transportation should also emphasize full discussion of the future potential for air-freight services, and should be closely tied to specific programmes of twoway trade promotion.

## Conclusions and Recommendations (X)

General Progress 1. The Senate Committee has been encouraged by the progress made on a number of issues relating to transport and communications since the 1966 Conference and considers that this sector will continue to be an important focus for Canadian development assistance to the Caribbean.

Canada-Caribbean Transportation 2. The question of direct Canada-Caribbean shipping, a concern of the 1966 Conference, has been examined in some depth by the Committee. Because of its crucial relationship to trade possibilities, the Committee believes that the whole question of direct transportation could be discussed very usefully in new multilateral talks with the Caribbean governments.

While such discussions could deal with the shipping study prepared by the Canadian Government, they should also emphasize the potential for air-freight services. The prospects for all forms of air transportation between Canada and the Caribbean will improve rapidly as innovation proceeds in the field.

The other major issue raised at the 1966 Conference involved the possibility of the restoration of direct shipping services between Canada and the Commonwealth Caribbean. The Canadian Government, having screed that the matter should be fully investigated in the light of its possible long term contribution to the promotion of trade, completed a study of the question in 1968. The three-volume report was then transmitted to the Caribbean governments and other interested meanizations for continents.

The Committee has had quite extensive discussions of this subject and is fully aware of its complexity. The most important difficulty lies in ascertaining whether or not there is sufficient trade potential commically to justify direct shipping, when the lack of shipping itself constitutes a major obstacle to potential trade. The Canadian Government study was inconclusive on this question but did see sufficient basis for further investigation. The Committee believes that this is an issue which should rank high on the agenda of any future Heads of Government or Ministerial Conferences.

If there is evidence of substantial interest in the part of the Caribbean governments, the 1968 report would form the basis for specific feasability studies and further action. The Committee recommends that any new talks on direct