

Canada has had an international agreement with the members of the Caribbean Community and Common Market (CARICOM) since 1979. (See Appendix 53: Trade and Economic Cooperation Agreement Between the Government of Canada and the Governments of the Member States of Caribbean Common Market.) However, the Turks and Caicos Islands, like some other British dependent territories in the Caribbean (i.e. Bermuda, British Virgin Islands and Cayman Islands) and another Commonwealth Caribbean country (the Bahamas) are not now members of CARICOM. This suggests the possibility of looking at developing a bilateral economic cooperation agreement between Canada and each of the Commonwealth Caribbean islands that are not now members of CARICOM; or of working with CARICOM members, Britain and the remaining Commonwealth Caribbean countries to have them join CARICOM and to become signatories to an up-dated Canada/CARICOM members agreement.

Inclusion of the remaining Commonwealth Caribbean islands in CARICOM would be consistent with efforts to develop regional institutions and to strengthen regional cooperation. A Canada/CARICOM members agreement (covering all of the Commonwealth Caribbean countries) would provide a practical demonstration of Canada's interest in increasing its economic relations with the region while offering Commonwealth Caribbean countries an alternative "third option" to the USA's Caribbean Basin Initiative and to the post-1992 Economic Community. Some of the provisions of the current CARIBCAN arrangement (duty-free entry) will cease in 1998 unless an extension is agreed by GATT's Contracting Parties. A "new and improved" CARIBCAN agreement and/or a Canada/CARICOM agreement with additional Commonwealth Caribbean states could be mutually advantageous to both Canada and CARICOM members. In the meantime, pending TCI's accession to independence and its membership in CARICOM and other key Caribbean regional institutions, the attached draft economic cooperation agreement between Canada and the Turks and Caicos has been prepared. (See Appendix 54.)

Recommendation 17

The Department of External Affairs should consider the desirability and feasibility of working with CARICOM members, and the remaining Commonwealth Caribbean Islands who are not members of CARICOM to have them join CARICOM and become signatories to a Canada/CARICOM members agreement.

Recommendation 18.

The Turks and Caicos Islands Government should be encouraged to become more familiar with the aims and activities of: CARICOM and the other regional institutions in the Commonwealth Caribbean; and with CARIBCAN.