

As a Cabinet, we concluded that Canada should intensify and deepen our economic and political relationships with the states of the Commonwealth Caribbean. Cabinet further directed that I take this opportunity to announce our position to you collectively and to seek your individual and collective views on the exact nature, scope and form of the role Canada could most usefully play before any announcement is made in Canada. We want this partnership to assist your states to cope with rapid changes and economic difficulties which beset the region. You know how this can best be done and where and how we can be partners in the process. The regional policy approach which the Canadian Government is prepared to implement focusses primarily on economic cooperation, both bilateral and multilateral, but calls also for strengthening political and social ties.

The framework we defined for specific programmes is as follows:

- The Canadian Government has recently taken the decision to increase its global development assistance from the current level of 0.43 per cent to 0.5 per cent GNP by 1985/86. Within this increased level, a special priority will be given to the Commonwealth Caribbean.
- We will achieve rapid annual increases which will lead to steady expansion in the real value of our aid to the region over the next five years. It is my personal hope that the totality of these flows will double in a very short time frame, perhaps in as little as three to four years. This will depend primarily on absorptive capacity, and in particular, the amount of resources that regional governments can and will make available for development projects and programmes. I can confirm today that that part of the Canadian Official Development Assistance Programme over which we have most influence, the bilateral programme, will jump from current levels of over 30 million dollars to at least 55 million dollars by the mid point of the decade.
- All countries in the Commonwealth Caribbean, regardless of level of economic development will be eligible for Canadian development assistance.
- We are prepared to make emergency balance of payments assistance available to countries whose balance of payments needs have been internationally recognized and for which an International Monetary Fund remedial programme is agreed. This will be additional to and not offset by reductions in regular allocations.