

DECLASSIFIED = DÉCLASSÉ

INTERNAL AFFAIRS = AFFAIRES INTERNES

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EXEMPT - S. 15(1)

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- The population of the Turks and Caicos was not great enough to support a tourist industry of such dimensions that its existence would make any significant difference to Canada's balance of payments on the tourist account. Given that association would allow Turks and Caicos Islanders to move freely to Canada, and that many would probably take advantage of this possibility, there would be a need to import labour from nearby Caribbean islands to serve the tourist industry. The owners and managers of the tourist industry would likely be white Canadians, as would be the tourists, while the employees would be black West Indians. Such a situation might lead to racial tensions.
- The Turks and Caicos Islands could become a backdoor for immigration to Canada from other Caribbean islands and in particular from Haitians fleeing either from their impoverished nation or departing from the Turks and Caicos where approximately 3000 now live.
- International reaction to a proposed association might be negative. The Bahamas, Jamaica, Trinidad and Tobago, Guyana and Barbados might be resentful that Canada had chosen to concentrate its aid on some 9,000 people, rather than to spread assistance more equitably throughout the whole region.
- For tourism to develop on any reasonable scale, it was clear that fairly large infrastructural investments would be required, including water catchment systems and upgraded airports. The islands were not particularly fertile, so most foodstuffs would have to be imported to feed tourists, with the probable result that the Turks and Caicos would be no cheaper to visit than Hawaii. Were the islands to become an entrepôt for Canadian trade with Latin America, substantial investments in infrastructure would have to be made.