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McKenzie, Dan
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PRESS RELEASE

Communiqué

David Daubney, M.P.
Ottawa West



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

FOR IMMEDIATE RELEASE

September 14, 1987

TURKS AND CAICOS ISLANDS

OTTAWA - A committee of Progressive Conservative caucus members says it would be "most inappropriate" for the Canadian government to initiate the negotiation of a political or economic association with the Turks and Caicos Islands at this time. Such negotiations should only be considered if the British government gives its consent and the people of Turks and Caicos give their government a mandate to do so in general elections which are anticipated next year, the committee says.

In releasing the committee's recommendations, chairman and Ottawa West M.P. David Daubney said that while the idea of a Canadian place in the sun has popular appeal, formal association with the Islands is not as simple as it sounds.

Daubney noted that in the 3 months his committee spent studying the issue, members considered 13 separate aspects of association and interviewed an equal number of experts with diverse interests and insights on the matter.

The Committee identified and investigated the following issues related to association:

1. International Relations: Canadian, British and, Turks and Caicos perspectives of association.
2. Immigration: Patterns, rules and regulations.
3. Trade and Tariffs: Imports, exports between Turks and Caicos, U.S. and Canada.

.../2

4. Development Assistance: Current levels of assistance, projects, and consequences for aid if association were negotiated.
5. Constitutional and Legal: Models of association, legal form of association.
6. Narcotics, Gambling, Money Washing and Internal Security: Circumstances and current conditions relating to these matters.
7. Currency and Banking: Currency in use, exchange rates, tax haven status of the Islands.
8. Tourism: Existing facilities; tourism patterns and potential.
9. Health: Mortality rates, public health facilities and programs, prevalence of disease.
10. The British Factor: Constitutional status, system of government British involvement in any negotiations.
11. Turks and Caicos Interest in Association: Views of elected politicians and interested groups and individuals in association, chronology of events statements and actions on the subject.
12. Canada's Interest In Association: Public, MPs and government perspectives on merits of association.
13. Other Commonwealth Countries: Impact and consequences of association vis-à-vis other Caribbean Commonwealth countries.

While entering into a formal association with the Islands has been talked about for years, the committee's report argues that the Canadian public has only considered sun, sea and sand, not the difficult issues negotiations would bring.

The report notes that the principal source of goods and services purchased by residents of the Islands is Florida. "Given the current rate of exchange between Canadian and U.S. currencies, shop-keepers and merchants on the Islands would not likely accept Canadian dollars at par with the U.S. dollar because Islanders import most of their goods from the U.S. As a result, it is questionable that association with Turks and Caicos would have the positive impact on our tourism balance of payments that proponents of association have claimed."

The report goes on to note that while 474,000 Canadians travelled to the Caribbean and Bermuda in 1985, the Turks and Caicos Islands only have accommodation for 50,000 tourists a year. "Even if all the people who vacationed on the islands in a given year were Canadian, our best estimate is only \$23 million would be generated and applied against our \$2.2 billion deficit in the tourism account", said Dabuney.

Among other aspects of association the committee investigated, Daubney noted that the islands are a tax haven and that 4,000 companies have subsidiaries on Turks and Caicos in order to take advantage of that status.

The local treasury receives 11% of its revenue as a result of this status, and the report suggests island authorities would be reluctant to give up this source of income.

Citing this, the report concludes that association with Canada could create a situation where tax haven status would be granted in part of the country and not another, a situation the Canadian government would not likely let exist.

Committee members acknowledge that their report is an interim assessment of the pros and cons of formal association. "We didn't have either the time or resources to explore the issue in an exhaustive manner", said Daubney. "The report should be seen as an examination of the issues that would have to be addressed if the countries involved ever decided to seriously explore the issue. And we're saying that the issue shouldn't be formally explored unless and until the people of Turks and Caicos give that mandate to their elected representatives, and clearly, the British government would have to be in full support and actively engaged in those discussions."

Despite the obstacles that formal association would have to overcome, committee co-chairman and M.P. for the Quebec riding of Chambly, Richard Grisé, summed-up the committee's assessment.

"We are a people who put a premium on the notion of having our own place in the sun", Grisé said. "We looked long and hard at the Turks and Caicos issue and, despite the limitations of the idea, it is still popular even with the committee members who basically said it is not a practical proposal at this time."

The Turks and Caicos Islands are a British dependency consisting of some 30 islands situated at the south-eastern extremity of the Bahamas chain. The islands are inhabited by close to 9,000 people and are governed under a ministerial system with an 11 member House. Under their constitution, the United Kingdom retains control of External Affairs, Defence, Internal Security and appointments to the Public Service.

For further information contact:

David Daubney, M.P. - 995-6411

APPENDICES

- a) Conclusions and recommendations
- b) Sub-Committee members
- c) Profile of the Turks and Caicos Islands
- d) Resource People

CONCLUSIONS AND RECOMMENDATIONS

1) As pointed out in the preceding chapters, the Sub-Committee sees only limited advantages to entering into a full political or economic association with the Turks and Caicos Islands.

2) In any event, it would be most inappropriate for the Government of Canada to take any initiative to unilaterally open talks directly with the T.C.I. authorities regarding the question of entering into a formal association.

3) Any initiatives in that regard must be taken by the T.C.I. Government if the people of the Islands give it the mandate to do so. Therefore, the Sub-Committee recommends that no further Canadian action be taken until after the anticipated national election is held in the Islands next year and a duly-elected Government of the T.C.I. is given a mandate to enter into discussions with Canada.

4) In the absence of such an initiative, the Sub-Committee recommends that the Canadian government

consider substantially increasing Canada's foreign aid to the T.C.I. (including aid for educational purposes), given the clear need and obvious goodwill of the Islands towards Canada.

5) Finally, the Sub-Committee recommends that the Canadian private sector consider investing in the T.C.I. based on its own assessment of the commercial opportunities and risks involved.

In a general election held under United Nations observation on May 29, 1984 the Progressive National Party (PNP), was re-elected with the same majority of 8 seats against 3 for the opposition People's Democratic Movement (PDM).

The Turks and Caicos Islands are economically dependent on British financial support (aid from the United Kingdom in the 1984/1985 fiscal year totalled 14.3 percent of the US\$ 12.5 million budget). The Islands themselves are almost totally devoid of resources and agriculture is confined to subsistence farming. Government is the main employer with more than 40 per cent of the labour force on the payroll. In 1984, the GNP was US\$ 30 million and per capita GNP US\$ 4,010.00 (relatively high by Caribbean standards). At the present time almost everything used and consumed in the Islands comes from Miami, and the US dollar is legal tender. The main source of government revenue is customs duties.

Salt was the industry on which the Islands were first founded and which provided the principal livelihood until the industry was displaced by mechanized production elsewhere.

Although local waters abound with a great variety of fish, the fishing industry has never been organized on a large-scale commercial basis (a fishing industry exists only in the South Caicos Islands). The Islands' principal industries at present involve frozen crawfish and conch products. No taxes are levied on land property or income. Tourist potential of the area has not been fully exploited. A 650 unit Club Méditerranée tourist village opened on the island of Providenciales in December 1984 and has done well enough to justify a planned expansion.

People of African descent make up over 90% of the population. Birth rates are high, unemployment exceeds 30 per cent and many Islanders leave to seek work in the Bahamas. It is estimated that up to 14,000 Turks and Caicos nationals live and work in the Bahamas. Most settlements do not have piped water or electricity, most roads are unpaved, and communications are difficult with both intra-island and inter-island telephone links meagre and unreliable.

SUB-COMMITTEE MEMBERS

David Daubney, M.P. - Chairperson

Ottawa - West

Jennifer Cossitt, M.P.

Leeds-Grenville

Richard Grisé, M.P.

Chambly

Bud Jardine, M.P.

Northumberland-Miramichi

Fred King, M.P.

Okanagan-Similkameen

Bill Lesick, M.P.

Edmonton East

Paul M. M. Champagne - Secretary

Barrister and Solicitor

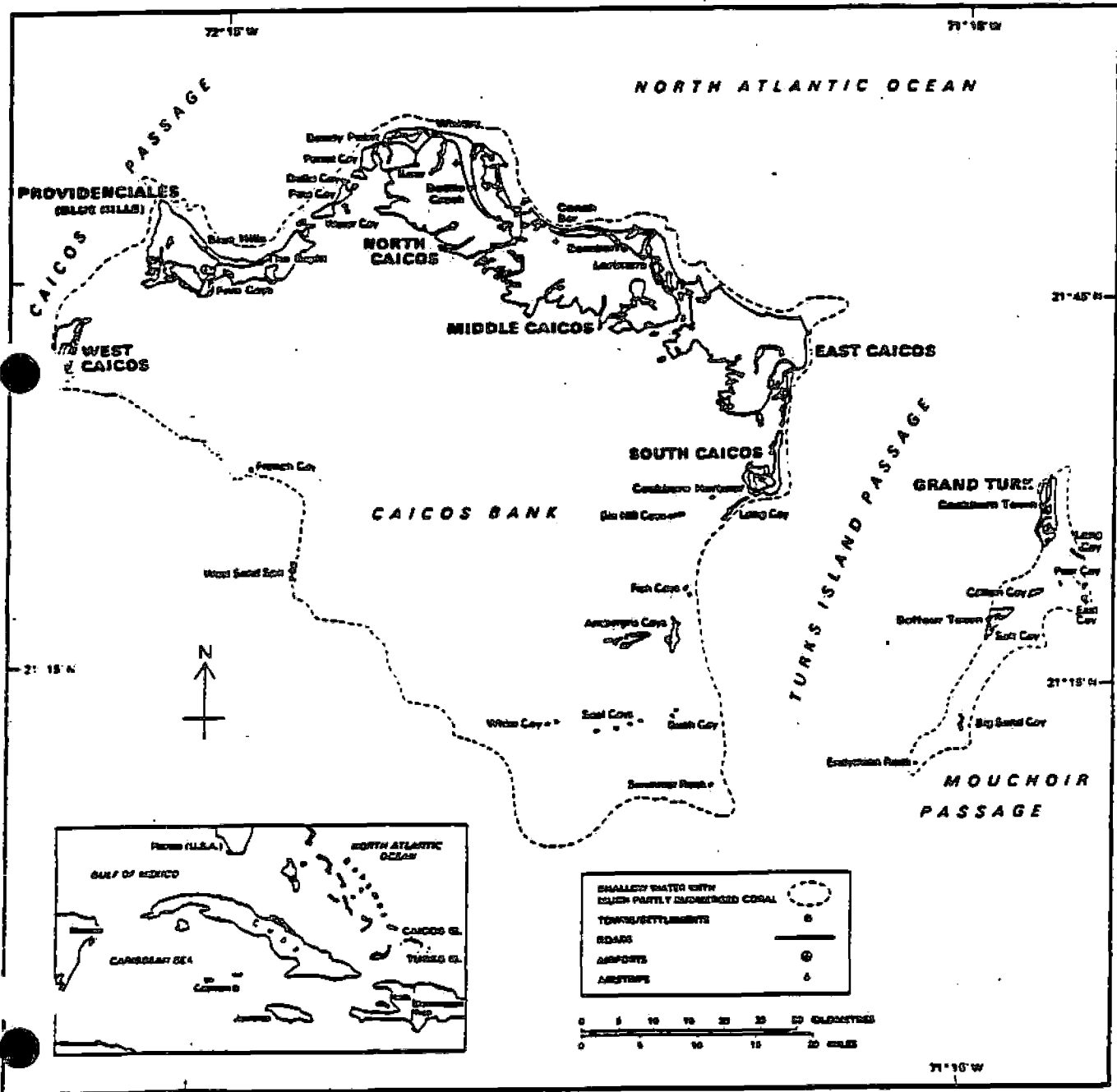
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PROFILE OF THE TURKS AND CAICOS ISLANDS

The Turks and Caicos Islands are a British dependency consisting of some 30 Islands situated at the southeastern extremity of the Bahamas chain. The population of close to 9,000 is distributed among six of the Islands, which are low, flat and barren, with bushes and stunted trees their only vegetation. Of this total population, slightly over 2,000 are estimated to be Haitians.

Until 1962, the Turks and Caicos Islands were a dependency of Jamaica. Following the attainment of independence by Jamaica in 1962, the Territory became a direct Crown Colony. In 1965, a constitutional amendment came into effect by virtue of which the Governor of the Bahama Islands also became Governor of the Turks and Caicos Islands. In 1973, in view of the imminent attainment of independence by the Bahamas, the constitution was amended to provide for a separate post of Governor of the Territory. Government is currently conducted under a ministerial system with an eleven member House. The constitution provides for control by the United Kingdom of External Affairs, Defence, Internal Security and appointments to the Public Service.

TURKS AND CAICOS ISLANDS



(d)

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PRESS RELEASE

Communiqué

David Daubney, M.P.
Ottawa West



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

POUR DIFFUSION IMMEDIATE

le 14 septembre, 1987

ILES TURKS ET CAICOS

Ottawa - Selon un comité formé de membres du caucus progressiste-conservateur, il serait "des plus inopportuns" pour le gouvernement canadien d'entreprendre des négociations visant une association politique ou économique avec les îles Turks et Caicos à ce moment-ci. Pareilles négociations ne devraient être envisagées que si le gouvernement britannique donne son accord et que si les habitants des îles Turks et Caicos confèrent un mandat en ce sens à leur gouvernement aux élections générales qui doivent avoir lieu l'an prochain, de dire le comité.

En rendant publiques les recommandations du comité, le président de ce dernier et député d'Ottawa-Ouest, M. David Daubney, a fait remarquer que si l'idée d'une place canadienne au soleil plaît aux gens, toute association en bonne et due forme avec les îles, en revanche, n'est pas aussi simple qu'il n'y paraît.

Daubney a indiqué que pendant les trois mois qu'a duré l'étude de son comité, celui-ci a examiné 13 différents aspects de l'association et interrogé un nombre égal de spécialistes aux intérêts et points de vue différents sur la question.

Le comité a relevé et examiné les points suivants relativement à l'association :

1. Relations internationales : points de vue du Canada, de la Grande-Bretagne et des îles Turks et Caicos au sujet de l'association.
2. Immigration : tendances et règlements.

.../2

3. Commerces et douanes : importations, exportations entre les îles Turks et Caïcos, les États-Unis et le Canada.
4. Aide au développement : niveau actuel de l'aide, projets et conséquences, sur l'aide, de négociations en vue d'une association.
5. Questions constitutionnelles et juridiques : modèles d'association, formule juridique d'association.
6. Drogues, jeux, blanchissage et sécurité interne : situations et conditions actuelles relatives à ces questions.
7. Devises et banques : devises en usage, taux de change, situations des îles à titre de paradis fiscal.
8. Tourisme : installations en place; tendances et possibilités touristiques.
9. Santé : taux de mortalité, installations et programmes d'hygiène publique, maladies fréquentes.
10. L'élément britannique : situation constitutionnelle, régime de gouvernement, participation britannique aux négociations.
11. Intérêt des îles Turks et Caïcos dans l'association : points de vue des hommes politiques élus, des groupes d'intérêt et des particuliers dans l'association, chronologie des activités, déclarations et mesures portant sur le sujet.
12. Intérêt du Canada dans l'association : points de vue du public, des députés et du gouvernement sur les avantages de l'association.
13. Autres pays du Commonwealth : répercussions et conséquences de l'association sur d'autres pays des Antilles appartenant au Commonwealth.

On parle depuis des années d'une association en bonne et due forme avec les îles, mais le comité souligne, dans son rapport, que le public canadien a pensé au soleil, à la mer et au sable sans songer aux problèmes complexes qu'amèneraient les négociations.

Le rapport mentionne que les biens et services achetés par les habitants des îles proviennent surtout de la Floride. "Vu le taux de change actuel entre les monnaies canadienne et américaine, les marchands et commerçants des îles n'accepteront sans doute pas le dollar canadien au pair avec le dollar américain, les insulaires important la plus grande partie de leurs biens des États-Unis. En conséquence, il est douteux qu'une association avec les îles Turks et Caicos auraient, sur notre balance des paiements du tourisme, l'effet bénéfique dont ses partisans ont parlé".

Le rapport ajoute que près de 474 000 Canadiens ont séjourné dans les Antilles et aux Bermudes en 1985, mais que les îles Turks et Caicos ne peuvent accueillir que 50 000 touristes par an. "Même si les gens passant leurs vacances aux îles dans une année donnée étaient tous Canadiens, des revenus de 23 millions de dollars seulement seraient produits et appliqués à notre déficit de 2,2 milliards de dollars au compte du tourisme selon nos meilleures estimations, a dit M. Daubney.

Concernant les autres aspects de la question que le comité a examinés, Daubney a fait remarquer que les îles sont un paradis fiscal, d'où la présence aux Turks et Caicos de filiales de 4 000 entreprises.

Ce statut intervient pour 11 % des deniers publics, et le rapport laisse à entendre que les autorités des îles ne renonceront pas aussi facilement à cette source de revenus.

Citant cela, le rapport conclut que l'association avec le Canada créerait une situation où le statut de paradis fiscal serait accordé à une partie du pays mais pas à l'autre, situation que le gouvernement canadien ne saurait tolérer.

Les membres du comité sont prêts à reconnaître que leur rapport ne représente qu'une évaluation partielle des avantages et inconvénients de l'association. "Nous n'avons ni le temps ni les moyens d'étudier la question en profondeur. Le rapport doit être considéré comme un aperçu des points sur lequel il faudra se pencher si jamais, les pays intéressés décident d'examiner la question à fond, ce qui ne devrait être fait, selon nous, que si les habitants des îles Turks et Caicos donnent un mandat à cet effet à leurs représentants élus et que si le gouvernement britannique est tout à fait d'accord et participe activement aux pourparlers".

Malgré les obstacles qu'il faudrait surmonter pour que le projet d'association aboutisse, le vice-président du comité et député de Chambly (Québec), M. Richard Grisé, a résumé en ces termes l'évaluation du comité :

"Comme peuple, nous attachons beaucoup de prix au fait d'avoir notre propre place au soleil", de dire Grisé. "Nous nous sommes longuement penchés sur la question des îles Turks et Caicos, et malgré ses limites, l'idée reste séduisante même pour les membres du comité, même si elle doit être considérée, selon eux, comme une hypothèse peu réaliste à ce moment-ci".

Colonie anglaise constituée d'une trentaine d'îles sises à l'extrême sud-est de la chaîne des Bahamas, les îles Turks et Caicos comptent quelque 9 000 habitants qui sont gouvernés selon un système ministériel, la Chambre étant formée de 11 députés. En vertu de leur constitution, les affaires extérieures, la défense, la sécurité nationale et les nominations à la Fonction publique relèvent du Royaume-Uni.

Pour de plus amples informations, veuillez communiquer avec :

David Daubney - 995-6411

ANNEXES

- a) Conclusions et recommandations
- b) Membres du Sous-comité
- c) Portrait des îles Turks et Caicos
- d) Personnes-ressources

(a)

CONCLUSIONS ET RECOMMANDATIONS

1) Comme le précisent les chapitres précédents, le sous-comité ne voit que des avantages limités dans une association politique ou économique totale avec les îles Turks et Caïcos.

2) De toute manière, il ne conviendrait pas que le gouvernement du Canada prenne toute initiative visant à entamer unilatéralement des pourparlers directement avec les autorités des îles Turks et Caïcos au sujet d'une association officielle.

3) Toute initiative à cet égard doit être prise par le gouvernement des îles, si les habitants lui en donnent le mandat. Par conséquent, le sous-comité recommande que le Canada ne fasse aucune autre démarche tant que les élections nationales envisagées n'auront pas eu lieu dans les îles l'an prochain et qu'un gouvernement dûment élu ait reçu le mandat d'entamer des pourparlers avec le Canada.

4) En l'absence d'une telle initiative, le sous-comité recommande que le gouvernement du Canada envisage d'accroître de façon substantielle l'aide étrangère qu'il verse aux îles (y compris l'aide destinée à l'éducation), vu la nécessité qui existe manifestement dans ces îles et leur bonne volonté manifeste envers le Canada.

.../2

5) Enfin, le sous-comité recommande que le secteur privé canadien envisage d'investir dans ces îles d'après les possibilités commerciales et les risques en cause qu'il a lui-même évalués.

(b)

MEMBRES DU SOUS-COMITE

David Daubney, président

Député d'Ottawa-Ouest

Jennifer Cossitt,

Député de Leeds-Grenville

Richard Grisé,

Député de Chambly

Bud Jardine,

Député de Northumberland-Miramichi

Fred King,

Député d'Okanagan-Similkameen

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Avocat et procureur

(c)

PORTRAIT DES ÎLES TURKS ET CAICOS

Colonie britannique composée de quelque 30 îles, les îles Turks et Caïcos sont situées à l'extrémité sud-est de la chaîne des Bahamas. La population, dont le chiffre atteint presque les 9 000, se répartit sur six des îles présentant une basse altitude et un sol plat et dénudé où seuls poussent des buissons et des arbres rabougris. Du chiffre total de la population, un peu plus de 2 000 sont, paraît-il, d'origine haïtienne.

Jusqu'en 1962, les îles Turks et Caicos faisaient partie de la Jamaïque. Après l'accession à l'indépendance de la Jamaïque en 1962, le territoire est devenu une colonie directe de la Couronne. En 1965, une modification constitutionnelle entra en vigueur et le gouverneur des Bahamas devint également gouverneur des îles Turks et Caïcos. En 1973, devant l'imminence de l'indépendance des Bahamas, la Constitution fut modifiée de nouveau afin de prévoir un poste distinct de gouverneur du territoire. Le gouvernement fonctionne actuellement selon un régime ministériel formant un Parlement de 11 députés. La Constitution prévoit l'exercice d'un contrôle par le Royaume-Uni sur les affaires étrangères, la défense, la sécurité nationale et les nominations au sein de la Fonction publique.

Au cours d'une élection générale tenue le 29 mai 1984 sous le regard des observateurs des Nations Unies, le Parti progressiste national fut réélu avec la même majorité de huit sièges contre trois détenus par le Parti de l'opposition, le Mouvement populaire démocratique.

Les îles Turks et Caïcos dépendent économiquement de l'aide financière de la Grande-Bretagne (qui se chiffrait, pour l'exercice financier de 1984-1985, à 14,3 p. 100 du budget de 12,5 millions de dollars US). Les îles elles-mêmes ne sont pas totalement dénuées de richesses et l'agriculture se limite à la culture de subsistance. Le gouvernement est le principal employeur avec plus de 40 p. 100 de la main-d'oeuvre figurant sur ses listes de paye. En 1984, le PNB se chiffrait à 30 millions de dollars US et à 4 010 \$ US par personne (ce qui est relativement élevé d'après les normes de Antilles. À l'heure actuelle, presque tout ce qui est utilisé et consommé dans les îles provient de Miami et le dollar américain y a cours légal. Les droits de douane sont la principale source de revenu du gouvernement.

Le sel fut une industrie sur laquelle reposait d'abord l'économie des îles et qui offrait le principal moyen de

subsistance jusqu'à ce que cette industrie cède le pas à une production mécanisée ailleurs. Quoique les zones d'eau locales abondent de poissons de toutes sortes, l'industrie de la pêche n'a jamais été organisée sur une vaste échelle commerciale (on ne retrouve une industrie de pêche que dans les îles Caïcos du Sud). Les principales industries des îles comprennent actuellement des produits congelés de langoustes et de conques. Aucun impôt n'est perçu sur les biens fonciers ou les revenus. Le potentiel touristique de la région n'a pas été complètement exploité. Un village touristique de 650 unités du Club Méditerranée a ouvert ses portes dans l'île Providenciales en décembre 1984 et a connu suffisamment de succès pour justifier une expansion planifiée.

Les Noirs d'origine africaine constituent plus de 90 p. 100 de la population. Le taux de natalité est élevé, celui du chômage dépasse les 30 p. 100 et plusieurs insulaires quittent leur île à la recherche de travail dans les Bahamas. On estime que près de 14 000 ressortissants turcs et caïcos vivent et travaillent dans les Bahamas. La plupart des agglomérations ne sont pas munies de canalisations d'eau ou de l'électricité, la plupart des routes ne sont pas pavées et les communications sont difficiles tant à l'intérieur des îles qu'entre les îles, étant donné que les lignes téléphoniques sont rares et peu sûres.

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APPENDIX "A"

(See p. 1624)

WEDNESDAY, December 2, 1987

The Standing Senate Committee on Foreign Affairs has the honour to present its

ELEVENTH REPORT

Your Committee, to which was referred an inquiry calling the attention of the Senate to the desirability and advantages of the Turks and Caicos Islands becoming a part of Canada; the support for such action among the Turks and Caicos Islanders and Canadians; and whether any of the following steps might be usefully taken prior to a formal union or association:

- 1) adaption of a common currency;
- 2) designation of Canada's Governor General as the Queen's representative for the Islands;
- 3) a closer economic association between the two countries;
- 4) any change in procedures to our mutual advantage that would assist the entry of Canadians to the Islands, and of Islanders to Canada; and
- 5) provision of efficient direct air service between the two countries.

has, in obedience to the Order of Reference of March 17, 1987, examined the said reference and now reports as follows:

The Committee held an *in camera* meeting with two witnesses from the Department of External Affairs, Mr. John Graham, Director-General, Caribbean and Central America Bureau and Mr. Myles Godfrey of the Western European Division. Mr. Frederick Livingston, Senior Country Program Director, Caribbean Region, Americas Branch, from CIDA also gave testimony at this meeting.

The Turks and Caicos Islands are two groups of Caribbean islands which geographically form the south-eastern archipelago of the Bahamian chain. They lie about 500 miles southeast of Florida and about 90 miles north of Haiti and the Dominican Republic. The Caicos group of islands is separated from the Turks group by a 22 mile-wide channel - the Turks Island Passage. The total land area of the Islands is estimated at 193 square miles. The Turks and Caicos Islands have a pleasant, warm climate, although they lie in a zone that is hit occasionally by hurricanes. Only six of the more than 30 islands are inhabited. According to the last census, the total population numbered about 8,000. There has been substantial emigration from the islands, notably 14,000 islanders who have gone to the Bahamas to live and work. In recent years, substantial immigration to

APPENDICE «A»

(Voir p. 1624)

Le MERCREDI 2 décembre 1987

Le Comité sénatorial permanent des affaires étrangères a l'honneur de présenter son

ONZIÈME RAPPORT

Le Comité, à qui a été déferée pour étude une interpellation attirant l'attention du Sénat sur l'opportunité et les avantages de voir les Îles Turks et Caicos faire partie du Canada; sur l'appui que les habitants des îles Turks et Caicos et les citoyens canadiens accordaient à une telle initiative; et sur la question de savoir si l'une des étapes suivantes pourrait utilement être prise avant l'établissement d'une union ou d'une association en bonne et due forme:

- 1) l'adoption d'une monnaie commune;
- 2) la désignation du gouverneur général du Canada en tant que représentant de la Reine dans les Îles;
- 3) le resserrement des liens économiques entre les deux pays;
- 4) une quelconque modification des procédures qui rendrait mutuellement avantageuse l'entrée des Canadiens dans les Îles et des insulaires au Canada; et
- 5) l'établissement d'un service aérien direct et efficace entre les deux pays.

a, conformément à son ordre de renvoi du 17 mars 1987, examiné ladite question et en fait le rapport suivant:

Le Comité a entendu à huis clos deux porte-parole du ministère des Affaires extérieures, à savoir M. John Graham, directeur général de la Direction générale des Antilles et de l'Amérique centrale et M. Myles Godfrey de la Direction des relations avec l'Europe de l'Ouest, ainsi que M. Frederick Livingston, directeur principal de programme pour la Région des Antilles, à la Direction générale des Amériques de l'Agence Canadienne de développement international (ACDI).

Les Îles Turks et Caicos sont deux groupes d'îles de la mer des Caraïbes qui forment un archipel à l'extrémité sud-est du Grand banc des Bahamas. Elles sont situées à environ 500 milles au sud-est de la Floride et à environ 90 milles au nord d'Haïti et de la République dominicaine. Le groupe des Îles Caicos est séparé des Îles Turks par un chenal de 22 milles de largeur, appelé le Passage des Îles Turks. L'ensemble du territoire occupé par les Îles couvre une superficie de 193 milles carrés. Les Îles Turks et Caicos jouissent d'un climat agréable et chaud, bien qu'elles soient dans une zone occasionnellement frappée par des ouragans. Seulement 6 îles sur la trentaine d'îles que forme l'archipel, sont habitées. Lors du dernier recensement, les îles avaient une population totale d'environ 8 000 habitants. Par le passé, elles ont connu une forte émigration: près de 14 000 de leurs

the Islands, much of it illegal, has taken place, mainly from Haiti and the Dominican Republic. Haitians are now said to constitute 10 percent of the population.

The status of the Turks and Caicos Islands is that of a British Associated State. They constitute an internally self-governing dependency with a ministerial system of government. Under the 1976 constitution, the Governor appointed by the United Kingdom, retains responsibility for external affairs, internal security, defence and certain other matters. Otherwise he is normally required to act on the advice of the Executive Council. This Council comprises the Governor, the Chief Minister who is elected by and from among the elected members of the Legislative Council, three official members -- the Chief Secretary, the Financial Secretary and the Attorney General -- and three other ministers from among the elected members of the Legislative Council. The Legislative Council consists of eleven elected members, three members appointed by the Governor after consultation and three ex-officio members. The Turks and Caicos have two major political parties: the Progressive National Party (PNP) and the People's Democratic Movement (PDM).

In July 1986, following a commission of inquiry into alleged government corruption, the British government suspended the ministerial functions after the Commissioner had reported that three ministers, including the Chief Minister, were guilty of unconstitutional behaviour and of ministerial malpractice and were unfit to hold office. The presiding Chief Minister and two other elected members were arrested and are serving jail sentences in Florida for drug trafficking offences.

Since that time, as an interim measure, the Islands have been administered by the Governor with the aid of an appointed advisory council composed partly of members of the Legislative Council. A constitutional commission headed by Sir Roy Marshall was appointed to review the situation and its report was presented to the British Parliament on March 31, 1987. This report recommended a restoration of the ministerial system, the holding of new elections and certain new administrative arrangements. The U.K. government subsequently announced that new elections would be held in 1988.

The present Governor, charged with the administration of the Islands since the 1986 suspension of the government, has no mandate to discuss a proposed association between the Islands and Canada. Nor has he or members of the advisory council made any moves to do so. For this reason, the British Government could be expected to react negatively to any formal Canadian initiative for closer economic or political links at this time and to consider

citoyens les auraient quittées pour aller vivre et travailler aux îles Bahamas. Ces dernières années cependant, elles ont accueilli de nombreux immigrants, en grande partie illégaux, venus d'Haïti et de la République dominicaine. Les ressortissants haïtiens formeraient, dit-on, environ 10 p. 100 de la population.

Les Îles Turks et Caicos ont le statut d'État britannique associé. Bien qu'encore sous la dépendance du Royaume-Uni, elles sont dotées d'un gouvernement autonome de type ministériel. La loi constitutionnelle de 1976 a permis à leur Gouverneur, nommé par le Royaume-Uni, de conserver la direction des affaires extérieures, de la sécurité interne, de la défense et de certains autres secteurs. Avant de prendre une décision dans les autres domaines, il doit normalement consulter le Conseil exécutif. Ce Conseil est composé du Gouverneur, du Ministre principal qui est élu par et parmi les membres élus du Conseil législatif, de trois représentants officiels, soit le Secrétaire principal, le Secrétaire financier et le Procureur général, et de trois autres ministres choisis parmi les membres élus du Conseil législatif. Le Conseil législatif est composé de onze membres élus, de trois membres désignés par le Gouverneur en conseil et de trois membres sortants. Dans les Îles Turks et Caicos, il y a deux grands partis politiques: le Progressive National Party (PNP) et le People's Democratic Movement (PDM).

En juillet 1986, une commission d'enquête, chargée d'enquêter sur une affaire de présumée corruption gouvernementale, ayant établi que trois ministres, dont le Ministre principal, s'étaient rendus coupables de comportement inconstitutionnel pour des ministres et de malversations et qu'ils n'étaient plus dignes d'assumer leurs fonctions, le gouvernement britannique a suspendu les fonctions ministérielles. Le ministre en chef ainsi que deux autres députés ont été arrêtés et condamnés à la prison; ils sont maintenant détenus dans une prison de la Floride pour trafic de drogues.

Depuis ce temps, le gouvernement britannique a décidé que, provisoirement, les Îles seraient administrées par le Gouverneur avec l'aide d'un Conseil consultatif dont les membres seraient désignés partiellement parmi les membres du Conseil législatif. Une commission constitutionnelle, dirigée par sir Roy Marshall, a été chargée de revoir la situation. Dans son rapport du 31 mars 1987 au Parlement britannique elle recommandait la restauration du régime ministériel, la tenue de nouvelles élections et certaines réformes administratives. Le gouvernement britannique a, par la suite, annoncé que des élections seraient tenues en 1988.

Le Gouverneur actuel qui s'occupe de l'administration des Îles depuis la déposition du gouvernement en 1986, n'est pas habilité à discuter d'une éventuelle association entre les Îles et le Canada. Ni lui ni aucun des membres du Conseil consultatif n'a fait non plus de démarches dans ce sens. Il se pourrait donc, que pour cette raison, le gouvernement britannique réagisse négativement à toute initiative officielle du gouvernement canadien

it as a challenge to its sovereignty over the Turks and Caicos Islands. Accordingly, there is need for great caution on the part of Canada, particularly during the period when there is no elected government on the Islands.

The Committee concludes that caution is all the more called for since the U.K. government has indicated that a duly-elected legislature will be in place by 1988. In the opinion of the Committee, the earliest appropriate time for Canada to consider this subject would be after the 1988 elections on the Islands and then only if and when the new Turks and Caicos government raised the subject with Canada. Canada not having had a colonial past, could send the wrong signals abroad respecting its international posture if it were to take the initiative in this matter, even after a new government has been elected for the Islands.

The Committee recommends that the Canadian Government should take no initiative of its own nor support any proposal either from the Turks and Caicos Islands or Canada to form a closer political or economic association.

Respectfully submitted,

en vue de resserrer les liens économiques ou politiques avec cette colonie à ce stage-ci, et considère cette mesure comme une remise en question de sa souveraineté sur les Îles Turks et Caicos. Le Canada se doit donc d'être très prudent sur cette question, surtout qu'il n'y a aucun gouvernement élu dans les îles à l'heure actuelle.

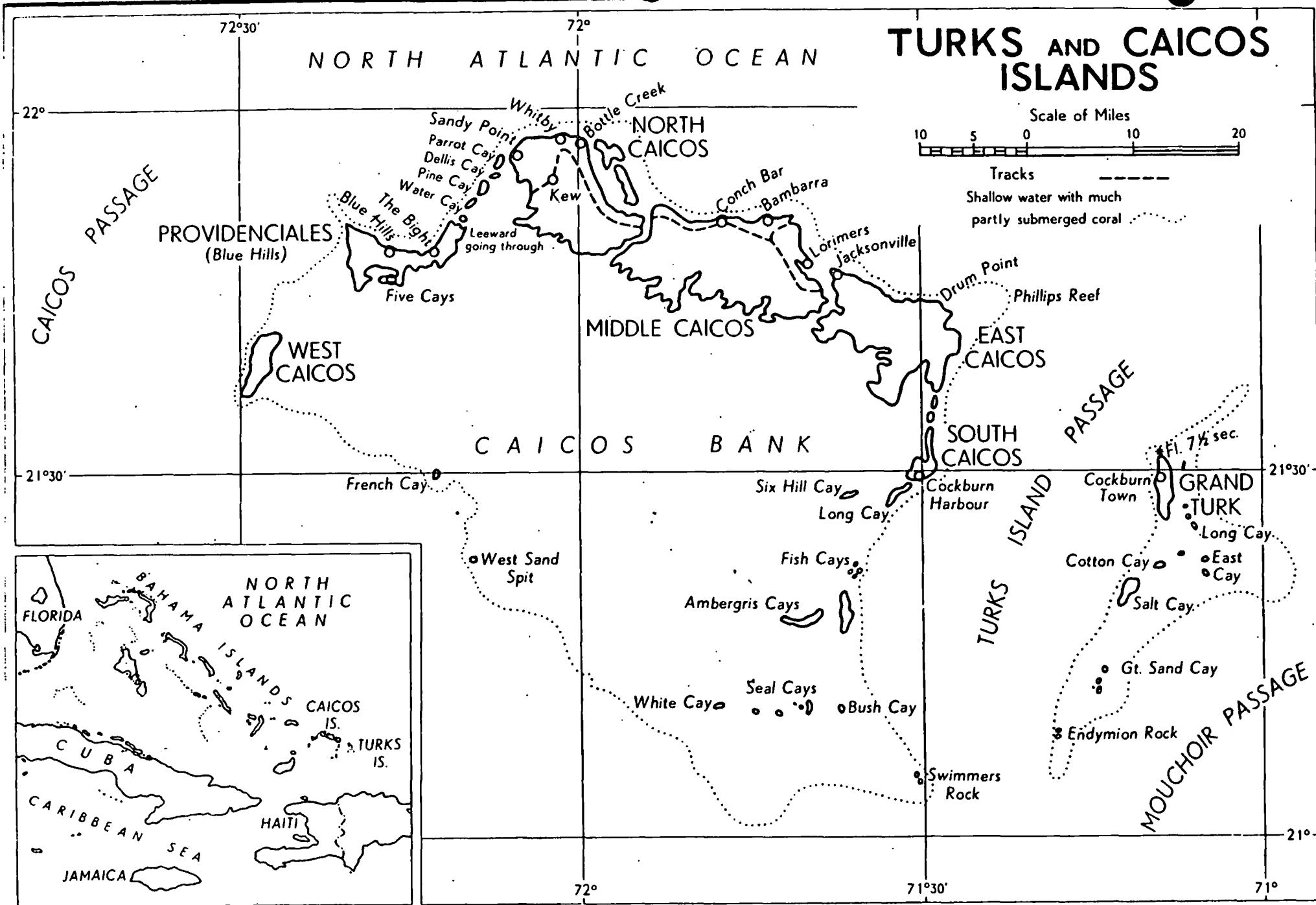
Le Comité conclut que la prudence s'impose d'autant plus que le gouvernement du Royaume-Uni a fait savoir qu'une assemblée législative dûment élue serait au pouvoir en 1988. Il estime que tout examen de cette question, du moins avant les élections de 1988, serait prématuré, et encore, faudrait-il alors que le nouveau gouvernement des Îles Turks et Caicos soulève la question auprès du gouvernement du Canada. Le Canada n'a pas de passé colonial, et toute initiative de sa part en ce sens pourrait, même après l'élection d'un nouveau gouvernement dans les Îles, donner à l'étranger une fausse impression quant à sa position sur la plan international.

Le Comité recommande que le gouvernement canadien s'abstienne de toute initiative propre et n'appuie aucune proposition, qu'elle vienne des Îles Turks et Caicos ou du Canada même en vue de former une association politique ou économique.

Respectueusement soumis,

Le président

GEORGE C. VAN ROGGEN
Chairman



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EXPORT AND IMPORT TRADE STATISTICS

(Cdn. \$ millions)

Country		Jan.-Dec. 1987	-	Jan.-Dec. 1988	Percentage Change Between 1987 & 1988
Anguilla	Exports	-		.503	-
	Imports	-		.117	-
	Balance	-		.386	
Antigua- Barbuda	Exports	-		10.5	-
	Imports	-		.452	-
	Balance	-		10.0	
Bahamas	Exports	30.8		35.6	16.8
	Imports	26.1		20.9	-19.8
	Balance	4.7		14.7	
Barbados	Exports	41.8		39.9	- 4.5
	Imports	19.9		6.6	-66.6
	Balance	21.9		33.3	
Belize	Exports	6.1		7.3	20.3
	Imports	5.9		13.2	125.1
	Balance	0.2		- 5.9	
Bermuda	Exports	36.8		38.8	5.1
	Imports	2.3		.865	-57.3
	Balance	34.5		37.9	
Br. Virgin Islands	Exports	1.6		6.6	317.6
	Imports	-		.071	-
	Balance	1.6		6.5	
Cayman Isl.	Exports	2.7		3.7	35.1
	Imports	.255		.114	-55.3
	Balance	2.4		3.6	
Costa Rica	Exports	30.9		27.9	- 9.2
	Imports	61.8		50.8	-17.8
	Balance	-30.9		-22.9	
Cuba	Exports	272.9		224.5	-17.7
	Imports	51.5		84.7	64.6
	Balance	221.4		139.8	

Country		Jan.-Dec. 1987	Jan.-Dec. 1988	Percentage Change Between 1987 & 1988
Dominica	Exports	-	3.7	-
	Imports	-	4.8	-
	Balance	-	-1.1	-
Dominican Republic	Exports	55.4	59.9	8.0
	Imports	27.7	36.5	31.8
	Balance	27.7	23.4	
El Salvador	Exports	15.8	23.1	48.0
	Imports	44.4	41.6	- 6.2
	Balance	-28.6	-18.5	
Fr. Guiana	Exports	.138	.043	-68.9
	Imports	.081	.143	78.2
	Balance	.057	-.001	
Grenada	Exports	-	4.2	-
	Imports	-	1.0	-
	Balance	-	3.2	
Guadeloupe	Exports	7.3	6.7	- 7.7
	Imports	.026	.337	-
	Balance	7.3	6.4	
Guatemala	Exports	20.2	18.4	- 8.8
	Imports	33.6	38.6	14.8
	Balance	-13.4	-20.2	
Guyana	Exports	5.2	5.5	6.6
	Imports	34.5	15.3	-55.6
	Balance	-29.3	- 9.8	
Haiti	Exports	25.4	18.8	-26.0
	Imports	6.5	7.5	13.9
	Balance	18.9	11.3	
Honduras	Exports	14.0	19.6	39.6
	Imports	16.5	27.9	68.6
	Balance	-2.5	-8.3	
Jamaica	Exports	91.5	125.8	37.3
	Imports	111.2	150.2	35.0
	Balance	-19.7	-24.4	
Leeward/ Windward Islands	Exports	44.2	-	-
	Imports	5.3	-	-
	Balance	38.9	-	-

Country		Jan.-Dec. 1987	- - Jan.-Dec. 1988	Percentage Change Between 1987 & 1988
Martinique	Exports	-	1.2	-
	Imports	-	.028	-
	Balance	-	1.2	-
Mexico	Exports	522.0	488.3	- 6.7
	Imports	1,165.4	1,307.2	12.1
	Balance	-643.4	-818.9	
Montserrat	Exports	-	.832	-
	Imports	-	.399	-
	Balance	-	.433	
Netherland Antilles	Exports	10.5	14.7	38.9
	Imports	19.3	20.9	8.4
	Balance	- 8.8	- 6.2	
Nicaragua	Exports	9.8	20.8	111.5
	Imports	27.6	64.5	133.4
	Balance	-17.8	-43.7	
Panama	Exports	34.4	34.9	1.4
	Imports	24.0	30.8	28.2
	Balance	10.4	4.1	
Puerto Rico	Exports	233.6	242.5	3.8
	Imports	205.3	248.5	20.0
	Balance	-28.3	- 6.0	
Saint Lucia	Exports	-	12.8	-
	Imports	-	.261	-
	Balance	-	12.5	
St. Kitts- Nevis	Exports	-	2.8	-
	Imports	-	.250	-
	Balance	-	2.6	
St. Vincent Gren.	Exports	-	2.9	-
	Imports	-	.822	-
	Balance	-	2.1	
Surinam	Exports	1.0	1.6	58.6
	Imports	3.6	.086	-87.5
	Balance	-2.6	1.5	
Trinidad and Tobago	Exports	70.5	54.8	-22.3
	Imports	33.1	56.4	70.1
	Balance	37.4	- 1.6	

Country		Jan.-Dec. 1987	Jan.-Dec. 1988	Percentage Change Between 1987 & 1988
Turks and Caicos Isl.	Exports	.541	.673	24.3
	Imports	.043	.008	-80.4
	Balance	.498	.665	
U.S. Virgin Islands	Exports	4.6	6.3	36.6
	Imports	53.7	8.1	-84.8
	Balance	-49.1	-1.8	
TOTAL	Exports	1,589.7	1,566.2	-1.5
	Imports	1,979.6	2,240.0	13.2
	Balance	-389.9	-673.8	

CANADIAN DOMESTIC EXPORTS TO THE TURKS AND
CAICOS ISLANDS IN 1988 BY COMMODITY CLASSIFICATION(1)

<u>COMMODITY CLASSIFICATION</u>	<u>THOUSANDS OF DOLLARS</u>
Meat and edible meat offal.	20
Dairy prod; birds' eggs; natural honey; edible prod nes.	23
Prod mill indust, malt; starches; inulin; wheat gluten	91
Prep of meat, fish or crustaceans, molluscs etc.	10
Sugars and sugar confectionery	32
Prep of cereal, flour, starch/milk; pastrycooks' prod.	1
Prep of vegetable, fruit, nuts or other parts of plants	1
Beverages, spirits and vinegar	4
Salt; sulphur; earth & ston; plastering mat; lime & cem.	2
Articles of leather; saddlery/ harness; travel goods etc.	2
Paper & paperboard; art of paper pulp, paper/paperboard	23
Printed books, newspapers, pictures & other product etc.	4
Man-made filaments	2
Art of apparel & clothing access, not knitted/crocheted	7
Tool, implement, cutlery, spoon & fork, of base met etc.	3
Nuclear reactors, boilers, mchy & mech appliance; parts	15
Electrical mchy equip parts thereof sound recorder etc.	350
Vehicles o/t railw/tramw roll- stock, pts & accessories	41
Furniture, bedding, mattress, matt support, cushion etc.	21
Special Transaction - Trade	12
TOTAL	673

(1) DATA FOR 1987 ARE NOT READILY AVAILABLE

SOURCE: EXPORTS BY COUNTRY (H.S. BASED)
JANUARY - DECEMBER 1988, STATISTICS CANADA

HISTORY, TURKS & CAICOS: NEWEST GROWTH CENTRE, SAFELY BRITISH

Every quarter-century, a new tax haven/tourist destination hits the headlines. In the past we have had Bermuda, the Bahamas, and the Cayman Islands. Each haven seemed to go through a 25-year development cycle. Investors who got in on the "ground floor" were later described as "lucky". Really, they had the foresight, and the intestinal fortitude to back their dreams with money and effort. They took the risk of being 20-th century pioneers. After about 25 years however, costs tended to rise, and hidden taxes started to take their toll, as more affluent residents demanded more government services, and local governments, only too happy to expand, required a bigger tax base. Eventually, the small entrepreneur disappeared and only the big offshore banks and hotel chains remained in a level economy with high costs and prices. And those lucky ground-floor investors? They took their profits within the first 10 years; some stayed and some went on to new development areas:

These same investors- from Bermuda, the Bahamas and Caymans, are now quietly investing in the Turks & Caicos. The "old money" of the Caribbean has a good sense of timing and foresight. The seat of government is Grand Turk. Naturally banks such as Barclays, and the Bank of Nova Scotia are located there, along with a number of offshore banks, most lawyers' offices, and captive insurance corporations. Government business is handled through Grand Turk. Grand Turk is the location of the Development Ministry, as well as a very strong Planning and Development Authority (P.D.A.), backed by an engineering staff and Public Health Staff. The Island - and British - Governments, are determined to learn from the experience of other tax haven/tourist economies. This is very reassuring to the investor: development is carefully controlled aesthetically, height-wise, density-wise and from an ecological point of view, with wastewater recycling plants, and maintenance of landscape. The tax-haven aspect likewise has been carefully planned with modern business legislation based on the best of the Caymans' and the Channel Islands'.

Government has recognized that tourism and an offshore financial centre are the backbone of their growing economy. New investors from France, Germany, England (and Oman), the United States, and Canada, all realize they are entering into the first years of a 25-year growth cycle. With most other sunbelt investment areas at a mature level of slow growth, there are very few safe and stable British locations that are developing at a profitable speed, and have the room to expand.

The history of the Turks & Caicos goes back to Ponce De Leon, and some people, involved with the discovery of what may be the "Pinta" off Provo, believe Columbus. The Islands, being a large and complex chain, were at first a hideout for

Mediterranean pirates, called "Turks". Being on the Main passage to the Caribbean, they preyed on galleons. Treasure hunters and dive enthusiasts researching archives claim the existence of 500 wrecks dated between 1500 and 1805.

In the 1800's, the Turks & Caicos were settled by United Empire Loyalists, and Bermudans, giving rise to their British tradition. The economy was based on plantations of sisal (for rope-making) and cotton. Also, a solar salt industry developed into strong trade relations with Canada's Atlantic provinces. In the 20-th century, these old industries were no longer profitable. To-day, it is possible to visit large uninhabited islands like West Caicos, and explore the eerie remnants of ghost towns. The intrepid visitor can also explore caves on Middle Caicos, which acted as sanctuaries for Arawak Indians, with artifacts dating back to 1100 AD.

GOVERNMENT, CURRENCY, FINANCE

"KEEPING IT SMALL," A FISCAL AND SOCIAL IDEAL

Historically, the Turks & Caicos Islands have been under direct and indirect British administration as a Crown Colony since 1766. In this century, as in the last, the Islands had a population too small to warrant separate administration from Great Britain. The Islands and their currency were alternately administered through the Bahamas and Jamaica.

In 1971, the Islanders, decided against affiliation with other Caribbean nations, for the very good reason that they were COMPETING for the tourist trade: for the Dollar! The Islanders are pragmatic people; although they are administered under the British colonial system from Grand Turk, their currency is the U.S. Dollar. This is natural, as the Dollar is the international currency of tax havens, and most trade is with Florida. Because they administer a tax haven, the government imposes no currency exchange control, no registry requirements and no withholding taxes on money going back out. Quite unlike the Bahamas and Barbados. Any currency, including Canadian, is legal tender.

It is noteworthy that the Turks & Caicos have never displayed violent or forceful politics. The Islanders retain a strong allegiance to the Crown and show a genuine kinship towards fellow Commonwealth countries, especially Canada. They follow the tradition of parliamentary democracy. The Islanders received their own Constitution in 1976, which made them internally self-governed by an elected Legislative Council under a Chief Minister. This Parliament is a ministerial system much like Canada's. Currently, 4 political parties vie for votes in 11 electoral districts. Three more Council Members are appointed by the British Governor, who himself can cast a deciding vote. The

newly-appointed Governor is Michael Bradley, who just completed a 4-year term as Attorney-General of the Cayman Islands. (This demonstrates a close relation with our "sister colony", an established tax-haven/tourist destination at the other end of the 25-year cycle.) The British Crown, as in the Caymans, is responsible for the Judiciary and Defence, while local matters are handled by the Executive Council, made up of Ministers appointed from the elected Legislative Council.

A revised Constitution taking into account the interaction of a small society of only 14,000 inhabitants was accepted by all parties in 1987. Effective Constitutional up-dating is important to a stable society; In the Elections of March, 1988, the P.D.M. Party under the Hon. Oswald Skippings won by a landslide majority. The P.D.M. is the party most active in developing the economic and educational links with Canada. All parties, however, have similar conservative, pragmatic policies, and there are no basic differences in development and social policies, which favour private enterprise, tourism, and the development of a World financial centre as the mainstay of the economy.

In the 6 months since the last election, the Canadian "link" has resulted in concrete action: (A) letters between the Chief Minister and both Canada's Prime Minister and Leader of the Opposition. (B) Establishment of a Canadian \$185,000.00 fund at the University of Cape Breton for scholarships to Turks and Caicos students. (C) a CDN \$700,000.00 C.I.D.A. Fund for general Turks and Caicos Airport Improvement (D) a CDN \$2,100,000.00 Canada Fund to specifically upgrade the Grand Turk Airport and Tower. (E) Continuation of the Vertical Axis 50-KW wind turbine project contracted to Indal Technologies of Toronto. Respective Governments are obviously "putting their money where their mouth is".

The American Government has its own input, including surface and air patrol, and a large Radar Station at Northwest Point on Provo, to service the entire North half of the Caribbean.

During the last year, the British Government has brought in extra engineers and contracted planners to help local government handle the flood of new development applications in an organized way. This is helpful to Provo, which now has its own resident engineer to help developers communicate with the Planning and Development Authority in Grand Turk. This attention to planning will help avoid problems experienced in other Caribbean resort destinations.

We therefore have the best of both worlds. Although there are controls to protect developers from each other, businessmen have an unusual advantage. They are dealing with only one government and one set of officials. In Canada we have, by contrast:

1. Municipal Government.
2. The School Board.
3. Regional Government for large municipal areas.
4. Provincial Government.
5. Federal Government.

Each of these 5 governments levy taxes. In the Turks & Caicos, this tax burden is eliminated completely. We also lower the paper burden and enjoy direct communication with officials.

The Islands have a "user-pay society" where developers build and maintain their own roads and services. Utilities and services such as electricity, water and garbage pickup are supplied by private enterprise (mostly Canadian). There is a public education system with local primary schools. The original high schools were on Grand Turk and North Caicos. A new high school opened in 1986 on Provo. The trend of sending teenagers away to boarding schools has been reversed. The international community is now invited to send their children to Provo for a quality education. Provo is home to the "International School of the West Indies" which provides credits in 3 systems: the French Baccalaureat, the British and American. User pay. No school taxes, real estate, Municipal, corporate or income taxes.

How, then, does the government finance its services? It stays small, with an annual budget of only \$16,000,000 U.S. There are 9 airports, including 3 international, but then there are also landing fees, commercial and industrial leases. The National Airline is owned by private enterprise. Most of the budget comes from Import Duties (5 % to 45 %), land transfer stamp duties (8 %), annual registration fees of the thousands of tax haven companies at U.S. \$275 each, a hotel bed tax of 5 %, work permits to expatriates from \$175 to \$1200 annually, and business licences of \$1000 to \$2000 annually. By issuing commemorative offers to collectors, both the Post Office and Numismatic Bureau (which sells the Turks & Caicos Crown coin set, not intended for circulation) annually run profits in the six figures. Any operational shortfall (currently in the range of \$4,000,000 and decreasing) is made up annually by the British Government. This means they do not operate in the red by borrowing. There is no cumulative national debt, so they don't face the staggering interest burden that eats up North Americans' tax dollars.

This outlook has developed the fiscal and social ideal of "keeping it small", in terms of administration, paperburden and taxation. Investors will be introduced to a genuine haven of free capitalism under stable British Government, close to Canada and the United States. After another 25 years, they may no longer be keeping it small. Your immediate concern is to take part in the rapid growth at the beginning of this cycle. Once you experience the environment, you will hopefully see it in terms of estate planning and a mutually beneficial relationship into the next generation.

PROVO: NEW JEWEL OF THE CARIBBEAN

"Nautilus Villas" Sapodilla Bay Limited is on the main tourist island of Providenciales, normally referred to as "Provo".

Provo is rapidly developing as the tourism and economic centre of the Turks & Caicos Islands. It has a large new international airport. Its three highways leading to the main communities from the central airport, are paved. It is twice the size of Bermuda and larger than Grand Cayman, with more beaches. Yet in 1978, it had only 900 original inhabitants, now grown to 2500. They are friendly, courteous and pragmatic people.

With new development, the "expatriate community" is increasing, and becoming truly cosmopolitan. Due to the large new Club Med, as well as the French Health Spa "Erebus" and the 400-acre French project "Leeward", there are, at last count, 60 French nationals. The Third Turtle was bought by an Omani-British group planning a 200-unit luxury hotel with British management already in place. The Americans, too, are planning resort hotels, such as the elegant, Georgian-based "Jeanette-Caribbean", and the Ramada Inn. Not to be outdone, Canadians are leading investors on Provo, with the Toronto-financed, \$55 million Sheraton now under construction, more hotels in the planning stage, and of course, Sapodilla Village. Vancouver native Dr. Ted Trump, who built his fortune as an American industrialist, is currently building Caicos Marine & Shipyard, planned as the Caribbean's largest luxury yacht repair facility, complete with hotel, on the Sapodilla side of Provo. He maintains Canadian management through McLean & Associates, originally of Toronto.

In reference to the corporate/financial industry, a number of Grand Turk law firms are opening branch offices on Provo. Provo has the highest proportion of Canadian corporate lawyers. Barclays Bank has expanded to a new building, and the Bank of Nova Scotia will open a branch. The most recent construction start is on "Provo Bureau", a new \$4.5 million financial centre funded by Toronto lawyers. Just finished, is the Cayman-funded financial centre at "Cheshire Square".

On the technical side, Provo now has P.R.I.D.E., a major mariculture research centre, which made the breakthrough in raising Queen Conch. It also has W.I.V.T.V., which provides a cable network, and produces the monthly show "Provo Magazine" for the Superchannel. WIVTV was recently publicized as providing the largest choice of Cable TV in the Caribbean: 32 channels, including 4 Canadian. Provo has 3 supermarkets (one Canadian) and three liquor stores, so they're catching up to the 20-th century.

Provo now provides at least 6 boutiques (3 of them French with Paris Originals), fishing tackle, chandlery and marine stores. A choice of hairstylists is quite a luxury for those who used to go to Miami for a haircut. And choice of restaurants now ranges from Parisian and French-Canadian, to native, and of course American.

The diving is surpassed by none. Our project is closest to the "Wall", 6,000 feet straight down, producing the richest of marine life. Provo also has one of only 3 recompression chambers in the Caribbean, complete with a Hyperbaric Medicine Centre. A small private clinic, the P.H.M.C., is well-equipped with Operating Room and table-top scanner. Quite often, a Canadian doctor and dentist are on its rotating staff. A Lear Jet Ambulance is always parked at hand.

The sum of all this is that Provo is cosmopolitan, easy to access, and growing fast. Any investor is sure to be starting in the first years of a 25-year growth cycle like that of our sister colony, the Caymans. There are very few safe British Territories close to the U.S.A. and Canada in the Caribbean. For conservative investors, an interest in a resort villa development is about the safest way to get a foot in the door, as you are protected by Club Membership, Franchise, and an equity investment in real estate, which you and your Guests can personally enjoy. Year after year, in perpetuity. It becomes a "lifestyle investment" for the 1990's.

NORTH CAICOS

North Caicos is considered the Garden Island of the Turks and Caicos. Like the other Islands it has the Trade Winds from the Atlantic and virtually guaranteed sunshine. However, with an average of 48 inches of rain per year it gets enough rainfall to promote lusher growth than on the other Islands.

This makes North Caicos the EMERALD in the chain of jewels. The gardens at Whitby Haven are a pleasure to walk through. You can be sure that the Club at "Nautilus Villas" will emulate this tradition of good landscaping.

North Caicos is the largest of the Turks and Caicos Islands. With 60 square miles it is roughly three times the size of Bermuda. However, instead of 55,000 people North Caicos has a resident population of only 1,600.

North Caicos has a number of established communities. The four main communities are Sandy Point on the west shore, Whitby on the north, Kew inland and central, surrounded by agricultural land, and Bottle Creek on the east shore. Adjacent to Bottle Creek are a number of smaller communities. To the north there is Major Hill, Belvedere, North Windsor and South Windsor. To the south there is Richmond, Laugland and Belmont. Adjacent to Whitby is the new development of Whitby Haven, the location of the "Nautilus Villas" Club. The north shore of the Island and around to Sandy Point on the west is a continuous, undeveloped coral sand beach.

All the communities are joined by well-graded coral roads.

Plantation ruins, dating from the 1780's growing of cotton and sisal, have such intriguing names as Street Wall, Leway Moore, Mount Pleasant, Teren Hill, Minorca, and Wade's Green Plantation. Other ruins and locations also have intriguing names: St. James Hill, St. Thomas Hill, Monkey Hill, Dick Hill, Moore Hall, Ibo Town Hill, Greenwich Hill, Horse Stable Ponds, Tattiland Down Pond, Israel Field, Pumpkin Bluff, Hollywood Hill, and Three Mary Cays. It makes you wonder where the names come from.

North Caicos has good water supplies. Hundreds of years ago it was a source of fresh water for the sailing ships plying the Caribbean. Legend has it that the large round wells carved into solid rock were built by the Spaniards to ease the task of replenishing fresh water on their galleons.

One such well is just west of Kew on property now called "The Farm". This property has been used in recent years as an Experimental Farm and all irrigation water has come from this ancient, 8-foot diameter well. A wide variety of vegetables have

been grown here, confirming the fact that almost anything will grow on North Caicos if you just give it water. There is also a wide variety of tropical fruit trees, such as sugar apple, sapodilla and star fruit, papaya, mango and pomegranate.

To the southwest of Kew lies Bellefield Landing, an old fisherman's dock with quaint "Caicos Sailboats", truly a sight to photograph. The sailors will soon get a new dock, as Bellefield Landing is being transformed by the Government into an ocean dock, capable of handling shallow-draft Caribbean freighters and of course cruising yachts. No longer will we need to trans-ship our supplies from South Dock at Provo on small barges.

Bellefield Landing is on the Caicos Banks, on the channel between North Caicos and Parrot Cay. Across the channel, Parrot Cay is the site of a luxury resort to be developed by Patrick Ellis, who brought Club Med to the Islands.

The North Caicos road system will be the hub of the "link" system: the first joining of Islands by a link causeway, connecting the central Caicos chain. The first link in the Country already exists; we have ferry service at the east end with Middle Caicos, with capacity for cars or truck. North Caicos thus offers the greatest potential for exploration by car.

Each Island has its own airport to handle the crucial twice-daily air taxi service by Turks and Caicos National Airlines (TCNA). North Caicos has one of the four best airports, 4,500 feet long, between Bottle Creek and Whitby. It is not uncommon to see a Lear jet touch down for the pleasure of passengers who desire a truly relaxing "out Island holiday". The main tourist area at Whitby Haven is 6 miles from the airport. A one-way 12-minute sightseeing hop by TCNA from North Caicos to Provo costs only \$20.00.

Other modern services include reliable electricity, directly from Provo Power Corporation, owned by Canadians. While Provo may have 32 Cablevision stations, North Caicos now has at least 4, with further tie-in to local dishes available. Direct-dial telephone service and modern Fax machines to the continent, are quite a novelty on North Caicos. Only recently, the entire Island was served by one central crank telephone straight from a 1930's movie set.

One of the nicest links to various points on North Caicos's immense coast is still the slow way - the Island way - by boat. After all, if you visit an Island that is leap-frogging straight from the last century into the 21'st, why not enjoy it the way they did in the 19-hundreds, by boat? It's a good thing that Islanders are well-travelled and world-wise; it enables them to enjoy, along with us, this quantum leap in development yet retain their culture.

The people of the Island make it a special place. There has always been a good educational infrastructure here, including high school. It is an old, mature and self-sufficient Caribbean culture, quite different from other Turks and Caicos Islands. Thanks to particularly good teachers over the years, North Caicos has produced the "elite" of the Country's workforce, from skilled construction tradesmen to accountants, lawyers, and businessmen. As North Caicos remains largely undeveloped, a good part of its well-trained work force is on Provo and Grand Turk; but they know where home is.

The people from North Caicos have always been seamen as well, working the World's merchant marine. They are indeed world-wise. The 1800's sea trade with Canada's Atlantic Provinces has established a connection which remains to-day: Islanders' appreciation of Canadians, and desire for a Canadian trade link, are most pronounced on North Caicos. The mariner's link was symbolized not long ago when Albert Higgs piloted two Boston Whalers on an adventurers' odyssey from Ottawa, Canada, via the Atlantic, all the way to his home Island. This Island has always been a centre for native boatbuilding as well, with Islanders taking pride in their work. Fishing for conch and lobster are mainstays of the local economy. North Caicos has its own independant shipping service, originally developed by Lewellyn (Lou) Handfield, who was named Minister of Development in the recently-elected Government.

The people are self-sufficient.

RESORT AMENITIES

Whitby Haven is located along the north coast in the middle of the 10-mile Atlantic Beach. It is a natural resort village, with amenities very much like Sapodilla Village on Provo. Perhaps this is what attracts "Nautilus Villas": a compact, comfortable setting with water on two sides, and all amenities within walking distance.

Whitby Haven developers have cut a canal and dredged a natural "salina" (originally used by Bermudans to evaporate ocean water and manufacture solar salt) into a beautiful harbour for small boats and waterfront villas. Along the beach are ocean villas.

Each end of Whitby Haven is defined by a hill: Pumpkin Bluff with its cave on the west, and Hollywood Hill on the East, a 15-minute walk from the Prospect of Whitby Hotel below Pumpkin Bluff.

The Prospect of Whitby, built by the British who named it after the famous London Pub, is a classic 26-room out-Island hotel, spread out in one-storey wings among picturesque gardens. Its amenities include a handsome vaulted dining room, a small pub, and outdoor lunch terrace. The fresh-water pool and tennis courts will be available to Nautilus Guests on the same basis as they are to Ocean Beach.

Ocean Beach is a 10-unit (soon 20-unit) condominium hotel built by Canadian Peter Preikschat of Burlington, Ontario. It is between the Prospect and the "Nautilus Villas" site, and has a cozy restaurant. As its guests enjoy kitchens, like "Nautilus Villas" Members do, there is a small shop for groceries and vegetables. How handy for us all!

A ten-minute walk east of Hollywood Hill along the beach is Pelican Beach Hotel, built by North Caicos native Clifford Gardiner, who also has his own air charter service at rates competitive with TCNA. This small 6-room hotel is spotlessly kept, and has exceptional bar and restaurant facilities. The native town of Whitby, just behind Pelican Beach, also has a few stores and small local nightclub.

With a variety of facilities small-and-close-by, a few minutes walk in either direction, and a choice of beach or road as your route, "Nautilus Villas" Whitby Haven is ideally located. The final touch for diving enthusiasts is "Dolphin Cay Diving, Ltd", right behind us on the lagoon. The 1000 sq. ft. shop is an oasis for the travelling diver. The facility includes dockside storage, rinse and relaxation areas; three video screens to display your own underwater tapes - or - watch satellite TV from its own dish. Video cameras and E-6 processing on-site. Even for non-divers, the 40-foot catamaran flat-top "Surfbreaker" or the 28-foot Formula, are a great way to pic-nic while the others do the diving. The continuous barrier reef is a half-mile out, protecting the beach and its fantastic snorkelling waters. The thunderous white breakers crashing on the reef and the touch of Caribbean background so soothing, you will want to come back again and again.

From the central resort area of Whitby Haven, the interested traveller can explore the quaint villages whose interesting names we have listed. The old ruins of Plantations can take you back a few hundred years. The stone fences, the Spanish wells and the salinas are reminders of days gone by. So are the quaint fishing boats at Bellefield Landing and Bottle Creek.

Caves are fun: the one at Pumpkin Bluff has a raised level bank for campfires. A real spelunking expedition can be made to the giant Conch Bar Caves on Middle Caicos. You can reach the caves by a leisurely boat ride along the coast, or by car using the ferry.

North Caicos is sought after by people who come to relax in an old-world atmosphere to truly "get away from it all". There is nothing like an early-morning stroll, "shelling along the beach". Just you, the sand and surf.

THE MARKET

Marketing is the concern of the Developer, Turks and Caicos Link Limited. As "Nautilus Villas" Clubs are geared to permanent Membership and not to tourist income, prospective Members may have little interest in marketing, other than the pride of being a Member of a recognized and established private Club.

Our marketing studies have identified Provo and North Caicos, indeed the entire Turks and Caicos Islands as VILLA TERRITORY, as opposed to the out-of-date condo concept of the 70's in Florida and the Caymans. The spacious, private, ground-level villas, with the freedom of having your own kitchen (cook available) add a touch of luxury unavailable in a second-floor walk-up condo or hotel-room. Experienced travellers appreciate this. Private gardens add an extra touch of peace and quiet, distancing your holiday hideaway from passers-by. Yet, for congenial entertainment, living-dining-patio areas are large enough to cater to a substantial reception.

The upscale and professional individual may prefer the benefits of resort villas. The Club concept, however, brings villa holidays within the reach of a larger segment of the population, including experienced travellers who have learned that villa living is the only way to go on a holiday, with substantial saving over similarly-priced but cramped hotel rooms, and the freedom of preparing your own meals at substantial savings; or, eating out at a choice of local restaurants.

The CLIMATE of the Turks and Caicos Islands is dry, with a reliable, refreshing Trade Wind from the ocean, even in Summer. We may try to educate prospective Members from Canada and the US snow belt about our "perpetual June". We may ask them how often their continental summer vacation has been ruined by bad weather, and remind them that the Islands are dry, sunny and reliable even in summer and fall. Realistically, however, we will be catering for the summer and fall season to those who suffer from stifling heat and humidity at that time of the year. People from New York on down, across Florida, the southern States, Texas through California ALREADY KNOW that the North Caribbean Islands are dry, reliable and breezy in summer. Europeans are also summer travellers, and prospective Club Members of "Nautilus Villas". Thanks to the International Community, and our climate, there is no low season in the Turks and Caicos Islands.

So, in the summer and fall, expect to see a cosmopolitan mix of Members. The Developer, Turks and Caicos Link Limited, already has a trilingual Swiss Travel Agency Associate based in Florida to help handle this summer and fall volume.

With the help of Swissair from Europe, and Pan Am's daily flights to the Islands from Miami and New York, we have Jet connections to please everyone. Canadians and Upper New York State visitors can avail themselves of weekly, reasonable charter flights on Canadian Airlines International from Toronto and Nationair from Montreal.

WHAT DOES "NAUTILUS VILLAS" OFFER ?

The security of equity Membership in a stable Island under the British Legal System, in an American Dollar Economic Zone, is a strong combination. The commitment and perseverance of the Developer, Turks and Caicos Link Limited, whose principals have dedicated their lives to the Turks and Caicos Islands since 1974, adds to the stability with long-term planning. Their prediction in the early 80's of a trend towards villa development in the Islands was correct. "Futurists" now predict that by the year 2000, tourism will be the World's biggest Industry.

How will you secure your "Place in the Sun" ?

"NAUTILUS VILLAS" SHEARWATER BAY LIMITED

THE LAND AND ITS ENVIRONMENT

"Nautilus Villas" Shearwater Bay Limited, your Club Villa occupies the prime lot of Nautilus Villas, a group of 12 resort villas built in 1984. The land and villa are held as Freehold Title, in SAPODILLA VILLAGE, a Canadian development on Providenciales. The Village, started in 1980 with the Mariner as base hotel, is on long and narrow Sapodilla Peninsula. This four-mile peninsula, which divides Chalk Sound from the Ocean, is just wide enough to have all-waterfront lots on each side of a central road. "Nautilus Villas" is located at the narrowest point in the peninsula, right across from Sapodilla Beach.

Our land forms a promontory jutting into turquoise-colored Chalk Sound, with its interesting ironstone shores. We have a dock for our two sailboats and canoe. We also have a natural crescent bay where 20 loads of local sand will create a fine lakefront beach, and the natural inlet by our property continues on as a canal with pretty bridges, to form an island at Club Neptune next door. Ideal for small boat exploration.

A 500-foot walk along the natural section of this channel and across the road, brings you directly to the best part of Sapodilla Beach. It is one of the most protected ocean beaches in the Caribbean, shallow 'way out' and ideal for family swimming. Sapodilla is surpassed only by Taylor Beach, also a part of our Village, and only a ten-minute walk along the main road. Our concept: a choice of amenities and beaches, all within walking distance.

The geography of Sapodilla and Taylor Beaches is exactly the same: a big hill and a point for commercial hotel, diveshop and marina development, followed by a sheltered ocean beach and sand. While Taylor is as yet secluded and undeveloped, Sapodilla Beach now has the "Wet Pleasures" marina, diveshop and restaurant, as well as the Mariner Hotel, Lounge, Restaurant, and the German Suncrest Bakery. All just a 10-minute barefoot walk along the beach from "Nautilus Villas".

Chalk Sound itself is more than a lake: it is a 5-mile long "Sound" which means it is tidal, and is connected to the sea by a 1 1/2-mile channel called "Silly Creek". Chalk Sound contains 365 small islands. The first, "Shearwater Island", is located directly across from "Nautilus Villas". The island is named after the rare loon-like birds which nest in its small caves.

It is important to note that in September, 1987, the Turks and Caicos Government officially designated Chalk Sound as a NATIONAL PARK. This means there will be no more subdivisions on

its shores, ever. The rare Giant Iguana, living on some of the islands, the Shearwaters, the Yellow-billed Tropic Birds, and the Flamingo ponds at the far end, are all protected. So is the abundant marine life, including several species of sea turtles. Owning the last available site on National Park Waterfront adds prestige and value to your Club, "Nautilus Villas" Shearwater Bay Limited.

The Club's land juts out as a point into Chalk Sound. This allows for an unobstructed view of the island-studded, turquoise waters. This breezy side of Sapodilla Peninsula is particularly pleasant because the refreshing Trade Winds come right across the Sound. Air conditioning is simply not necessary, even in summer. The lapping of waves, the Island peace, assure all a good night's rest.

"NAUTILUS VILLAS" SHEARWATER BAY

THE PROPERTY

"Nautilus Villas" Shearwater Bay Limited is offering a resort villa which was completed in 1984. Since that time, improvements have been added: window trim, decorative stone corner fascia, and a wide hand-cut, stone staircase in front; and landscaping has had time to establish itself.

The villas are Canadian-built by Pri-Tec International of West Carleton (Ottawa). They are designed to be indestructible by wind, fire or water, inasmuch as they are made of high-pressure fibre-concrete panels and roof, on a commercial steel frame. Roofs are of a computer-generated rhombidodecahedron design for wind resistance. Floors are ceramic tile on reinforced concrete throughout, for easy cleanup after usage. The concrete basement includes equipment room, and two oversize water catchment cisterns of 7,000 gallons each. Nautilus House itself is 22 ft. by 32 ft., and of the luxury one-bedroom villa design, whose floor plan and interior photo are illustrated in our "Escape" brochure. The villa has a complete kitchen, a moveable bar with stemware, a dining table for six, and a living room. Nautilus House has comfortable decks on 3 sides, for a choice of sun or shade, with patio furniture sufficient for breakfast outdoors. It is the only villa to have a complete dock for sailboat or canoe excursions on Chalk Sound. The Nautilus Villas project has a central oval drive around a "reception island" for check-in and check-out of Members and Guests.

"Nautilus Villas" was designed and built with infrastructure to handle two more twin units, and still has Planning and Development Authority's original approval to carry this out. We plan to adjust the design of these two additional villas to emulate the North Caicos two-bedroom design. Again, built of

solid concrete - with the additional advantage of being handicap accessible. In fact, "Nautilus Villa", built high up, already has a full driveway ramp along the side and up to the front door, capable of handling a "handivan". Please let us know if you wish to place an advance application for Membership in these two new Villas of "Nautilus Villas" Shearwater Bay Limited.

In the Islands, wood construction is the least expensive way to build. Why do we prefer concrete? It is hurricane-resistant and termite-proof. Fire resistance lowers insurance costs. In the tropics, "concrete is cool", an excellent insulator and thermal mass. It keeps the cool of the night into the day, while on cool evenings, it radiates the warmth of the day. Now you know why Mediterranean architecture emphasizes concrete. Your Membership is "in perpetuity". With our insistence on quality, we hope the villas will last a long time too.

The 12-villa resort of Nautilus Villas has had 4 years of management and tourism experience. It has become included in all publications concerning the Islands, as well as international reviews like "Foder's Caribbean Handbook", "Bahamas Yachting Guide" and the recent August 88 "Skin Diver" magazine.

You are not investing in a plan, and hoping that it will be finished on-time and on-budget. You are investing in solid steel and concrete, in a Club which carries an established, franchised name, "Nautilus Villas".

HISTORY AND DESCRIPTION, SAPODILLA VILLAGE

Canadian involvement in the Turks & Caicos Islands began when Cambridge, Ontario Member of Parliament Max Saltsman popularized "Association" with Canada in 1974. Canadians began with minor activities in Grand Turk, South Caicos, and North Caicos. They later realized that Provo was where the action would first be. In September 1977, Max Saltsman, Commodore Dick Whiting and Ralph Idema founded the "Turks & Caicos-Canadian Association", which brought together the first groups of serious Canadian pioneer developers, from Winnipeg to Toronto and Ottawa.

Ottawa-area developers carefully worked out the ideas behind Sapodilla Village, named after the choicest piece of Provo, starting in 1978. This narrow tongue of land, Sapodilla Peninsula, is an average of 600 feet wide, separating 5-mile long Chalk Sound from the Caribbean Sea. Therefore, all properties are waterfront. There are two major promontories, Sapodilla Hill and Taylor Hill; each is followed by perfect a crescent beach, each within walking distance of the other.

A development company, Condor Real Estate, Ltd., was formed, and hired one of Ottawa's top land planners, Corush, Laroque, Sunderland and Partners, Ltd., to develop a workable land plan. The result was a plan of mixed commercial and private property, to create a village atmosphere with community spirit. Basic amenities such as restaurants, activity areas and watersports were to be within walking distance. Keeping a relaxing, tranquil atmosphere was considered important, the busy shopping area, supermarkets, bank and medical clinic are 3 1/2 miles away, a short ride along a paved road. This "downtown" area includes the large, modern 8,500-ft. Provo International Airport. The drive to Sapodilla is very scenic, following a high ridge with turquoise Chalk Sound on one side and the Caribbean on the other.

SAPODILLA VILLAGE got off to a physical start with construction of the MARINER HOTEL, 25 rooms, in 1980. Today, the desired village atmosphere is actually being realized. Past the eastern base is the fish plant, a leisurely 20-minute walk, where conch, lobster and fish can be had wholesale for a Caribbean delight in your well-equipped villa. (You can hire a cook!). At the village base is South Dock, the major port of entry, hidden by 80-foot high Sapodilla Hill. It is interesting to watch ships unload, and sometimes you can barter for fresh Dominican produce and fruit. Next is the Suncrest (German) Bakery, as well as the Mariner Lounge and Restaurant. A three-meal package deal also provides villa guests with a weeks' pass to the Mariner Pool. These facilities are at the far (East) end of Sapodilla Beach, a barefoot 10-minute walk through the sand from Nautilus Villas. Bring flip-flops to cross the road.

Also at the East end of the beach is PROVO AQUATIC CENTRE,

the country's largest dive operation with 3 divemasters, a 20-diver power launch, and a variety of smaller craft. Several of the yachts and large sailboats anchored at Sapodilla Bay will take visitors on romantic day sails or overnight trips to uninhabited islands. Provo Aquatic's entry of our centuries-old safe anchorage, Sapodilla Bay, into the Bahamas Yachting Guide, and their service facility, regularly attracts up to 25 picturesque yachts and sailboats, and regular charter operators. You can go bonefishing on the banks or charter a deep-sea excursion for marlin. You can rent snorkel equipment to explore the wreck of the "Anna" in shallow Sapodilla Bay, or go windsurfing or sailing. A small bar-lunch counter and entertainment centre with live band certain nights, caters to boaters and villa guests alike.

Leaders of the Toronto group building the \$55 million SHERATON COMPLEX on the north shore have always enjoyed Sapodilla Village. They have just bought the entire PROVO AQUATIC CENTRE and are preparing to add a quality restaurant. The new marketing logo for the marine activities complex is WET PLEASURES, a name certain to attract attention.

At the start of Sapodilla Village on Chalk Sound, is Club Neptune villas. This villa resort complex of 42 planned villas is being built in 4 phases. The first 10 villas are now built. The resort is separated from Nautilus Villas by a natural inlet from Chalk Sound, which has been extended along a natural valley to create an island. This canal has two bridges providing access to the island. Amenities include a large pool and deck, a poolside bar-grill and washroom facilities and a "sportcourt".

On the other (West) side of Nautilus Villas is Chalk Sound Villas, developed by an Atlanta, Georgia group. It is a series of 16 lot-with-villa investment packages along Chalk Sound, in the US \$ 265,000.00 range. All are under strict architectural covenants. As of August 1988, all were sold, with 10 already built.

On the Caribbean side of Sapodilla Peninsula, all lots available for private villa construction are sold. The villas already finished are a fascinating study in Caribbean Architecture, and include established names from Britain, the US, and Canada.

The newest development at Sapodilla Village is "Taylor Hill", an 8-lot luxury villa development by an Atlanta group, with prices starting at \$400,000.00 US. It will also include a small luxury hotel.

The 3 remaining tracts for development at Sapodilla Village are Sapodilla Bay (15 acres) being sold as 20 villa packages in 1989, Taylor Bay/Beach, a wholesale development tract of 21

acres, and Clearwater, a 30-acre tract along Taylor Bay and the West Marina site.

Provo is villa territory, and the experienced traveller is tired of hotels and second-storey walkup condos. The privacy of a villa, its ample room, decks and gardens, prevents that "cooped-up" feeling. Individuals may save on breakfast and lunch yet "splurge" on dinner, or have a private cook in at a very reasonable price.

The original, "Nautilus Villas", pioneered the principle of Resort Villa Enjoyment. Please read the reference letter concerning them, from Steve Nasra, President of a group of tour wholesalers which includes "Turks & Caicos Tours".

COMPARABLES FOR EVALUATION

1. LAND. On Provo, there is generally no waterfront land available under US \$100,000.00 per lot or per acre. Inland, away from the breeze, where tourists will not stay, the prices drop dramatically to \$20,000.00, unless it is a hilltop lot, where prices are right back to \$100,000.00. Prices are often higher, depending on location.
2. CHALK SOUND LAND owned by CHALK SOUND VILLAS. This Atlanta-based company, sold the last 3 of its 16-lot project (all under an acre) at the listing price of US. \$95,000.00 in 1988.
3. SAPODILLA VILLAGE LOTS ON CHALK SOUND. Four lots in all, they are the last remaining lots on Chalk Sound, recently listed at US \$95,000.00 each.
4. TAYLOR HILL lots-with-villa listing: Eight properties by the Atlanta group, for a land-and-construction package of US \$400,000.00 per villa. The land portion, just over half an acre each, is listed at US \$150,000.00. This is the newest development in SAPODILLA VILLAGE. (The 20-lot subdivision at SAPODILLA BAY has not been offerd as yet.)
5. CONSTRUCTION COSTS in the Turks and Caicos Islands, at approximately US \$125.00 per square foot, are extremely high, as everything, including aggregate and cement, must be imported on light Caribbean freighters or by air.

"NAUTILUS VILLAS" WHITBY HAVEN LIMITED

"Nautilus Villas" next project is on a prime property, on Admiral's Road at the entrance to the resort village of Whitby Haven. Just as our Provo counterpart at Sapodilla Village was started a few years before Provo began its rapid economic expansion, so Whitby Haven is the leader of North Caicos development.

Similar to Sapodilla, Whitby has all amenities within walking distance: the Prospect of Whitby Hotel with its dining room, bar, patio, pool and tennis. Next is Ocean Beach with its intimate dining room and small grocery store to supply condominium and villa guests; Pelican Beach Hotel with its excellent native dining and lounge, and Whitby Village with its small store and local night-club - and friendly people. Dolphin Cay Diving, Ltd., just behind Nautilus on the dredged lagoon, was described in the August, 1988 issue of Skin Diver, as having all facilities for the modern diver. Two boats, a 40 and a 28-footer, will also take non-divers and snorkelers for beach picnics on uninhabited cays.

This "Nautilus Villas" site is on the Atlantic "Big Beach" as opposed to the calm leeward beach at Sapodilla. The rhythmic booming of breakers on the barrier reef, half a mile out, will lull you into a deep Island sleep at night. This beach is the typical wide North Shore beach, and you can walk for 10 miles along it. The continuous reef, half a mile out, protects coral-dotted waters ideal for snorkeling or diving, and teeming with fish. A variety of small boats can be rented at the Prospect of Whitby to explore the coast, and islands like "Three Mary Cays", a National Park nearby.

North Caicos will be next to develop after Provo. However, it will all be calmer, aimed at the "laid-back" out-island way of villa living; a residential garden-island. The big-hotel-and-casino strip of Provo is only a 12 minute \$20.00 ride away on TCNA's twice-daily air taxi.

At Whitby Haven, we have adapted our experience from previous villa design. The large open living area of Nautilus House at Sapodilla was the most successful design to-date. At Whitby, we have added to the central, open living-dining area by including a "lanai" or screened "Florida Room". We have also designed two super-large bedrooms and an especially spacious bathroom.

Why? Because we have planned our Club to accomodate the growing sector of our population who are inconvenienced by physical handicaps, major or minor. Our villas are designed for resort living. By allowing ample room for the turning radius of wheelchairs, we give all Members and Guests a true sense of

spaciousness and luxury. Special bathroom and kitchen features are so thoughtful, you'll wish you had them in your own house back home! Needless to say, all doors are wide; every room has direct outside access to private gardens, and all exits and walks are smooth.

Just as we have found at Sapodilla, reinforced concrete is the most permanent way to build. The concrete floors are finished in ceramic tile throughout, for luxurious tropical living, long wear and easy cleaning. Cathedral ceilings leading to "wind chimneys" keep the villas so well ventilated by the Trade Winds, you will never need air conditioning. There is so much outside window and door space, you will feel as if you are living in a tropical garden.

These gardens will be watered by a Toro drip irrigation system coming from our own Clearwater Municipal treatment plants. The planned tropical gardens will provide fresh fruit and flowers galore. To really catch the ocean view above the gardens, villas have 9-foot high elevated decks, with 8-foot wide walkways between them. This feature will have Members and Guests upstairs for breakfast, to watch the sun rise over the breakers. The panoramic view will delight Members with relaxing hours in the breeze, a long cool drink by their side.

The 120-acre Whitby Haven Village is located on level, elevated beach ridges, and all facilities, including all hotels, stores, and dining facilities, are at ground level. Unlike North America, there are no curbs. This may be great for bicycling, but it is crucial to people with wheelchairs, and to people with limited peripheral vision who, at Whitby, do not have to worry about "tripping over things".

"Nautilus Villas" Whitby Haven will consist of eight, 1035-square foot villas in the First Phase, and the same number and design in the Second Phase. We will take Advance Membership Reservations in this ideal out-Island Club, and we encourage you to think about reserving your favourite holiday period while room is still available.

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5. DEVELOPMENT ASSISTANCE

6. SOCIAL

BASIC COUNTRY DATA
TURKS AND CAICOS ISLANDS

Area: 500 sq. kms.

Population: 8,000 (1983)

Towns: Grand Turk 3,200; Cockburn Harbour 1,400

GNP: (1980) U.S. \$15 million

Exports: (1984) U.S. \$3 million (crawfish, conch)

Imports: (1984) U.S. \$26.3 million (food, clothing, fuel)

The Turks and Caicos Islands are composed of two island groups located South-East of the Bahamas in the North Atlantic Ocean. The Turks group consists of two inhabited islands, Grand Turk and Salt Cay, and uninhabited islets. The Caicos group comprises main islands of South Caicos, East Caicos, Grand Caicos, North Caicos, Providenciales, West Caicos and other islets. Prevailing South-East trade winds bring equable weather with temperatures ranging from 15 degrees celcius to 32 degrees celcius. There is variable rainfall averaging 53.5 cms/year and as a result water conservation is most important.

The Turks and Caicos Islands is a British dependency governed by an Executive Council headed by a British appointed Governor. There is a Legislative Council of 11 elected members, 3 appointed members and 3 official members. The Turks and Caicos is represented in Canada by the British High Commission in Ottawa.

While no statistics on trade with Canada are available, Canadian products make up a relatively large share of Turks and Caicos imports. There are opportunities for Canadian exporters of food and hardware items provided they have made suitable arrangements to ship their products to Miami or Fort Lauderdale economically for consolidation and forwarding. There is also a potential market in the hospitality industry. Canadian exporters in these fields may request a list of contacts in their areas of expertise by writing:

Commercial Section
Canadian High Commission
P.O. Box 1500, Kingston 10
Kingston, Jamaica

Information on rules and regulations covering property transactions and commercial investment in the Turks and Caicos Islands may be obtained by writing:

The Chief Secretary
Government House
Grand Turk
Turks and Caicos Islands
West Indies

Caribbean and Central America
Trade Development Division/LCT
Department of External Affairs
Contact: Mr. R.E. Evans
Telephone: (613) 996-3877

April 1987

LINER VESSELS ENGAGED IN DIRECT SERVICE

BETWEEN CANADIAN EASTERN PORTS AND

CARIBBEAN & NORTH EAST COAST OF S.A.

(From December 1988 to March 1989)

Carrier/Vessel	Flag	Ship Type	Maximum Draught	
			(Meters)	(Foot approx)
** GLIL - SAGUENAY SHIPPING				
- SunWind	Lib.	Gen. Cargo	8.92	29
- SunStinnes				
- SunPassat	Cyp.	Gen. Cargo	9.77	32
- SunBlizzard	Lib.	Gen. Cargo	9.06	29
- SunBrisa				
- SunStar	Lib.	Gen. Cargo	8.92	29
GRANCOLOMBIANA				
- Arturo Gomez	Col.	Gen.C/Container	9.75	32
- Almirante Jose Padilla	Col.	Gen.C/Container	9.75	32
- Cartagena De Indias	Col.	Gen.C/Container	9.75	32
NETUMAR				
ARVIDA				
NAVIERA LAVINEL				
- Netuno	Brz.	Gen.C/Container	9.62	31
- Minerva	Brz.	Gen.C/Container	9.62	31
- Zeus	Brz.	Gen.C/Container	9.62	31
** KENT LINE				
- Irving Timer	Berm.	RoRo/Gen.C	8.15	26
- Irving Carrier	Cda	Deck Cargo PonToon	4.90	16
- Rothesay Carrier	Cda	Deck Cargo Pontoon	4.90	16
SCOTT				
- Stephan J	Frg	RoRo/Gen.C	6.08	20
- Calypso	Frg	Gen.C	6.04	20
- Scot Survivor				
- Albatros	St.Vincent	Gen.C.	3.01	10
ZIM				
- Zim California	Israel	Container	10.39	34
- Zim Iberia	Israel	Container	11.52	38
- Zim Montreal	Israel	Container	11.53	38
- Zim Haifa	Israel	Container	10.39	34
- Zim Genova	Israel	Container	10.39	34
- Zim Hong Kong	Israel	Container	11.53	38

**Canadian owned and/or managed.

Glil - Montreal



APR - 4 1989
AVR - 4 1989

Mr. Dan MacKenzie
2180 Maine Drive
#1606
Oakville, Ontario
L6L 5V2

Dear Dan:

As requested, attached please find a list of those shipping companies which service the Eastern Seaboard between Canada and the Northern Coastal Communities of South America.

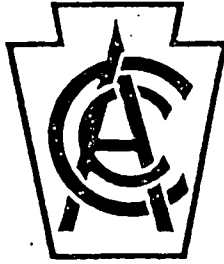
Should you require any further assistance, please feel free to call me at 991-0700.

Yours sincerely,

Stephen Stewart
Special Assistant - Marine

C.C.: Phil Brady

*Grant
manary
998-0702*



"CANADA'S OFFICIAL DEVELOPMENT
ASSISTANCE POLICIES AND PROGRAMS"

SUBMISSION BY THE
CANADIAN CONSTRUCTION ASSOCIATION

TO THE

HOUSE OF COMMONS
STANDING COMMITTEE ON EXTERNAL AFFAIRS
AND INTERNATIONAL TRADE

MARCH, 1987

The Canadian Construction Association welcomes this opportunity to provide a number of recommendations regarding the Discussion Paper on Issues in Canada's Official Development Assistance Policies and Programs.

The CCA represents 25,000 member construction firms in the non-residential construction market, employing approximately 600,000 workers. Many successful development projects employing Canadian ODA have been implemented by CCA members.

As Canada's builders, the industry has established an international reputation for excellence and for our unlimited project construction capabilities. The experience of developing Canada's immense physical infrastructure, which propelled our nation into the ranks of the world economic leaders, has enabled our members to venture internationally to construct the same necessary infrastructure for less developed countries. These experiences generally have been valuable to both Canada and the recipient country and form the basis of the considerations raised in this submission.

The Canadian Construction Association supports the view of most Canadians that our aid be fundamentally humanitarian - to alleviate human suffering and promote social justice, but suggests that aid responsibly delivered can also promote the development of Canadian Exports.

Canada's current assistance program attempts to support the efforts of developing countries in fostering economic and social programs, placing emphasis on poorer developing countries and the needy within developing countries. These objectives are pursued through official bilateral programs, multilateral development institutions and support of the development activities of non-governmental organizations and the private sector.

This current mix of delivery programs has evolved over the years to the changing objectives of Canada's ODA and from the lessons learned from over 25 years experience of aid programs. Realistically the commitments of multilateral and various bilateral programs preclude major reform in the near future.

CCA believes the delivery programs should continue to be structured in two basic categories:

- Programs for Short Term Emergency Relief
- Longer Term Permanent Development based on the LDC need and Canadian Technological and Industrial Strength

CCA has no strong view with regard to what the appropriate share of ODA for each category should be, but would maintain that the current balance appears to be a satisfactory equilibrium. The construction industry has not been a participant in the delivery of

short term emergency relief and therefore will not offer comment on this area. The industry does participate in development assistance, mainly through the multilateral and bilateral programs of CIDA. The remainder of our submission will focus on Canada's objectives and delivery of development assistance through CIDA.

MULTILATERAL AND BILATERAL ASSISTANCE PROGRAMS

Canada channels approximately 25% of ODA to the development banks, which in turn assists in financing development projects in 150 plus countries. In 1985/86, the government of Canada allocated \$545 million to this multilateral program. The Canadian construction industry, along with other Canadian exporters, have found this program to be of little opportunity and benefit. Factors such as tendering preferences, foreign subsidization and assistance, and intense competition put this potential market out of the reach of most Canadian exporters.

The CCA recommends that given the degree of Canadian ODA channelled through multilateral institutions, there must be a corresponding level of support for the Canadian exporter ensuring project participation, commensurate to that of other donor nations.

In 1985-86, 30% of Canada's \$2.2 Billion assistance went to

bilateral programs according to CIDA's 1985-86 Annual Report. A total of \$653 million was directed to 1000 projects in 85 countries.

CCA recommends that our development efforts under the bilateral program be more focused on certain regions that would enable Canada to promote projects and development reflective of our Canadian expertise.

Infrastructure development and hydro electric development are excellent examples of where Canada has a demonstrable expertise. The matching of Canadian aid in bilateral programs to projects we excel at, can achieve both development objectives and improve Canadian commercial interests. CCA feels a more focused approach will also beneficially reduce the countless feasibility studies that CIDA undertakes annually but are eventually dismissed.

On the issue of tied-aid, the CCA would suggest that the requirement that 80% of the overall commitment be for the purchase of Canadian goods and services with a two thirds Canadian content is not dissimilar to other industrialized donor Nations. In addition to tied-aid, other countries engage in a variety of strategies (political and/or economic) to ensure its national firms are ideally positioned to benefit from any project consideration. In this context, it is appropriate for a segment of development aid to be tied to Canada. CCA agrees with the view of most Canadian business groups that it is one of the few levers available to help Canadian firms compete against

established trading relationships (colonial ties) or trading relationships based on intimidation (economic, political, military).

If Canadians agree that tied aid should continue to be a component of our development aid program, then it is incumbent for policy makers to ensure Canada achieves an effective measure of benefit for both the recipient country and Canada.

It is the assertion of many construction firms that CIDA bilateral programs are not structured/implemented to realize the full benefit of Canadian participation. Numerous contractors contend that CIDA delivery of development projects favours the Canadian consulting engineer to the exclusion of contractor and manufacturer input. The CIDA process of project identification, prefeasibility and feasibility study and project implementation does not seek to benefit from the knowledge and experience of Canadian contractors and manufacturers in a Team Canada strategy - a consortium approach utilized by many industrial nations. Rather, in many instances the CIDA process precludes the participation of Canadian contractors and manufacturers, both who bring to the project time proven expertise at a cost competitive price.

The Canadian Construction Association asserts that the realization of the successful development project, on-time and on budget, requires that each phase: design, equipment manufacture and

construction, be executed by professionals who bring to the project demonstrated expertise founded on specialized knowledge and hands-on experience.

Nothing is more damaging to the goals and integrity of an aid program than a project that does not realize its objective due to a breakdown in one of the project phases. There are many examples of aid projects failing in one of these phases, including Canadian funded projects. Undoubtedly there will be more but Canada should do all it can to ensure our development funded projects are initiated and delivered successfully.

CCA strongly recommends that projects employing Canadian ODA utilize a "Team Canada" approach, comprised of Canadian consulting engineers, manufacturers and contractors - each with a responsibility matched to specific capabilities and demonstrated experience.

The enhanced participation of "bonafide" construction firms in the construction phase or construction management phase of development projects provides significant benefits to the recipient country in terms of skill training for local workers and also construction managerial and technical transfer to local firms via joint ventures or sub-contracts. By utilizing a Team Canada approach, the vulnerability of the project being over budget and late in delivery is minimized so

as to benefit the recipient country with the timely start-up of the project and its immediate contribution to the local economy.

An excellent illustration of such benefits was the construction of the Maduru Oya irrigation dam in SRI LANKA by a consortium of Canadian contractors. The project financed by CIDA, employed 2200 Sri Lankans on site. At the commencement of the project, they were all basically unskilled workers, but under the guidance of Canadian instructors, they rapidly became proficient and learned permanent new skills. The project was completed on time and on budget - a credit to the Team approach taken by CIDA, the Canadian contractors and consultants associated with the project. This is but one example of a completed project utilizing Canadian construction firms overseas which was delivered on time and within budget. These last two aspects cannot be emphasized enough when contemplating the critical need for most aid projects to be operative as quickly as possible and secondly from a donor's fiscal point of view when all public dollars are under scrutiny and subject to competing interests.

The CCA would also wish to comment on the benefits accruing to Canada of the increased participation of our contractors on ODA financed projects. In a study prepared for the Department of Regional Industrial Expansion ("The Benefits from the Export of Consulting and Construction Services". March 1986, Robertson Nickerson Ltd.) it was shown that the benefits to Canada of having a Canadian construction

firm participate in a Canadian funded project equaled 27.1 percent of the total capital cost of the project. The same study showed the direct benefits to Canada of a consulting engineer participating on a Canadian funded project equaled 4.1 percent and when the indirect benefits were added in, the total came to 19.6 percent. When the study examined the benefits to Canada of constructing civil construction projects abroad, it was found "that contrary to a prevailing perception, projects completed by Canadian Civil Contractors return a high level of benefit to Canada, i.e., 58% by contract value and 48.6% by total project cost.

Utilizing the results of a survey of construction and engineering firms, the study constructed a model of Canada's participation in a hypothetical project to conceptualize opportunities and benefits and to demonstrate linkages between participants. The study found that "the greatest potential for increased Canadian benefits per project is with the construction and equipment sectors, as the consultants are operating at close to their maximum direct benefits". It was estimated that each additional 10% participation by the construction and equipment sector above their present 20-25% in a hypothetical \$530 million project, will generate in total approximately 645 additional person years of employment.

SUMMARY

The CCA believes there is a need for policy makers to review the

delivery process of development aid projects through CIDA Bilateral programs. The delivery of projects should require a Team Canada Consortia approach where feasible, consisting of consulting engineers, manufacturers and contractors - each with a responsibility matched to specific capabilities and demonstrated experience.


SUMMARY OF RECOMMENDATIONS:

- The Canadian Construction Association supports the view of most Canadians that our aid be fundamentally humanitarian - to alleviate human suffering and promote social justice, but suggests that aid responsibly delivered can also promote the development of Canadian Exports.

- CCA believes the delivery programs should continue to be structured in two basic categories:
 - Programs for Short Term Emergency Relief
 - Longer Term Permanent Development based on the LDC need and Canadian Technological and Industrial Strength

- The CCA recommends that given the degree of Canadian ODA channelled through multilateral institutions, there must be a corresponding level of support for the Canadian exporter ensuring project participation commensurate to that of other donor nations.

- CCA recommends that our development efforts under the bilateral program be more focused on certain regions that would enable Canada to promote projects and development reflective of our Canadian expertise.
- CCA strongly recommends that projects employing Canadian ODA utilize a "Team Canada" approach, comprised of Canadian consulting engineers, manufacturers and contractors - each with a responsibility matched to specific capabilities and demonstrated experience.



Robert E. Nuth

President

Canadian Construction Association

85 Albert Street, Ottawa, Canada K1P 6A4 Telephone (613) 236-9455 Fax (613) 236-9526

March 30, 1989

Mr. Dan MacKenzie
2180 Marine Drive #1606
Oakville, Ontario
L6L 4V2

Dear Mr. MacKenzie:

It was a pleasure speaking with you recently regarding the construction export opportunities in the Turks and Caicos Islands.

As promised, please find enclosed some of the Canadian Construction Association's concerns with respect to international construction opportunities, as outlined in recent submissions to the government.

I would be pleased to discuss this issue further with you or answer any questions you might have.

With kind regards,



Michael Makin
Government Relations Officer

Encls.

MM/sc

c.c: R. Shishakly



Canadian Construction Association

85 Albert Street, Ottawa, Canada, K1P 6A4 Telephone (613) 236-9455 Telex 053-4436

M E M O R A N D U M

TO: Members of CCA's Construction Exports Committee
FROM: Michael Makin, Committee Secretary
SUBJECT: GOVERNMENT RESPONSE TO THE WINEGARD REPORT

On September 18 the Federal Government formally responded to the Winegard Report by tabling a document in the House of Commons entitled: Canadian International Development Assistance: To Benefit a Better World.

The report addressed the complete 115 recommendations of the House of Commons Standing Committee on External Affairs and International Trade and is a first step towards the introduction of the Government's major new aid strategy which will be announced later this fall by External Relations Minister Monique Landry.

Adhering to the principle themes identified in the Winegard Report, the Government's response also highlighted concerns in the areas of human resource development, education, health and human rights as well as the involvement of women in the development process. It is not surprisingly, therefore, that the Government completely accepted 98 of the Winegard Committee's recommendations, partially accepted a further 13 and only rejected four. Unquestionably the Government's "rubber-stamping" of the Winegard Report will change the policies of Official Development Assistance in Canada for many years to come.

Particular Concerns of CCA:

In CCA's response to the Winegard Report last summer, the Association raised its concerns on four principle issues. These included the decentralization of CIDA, tying aid to human rights, the untying of the 80% rule and human resource development.

GOVERNMENT RESPONSE TO THE WINEGARD REPORT

Decentralization:

CCA responded favourably to the Winegard Committee's recommendation that CIDA become decentralized but argued such decentralization be from CIDA Headquarters to International posts and not merely an increase to the beaurocracy.

The Government's response concurred with this view. Its report ensured more of CIDA's Hull Staff would be transferred to the field and also that they would be given increased decision-making authority; both with the purpose of expediting the delivery of aid.

Tying of Aid to Human Rights:

One of the most difficult issues to address was the Winegard Report's recommendation that AID be disbursed based on the Human Rights practices of receiving countries. While CCA has always advocated the fundamentally humanitarian principles strived for in the deliverance of AID, it could not unequivocally support the Committee's recommendation, primarily because it did not view the "rating system" as the appropriate mechanism with which to deal with the problem. It expressed the concern that to take such actions would only be to the detriment of those most in need of the aid; the poorest persons.

The Government itself could not unconditionally support this recommendation, and articulated many of the same arguments brought forward by CCA. It expressed the view in its report that to use a classification grid the government would be taking a "punitive and judgemental rather than positive and developmental" approach. Moreover, it argued another danger of such an approach would be that the victims of such abuses would be "doubly penalized by being deprived of needed outside help as well as of their rights." The Government claimed the best way to address such problems would be through the "appropriate multilateral organizations and institutions, and through bilateral contacts" with the concerned countries. As such the report indicated, "Canada will continue to use a combination of public pressure and private persuasion to register its concerns."

Linking Aid and Trade:

The Canadian Construction Association also expressed its opinion that the present 80% Canadian content rule applying to the purchase of goods and services be maintained, and disagreed with the Winegard recommendation that it be relaxed. CCA argued the 80% rule is one of the few mechanisms available to Canadian firms to help them compete internationally and stressed that any untying of aid should be strictly governed and limited to bona fide "local" procurement and not merely to what is available locally.

GOVERNMENT RESPONSE TO THE WINEGARD REPORT

Linking Aid and Trade Cont'd:

Unfortunately, the Government sided with the Winegard Committee's recommendation. As such, bilateral assistance to Africa South of the Sahara and to Least Developed Countries in other regions may now be untied up to a level of 50%. Other countries may be accorded an untied percentage of up to 33.1/3 per cent.

Human Resource Development:

CCA concurred in its response to the Winegard Report that human resource development was an essential element to Canada's aid program. It questioned however the Committee's recommendation to move away from capital projects to enhance such development. CCA continues to argue that the development of infrastructure in any aid program complements the development of human resources and vice-versa.

Once again, however, the Government's report has re-confirmed a commitment to focus greater efforts on training and education than on the capital projects which have developed and maintained the physical infrastructures of recipient countries. This of course will be of great benefit to the NGO Community but certainly not to those involved in the development of Capital Projects abroad.

BACKGROUNDER
TO BENEFIT A BETTER WORLD

Response of the Canadian Government to the Report of the
Standing Committee on External Affairs and International Trade
September 18, 1987

"To Benefit a Better World" - context

- in the current fiscal year 1987-88, Canada's Official Development Assistance (ODA) amounts to \$2.7 billion, meeting the Government's target of 0.5 per cent of Canada's GNP and representing about two per cent of federal spending
- Canadian aid policy was one part of the report issued in 1986 by the Special Joint Committee of the Senate and House of Commons on Canada's International Relations; one vital issue in development was examined by the Senate Committee's report on debt released in 1987; now the report of the Standing Committee on External Affairs and International Trade (SCEAIT) represents a major Parliamentary contribution to this process of reviewing Canada's development cooperation
- To Benefit a Better World is the Government's immediate response to the specific recommendations in the SCEAIT Report
- for the long-term, the Government will issue its overall strategy for development cooperation to the year 2000 later this fall

"To Benefit a Better World" - themes

- poverty alleviation, represented by a focus on the poorest countries and the poorest people
- new partnership between Canadians and people in the developing world, principally through the business sector, the non-governmental community, and educational institutions
- ODA target of 0.5 per cent of GNP, which the Government achieved in 1986/87 and will maintain for the rest of the decade, beginning in 1991/92 rising gradually to the 0.6 per cent mark by 1995 and 0.7 per cent by the year 2000
- improved effectiveness and impact of Canadian ODA

"To Benefit a Better World" - commitments

- . . . to human resources as the overriding objective of Canadian development assistance, including:
 - special focus on women in development
 - emphasis on education and training
 - a \$1.3 million value program for university-administered scholarships
 - efforts to reduce barriers to foreign students
 - infrastructure projects to have more training and technical assistance components
 - primary health and literacy as critical points for attention
 - creation of a Development Associates Program to involve young Canadians in Third World business
- . . . to human rights as an integral part of Canadian foreign aid policy:
 - Cabinet consideration of human rights performances of recipient countries
 - provision of training in human rights for CIDA personnel
 - establishment of an institute for human rights and institutional development.
 - forceful representations at multilateral fora to ensure human rights are considered
- . . . to decentralization of CIDA, making it more responsive to needs in the Third World and improving aid delivery by having personnel where the decisions are made; creation of Canadian Fund / for Local Initiatives
- . . . to untying, with government-to-government assistance for sub-Saharan African countries and least-developed countries in other regions untied up to the level of 50 per cent and for other countries up to 33 1/3 per cent (current requirements are that 80 per cent of all bilateral aid be tied to the purchase of Canadian goods and services)
- . . . to debt relief for least developed countries:
 - eliminating bilateral loans and converting aid program to all-grant basis in 1986
 - debt moratorium for sub-Saharan Africa
 - debt forgiveness for East African Community, Togo, Mauritania
 - debt forgiveness for seven Francophone African countries, announced at Francophone Summit in September, 1987
 - review of the situations in individual countries to determine whether ODA debt forgiveness should be extended beyond sub-Saharan countries, with decisions to be based on the merits and circumstances of each case
- . . . to a new eligibility system for selecting countries which are to receive most of Canada's government-to-government aid

- . . . to putting environmental concerns at the heart of development assistance planning
- . . . to increasing spending on public awareness and understanding of development assistance

"To Benefit a Better World" - differences with SCEAIT report

- reducing food aid: rejected because food aid is essential for emergency situations, and is an effective developmental instrument
- creating an equity instrument to assist Canadian investment in the Third World: rejected on the basis of the poor experience of other OECD countries and because the Canadian business community has not expressed interest
- legislating an ODA charter and instituting an advisory council on development: rejected in that CIDA has functioned well without such a charter; the Parliamentary process as typified by the work of SCEAIT, which has provided broadly based advice, and other existing mechanisms for on-going consultations that already exist, makes an advisory board unnecessary
- instituting a formal grid to measure human rights performance and requiring an annual human rights review for Parliament: the Government has accepted SCEAIT's philosophy on human rights and most of its recommendations, but the specific notion of the grid and the annual report are rejected because the Government prefers a more pragmatic, balanced approach

"To Benefit a Better World" - balance sheet

- The Government has fully accepted 98 of the recommendations made in the SCEAIT report, agreed in part with another 13, and rejected only four

"To Benefit a Better World" . . . new departures

- External Relations Minister Monique Landry will release a comprehensive strategy document later this fall, drawing on the SCEAIT report and the entire review process, demonstrating how the Government's reforms will be operationalized and specifying funding levels



Canadian Construction Association

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M E M O R A N D U M

TO: Members of the CCA Construction Exports Committee
FROM: Michael Makin, Committee Secretary
SUBJECT: Second Report of the House of Commons Standing On
External Affairs and International Trade
(Winegard, Part II)

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On June 15, 1987 the House of Commons Standing Committee on External Affairs and International Trade tabled its second report in Parliament. Unlike its controversial predecessor "For Whose Benefit" (the Winegard Report as it is commonly known), this report focussed not on aid - but trade and in particular on the development of Canada's trade function.

The report stressed the importance of export trade to Canada and argued the expansion of our exports to "all regions of the world is a matter of national concern and urgency". Concurrent with this message the committee made several recommendations.

FUNDING:

The Department of External Affairs is the leading ministry in Canada charged with developing and implementing official trade promotion activities; a task requiring significant resources. Yet only 30% (according to DEA's 1987-88 Estimates) of the Department's budget is devoted to such promotion, a percentage the committee argued is not enough:

Second Report of the House of Commons Standing Committee
on External Affairs and International Trade
(Winegard, Part II)

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...at a time when the need for trade promotional services is growing (due to: an intensification of international competition; an overall deterioration in Canada's terms of trade, Canada's increasing dependency on international trade as a source of its wealth; and rapidly increasing demands on trade commissioner resources from both the private sector and various levels of government in Canada), the resources devoted to the trade function by the federal government do not appear to be growing by the same degree.

The committee further argued Canada cannot expect to expand its trade activities abroad if the very instruments required to facilitate this do not receive the adequate funding. As such it criticized the 12.5% budget cut identified for the Trade Development Activity in the budget, several of the department's post closures abroad, the cutback in appropriations to the Canadian Commercial Corporation (from \$21 million in 1985 to less than \$12 million in 1987-88) and the recent cost-cutting measures to PEMD.

In the Committee's view, adequate funding for official trade promotion activities is vital to Canada's long-term economic prosperity. Canadian exporters and potential exporters must be sufficiently supported with accurate, up-to-date economic analyses and market information, on-site expertise, risk spreading programs, competitive financing arrangements and other appropriate services, if they are to capitalize on new commercial opportunities in an increasingly competitive global trading environment, particularly in non-traditional markets (outside North America and West Europe) and sectors (high-tech, manufacturing, etc.).

Second Report of the House of Commons Standing Committee
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(Winegard, Part II)

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The committee raised particular concern with the intention by government to downsize the PEMD operation, which in its view is essential to Canadian Exporters. While understanding the necessities of fiscal restraint, the Committee did not consider Canada's trade promotion activities to be an appropriate target for tightening the country's belt. On the contrary it advocated additional resources be allocated to the PEMD program and made the following recommendations:

- 1) That over the next several fiscal years, funding for PEMD be gradually restored, with incremental resources, to the current dollar equivalent of 1984-85 levels, which amounts to approximately \$40 million and \$20 million for the industry and government-driven components respectively, and that these levels be maintained in future years in real terms.
- 2) That the government make the present suspension of the Cost Recovery Program for the Canadian Commercial Corporation permanent, and instead move to reinstate the Corporation's 1986-87 parliamentary appropriation of approximately \$16 million. These additional funds should not come from other official trade development programs and activities.
- 3) That the federal government carefully examine the implications of all future civil service personnel and budget reduction decisions on the ability of the Department of External Affairs to carry out its multiple tasks, with a view to ensuring that budget savings are not achieved at the expense of long-term Canadian trade and economic objectives.
- 4) That the efforts of the Department of External Affairs aimed at meeting existing budget reduction targets continue to reflect the relative priority of the trade function, and that to this end, the Department continue to move resources out of other activities in favour of trade development, particularly at posts in Europe.

Second Report of the House of Commons Standing Committee
on External Affairs and International Trade
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PRIVATE SECTOR COMMITMENT:

Funding and assisting in identifying market opportunities are not the only necessities required by Canada to expand its trade activities, as the committee reported. A great portion of the package and indeed the most significant risk and initiative must come from the Canadian exporting companies themselves. In its report the committee addressed this very issue and questioned Canada's international orientation:

While exports are indeed a substantial portion of Canadian GNP (about one third), it must be noted that approximately 80% of Canadian exports are directed to the United States, and that a large percentage of this trade involves cross-border flows between parent firms based in the U.S. and their affiliates in Canada. The magnetic appeal of the vast U.S. market on Canada's doorstep presents Canadian exporters with tremendous opportunities to be sure, but it also has a blinding effect with respect to commercial possibilities elsewhere in the world.

The committee argued to do so Canada's private sector must take a more proactive approach than it has taken in the past. This, according to the committee's report, should also include umbrella associations, which in its view should focus more on information dissemination than lobbying techniques. The committee also questioned why trade activities in general must rely so heavily on public financing.

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on External Affairs and International Trade
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AWARENESS:

Awareness, according to the committee, is the most crucial element to the success of any national trade strategy. As such it urged all business groups, government agencies and even Members of Parliament to promote Canada's trade interests. In this regard it made the following recommendations:

- 1) that the Department of External Affairs undertake to prepare as soon as possible, brief information brochures on these and any new programs for Members of Parliament, packaged in such manner that they can be readily circulated by MP's to their local Chambers of Commerce, to regional chapters of the Canadian Export Association, and to other business organizations;
- 2) that all Members of Parliament with their tremendous wealth of contacts, make a concerted effort to encourage firms in their constituencies to take advantage of these programs by circulating the above-mentioned brochures, and by raising and discussing these programs at as many functions, and in as many ways, as possible;
- 3) that in particular, MP's take steps to encourage potential exporters in their constituencies to join the WIN-Exports data base as soon as possible - it is open to all and, as indicated earlier, it is at the very least effective as a mailing list;
- 4) the MP's urge firms that demonstrate a potential trade interest to direct their subsequent inquiries through the Department's previously-cited Info-Export line;
- 5) that MP's periodically arrange for DRIE regional officers and/or DEA headquarter staff to come out to their constituencies and meet with local Chambers of commerce and other commercially-oriented organizations;

Second Report of the House of Commons Standing Committee
on External Affairs and International Trade
(Winegard, Part II)

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6) that MP's take steps to strengthen inter-parliamentary links with Canada's major trading partners and use such fora to discuss not just broad ways and means of exploiting mutually beneficial commercial transactions; and

7) that MP's when travelling abroad, seize the trade initiative by publicizing Canadian productive strengths, establishing relevant local contacts, and relaying strategic market development information back to Canadian firms.

The concluding remarks of the committee succinctly make the reports point:

Canada's trade performance has much to gain from initiatives seeking to foster a more export-oriented private sector with a truly global outlook. This is not the exclusive responsibility of Canadian civil servants; the lead must come from Canadian businesses and private sector associations themselves, who must make a concerted and determined effort to raise their own collective export consciousness. Canadian parliamentarians, with their vast and comprehensive reach throughout the country, are particularly well-suited to contribute to this objective, and thus every effort should be made to maximize this presently under-utilized resource.

MM/sc

Classified "RESTRICTED"

GATT - URUGUAY ROUND

SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES

February 24, 1989
Montreal, Canada

Robert S.W. Shishakly, P.Eng.
Construction Representative

Introduction

CCA hopes that the multilateral SAGITs created for the present round of GATT negotiations, can build on the successes of the bilateral working groups, which were utilized during the Free Trade negotiations between Canada and the United States. As with those bilateral negotiations, in which construction industry representatives participated, CCA is committed to working with all countries involved, to identify barriers which may impede international trade.

Background on Association

The Canadian Construction Association is the national voice of the construction industry in Canada representing the interests of over 20,000 member firms, whose business volume exceeds \$30 billion annually.

Contributing to one of the primary economic sectors in the country, its members employ close to 600,000 Canadians, and account for over \$10 billion a year in wages, to the Canadian economy.

Most of CCA's members work in the non-residential construction industry. They include general contractors, trade contractors, industrial contractors, road builders, heavy constructors, manufacturers and suppliers of construction materials. CCA also has various members from the allied profession and service industries.

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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES

Background on Association (Cont'd)

International construction work, accounts for only two per cent of the industry's business volume each year. This is due in large, to the fact that fewer than 100 Canadian construction firms have been active internationally. Despite this record however, Canadian contractors have a good reputation in international markets, and have worked successfully in the United States, Africa, the Caribbean, the Middle East, Asia and the Americas for several years. History has shown the Canadian contractor has the technical capability, managerial skills and competitiveness to succeed internationally.

Objectives

CCA supports the objectives Canada seeks in the GATT-Uruguay Round, and plans to work closely within this General Services SAGIT, to enhance our international trade.

EXPORT INTERESTS

1. The priorities for Canada are in the:-
 - Lesser Developed Countries (LDC);
 - Newly Industrialized Countries (NIC);
 - Developed Countries (DC).The two first groups will share priority over the third group.

2. Services our industry can provide:-
 - Construction;
 - Project and Construction Management;
 - Maintenance of Electrical/Mechanical systems and equipment.

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Trade Barriers:

- Barriers to Access:- Generally speaking, Canadian contractors have not experienced substantial barriers to access in the international markets. However, concern has been expressed that Canadian contractors have not been afforded access reciprocal to that received by Korea in Canada. Korean construction firms have successfully secured large construction contracts in Canada recently, yet Canadian contractors are not even permitted to bid on jobs in Korea.
- Free flow of capital and profit repatriation:- This applies particularly to those in the LDC & NIC categories;
- Free flow of people:- particularly in the category of senior management and project supervisory staff; applies to all countries;
- Professional accreditation:- This problem applies within Canada as well as in other countries;
- Forced partnerships with locals, and in some cases the local party must be major shareholder;
- Custom clearance difficulties, unfair and inconsistent tariffs;
- Double taxation of corporate and personal income tax:- in those countries where Canada does not have a tax treaty;
- Dispute settlement mechanism:- slanted towards local companies and personnel;
- Complex and costly regulations controlling business;
- Different treatment for different foreigners:- this varies with the political environment of the day;
- Lack of access to projects funded by tied aid of other developed countries;
- Government procurement policies. .../4

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Market Sensitivities

1. Key foreign Competitors:

In Canada

U.S.A.
FRANCE
U.K.
KOREA
JAPAN

Overseas

U.S.A.
JAPAN
KOREA
U.K.
FRANCE
GREECE
ITALY
SPAIN

2. Major trends:

Large foreign contractors are giants, compared to their Canadian counterpart. There seems no limit to the size of project they undertake.

This strength will enable them to compete successfully on mega and turnkey type projects.

Competitive strengths:

Background:-

All other things being equal, Canadian contractors are confident they can compete both domestically and internationally. That being said, one has to examine the factors that contribute to successful competition. In comparison with other sectors of the economy, the construction industry's exposure to risk is probably one of the highest.

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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
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Background:- (Cont'd)

The construction contractor is at the end of a conveyor system. It starts with Owners outlining their requirements, followed by Architects and Consulting Engineers who scope, design and layout those requirements, followed by suppliers and manufacturers of equipment, and finally, the Contractor who has to put together the required resources of people, equipment, material and systems to construct these requirements. This he does in the time remaining in the overall project schedule, and in the majority of cases, for a fixed lump sum price. His tender would have been prepared in a relatively short duration, compared to the time consumed by the Owner, Architect and Engineer. In that short period of time, the contractor has to cost the project, and take into consideration all factors that will affect his performance and costs. This ought to include, all the "catch phrases" that are included in the tender document, that absolves the Owner, Architect and Engineer from any and all responsibility for everything! The unlucky contractor, is he who does not properly evaluate the full implications of these "catch phrases", when bidding the project!

Architects and Consulting Engineers with a few exceptions, carry no risk, since it is the accepted practice in their industry, that all their costs plus overhead and profit are paid by the owner.

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Background:- (Cont'd)

Equipment manufacturers should have a lesser risk since they are accustomed to manufacturing the specified equipment; and have all systems in place, to produce the order from previous transactions.

For the Construction contractors on the otherhand, every project is a prototype. Projects differ in size, scope of work, type of expertise, project duration, location, methods of installation, weather conditions, manpower availability, equipment and material availability, labour productivity, quality and detail of the design, etc...

Operating in a specific geographic area, contractors are able to reduce the extent of these risks by the experience they gain, year in year out, competing and executing projects in their local market. The more experience a contractor has in an area, the more likely that he will want to compete in all projects that are within his area of expertise. The more knowledge and success the contractor gains in his area of operation, the more aggressive and competitive he generally becomes.

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(SAGIT) GENERAL SERVICES

Background:- (Cont'd)

Venturing into a new geographic area, causes the contractor to either become cautious and often overprotective, thus reducing his chances of success; or he may incur losses if not sufficiently protective when bidding the project. In either case, and depending on the contractor's tenacity and extent of his resources, he will after a few attempts, either withdraw from that market, or will continue to compete with the hope of ultimately gaining a foothold.

Construction Imports:-

Foreign companies will continue to enter Canada and will either be buying or joint venturing with Canadian construction companies. It will be a rare occurrence for a foreign construction contractor, to solicit work in Canada, without the protection of one of these two options. As already experienced, the entry into Canada of foreign contractors, will most likely continue to be by large international companies, substantially larger than their Canadian counterparts. The foreign contractors already operating in Canada have amassed over the years, extensive experience across the globe. Their size and experience, will allow them to assume the leader position in any joint venture, and be the driving force behind it.

The attraction to Canada of foreign contractors, is not solely to participate in the Canadian construction market, but to also gain access to the more lucrative U.S. market and Canadian-funded projects overseas. Therefore, the entry into Canada by international contractors will ultimately help strengthen the Canadian construction industry, both at home and abroad.

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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES-----
Construction Exports:-

When it comes to Canadian contractors seeking work outside Canada, and particularly outside North America, we find fewer than 100 companies with experience outside Canada. This is caused by two predominant factors:

1. Whereas there are exceptions, Canadians by their nature are low risk takers and tend to adopt the comfortable pew.
2. In the case of the contractor, this is further accentuated by the high risk nature of the business. As outlined earlier, until a contractor has worked in a geographic area and gained a first hand knowledge of the cost of doing business, he or she will either refuse to venture in that area, or will often times overprotect and forego an opportunity.

Therefore, due to the limited foreign exposure of Canadian contractors, the foreign competitor has a substantial edge on his Canadian counterpart in the international market. Foreign contractors, particularly U.S. and those from previous colonial countries, have been in the construction export business for a much longer period than Canadians. They have accumulated over the years considerable experience and cost data in many countries across the globe, and their knowledge of these countries, and often those in power, gives them an enviable advantage.

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(SAGIT) GENERAL SERVICES-----
Construction Exports:- (Cont'd)

To-day many of these international contractors have created subsidiaries in several countries across the globe and are actively participating in their economy.

By contrast, the Canadian contractor venturing in the international market will often have to start from scratch. This is not a task that can be achieved by just bidding one or two projects in a foreign country, but by executing a few.

Another advantage the foreign contractor has, is the amount of government support he receives while persuing international work. In some cases this support is quite extensive, involving the active lobbying of senior ministers, ambassadors and trade commissioners. There is a body of opinion from the contracting community in this country that believes such support is lacking in Canada.

Perhaps the most widely perceived competitive advantage of other countries, involved in international construction, pertains to project financing. In this regard, many Canadian contractors have experienced instances where foreign competitors have utilized advantageous financing to secure a given project; financing in the view of the contractors, which cannot be matched in Canada.

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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES

The role of Government:

The Canadian Government can substantially increase the export of Canadian construction and maintenance if it were to:

1. Follow the example of other developed countries, by tying its aid to Canadian products and services, and include more capital projects in its aid plan.

Tied aid is one of the major factors that helped foreign construction companies get their feet wet in the international market, and gain the footholds they presently have. Working under the security of their Governments, our foreign competitors removed much of the risk of doing construction in a foreign country.

A Canadian contractor executing a project overseas under tied aid, will benefit the recipient country in far more ways than the Winegard report aspired to. Benefits to the recipient country include training, the transfer of know-how and experience, and often even the transfer of technology.

The sooner Canada re-ties its aid, the sooner it will enable more Canadian contractors, to begin to catch up with their foreign counterparts, in the international arena.

Time and again we either see or hear about Canadian untied aid being squandered, by recipient countries. Canadian equipment and/or facilities built by Canadian grants are left to rust or ruin for lack of local capability, training or desire.

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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES

The role of Government: (Cont'd)

The tying of Canadian aid will benefit both Canada and the recipient country. In the case of the latter, it will still enable its people to gain the desired training and experience. This is achieved through their participation in the construction of the facility, under the full management and guidance of a Canadian team. The difference in this case is that this team has a financial incentive in the success of the project. Many CCA members argue, that tied aid is a far more cost effective way, to achieve the Canadian Government's objectives of directing aid and to help build the infrastructure of recipient countries.

Aside from the direct benefits that tied aid will accrue to Canada, there are a few indirects, the most important of which relates to "missionary" exposure. The more Canadians operate overseas, the more Canadian products they will use, the more exposure these products will gain among the people of the host countries; which will ultimately result with more orders placed in Canada.

2. Increase the resources of our Canadian embassies and the departments and agencies in Ottawa, responsible for international trade and aid.

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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES

The role of Government: (Cont'd)

This will enable them to do a more complete job than they are able presently. Our embassies are the eyes and ears of Canada in the international market. Adequately staffed with competent people, our embassies should be able to identify opportunities in their host countries. Then together with their colleagues in Ottawa, they should be able to identify suitable Canadian exporters, and assist those interested in successfully pursuing the business and landing the order.

This is what other governments do for their nationals. Why is Canada shying away from this formidable export tool?

Our people in Ottawa and in our embassies are keen and willing to help business. Unfortunately however, at the present level of resources available, many of our embassies and the departments in Ottawa responsible for international trade, are only able to scratch the surface of the true needs. This situation will only get worse, if present rumoured cuts in personnel and resources are put into effect.

If this situation is allowed to continue, there is the danger that less and less business will take the trouble to venture outside our borders to overcome the hurdles necessary, to succeed in exporting their products and services.

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The role of Government: (Cont'd)

3. Reduce the frequency of relocation to new posts of our officers overseas and in Ottawa.

These moves had been occurring every 2 years, and recently this had been increased to 3 in some areas. In our opinion, the present system is not cost effective, as it takes at least 12 months for our embassies' representatives to become familiar with the country, its customs, language (when possible) and those in government and business. During the remaining two years, extensive trips are made to Canada, and more time is taken up in handing over to their replacements.

As a result, the remaining time available to our representatives to become effective in their posts, and reap benefits for Canada, is very short. Frequent changes of our representatives squanders the advantages of continuity, both for Canadian business, and the host country's government and business people.

By contrast, competing nations from Europe and the Far East, remain in their posts for much longer periods. This makes them specialists and well entrenched and much more effective in the country they are posted.

4. Encourage Canadian architects and consulting engineers to involve Canadian contractors in their projects overseas, particularly those funded by Canada.



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SECTORAL ADVISORY GROUP ON INTERNATIONAL TRADE
(SAGIT) GENERAL SERVICES

The role of Government: (Cont'd)

5. Continue its negotiations within GATT to achieve agreement on the lines of the FTA that was successfully negotiated with the U.S.A.
6. Encourage more foreign students to receive their education in Canada:- upon the return of these students to their country to assume positions in their economy, they will tend to influence increased trade with Canada.
7. Provide an incentive for Canadians to accept assignments overseas:- this can be achieved by:
 - a) foregoing the Canadian personal income taxes applicable to salaries and living allowances earned by Canadians while working outside Canada for a Canadian Corporation;
 - b) including in all agreements of Canadian funded projects, that Canadians working overseas on these projects be forgiven the personal income tax due to the host country.



Canadian Construction Association

85 Albert Street, Ottawa, Canada K1P 6A4 Telephone (613) 236-9455 Fax (613) 236-9526

URUGUAY GATT SERVICES SECTOR SAGIT

December 15, 1988
Montreal, Canada

Robert S.W. Shishakly, P. Eng.
Construction Representative

Introduction

The Canadian Construction Association welcomes the opportunity to participate in the Uruguay Round of multilateral trade negotiations, by having a construction industry representative on the Services Sector SAGIT.

It is CCA's hope that the multilateral SAGITs created for the present round of GATT negotiations can build on the successes of the bilateral working groups which were utilized during the Free Trade negotiations between Canada and the United States. As with these bilateral negotiations, to which construction industry representatives also participated, CCA is committed to working with all countries involved to identify barriers which may impede international trade.

Background on Association

The Canadian Construction Association is the national voice of the construction industry in Canada, representing the interests of over 20,000 member firms whose business volume exceeds \$30 billion.

Contributing to one of the primary industry sectors in the country, its members employ close to 600,000 Canadians and contribute over \$10 billion a year in wages to the Canadian economy.

Most of CCA's members work in the non-residential construction industry. They include general contractors, trade contractors, industrial contractors, road builders and heavy constructors, and manufacturers and suppliers of construction materials. CCA also has various members from the allied profession and service industries.

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Background on Association Cont'd

International construction work accounts for only two per cent of the industry's business volume each year. This is due in large part because fewer than 100 Canadian construction firms have been active internationally. Despite this record, however, Canadian contractors have a good reputation in international markets and have worked successfully in the United States, Africa, the Caribbean, the Middle East, Asia and the Americas for several years. History has proven the Canadian contractor not only has the capability internationally but can be competitive as well.

Objectives

As with any round of multilateral trade negotiations, establishing detailed objectives before a working group has been convened and has had the opportunity to work together is not a simple task. The purpose of this paper, therefore, is not to list in great detail the priorities of the construction industry for the negotiations, but rather to identify some broad subject areas the industry would like addressed.

Prohibitive Barriers

Generally speaking Canadian Contractors have not experienced substantial prohibitive barriers of access in the international markets where they have worked. There has been concern expressed, however, that Canadian contractors in some markets are not afforded the reciprocal access that some countries receive in Canada. A case in point is Korea, where Korean construction firms have been successful in securing large construction contracts in Canada recently, yet Canadian contractors are not even permitted to bid on jobs in Korea.

A national treatment provision in this regard might be a solution to explore.

Import Sensitivities/Competitive Strengths

All other things being equal, Canadian contractors are confident they can compete both domestically and internationally. That being said, however, it

.....

Import Sensitivities/Competitive Strengths Cont'd

is the opinion of many contractors that several competitive advantages exist for other countries involved in international construction.

One is that many countries, especially European nations, have been in international construction for a long time and have amassed a considerable information base on productivity and skilled manpower availability, material and equipment accessibility and the cost of doing business in a given country. In comparison, Canada is a relatively new player in the game.

Another involves the amount of government support a country receives for securing international work. In some cases this support is quite extensive involving the active lobbying of senior Ministers, Ambassadors and trade commissioners. There is a body of opinion from the contracting community in this country that believes such support is lacking in Canada.

Perhaps the most widely perceived competitive advantage of other countries involved in international construction pertains to project financing. In this regard many Canadian contractors have experienced instances where foreign nations have utilized advantageous financing to secure a given project; financing in the view of the contractors, which cannot be matched.

Factor Flows

With respect to international factor flows, Canadian contractors have identified two restrictive barriers which could be addressed during the negotiations.

The first concerns the practice of many nations to use currency control to prevent the outflow of earning from their countries. This practice acts as a disincentive for contractors of any nationality and is particularly disenchanting where foreign aid is involved.

The second concerns the certification of work permits and visas for key personnel involved in a project. This could be addressed by negotiating a provision similar to one that exists between Canada and the United States in the Free Trade Agreement involving temporary entry for business persons. A related concern involves customs clearance obstacles.

....

Conclusion

The purpose of this paper was to provide members of the Services Sector SAGIT with some general and preliminary observations from the construction viewpoint on some issues which may be addressed during the on-going multilateral GATT negotiations. It was not intended to provide a comprehensive account of the association's objectives or industry goals regarding international trade in construction. These, as the round progresses, will be developed and defined.



Canadian Construction Association

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M E M O R A N D U M

To: Members of the CCA Construction Exports Committee
From: Mike Makin, Staff Officer; Secretary to the Committee
Date: March 18, 1988
Subject: NEW DEVELOPMENT AID STRATEGY OF CIDA

On March 3, 1988 Canada's External Relations Minister Monique Landry tabled the government's long-awaited aid strategy which will guide the nation's official development assistance policies and programs into the next century.

The new strategy, entitled "Sharing Our Future," brings few surprises to those who have monitored the examination of Canadian ODA over the past two years and merely "rubber-stamps" the Standing Committee on External Affairs and International Trade's report on the issue (the Winegard Report) and the subsequent collaboration and concurrence of the government in its response to the Winegard Report, "To Benefit a Better World."

As such, the strategy enshrines many of the proposed policies CCA has fought against including the untying of aid, the tying of aid to human rights criteria and the shift from large-scale capital projects to human resource development initiatives.

Here are the highlights:

ODA CHARTER

An official Development Assistance Charter will be established as part of the government's new strategy, which will have as its priorities the following:

1. Putting poverty first

The primary purpose of ODA will be to help the poorest countries and people in the world.

NEW DEVELOPMENT AID STRATEGY OF CIDA

ODA CHARTER CONT'D

2. Helping people to help themselves

Canadian ODA will aim to strengthen the ability of people in developing countries to solve their own problems in harmony with the natural environment.

3. Development priorities must prevail

The following priorities have to be met before any foreign policy goals are considered:

poverty alleviation, structural adjustment, increased participation of women, environmentally sound development, food security and energy availability.

4. Partnership is the key

Partnership will be the key to foster and strengthen the links between Canada's people and institutions and those of the Third World.

AID LEVELS

It is the intention of the government to keep Canadian ODA at a .5 per cent of GNP ratio until 1990-91 when the objective will be .6 per cent. This will rise to .7 per cent by the year 2000. All ODA will be in the form of grants and Canada is committed to providing .15 per cent of GNP as ODA to the least-developed countries.

One half of ODA will now be allocated to a National Initiatives Program which will be comprised of these parts of ODA where the Canadian Government plays a direct role in determining projects and funding. The other half will be allocated to a Partnership Program which will finance multilateral initiatives.

NEW ELIGIBILITY FRAMEWORK

"Sharing Our Future" establishes a new eligibility framework which abolishes the present categories now implemented. The framework contains

NEW DEVELOPMENT AID STRATEGY OF CIDA

NEW ELIGIBILITY FRAMEWORK CONT'D

general conditions as well as an "excluded list."

In the general conditions all developing countries will be eligible to receive Canadian ODA which is channeled through multilateral institutions and organizations. Developing nations will be able to receive all forms of aid and a limited number of dependent areas that are traditional ODA recipients will be retained.

The "excluded" list of nations will include European developing countries and others because of foreign policy, human rights and economic considerations.

Each year the federal Cabinet will establish a five-year bilateral plan for each eligible country which will take several factors into account, including: the country's needs, its commitment and capacity to manage aid, its economic and social policies or its commitment to improve on them, its human rights record, its commitment to involve its population on development and its political and economic relations with Canada.

Under the new strategy bilateral aid will be more focussed. Seventy-five per cent will be concentrated on 30 countries or regional groups. Of this amount 45 per cent will go to Africa, 39 per cent to Asia and 16 per cent to the Americas. Notwithstanding these considerations, emergency food aid and humanitarian assistance may be provided in cases of disaster to any developing nation, including those on the excluded list.

HUMAN RIGHTS

One of the most controversial recommendations of the Winegard Report was the recommendation that Canadian ODA be disbursed on the basis of the human rights practices of receiving countries. CCA made its position known on the issue by arguing against the recommendation in its Submission to the House of Commons Standing Committee on External Affairs and International Trade and in a later letter to the Minister of External Relations. In CCA's view this was not an appropriate mechanism with which to deal with oppressive regimes, especially since it would not be the governments of these countries which would suffer the greatest hardships, but the poor who live there. CCA took specific exception to the proposed

NEW DEVELOPMENT AID STRATEGY OF CIDA

HUMAN RIGHTS CONT'D

rating of countries, as did the government itself in its response to the Winegard Report.

Many of these concerns are addressed in the governments new strategy:

While the Government intends to ensure that Canadian development assistance does not lend legitimacy to repressive regimes, it must also ensure that victims of human rights violations are not doubly penalized by being deprived of needed help in addition to being deprived of their fundamental rights. A constructive approach to human rights rather than a punitive one must recognize that development assistance, appropriately targeted, can contribute substantially to the cause of both development and human rights.
(Sharing Our Future, p. 31)

It has not, however, abandoned its plans to tie aid to the human rights practices of developing nations. Each year the Cabinet will consider information on human rights situations as part of the process of determining which channels of ODA will be used.

In countries where the violations of human rights are "systematic, gross and continuous, and where it cannot be ensured that Canadian Assistance reaches the people for whom it is intended, bilateral aid will be reduced or denied." (Sharing Our Future, p. 31). Assistance will be channeled through the grassroots level by non-governmental and multilateral organizations which the government insists will be able to ensure the aid is directed to those most in need.

As previously mentioned, during times of crisis and disaster (famines, epidemics, civil war) all developing countries will be eligible for emergency humanitarian aid, irrespective of their human rights violations.

In other measures the Government has plans to create an International Centre for Human Rights and Democratic Development and will ensure Canadian development officers receive special training in the area. It will also use all diplomatic and multilateral channels available to promote the rights of persons throughout the world.

NEW DEVELOPMENT AID STRATEGY OF CIDA

DECENTRALIZATION

Another concern of CCA related to the recommendation by the Winegard committee that CIDA become decentralized. The Association was completely in favour of decentralizing the Canadian International Development Agency but stressed that such decentralization be from CIDA headquarters in Hull to international posts abroad and not merely an increase in the bureaucracy. The government's response to the Winegard Report (To Benefit A Better World) concurred with this view as does the government's new strategy "Sharing Our Future."

The new plan calls for a substantial decentralization of personnel and of authority to the field to carry out and improve program delivery of Canadian ODA. Project approvals up to the value of \$5 million and contract approvals up to \$100,000 will be delegated to Canadian posts abroad for approved country programs.

The government will also open four new regional offices in developing nations to further exemplify its decentralized power base. These will be established for the Sahel, the SADCC countries, the Caribbean and for the ASEAN countries.

HUMAN RESOURCE DEVELOPMENT

In CCA's submission to the Standing Committee on External Affairs and International Trade it concurred that human resource development was an essential element to any project. It questioned the committee's recommendation, however, that to achieve such development aid efforts should be shifted away from large-scale capital projects. In CCA's view the development of infrastructure in any aid program complements the development of human resources, and vice-versa.

Unfortunately the government's response to the Winegard Report called for the same shift, as does the new aid strategy:

"CIDA will...make a substantial shift in its priorities and expenditures, away from large-scale capital projects and toward human resource development programs..."
(Sharing Our Future, p. 36)

NEW DEVELOPMENT AID STRATEGY OF CIDA

HUMAN RESOURCE DEVELOPMENT CONT'D

Human resource development will become the central programming thrust of all country programs with priorities being placed on technology transfer, skills management, education and health care.

Unquestionably capital and infrastructure projects will take a back seat in this strategy:

If analysis justifies such investment, the Government will make them - after looking carefully at the recipient country's human and financial capacity to manage and maintain the infrastructure. Where necessary, these projects will include training and technical assistance, so the country can benefit from its human capital.
(Sharing Our Future, p. 36)

UNTYING OF AID

CCA's position on the untying of aid has not changed since its submission to the Winegard Committee or its subsequent response to it in letters to the Minister of External Relations, the Secretary of State for External Affairs and the Minister for International Trade. The Association maintains the present 80 per cent Canadian content rule applying to the purchases of goods and services is not dissimilar to the practices adhered to in other industrialized donor nations and that it is an effective mechanism to help Canadian firms compete internationally.

This view is not shared by the government, however, and in the new aid strategy the tying aid requirement will be relaxed substantially.

The requirements for bilateral aid in Africa south of the Sahara and for least-developed nations in other regions will be reduced to a level of 50 per cent. In other countries the degree of untying will rise from 20 per cent to 33½ per cent.

Partnership programs will remain untied for all cash transactions and only multilateral food aid will continue to be tied to Canadian sourcing.

NEW DEVELOPMENT AID STRATEGY OF CIDA

UNTYING OF AID CONT'D

It is CCA's contention that the relaxation of the 80 per cent rule for local cost and developing country procurement will be of greater benefit to many of Canada's trading competitors than to truly local businesses. The association also maintains that any untying of aid should be strictly governed and limited to bona fide "local" procurement and not merely to what is available locally.

The government assures, however, that the increased flexibility to the tied-aid rule:

will not be used to replace competitive Canadian goods and services with equivalent products from other industrial countries. Instead, it is intended for and will allow developing countries to rely more on their own resources for the goods and services they need for their development.
(Sharing Our Future, p. 52)

FOOD AID

The government's commitment to food aid is exemplified in the strategy's intention to increase the funding for the food aid program (both bilateral and multilateral) by 5 per cent per year. Up to 75 per cent of bilateral and multilateral food aid will be allocated on a multi-year basis and all countries eligible for Canadian assistance will be able to receive food aid for development purposes.

ODA DEBT

To alleviate the present debt crisis faced by many countries requiring assistance from Canada, the government will review on a case-by-case basis ODA debt forgiveness. Legislative authority will also be sought to forgive the ODA debt of Sub-Saharan African countries which meet the conditions of the 1986 debt moratorium.

THE PARTNERSHIP PROGRAM

The new Partnership Program of Canada's strategy for development will implement 50 per cent of all aid dollars each year through various

NEW DEVELOPMENT AID STRATEGY OF CIDA

THE PARTNERSHIP PROGRAM

channels, including domestic and international non-governmental organizations, non-governmental institutions, development crown corporations, international financial institutions and the business sector. The new program replaces the existing ODA categories (bilateral, multilateral, special programs, etc.) and decentralizes much of the decision-making authority.

The government plans to double the funding presently channeled through the Industrial Cooperation Branch of CIDA which will certainly be beneficial to business. This was one recommendation CCA was pleased to note in the Winegard Report.

The other 50 per cent of aid dollars will be channeled through the National Initiatives Program of bilateral assistance and other contributions to development projects to be evaluated by the government.

ODA allocations 1988-89 by percentage <i>(Total 100% - All numbers are rounded off)</i>	
National Initiatives	Partnership Program
Bilateral 35%	Voluntary Sector (includes INGO) 9.5%
Bilateral Food Aid 7.5%	Industrial Cooperation 2%
PCIAC 2%	IDRC, ICOD, and others 6%
International Humanitarian Assistance 2%	Multilateral Technical Cooperation 6%
Scholarships and Student Fees 1.5%	International Financial Institutions 17%
	Multilateral Food Aid 7%
Total 48%	Total 48%
Administration 4%	

Precise percentages will be available after Parliament approves the 1988-89 estimates.

(Sharing Our Future, p. 66)

OTHER MEASURES

The new development strategy will also focus on such issues as women in development and environmental policies. The government plans to adopt policies to ensure women participate fully in the development process and that they are compensated for their efforts. CIDA will continue its support programs for women and Canada will expand upon its WID (Women In Development) charter.

NEW DEVELOPMENT AID STRATEGY OF CIDA

OTHER MEASURES CONT'D

Environmental concerns will be seriously addressed in the new strategy with impact assessments being carried out for all proposed projects and a greater emphasis placed on crucial natural resources. Public awareness, education and training and restoration initiatives will also be developed.

PUBLIC AWARENESS

The government of Canada is placing a high priority on public awareness for its new development aid strategy. One per cent of all ODA funds will be allocated for public information and awareness about development with the goal of getting more Canadians involved in the aid process. A matching formula will be established by the government to encourage public contributions to development and information centres across the country will be equipped to improve the business community's access to development opportunities.

Media campaigns will be instigated, a "Development Day" established and consultations held with business, NGO's and the public on various issues of concern to Canadian ODA in an effort to increase Canada's understanding of the problems.

IMPLICATIONS

Unquestionably the government's new development aid strategy will change the disbursement of Canadian ODA for many years to come. This will have several implications for Canadian exporters and institutions alike, most notably for members in our industry.

SHARING OUR FUTURE will reap significant benefits for the NGO community in Canada and should also be well-received by our country's consulting engineers. It most certainly will not, however, be beneficial to those involved in the construction of large-scale capital and infrastructure projects.

As prefaced by the Winegard Report and the government's response to it (To Benefit A Better World), Sharing Our Future is but a recapitulation of the government's intention to move out of the capital project development business and into the human resource development field.

NEW DEVELOPMENT AID STRATEGY OF CIDA

IMPLICATIONS CONT'D

Of all of CCA's recommendations to the Winegard Committee and to the government, only the decentralization of CIDA was adopted in the new aid strategy. All other efforts, including those on untied aid, human resource development and the tying of aid to human rights practices were ignored.

N.B.

Enclosed is a copy of the government's new strategy and a background information folder on CCA's position on Canadian ODA. As this initiative will be an agenda item for the committee's next meeting, your comments on its content are welcome.

Also enclosed for the reference of committee members is a Sectoral Synopsis of the construction industry from the Department of External Affairs. This publication highlights many of the proposed work plans for Canadian diplomatic missions worldwide for fiscal year 1988-1989.



Canadian Construction Association

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OFFICE OF THE PRESIDENT

August 5, 1987

The Hon. Monique Landry, P.C., M.P..
Minister for External Relations
584 Confederation Building
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister:

The Canadian Construction Association would like to take this opportunity to respond to the recently tabled report by the Standing Committee on External Affairs and International Trade, which has examined Canada's Official Development Assistance policies and programs.

While CCA members are predominantly involved in the non-residential domestic construction market, many of our member firms have ventured internationally and have used their expertise to develop projects and infrastructures in less developed nations which have benefited both Canada and the recipient countries. Several successful development projects employing Canadian ODA have been implemented by CCA members and we are of the opinion that even greater strides could be made for both Third World country needs and Canadian exports if our bilateral aid initiatives were further matched to the areas where Canada has demonstrable expertise, such as in infrastructure and hydro electric development.

As a National Association, we share the view held by most Canadians that our aid efforts be directed at those disadvantaged in the world and for this reason we compliment Mr. Winegard and his committee for addressing the critical issues involved in Canadian ODA. For the most part our exporting members concur with the findings of the committee's comprehensive study and welcome such recommendations as the creation of a Minister responsible for International Development and the decentralization of the Canadian International Development Agency, provided such decentralization is truly from CIDA headquarters to international posts, and not merely an increase in the bureaucracy. We are also pleased the committee has identified the need to encourage CIDA and the Department of External Affairs to improve consultations

with Canadian Exporters, and increase the budgetary allocations for CIDA INC. to further develop and respond to business proposals.

There are, however, three issues that CCA would like to address with which it is in disagreement.

HUMAN RIGHTS

The Canadian Construction Association has always supported the view that aid be fundamentally humanitarian and that it should alleviate human suffering and promote social justice. It is therefore difficult to take a stand against the recommendations identified in the Winegard report, which clearly attempt to discourage the violation of human rights in the world, by rating countries on their human rights practices before disbursing aid.

While CCA also condemns the practices of human rights abuse in the world, it does not unequivocally support this recommendation by the committee, primarily because it does not believe aid is the proper instrument with which to deal with the problem.

Despite the practices of many of the governments which would be classified "Human rights negative", Canada has developed aid and trading ties with these nations which have greatly benefited the disadvantaged and the poor. To neglect such persons now, after all these years, because of the practices of their governments is surely not the answer.

The Winegard Committee itself has recognized "the primary purpose of Canadian official development assistance is to help the poorest countries and people in the world" (recommendation 1.2.i), and that development priorities should always prevail in setting objectives for the ODA program which should not be compromised by foreign policy.

In turning our backs on such nations it would not be the oppressive governments which would suffer the greatest, but the poor who are in the most desperate need of our assistance.

Moreover, to take such a stance Canada could jeopardize future trade with such countries, which it is clearly not in a position to do.

As the Canadian International Development Agency maintains:

As a nation dependant on trade, the future health of the Canadian economy is in many ways linked to the expansion of export markets in the Third World. (CIDA: The Business Development; A Guide to the Business Community, p. 3).

Considering that by the year 1990, 30% of international trade will come from developing nations in the world, Canada cannot afford to lose a competitive position in trade by ostracizing certain countries because of their human rights practices, objectionable as they may be.

TYING AID

The Canadian Construction Association maintains the present 80% Canadian content rule applying to the purchase of goods and services is not dissimilar to the practices adhered to in other industrialized donor nations and as such rejects the recommendation that it be relaxed to increase flexibility in the field for local-cost and developing country procurement.

It is the view of many of our exporting members that this is one of the few mechanisms available to Canadian firms to help them compete internationally against established trading relationships and is another means of assuring that Canadian funds generate Canadian benefits. As such, responsibly delivered Aid can serve the development needs of both recipient countries and Canadian exports.

Furthermore, CCA is quite apprehensive that the relaxation of the 80% rule for local cost and developing country procurement would be more advantageous to many of our trading competitors than to truly local businesses. Any untieing of aid should be strictly governed and limited to bona fide "local" procurement and not merely to what is available locally.

HUMAN RESOURCE DEVELOPMENT

The final issue CCA would like to address concerns the question of Human Resource development, the central theme of the Winegard report. In general, the committee has made several excellent recommendations in this area, advocating advances in education and health care as well as training programs for Third World countries.

CCA concurs human resource development is an essential element to any aid program but questions why to do so the committee has recommended that CIDA should move away from capital projects which develop and maintain the physical infrastructures of recipient countries. This point was repeatedly made in the Winegard report, much to our astonishment.

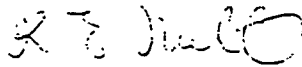
At CCA, we believe the development of infrastructure in any aid program complements the development of human resources, and vice-versa. A great part of the reason Canada has become a world economic leader lies in the fact we saw the need to develop our thriving infrastructure. We believe the same is required for developing nations if they wish to become internationally competitive. Through

such development it is only natural, if properly administrated, that human resource development will follow.

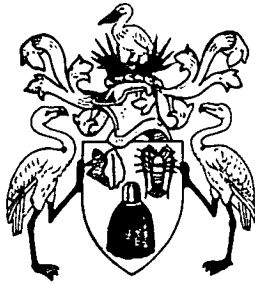
CONCLUSION

While there are many recommendations in the Winegard report the Canadian Construction Association could address, we have declined from submitting an exhaustive review of the report, choosing instead to focus on the areas of greatest concern to our exporting members. We have, however, enclosed a copy of our original submission to the Winegard committee, which identifies further CCA positions on various ODA issues.

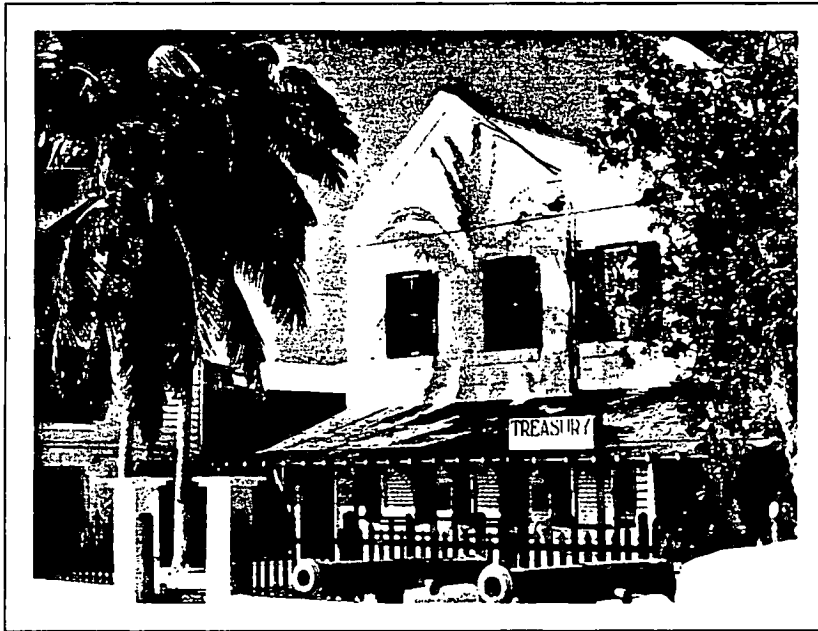
Sincerely,



R. E. Nuth
President



TURKS AND CAICOS ISLANDS



Investment Opportunities

TURKS AND CAICOS ISLANDS



A message from the Governor of the Turks and Caicos Islands, His Excellency Michael J. Bradley, QC.

Through the pages of this brochure we would like to welcome you to the peace, beauty and opportunities in the Turks and Caicos Islands.

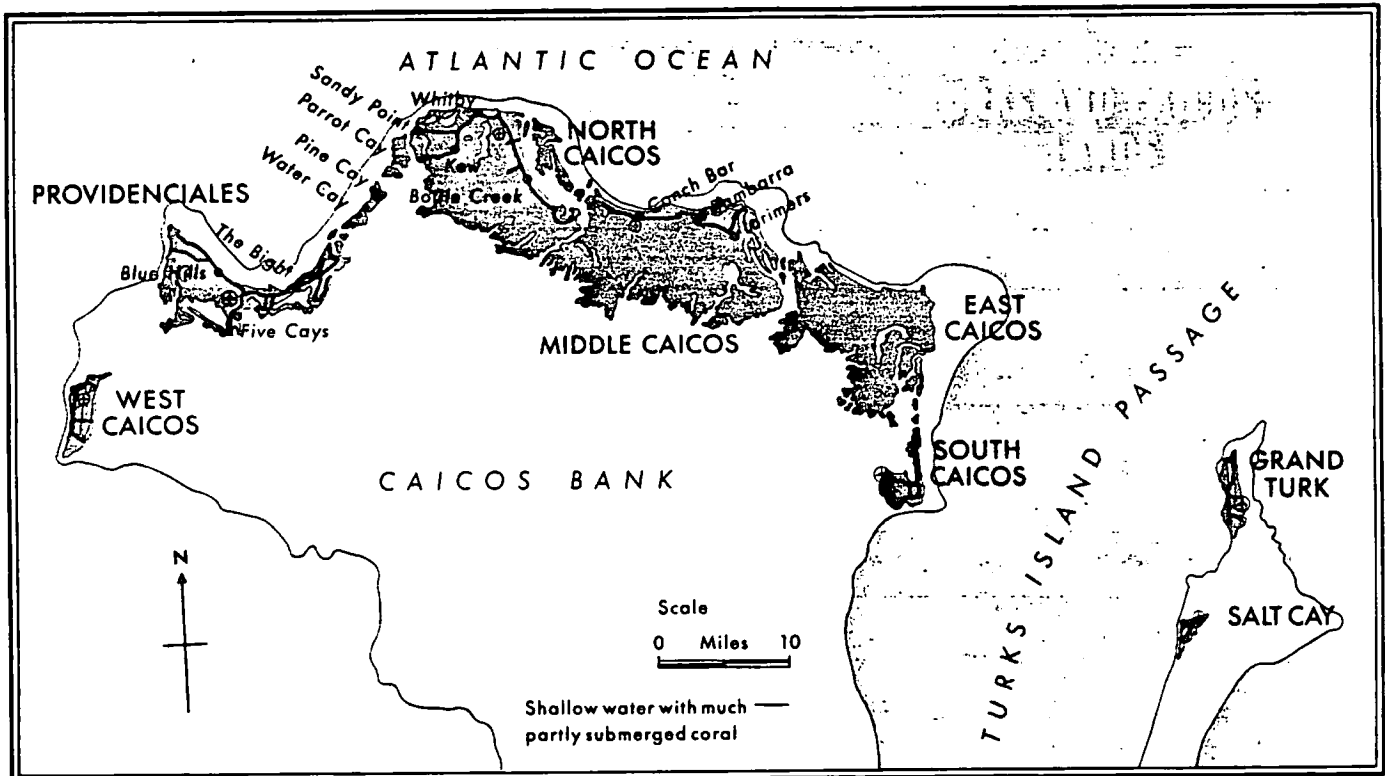
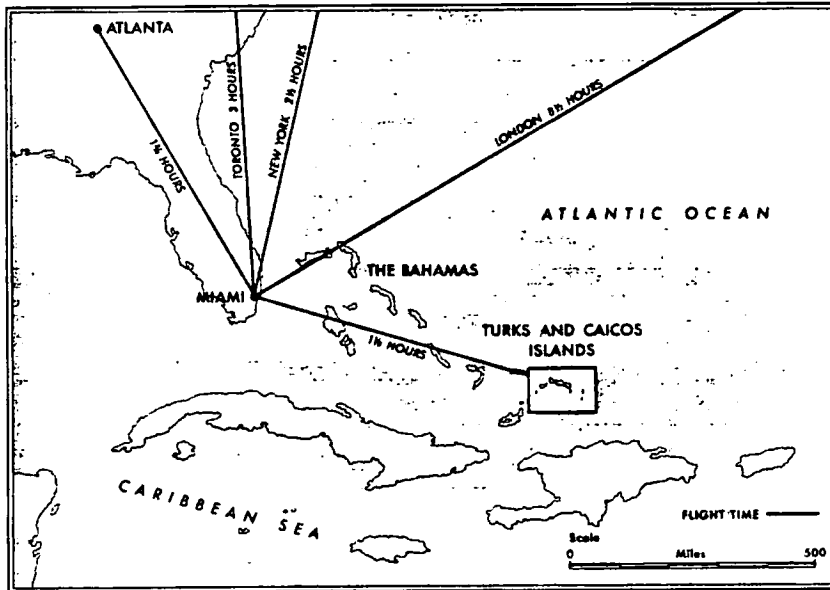
These tranquil islands are a British Crown colony with a British legal framework whose currency is the US Dollar.

To the investor we offer incentives as attractive as the islands themselves: no exchange control or direct taxation and Government assistance in projects which benefit the local economy.

We are interested in developing a balanced economy based around the sectors of opportunity outlined in this brochure. We look forward to welcoming you to our islands.



TURKS AND CAICOS ISLANDS

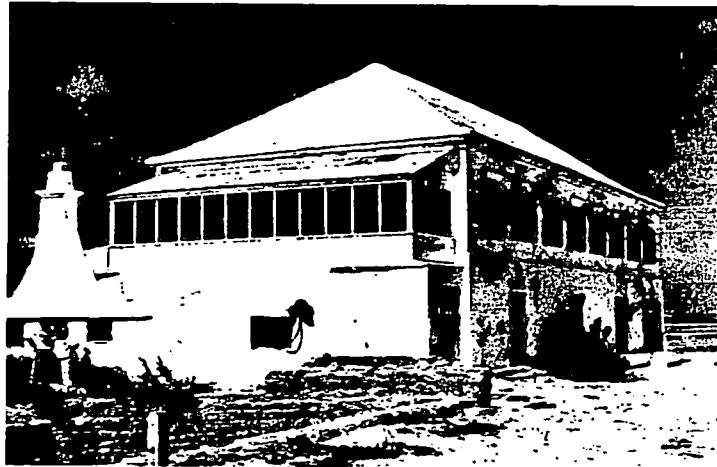


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INTRODUCTION



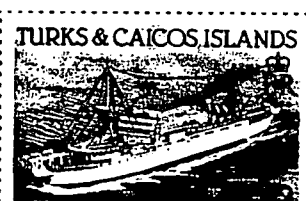
Geography and Climate

The Islands lie some 575 miles south east of Miami — about 1½ hours flying time — with the Bahamas some 30 miles to the north west and the Dominican Republic 100 miles to the south east.

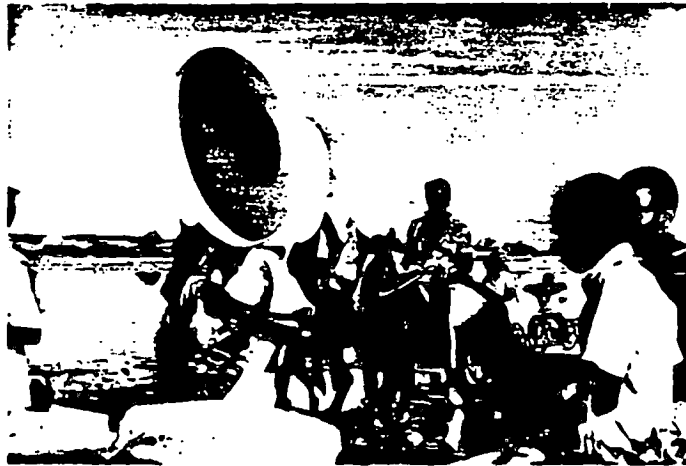
The country consists of two island groups separated by a 22 mile passage. To the west are the Caicos group: South, East, Middle, North and West Caicos and Providenciales. To the east are the Turks: Grand Turk and Salt Cay. In all there are eight principal islands with myriad cays scattered amongst the coral reefs of the surrounding sea. The total land area amounts to 166 square miles.

Only six islands and three cays are inhabited. The largest settlement, administrative centre and capital are on Grand Turk.

Physically, the islands are largely flat although on Providenciales there are hills which rise to 250 feet.



INTRODUCTION



The climate of the region is excellent: a mild average of 77 degrees Fahrenheit in winter and 83 degrees Fahrenheit in summer. Trade winds temper the higher temperatures making the climate equable and healthy.

Rainfall averages 26 inches per annum on the Turks and 40 inches on the Caicos Islands. Humidity is 60%, extremely low for the Caribbean.

History

The Turks and Caicos Islands are believed to have been visited by Columbus on his first voyage in 1492 but credit for their discovery by Europeans is generally accorded to the Spanish explorer Juan Ponce de Leon in 1512. At that time the islands were inhabited by Arawak Indians.

The name 'Turks' is derived from the scarlet flower head of a local cactus which resembles a

Turkish Fez, that of Caicos comes from a corruption of the Spanish 'cayos' or cays.

Late in the 17th century Bermudians regularly visited some of the islands to rake salt from the salt pans and established the basis for the present population.

The Caicos islands were settled after the War of Independence by Loyalist planters from the southern states of America. With the abolition of Slavery in 1838 however, these planters left the islands to their erstwhile slaves. During this period the territory was administered by the Bahamas but in 1848 a charter was granted to establish a separate legislature. This system proved unwieldy and the islands were then annexed as a Jamaican dependency.

On the withdrawal of Jamaica from the Federation of the West Indies, local inhabitants decided to remain a British Crown colony.

The People

The population is largely of African origin with a minority of North Americans and Europeans and grew more than 30% between 1970 and 1980.

Total population is estimated at 13,000. Some 5,800 are concentrated on Grand Turk, 3,300 on Providenciales, 1,600 on South Caicos, 1,600 on North Caicos and the balance on Middle Caicos and Salt Cay.

The language, both official and spoken, is English.

The religious persuasion of the islanders is Christian, the most favoured denominations of which are Anglican, Methodist, and Baptist.

The crime rate is the lowest in the Caribbean.



POLITICAL, ECONOMIC AND SOCIAL ENVIRONMENT



Government and Legal Framework

The status of the islands is that of a British Crown colony. Under this structure the Governor presides over an executive council. There is a legislative council which is empowered to enact local statutes under the supervision of the British Government. The legal framework is based upon UK common law and is administered by a resident magistrate and a non-resident judge who visits the islands for 3 to 4 weeks at quarterly intervals. There is a Court of Appeal in the Bahamas. There is also a legally constituted Bar Association.

Economy

The economy of the islands was based on salt production from solar evaporation pans. This activity has now ceased and the mainstays of the economy are the fishing and tourism industries. The principal fish caught in the locality are conch, spiny lobster and many species of scalefish. The annual export value is approximately US \$4 million.

Tourism

Tourism is a rapidly growing industry and visitors have multiplied three-fold since 1980. There is a 300 bedroom Club Méditerranée on

Providenciales and there are 26 other hotels providing a further 350 bedrooms. This will be increased by the new hotels under construction on a number of the islands. There are dive "shops" and tennis courts on each of the main islands as well as deep sea fishing, snorkelling, sailing, and board sailing facilities. There is even a squash court on Providenciales.

Tax Regime

There are no direct taxes either on income or capital for individuals or companies. There are no exchange controls. Furthermore, guarantees against the future imposition of taxes are available. Indirect taxation is





restricted to customs duties, stamp duty on certain transactions and departure tax.

Banking Services

Banking services are provided by Barclays Bank, the Bank of Nova Scotia and the Swiss managed Turks and Caicos Banking Company which are all based in Grand Turk. Barclays Bank and the Bank of Nova Scotia have branches on Providenciales.

Communications and Telecommunications

Communications to and between the

islands are principally by air. There are three international airports: on Grand Turk, Providenciales and South Caicos, as well as domestic airports on all the other inhabited islands. Regular international flights, freight and passenger, are available from Miami and neighbouring countries. Sea freight services also operate from Miami.

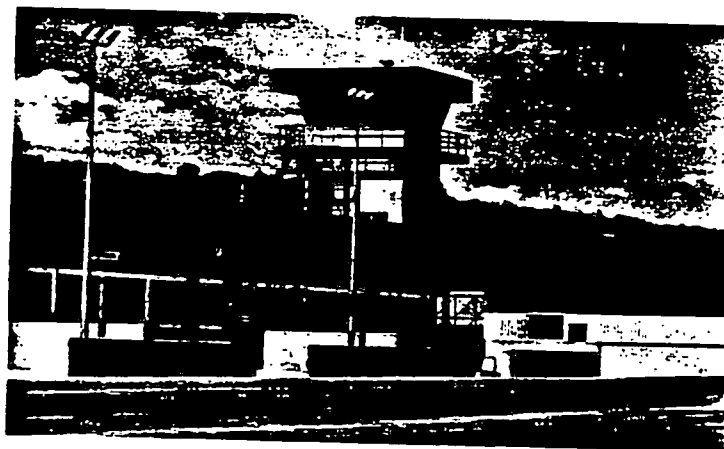
Telecommunications are provided under a franchise agreement by Cable and Wireless. Worldwide direct dialling, telex and facsimile are available on the islands. There is satellite television from the USA. Local media consists of a private television station, three local radio stations and weekly newspapers.

Medical Services and Utilities

Medical and dental services are available on Grand Turk and Providenciales. There are no mandatory or recommended health precautions for visitors.

Water is mainly provided by a combination of catchment-basins and reverse osmosis desalination. There are underground freshwater supplies on the westerly Caicos Islands.

The electricity supply is diesel-generated and 110 volt, 60 cycles — suitable for all US appliances.



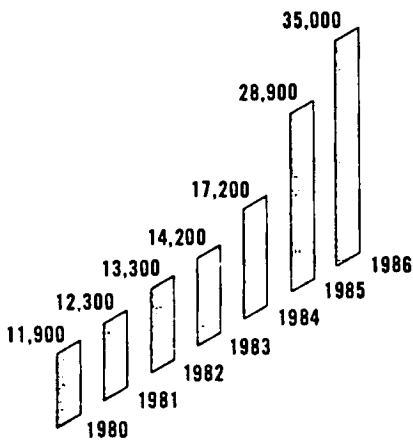
SECTORS OF OPPORTUNITY

TOURISM



TOURISM GROWTH

NUMBER OF VISITORS



The crystal-clear, pure aquamarine waters with their wealth of marine life and the perfect climate of the Turks and Caicos Islands make them ideal for tourism, in particular tourism of a specialised nature — some of the most spectacular snorkelling and wall diving in the world can be found in the coral reefs which surround the islands. The Caicos Bank has bonefish in abundance and nearby there is superb deep-sea fishing.

Government policy is to encourage clusters of tourist facilities in order to avoid over concentration with its consequent diminution of amenity and potential harm to the environment. The beauty of Turtle Cove on Providenciales is an example of the success of this policy.

The government offers substantial assistance to the investor in developing the varied attractions of the islands through the provisions of the Encouragement of Development Ordinance.



SECTORS OF OPPORTUNITY

TOURISM



This Ordinance allows projects considered beneficial to the local economy, to benefit from the following:

- A guaranteed tax holiday.
- Availability of leasehold Crown land.
- Exemption from customs duty on building materials essential to the project.

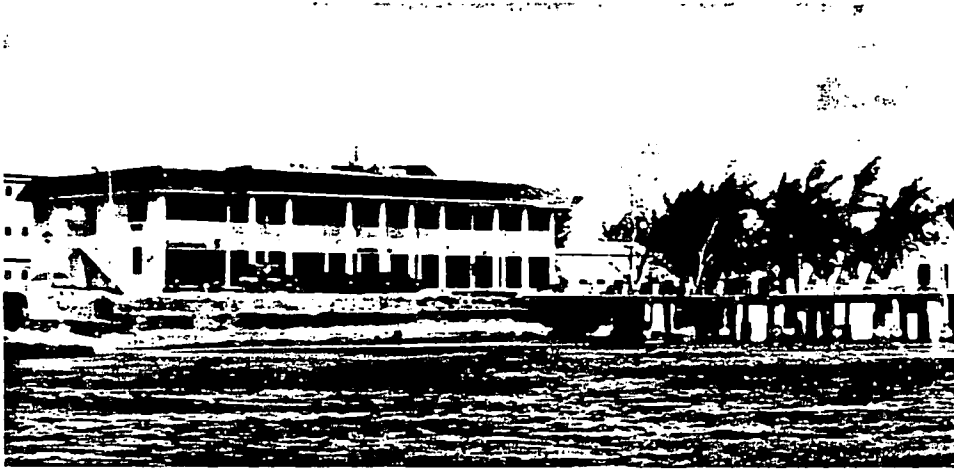
Development is further assisted by an open and even-handed immigration policy.

Despite the upsurge in tourism the islands are still relatively undeveloped and therefore offer many opportunities for the development of hotels and other tourism facilities.



SECTORS OF OPPORTUNITY

OFFSHORE FINANCE



Suitable conditions already exist to encourage the Islands' further growth as an offshore financial centre to which the government is fully committed.

The framework is provided by the Companies Ordinance supported by the Confidential Relationships Ordinance, which offers confidentiality to legitimate businesses. There is also a self-regulatory body with a code of conduct. This framework combined with the lack of direct taxation has already led to a steady growth in corporate registrations and office accommodation development.

A leading firm of management consultants have reviewed the industry and are advising the government on the development of the Finance Sector such as the extension of banking and insurance legislation. This will provide an even more favourable back-drop for offshore business.

The offshore finance industry in the Turks and Caicos Islands offers real value-for-money and flexibility in company formation compared to other tax-free jurisdictions.

For professional advice please refer to the enclosed Business Services Directory.



SECTORS OF OPPORTUNITY FISHERIES & MARICULTURE



The Islands' staple exports, conch and spiny lobster, must be safeguarded against over-fishing. Accordingly three main avenues of development are being pursued: exploration of presently unused fishing areas, assiduous preservation of local reef habitats for the breeding of marine life, and co-ordination of companies and individuals operating in this field.

The world's first conch farm is operated by Tradewind Industries on Providenciales and already small quantities of baby conch are being exported. The Smithsonian Institute and certain private interests are investigating the viability of farming Caribbean king crab. Sponge and shrimp farming projects are also under review.

The government also wishes to encourage formation of co-operatives, the use of more modern fishing techniques to exploit scale-fish stocks and the growth of added value processes such as filleting and canning.

Growth in the tourist industry is providing a larger local market for the produce of the Islands' unpolluted waters.



SECTORS OF OPPORTUNITY

RESIDENCY



The unhurried pace of life, healthy climate, lack of crime, natural beauty and ever growing amenities of the Islands make them ideal as a potential home.

This is evidenced by a 10% per annum rise in the issue of resident permits during the 1980's. It will be accelerated by the building of planned residential units and new health resorts on the islands.

The government does not wish to see uncontrolled land speculation but nevertheless has an open immigration policy witnessed by the issue of Residency Permits. Also Permanent Residence Certificates may be issued to those who invest at least US\$250,000 in an approved investment on the islands.

The Islands offer virgin land, a small, friendly, law-abiding populace and unlimited opportunities for relaxation.

For further details refer to the 'How to . . . ' section at the back of this brochure.



SECTORS OF OPPORTUNITY



Agriculture and Mining

Local agriculture is affected by the low rainfall on most of the islands and by the salinity of the soil. Presently the only agriculture is on the westerly Caicos Islands and comprises growing cassava (the manioc or tapioca root), citrus fruits, maize and beans. However, high technology methods such as hydroponic culture are being used to produce tomatoes and salad vegetables on Grand Turk.

Mining is confined to quarrying sand and rock for local construction. However the presence

of aragonite (used in the production of gypsum products and fine concrete) off West Caicos has been established.

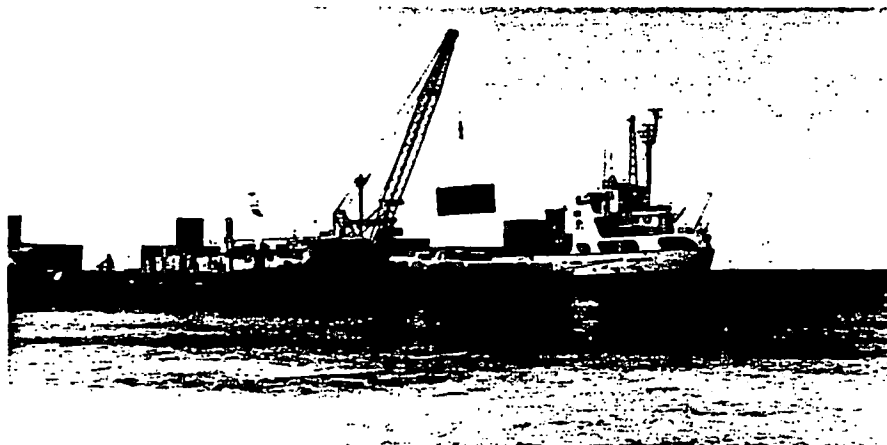
Light Industry and Handicrafts

Light industry on the Islands is so far undeveloped, however, straw-work and conch shell products are traditional island handicrafts. These are sold in local hotels.

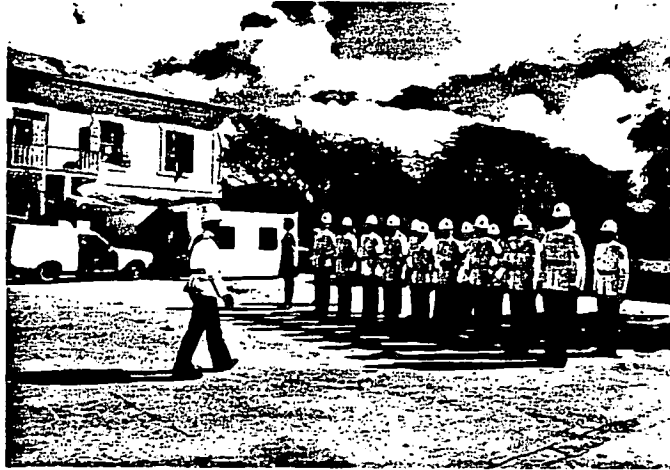
Under the Encouragement of Development Ordinance the government offers duty

exemptions, guaranteed tax holidays and favourable Crown land leasehold terms to investors who are involved in projects considered beneficial to the local economy. In particular, projects which include providing low-cost housing for the local labour force would be treated favourably.

Imports of raw materials for industrial projects are duty exempt. The Islands offer a total absence of negative labour regulations, use of the US Dollar and are only 1 ½ hours from Miami.



THE BENEFITS



Political and Social Stability

A British Crown colony with British commercial law and administrative framework. Friendly atmosphere with a negligible crime rate.

Fiscal

No exchange controls.

No direct taxation.

Guaranteed tax holidays and duty exemptions for projects benefiting the local economy.

Economic

Currency stability from using the US Dollar.

Long leasehold land available from the Crown (the Government) for projects benefiting the local economy.

Availability of private freehold land.

No compulsory localisation laws.

Many untapped resources.

Effective confidentiality legislation.

Limited company formation formalities through the availability of exempt company status.

Efficient, good value-for-money company formation.

Geographic and Climatic

1 ½ hours from the continental USA.

Eastern Seaboard Time Zone.

The healthy climate and the natural unspoiled beauty of the surroundings.



"HOW TO . . . THE TURKS AND CAICOS ISLANDS"

Start a business in . . .

The formalities for the individual wishing to establish or operate a business are minimal.

If the business is to be run by indigenous people, only a business licence is required. The business licence has a five-year currency but has to be renewed each year.

If the business is to be operated locally by an expatriate, he or she will need a work permit in addition to the business licence.

Work permits are granted if the applicant has skills, qualifications or experience which are not available amongst the local population.

Flexibility will be shown if it can be demonstrated that the business in question will provide substantial employment to locals, or in some other way benefit the local economy.

Permanent Residence Certificates may be granted to those investing US \$250,000 or more, in an approved investment.

Enquiries about Work Permits should be directed to the Immigration Department, Grand Turk. Enquiries about Business Licences should be directed to the Secretary of the Business Licensing Committee, Finance Department, Grand Turk. Enquiries about Permanent Resident Certificates should be addressed to the Chief Secretary, Government Secretariat, Grand Turk.

Advice on all these is available from the Private Sector Development Officer whose address is given overleaf or from the Chamber of Commerce on either Grand Turk or Providenciales.

Form a company in . . .

There are two main types of company permitted in the Turks and Caicos Islands.

One is the Ordinary company, the other the Exempt company.

Exempt companies must file a declaration that business will be mainly carried on outside the Islands. Exempt companies must also have a nominated resident representative. The objects of an Exempt company may be unrestricted.

Exempt companies are required only to file a declaration to the effect that certain requirements of the relevant Ordinance have been met and that the operations of the company remain principally outside the islands. They do not need to file details of shareholders, directors or other officers. Also Governor's undertaking to exonerate companies from the imposition of direct

taxation or an increase in fees for up to 20 years is available.

Ordinary companies are required to hold a general meeting at least once a year. The first meeting, however, may take place within fifteen months of registration.

Annual returns need only include details of share capital (nominal and issued) and names of shareholders and company officers.

Directors need not reside in the islands. There is no requirement that board meetings or shareholder meetings be held on the islands. Shares may be in either registered or bearer form.

For a schedule of fees and further details we advise you to consult a local professional adviser. These are listed in the Business Services Directory contained in the back jacket.

continued overleaf . . .



"HOW TO . . . THE TURKS AND CAICOS ISLANDS"

Move to . . .

Entry to the Turks and Caicos Islands is extremely simple: US citizens require only a driver's licence or ID card, others a passport. No visa is required.

For those wishing to live in the islands a Resident's Permit is needed.

For those intending to work or establish business a work permit is also required. These are generally granted to those offering skills, experience and qualifications which are not widely available on the islands.

Permanent Residency is available on the investment of not less than US\$250,000 in an approved business on the islands. Naturalisation will be considered for those resident for five years.

Enquiries regarding work permits should be addressed to the Immigration Department, Grand Turk. Enquiries regarding Permanent Residency and Naturalisation should be addressed to the Chief Secretary, Government Secretariat, Grand Turk.

Purchase land in . . .

Ownership of all land on the islands is registered. The Register is not only a record of ownership, it is a record of the legal title to the land. Thus, transfers of ownership, rights of way, and other legal land rights and mortgages are guaranteed by registration.

The prospective purchaser is advised to consult the Land Register at all times. It is kept at the Land Registry Office, Grand Turk.

The greater part of the land in the Turks and Caicos Islands is owned by the government as Crown land. Generally this is not for sale but

can be available on long leases for purposes which are considered to be beneficial to the Islands' economy.

There are no land, development, capital transfer or capital gains taxes. Stamp duty is levied on transfers and other dealings in land.

For further details we advise you to contact an Attorney or Real Estate Agent as listed in the Business Services Directory contained in the back jacket.

Find out more about . . .

In the Islands contact:

**The Private Sector Development Officer
Hibiscus Square
Grand Turk**

Tel: (809 946) 2732

or a local professional adviser as listed in the Business Services Directory contained in the back jacket.

In North America contact:

**Turks and Caicos Tourist Board
Suite 570
121 South East 1st Street
33131 Miami
Florida**

Tel: (305) 577 0133/0144

In Europe contact:

**Turks and Caicos Tourist Board
The West India Committee
48 Albemarle Street
London W1X 4AR**

Tel: 01-629 6355

October 17, 1988

CANADIAN FIRMS INTERESTED IN EXPORTING TO
THE TURKS AND CAICOS ISLANDS (TCI)*

Some 118 Canadian firms have indicated an interest in exporting to the Turks and Caicos Islands. Data in WINEXPORTS as of October 12, 1988 reveal the following geographic breakdown.

<u>Province</u>	<u>No. of Firms</u>	<u>% of Total</u>
Ontario	58	49.2%
Quebec	32	27.1
British Columbia	13	11.0
Alberta	9	7.6
New Brunswick	2	1.7
Nova Scotia	2	1.7
Manitoba	1	0.8
P.E.I.	1	0.8
Saskatchewan	0	0
	—	—
Total	118	100%

Many of the firms in WINEXPORTS appear to be either shipping agents and customs brokers or trading houses. There are very few "blue chip" companies on the TCI "list", (one notable exception is CIL). Without additional information it is difficult to estimate the extent and nature of these firms actual and desired interest in sales to the TCI. No data are available at this time on the activities of Canadian institutions interested in the TCI.

*Copy of WINEXPORTS printout as of October 12, 1988 on file.

Form 675 G (S)
PROCÉDÉ **Piasdix**® PROCESS
MONTREAL - TORONTO



BESTEK

Micro Devices & Systems Inc.

21-2485 LANCASTER ROAD

Ottawa, Ontario K1B-5L1
(613) 523-5211

Reference
LCT
CIDA/BMB/SEL
KNGTN
D. McKenzie

Mr. Phil Brady
Development Officer
Caribbean Branch
External Affairs
125 Sussex Drive
Ottawa, Ont.
K1A-0G2

17 February, 1989

Re: SOLAR for Caico and Turk

Dear Mr. Brady,

BESTEK is a leading Canadian firm in solar power generation and energy efficient lighting systems. Our lighting products are both energy and maintenance free. Other benefits of our systems are free energy for your other appliances, eg. radio, TV, computer, VCR, refrigerator, etc. We have supplied energy solutions and products to residents of mobile and remote homes since 1983. Some product brochure is included for your reference.

BESTEK would like to play an important part in the development program between Canada and the Caico-Turk islands in the West Indies. Our advanced lighting technology will be particularly beneficial to the local economy and surrounding areas. With CIDA support BESTEK can transfer technology to establish a Caribbean joint venture operation.

Looking forward to hearing favourably from you, with regards,

Sincerely,

Nae Ismail
President

BESTEK

STANDALONE SOLAR LAMP

Description:

A state-of-the-art BESTEK solar panel stores sunlight all day in a hidden battery. At sunset the lamp goes on by itself as a flood light. After a few hours the lamp goes off by itself to save energy. The lamp works this way all year. It still works each night even for 3 days without sun. A "C" version is for cold winters.

Installation requires DIRECT access to sunshine ALL DAY and a ground hole only. External power is not needed and no maintenance is expected for 5 years.

Applications:

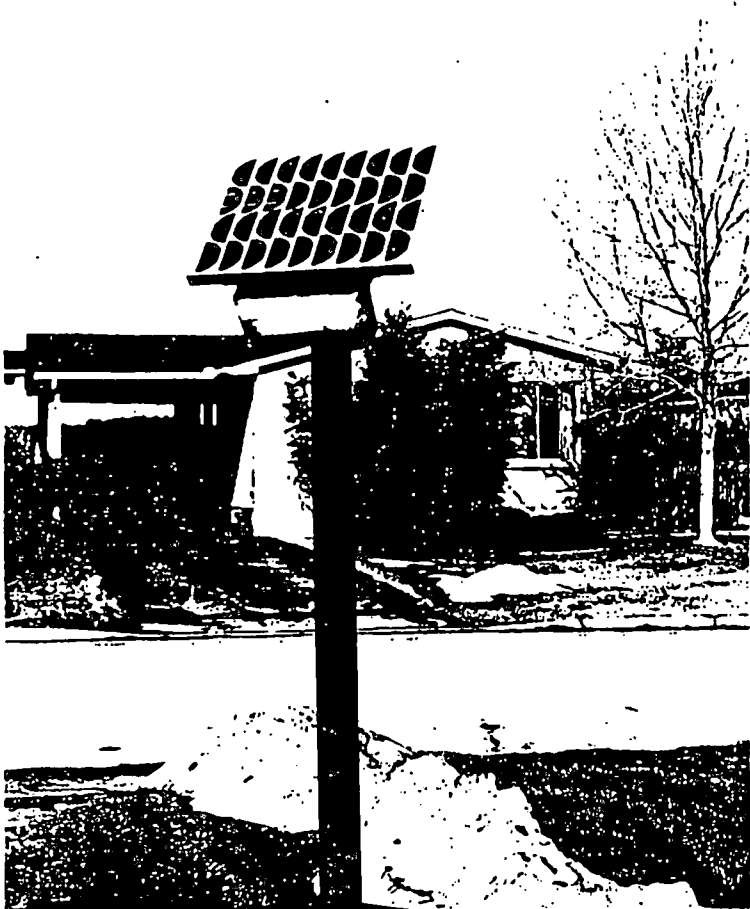
This maintenance-free lamp is perfect for cottages, remote homes, farms, sheds, cabins, buoys, islands, docks, parks, patios, walkways, camp sites, pools, gardens, backyards, beaches, bus-stops, road signs, golf courses, tennis courts, decks, hills, porches, playgrounds, driveways, fountains, barns, hydrants, greenhouses, construction sites, phone booths, exits, small airports, cemeteries, gas pumps, hiways, ski trails, etc. etc.

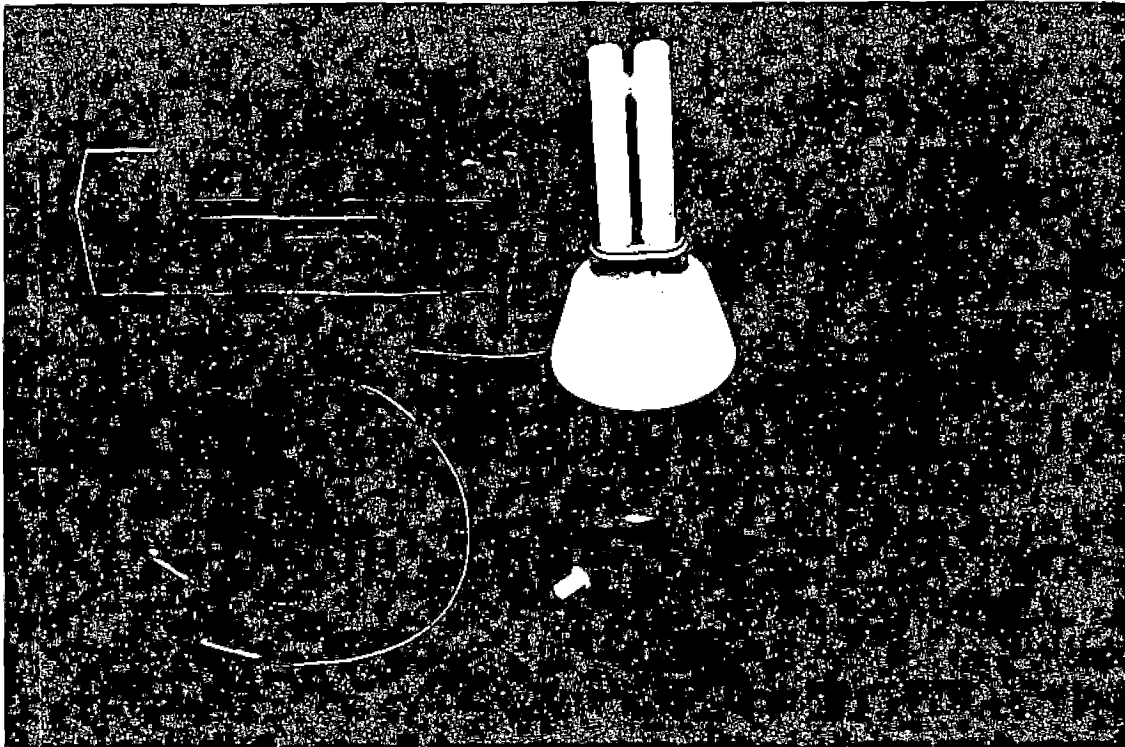
MODEL #

SOLBRITE 40 | SOLBRITE 60
SOLBRITE 40C | SOLBRITE 60C

Preliminary Specs;

Brightness	40W incand	60W incand.
Light ON	5 hrs.	5 hrs.
Temp. Range	+20/+40° C	+20/+40° C
"C" version	-20/+40° C	-20/+40° C
Height	8-10 ft.	8-10 ft.
Panel size	18"x23"	18"x23"





BESTEK

CAMPER LAMP

Description:

This powerful lamp can operate up to 2.5 hours each time by the accompanying sealed small battery. The battery, which is 12V, can be recharged quickly from a cigarette lighter of a vehicle or by BESTEK solar panels 813 or 829. Package is modular, safe, compact, light, and simple. Longer lamp time is possible by a larger battery.

Applications:

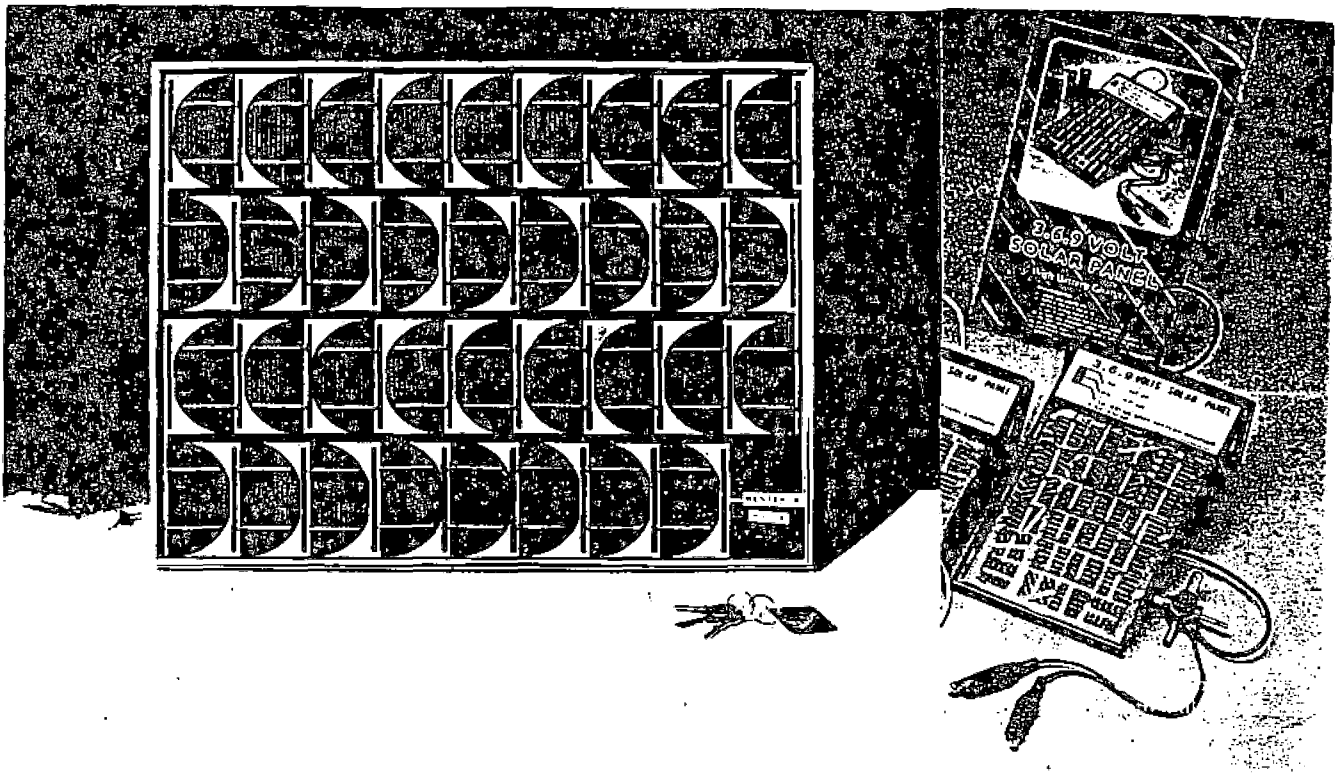
To light up a tent, or camper, trailer, motor home, boat, cabin, hut, chalet, etc. and for emergency situations.

MODEL #

LLS1212

Specifications:

Brightness	30 W incandescent
Weight - battery	0.5 Kg., 1.1 lb.
- lamp	0.16Kg., 6 oz.
Size - battery	3.8"x1.7"x2.0"
- lamp	4.7"x2.4" diam.
- bulb	4.2"x1.3"x0.7"
Charging time - 813	3 hrs. in full sun
- 829	2 hrs. "



BESTEK

PORTABLE SOLAR PANELS

Description:

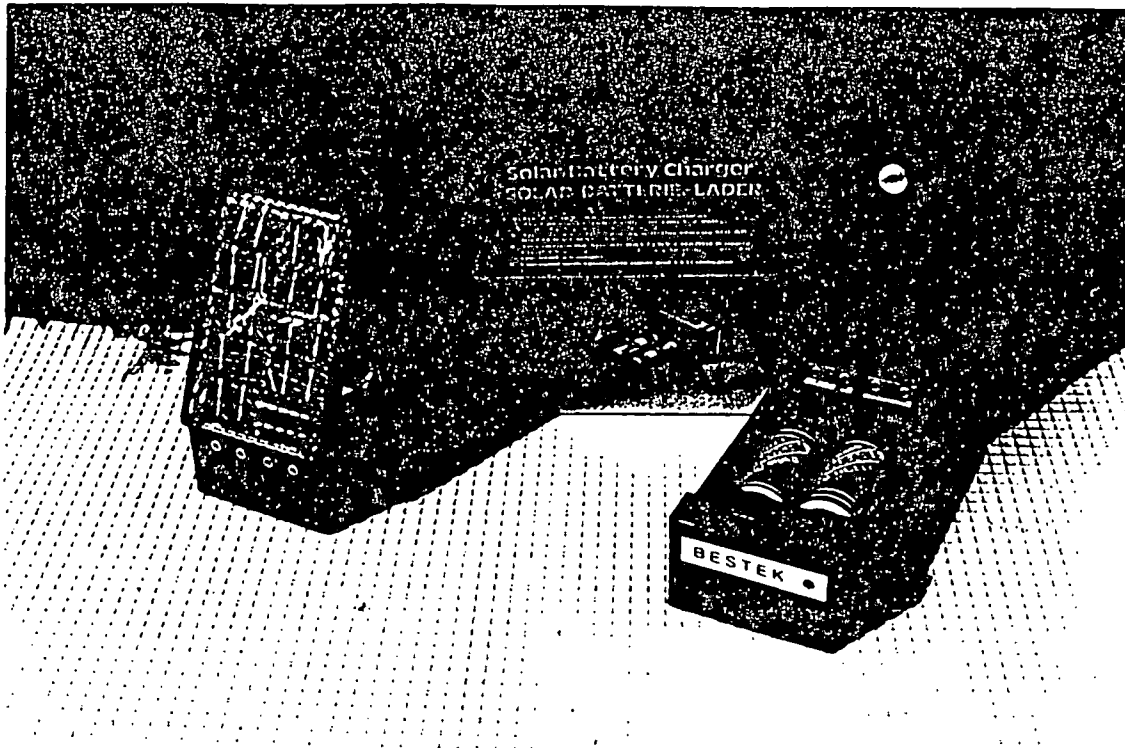
They are light but rugged. The larger panels have + and - output screw terminals in the back for connections to your 12V car, or boat, battery to keep it charged. The panel regulates the current to avoid overcharging the battery. They are sealed against rain and snow.

The little panel has a charger for AA batteries, a switch for 3 different voltages, and an output cord to plug into various radios or cassette players. It should be used in good weather only.

Applications:

The larger panels charge 12V batteries in cars, boats, gliders, planes, cottages, cabins, huts, sheds, farms, barns, remote homes, etc. to operate lights, radios,, TV, VCR, instruments, water pumps, tools, vents, electric fence, etc. The little panel charges AA size NiCd batteries, or operates radios and cassettes DIRECTLY by sun.

	<u>MODEL #</u>		
	838	813	829
Specifications:			
Max. Voltage	3-6-9V	18V	18V
Max. Current	100-50-50 mA	0.5A	1A
Size	5"x7.5"x.2"	14.5"x14.5"x.8"	18"x23"x.8"
Weight	1 lb.	2 lbs.	3 lbs.



BESTEK

SOLAR BATTERY CHARGER

Description:

Solar power charges small (NiCd) batteries anywhere for free ! The charger is pocket-size, light weight, and has NO cord. Even weak batteries can be fully charged within days, or hours. Easy to use or to stow away. There is NO dangerous line voltage, hence no risk of electric shocks and therefore safe for children to use.

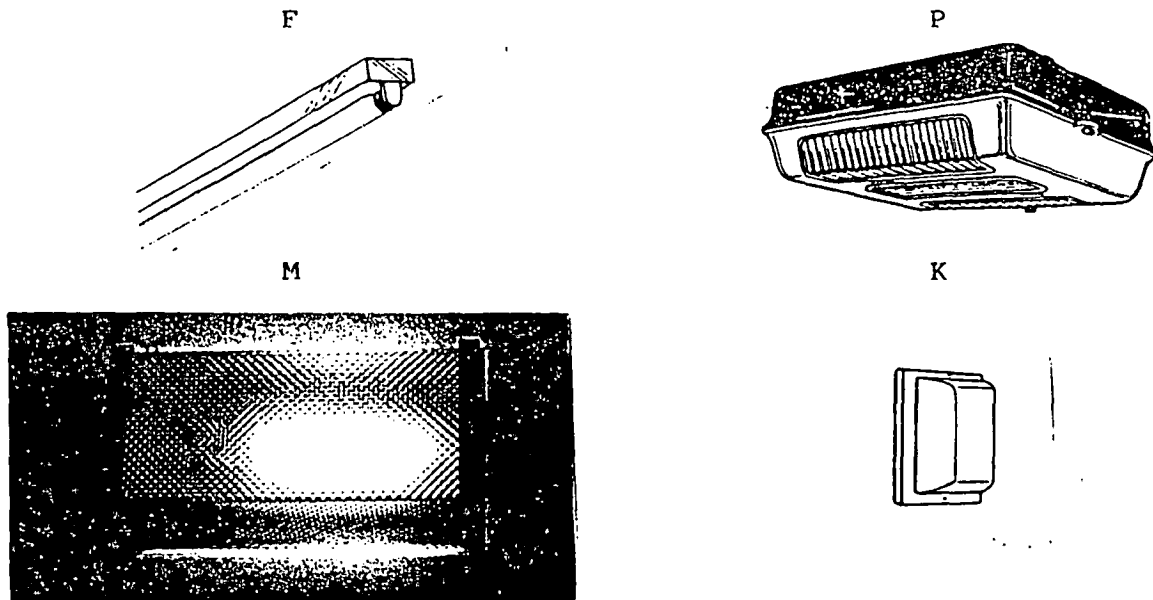
The lid of the charger is a solar panel protected by a plastic lens cover. Open the lid to insert weak batteries. Face the solar panel at the sun as DIRECTLY as possible. Best results can be obtained by following the movement of the sun during the day.

Applications:

Charge all small batteries for Walkman, camera flashes, computers, cassette players, electronic games, toys, flashlights, radios, etc.

MODEL #

	806	808
Specifications:		
Capacity	1 to 4-AA	2-AA or 2-C
Size	3.7"x2.6"x1.2"	4.6"x2.6"x1.6"
Weight	4 oz., 0.1 Kg	5 oz., 0.14 Kg



BESTEK

12V FIXTURE LAMPS

Description:

A 12V battery, rechargeable by BESTEK solar panels 813 or 829, magically turns these lamps into cosy lights to read or work by anywhere just like home. They generate minimal heat and are not hot to touch. They start quickly, draw low current, suffer no harm if battery polarity is wrong, and need only a new bulb in 5 years.

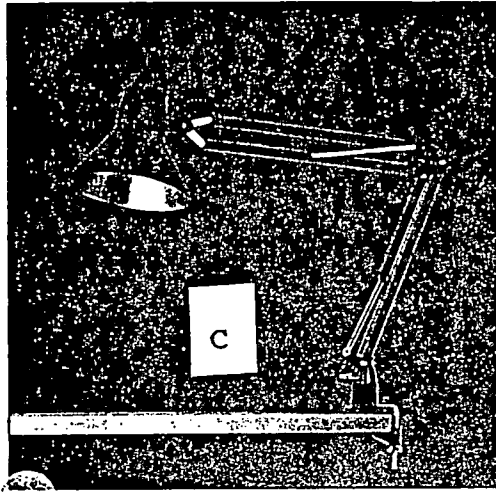
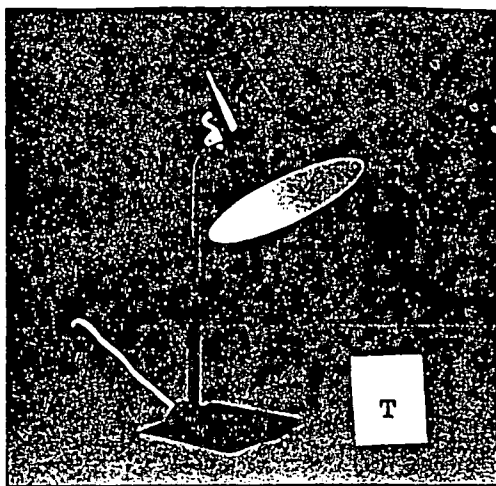
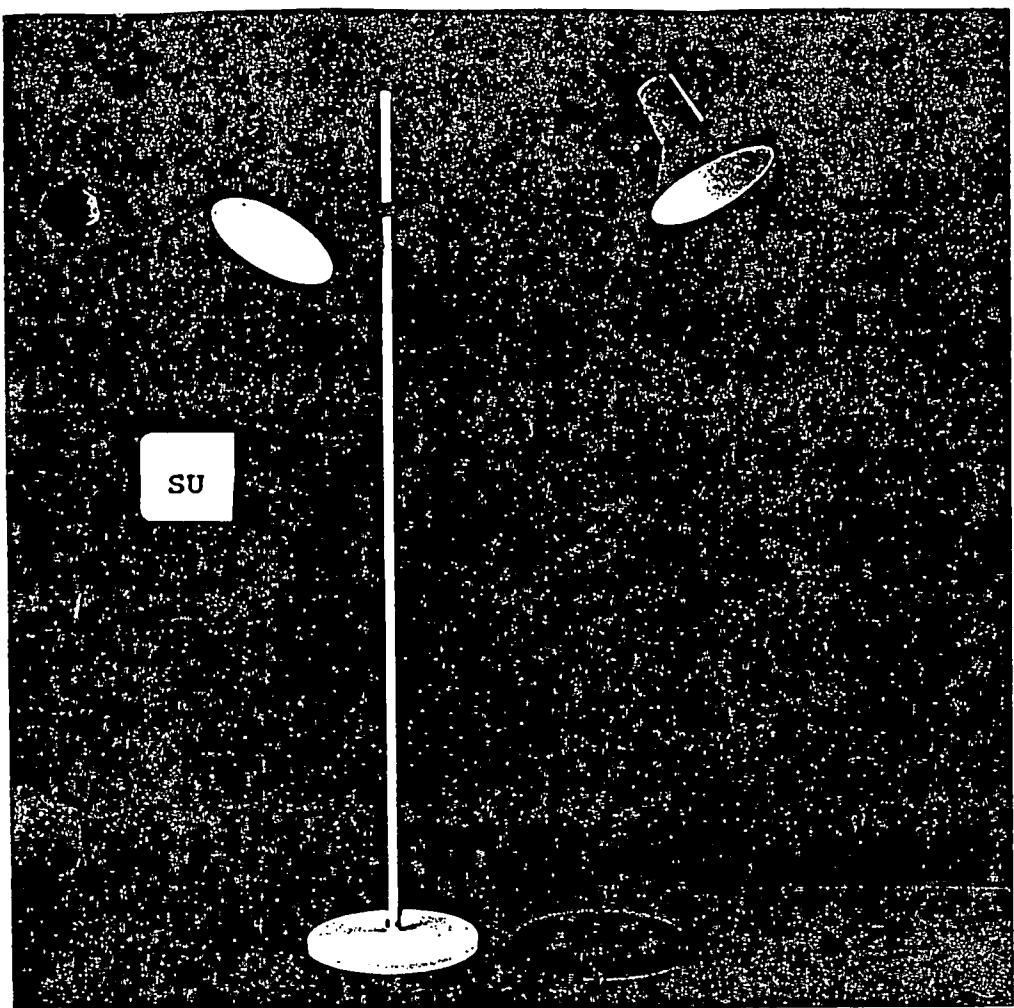
The M model has a dispersive prismatic lens cover held between attractive wood ends. The F model has an optional clip-on lens cover to diffuse the light and to protect the lamp. The P and K models have edge-sealed vandal-proof polycarbonate lens covers.

Applications:

The M and F models are ideal for inside boats, RVs, campers, bus, planes, displays, signs, cottages, cabins, club house, huts, sheds, remote homes, barns, booths, bus-stops, guard houses, work benches, etc. The P and K models are for outdoor lights at exits and gates. The "C" version is specially made for outdoor in cold winters.

MODEL #

	F20	M40	P40	K40
	F40	M60	P60	K60
	F80	M100	P100	K100
			P...C	K...C
Specifications:				
Comparable	20W fluor	40 W incandescent		
Brightness	40W "	60 W "		
and Colour	80W "	100W "		
Current draw	1.2 A typ		0.7 A typical	
from 10-14V	2.5 A "		0.9 A "	
battery	5.2 A "		1.3 A "	
Temp. range		+ 20° to + 40° C		
"C" version			- 20° to + 40° C	
Size	24" - 48"	10"x5"x4"	10"x7"x4"	8.5"x6"x4"



BESTEK

12V FUNCTIONAL LAMPS

Descriptions:

Powered by a 12V battery, or an adaptor, these lamps can deliver comfortable light over a work area very effectively. They draw low current, produce little heat, and can be moved around to suit your needs. Many hours of operation are sustainable by a small battery which is available from BESTEK and is also rechargeable by BESTEK solar panels 813 or 829. Only a bulb change is expected in 5 years.

Applications:

These lamps play an important role in hospitals, dental offices, operating theatres, veterinary laboratories, schools, offices, studios, work shops, emergency camps, mobile clinics, etc. etc. in rural areas and countries without conventional electricity. They can also be an EMERGENCY lamp at home during power failures.

MODEL #

Specifications:	SU40	T40	C40
Brightness	40W incandescent		
Current draw	0.7 A typical		
Height	53" max.	16" max.	36" max.

AT LAST!

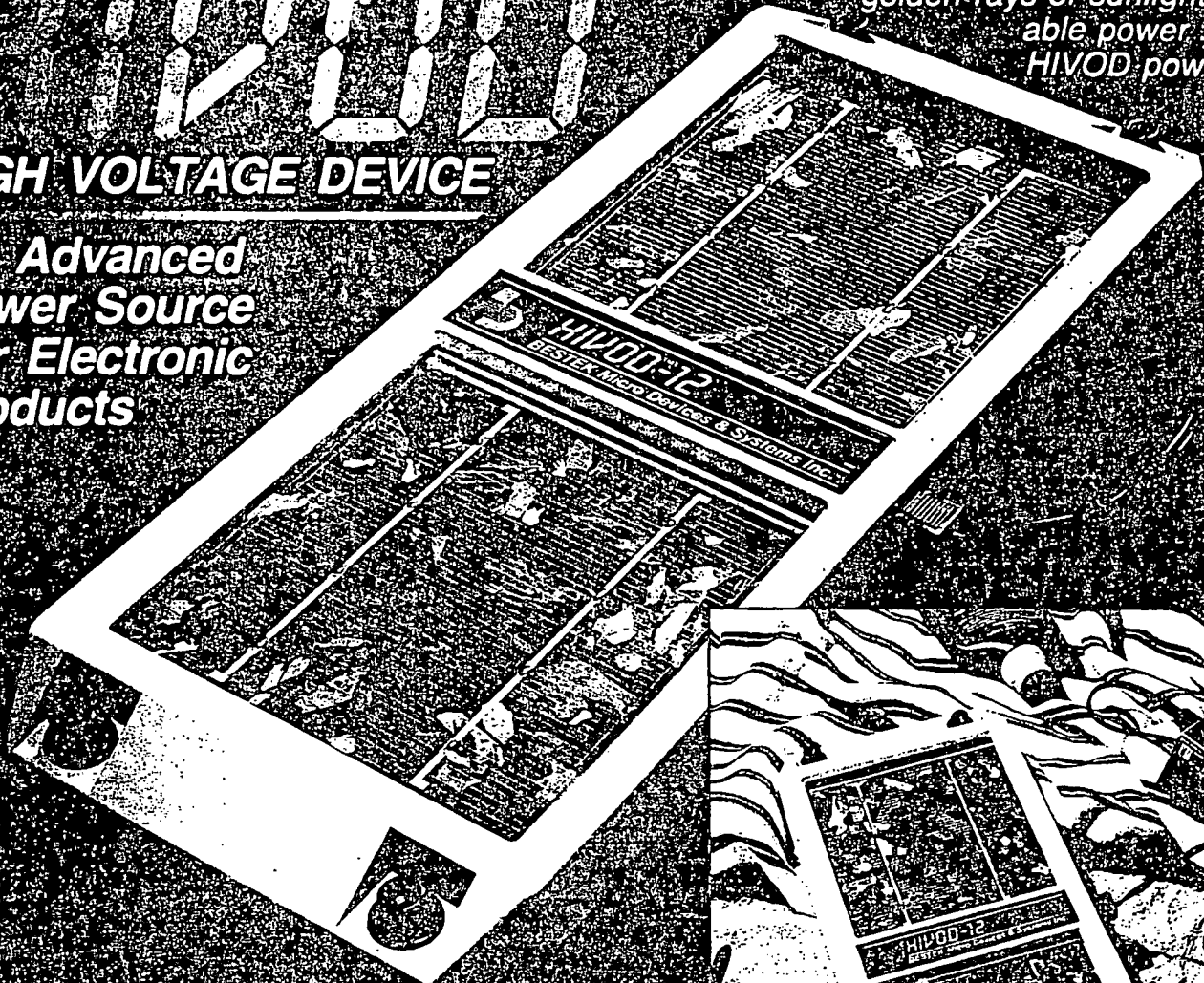
THE BESTEK™

HIVOD™

HIGH VOLTAGE DEVICE

An Advanced
Power Source
For Electronic
Products

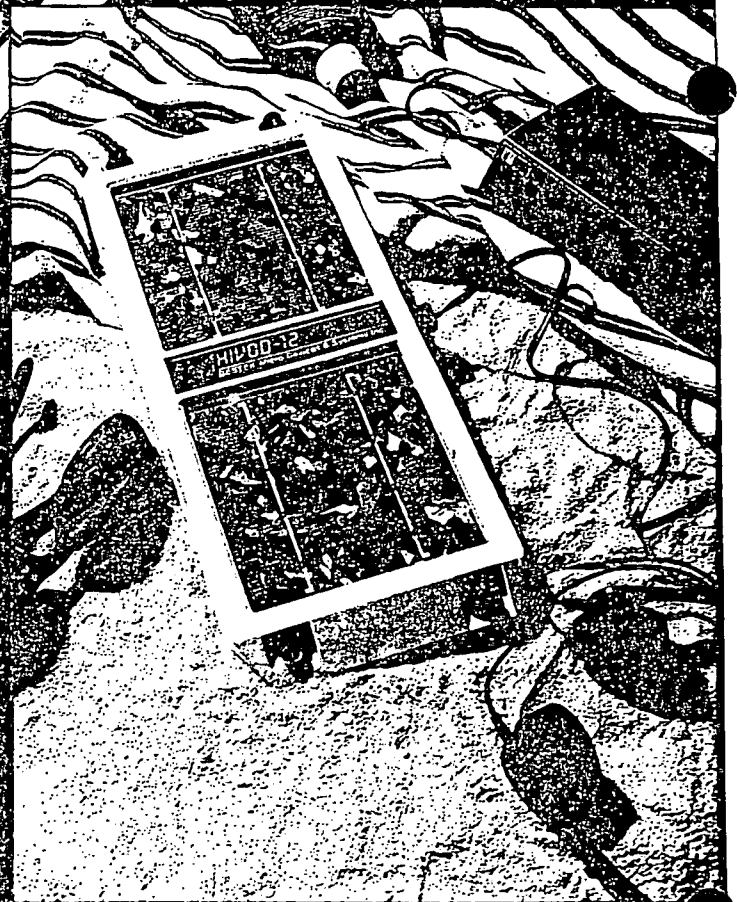
With a strange blend of mysticism and applied science, the alchemists of the Middle Ages sought to convert base metals into gold. In this century, challenged to a similar quest, scientists struggled for years to convert golden rays of sunlight into affordable power. At last, the HIVOD power pack has arrived to meet the challenge.



The HIVOD power pack is fueled by the sun or by light from most other sources. Using technology proven over the past 20 years, HIVOD power packs provide a safe, reliable electric charge to batteries and electronic devices requiring 12 volts or less. Now, HIVODs supply this power at a price easily within the grasp of the average consumer.

Can you imagine? A single HIVOD power pack is small enough to fit in the pocket of a backpack, yet any member of the HIVOD family can be counted on to deliver a dependable stream of electricity day after day, year after year, to power toys, radios, portable computers and more.

Have power at your fingertips when you work or play outdoors! Never again plug your rechargeable batteries into a wall socket! Energy from light is free! Make it work for you with a HIVOD power pack!



BESTEK
Micro Devices & Systems Inc.

TECHNICAL DESCRIPTION

HIVOD power packs are lightweight, compact, rugged and maintenance-free. The power packs incorporate electrically-matched silicon cells, protected by glass and multiple layers of polymeric encapsulant, and sealed within an injection moulded, A.B.S. plastic casing. Each unit has conveniently located mounting holes for easy installation. They operate dependably at temperatures from -40° to 60° Centigrade.

The HIVOD will produce electricity from any light source. Natural sunlight at noon on a clear day provides the best results, but the units will work under an incandescent table lamp and are sensitive to most other forms of light.

The HIVOD will provide power to the host device (radio, portable computer, etc.) directly or in conjunction with Nickel-Cadmium and other rechargeable batteries. Once the host device is turned off, the HIVOD's power output will go directly to the battery. A blocking diode built into the HIVOD insures against back-discharge from the battery.

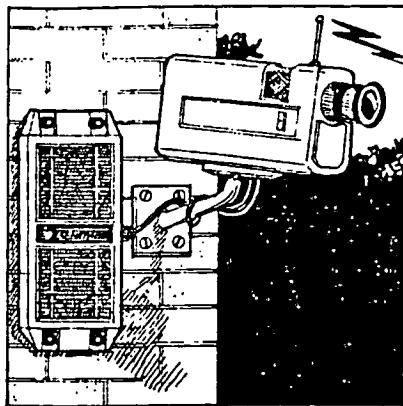
HIVOD power packs can be grouped together in series or parallel to deliver increased voltage or current to meet a variety of specialized applications.

- Saves money, never buy "throw-away" type alkaline batteries again!
- Has no moving parts, quiet solid state operation!
- Available in standard 3, 6, 9 and 12 Volt units! Custom voltage and current ratings also available!
- Safe operation, no dangerous voltages!
- Self-regulating, won't overcharge batteries!
- Convenient, portable size 5" x 12" x 3/4"! (13mm x 30.5mm x 19mm)
- Attractively packaged!
- Light weight, less than 1 lb (1/2 kilogram)!
- Environmental, designed for year round outdoor use!
- Easy installation — simple to use!
- One piece moulded plastic "plug in" connector!
- Unlimited applications, power for portable radios, walkie talkies, electric fences, surveying equipment, boats, toys, electronic games and... much more!

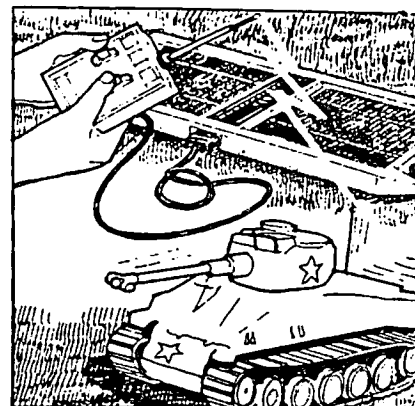
WARRANTY

HIVOD products are warrantied for 1 year against manufacturing defects. Bestek reserves the right to examine all claims.

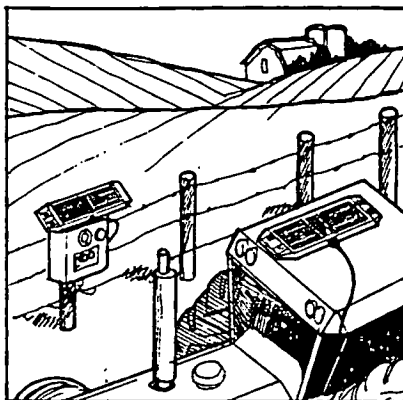
Bestek will not be responsible for damage to equipment due to improper connection of HIVOD devices.



REMOTE OPERATION



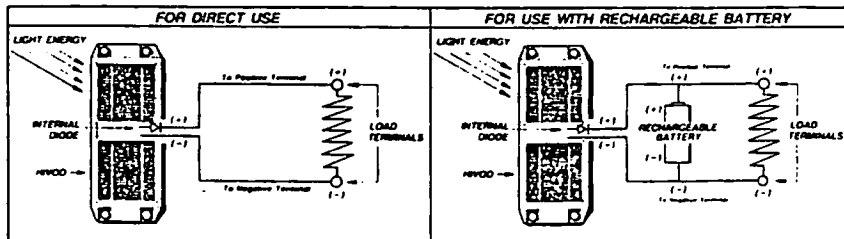
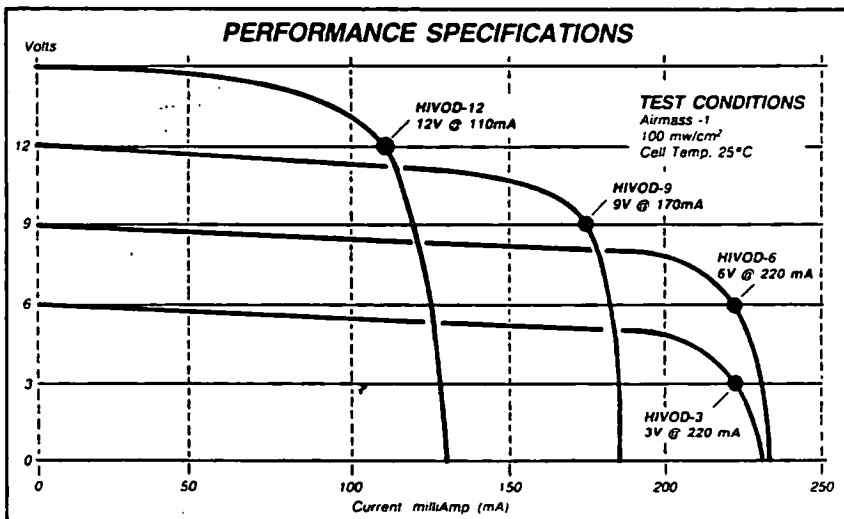
RADIO-CONTROLLED TOYS



AGRICULTURAL USES



POWER FOR MUSIC



BESTEK

Micro Devices & Systems Inc.

Suite 207, Southvale Crescent

2660 Southvale Crescent

Ottawa, Ontario K1B 4W5

(613) 523-5211/523-7677

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BESTEK

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Department of External Affairs



Canada

Ministère des Affaires extérieures

OTTAWA, ONTARIO
K1A 0G2

February 28, 1989

Mr. Nae Ismail
President
BESTEK Micro Devices ,
& Systems Inc.
21-2485 Lancaster Road
Ottawa, Ontario
K1B 5L1

Dear Mr. Ismail:

Thank you for your letter of February 17 and for your interest in the Turks and Caicos Islands. A copy of your letter and its enclosures have been passed to Mr. Dan McKenzie and to Mr. O.H. Timmins, Director, Americas Bureau, Business Cooperation Branch, CIDA for their information.


Should you wish to pursue the question of technology transfer and the possibility of a joint venture project in cooperation with CIDA's Industrial Cooperation Program I would suggest that you contact Mr. Timmins (997-0537).

Yours sincerely,

A handwritten signature in cursive script that reads "Pierre Ducharme".

Pierre Ducharme
Acting Director
Caribbean and Central
America Relations
Division

c.c. Mr. Dan McKenzie
Mr. O.H. Timmins

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McKenzie, Dan
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