight edge for you, if we do.

Our trade is in rough balance in more than one way, for we exchange both industrial goods and primary products. We supply you with wheat, potash, newsprint, cattle, aluminium ingots, aircraft engines, motor vehicle parts, hydroelectric turbines, and other industrial machinery. By the way, your magnificent Bandeirante aeroplane, in which I had the pleasure of flying this morning from Virocopos Airport to Congonhas Airport, is powered with Canadian Pratt and Whitney engines. You supply us with motor vehicle engines, by far the leading item among your exports, as well as green coffee, iron ore, orange juice, footwear and clothing. In essence, in its balance of value and structure, our commerce is a trade between equals.

In order to promote closer economic relations between Canada and Brazil our objective should be, on the one hand, to encourage cooperation between Canadian and

Brazilian producers and manufacturers, while at the same time, to ensure that our policies designed to promote economic growth take into account our mutual interests. Both of these objectives, I can assure you, we intend to pursue.

In order to promote closer cooperation between our private sectors, we wish to be able to relate your requirements to our capabilities in the manufacturing and engineering fields. For because of the similarity of our patterns of development our companies are world leaders in the technology and the equipment that you will require in many areas for the development of your economy and your economic infrastructure. Our companies can work together with yours, in constructing your hydro-electric dams, in supplying your generators, and then in building your long distance transmission lines. They can cooperate in expanding your airports and then in providing aircraft and engines adapted to the rigours of the frontier, such as our short take off and landing aeroplanes. They are ready to collaborate with yours in extending your network of railways ever further into new territory, in widening your telecommunications network, in enlarging your urban transport systems, in developing your agriculture and in erecting your pulp and paper mills. They are willing to cooperate in exploring for natural resources, whether minerals or oil, whether on the land or under the sea, in extracting them, and then in refining them. In all these areas, and others, we consider there is a considerable potential for cooperation, precisely because our problems of economic development are so similar, and also, because of the relatively similar size of our economies, we can cooperate as equals.

What is necessary is to ensure that the enormous possibilities for economic cooperation between us is better known. We have participated and we shall continue to participate in your trade fairs. During the past year we have held a joint Railway Symposium in Rio de Janeiro, a joint Airport Symposium in Sao Paulo, and we took part in the Porto Alegre Agricultural Show. We shall continue to send ministerial missions.

We are looking forward at mutually convenient times to the visits of your Foreign Minister, Sr Azeredo da Silveira, your Minister of Industry and Commerce, Sr Severo Gomes, and your Minister of Agriculture Sr Alysson Paulinelli. We welcome the recent opening in Toronto of the offices of two Brazilian banks. We believe that these visits and related developments will contribute to a further strengthening of your political, commercial and financial interests in Canada.

I must add a special word of praise for the work that the two Chambers of Commerce have done in making the private sectors in each country aware of the other's capacities. Nothing can equal the network of contacts and the exchange of knowledge that you have encouraged.

Even if we are fully aware of the great possibilities for cooperation between us, it is of little importance unless our respective economic policies take into account the interests of the other.

We fully understand and respect your industrialization policy and we are making every effort to adapt to it. We recognize in particular that many Canadian firms doing business in Brazil must gradually shift their emphasis from selling, to a greater involvement in the development of the Brazilian economy through technical, industrial and financial cooperation with Brazilian companies.

In order to finance such projects, the Canadian Export Development Corporation has been and will continue to be ready to provide short and medium term insurance, as well as long term financing and foreign investment insurance. At present it has \$183 million committed to Brazil.

We do not expect the benefits of our association to flow in only one direction. The Canadian Market remains one of the most open in the world and we are prepared in the Multilateral Trade Negotiations to agree to further liberalization. Moreover, our General Scheme of Preferences provides special tariffs on a wide range of your goods.

We hope that, on your side, you will take our mutual interests into account in developing your economic policies. We hope that you, through your policies will help us adapt to the new reality of cooperative ventures with Brazilian companies. We hope that you will encourage Canadian consulting firms to contribute their experience and their technology to the development of your vast frontier.

If we both can have the imagination and the initiative necessary to break out of traditional moulds of thought and trade; if we can keep our great mutual interests in mind in formulating our policies, we can, I believe achieve great benefits. The opportunity is there. Let us grasp it.