

X TRANSPORT and COMMUNICATIONS

Since the 1966 Conference, very encouraging progress has been made on a number of concerns in the transportation sector which were discussed at that time.

Following up on the Canadian Government's offers of cooperation in improving regional air services and airport facilities, C.I.D.A. has directed a large part of its Commonwealth Caribbean programme into this sector. Aircraft have been provided on a grant basis and through loans or lease-loan arrangement. Aviation communication equipment has been supplied on a substantial scale and, particularly in the Eastern Caribbean, major improvement projects have been undertaken on airport buildings and runways. These projects have been effectively complemented by technical assistance involving the training of specialized personnel in Canada. There are indications that air services and facilities are a continuing priority of many of the countries, and that the sector will remain an important channel of effective Canadian assistance.

Progress has been made in negotiations on bilateral air service agreements between Canada and the fully-independent countries. A direct commercial agreement has been made between Air Canada and Air Jamaica, involving some provision of assistance by the Canadian carrier. Air Canada has also been directly involved in assistance on a regional scale.

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 agreed 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 organizations for comments.

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 economically 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 feasibility studies and further action. The Committee recommends that any new talks on direct