

The Secretary of State for External Affairs, the Honourable Mitchell Sharp, announced today that the Canadian Government had considered, and taken a number of decisions on, a report prepared by Senator, the Honourable Paul Martin, on Canadian relations with the Commonwealth Caribbean.

In September and October of this year Senator Martin had undertaken on behalf of the Canadian Government a special mission to 13 countries and territories in the area. His report stressed that relations between Canada and the Commonwealth Caribbean remained basically good and that he had found no evidence in the area of deterioration of goodwill towards Canada. Problems had, of course, existed and would undoubtedly continue to exist. Canadian relations with the area cover a complex series of activities, and each country in it has its own marked characteristics and preoccupations. The intent of the current Government decisions is to take steps to help the Commonwealth Caribbean countries in their economic problems, to confirm or modify existing Canadian policies towards the area, and to strengthen machinery for the carrying out of Government policies.

Among recommendations approved by the Government was extension for the calendar year 1971 of the current rebates system of paying to Commonwealth Caribbean countries amounts of duty collected on sugar imported from them. This decision will be reviewed at such time as the Government considers the Tariff Board report on sugar expected in 1971. With introduction of an International Sugar Agreement in 1969 it had been the opinion of the Canadian Government that sugar rebates payments might be drawn to a termination. In the light of representations from the region, however, about difficulties their sugar industry was facing and the need for a longer period of adjustment, the Canadian Government decided earlier this year to continue payments for 1970. The current decision extends the period to 1971 during the course of which year Government decisions will need to be taken on the Tariff Board report on sugar. This further extension represents a positive response by the Canadian Government to requests made to Senator Martin by the Commonwealth Caribbean countries.

These sugar payments are separate from, and additional to, the proposed \$5 million Agricultural Development Fund which the Canadian Government has also decided to launch immediately. Earlier misunderstandings about this fund were cleared up during Senator Martin's special mission to the area and it was given very favourable reception. It has been agreed that the fund will be substantially untied, on liberal terms, and replenishable. Details remain to be worked out with eligible recipient countries about criteria for selecting projects and operational structure, but it is the intention of the Canadian Government to move ahead rapidly with its implementation. The Canadian Government proposes to explore the use of regional institutions in the implementation of the fund, but in the meantime is open to applications for projects from eligible governments.