

Prior to the Nassau meeting, Canada had already announced its intention to double its official development assistance to the countries of the Commonwealth Caribbean and had undertaken a review of development assistance to the countries of Central America. Dr. MacGuigan noted that the overall value of Canada's aid flows to the Commonwealth Caribbean, Haiti and the Dominican Republic would amount to over \$400 million over the next five years; Canada's development assistance program for Central America, which was announced on February 12, 1982, will involve aid flows of up to \$106 million over the next five years with the largest concentration on Honduras, Costa Rica, Nicaragua (which had already received \$4.5 million in wheat shipments last year) and Panama. Assistance to Guatemala and El Salvador will resume as soon as the current level of violence subsides to permit maintenance of existing or planning for new programs. This assistance reflects the Government's deep concern for the conditions of poverty and economic dislocation in Central America which lie beneath the current instability and traumatic social changes there. Canadian officials will be visiting Honduras, Nicaragua and Costa Rica in the very near future to discuss with those governments how Canadian aid programs can best be implemented.

Thus, Canada's total aid flows to the Caribbean Basin area over the next five years will amount to over one-half billion dollars.

In respect to exports to Canada from the Caribbean Basin region, Dr. MacGuigan noted that Canada provides duty-free or preferential access to Canadian markets for some 98 percent (by value) of exports from the Caribbean Basin area.

In the context of the Canada/CARICOM Joint Trade and Economic Agreement of January 1979, Canada is engaged in a variety of programs to promote regional integration, industrial development and Canada/CARICOM private sector cooperation. Dr. MacGuigan also noted that the Petro-Canada International Assistance Corporation, through its assistance to developing countries in hydrocarbon exploration, is expected to play a useful developmental role in the area.

In the general context of Caribbean Basin development, both Mexico and Venezuela, under the San José declaration by the Presidents of those two countries, are cooperating in providing long-term credits valued at over \$700 million per