



# Statements and Speeches

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No. 85/16

## CANADA AND THE COMMONWEALTH CARIBBEAN

Notes for a Speech by the Right Honourable Brian Mulroney, Prime Minister, at the Luncheon for Caribbean Commonwealth Heads of Government Nassau, the Bahamas, October 18, 1985.

...At Kingston you raised a number of concerns. As I have already reported to you, I pursued some of them with President Reagan at Quebec and with the leaders of other industrialized countries at Bonn. Since then, Canada has also made sustained efforts to ensure that the special needs of lower middle-income countries are fully recognized. At the recent Seoul meetings of the Bank and the Fund, the question of the eligibility of all Commonwealth Caribbean countries for access to the Bank's concessional affiliate, the International Development Association (IDA) was discussed.

We appear to have achieved the objective of deferring IDA graduation for many of you. I am pleased to note that it was our efforts, strongly backed by Australia, India, and a solid Commonwealth front, that made this possible.

The relationship between Canada and the Commonwealth Caribbean is rich and diverse. Let me confirm again your priority in our assistance programs and my commitment to you to double aid to the regions over a five-year period — to a level in excess of \$80 million by 1987.

We are working with you in activities which range from small social development projects to balance-of-payments support to major capital ventures.

To cite a few examples, we have tripled disbursements to Jamaica over the past two years to \$26 million. Twenty million dollars are going to the Island countries of the Eastern Caribbean for training, while in the energy sector we are involved in projects with the governments of Barbados, Jamaica, Grenada, St. Lucia and St. Vincent, including a \$9-million hydroelectric development in St. Vincent. In the air transportation sector — long a focus for Canada — work has begun on a \$75-million project to modernize 22 airports on 13 islands. I can announce today that we will be providing more training in air traffic control.

Let me now give you a response and a status report on CARIBCAN. When we last met, the possibility of one-way duty-free trade for Commonwealth Caribbean exports was raised. I gave you my undertaking to consider the proposal seriously and to get back to you as soon as possible.

I can now inform you that our Cabinet has agreed that your proposal should be implemented. The Minister of Finance has already held a series of consultations with Canadian industry on the tariff aspects of your proposal and there is general support for such action. My expectation is that Canada should be ready to introduce the duty-free arrangement, together with whatever minimum safeguards are deemed necessary, during the first half of 1986. We anticipate that the arrangement will cover 99 per cent of the goods which you currently export to Canada. As you know, cigars, which were specifically raised in the CARIBCAN proposals, have already been accorded duty-free entry in last May's budget.

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I would like to turn to the question of rum. Access to Canada for Caribbean rum has long been a major issue and I am pleased to tell you that we have made some progress. We are now ready to formalize the protocol on labelling in the Canada/CARICOM trade and economic agreement. In addition, we will amend our legislation to permit the bottling of rum in Canada without blending. I am discussing your general concerns about the provincial liquor marketing systems with provincial premiers. I am prepared to approach them on your behalf with specific cases or proposals.

To strengthen your export capacities, we will be in touch with CARICOM about a pilot project to develop a sourcing directory. This will provide an inventory of Commonwealth Caribbean manufacturing and export capacity. This kind of data base has proved an effective tool in Canada for the development of export marketing initiatives.

The Commonwealth Caribbean already has trade offices in seven Canadian cities. I propose to make available to them a program which would enable Caribbean trade commissioners to receive assistance through the area offices of our Department of Regional Industrial Expansion. Furthermore, we will be discussing with CARICOM technical assistance in export marketing through trade and diplomatic seminars. To ensure the implementation of these proposals, we will appoint a CARIBCAN co-ordinator in Ottawa.

A specific CARIBCAN request was in the area of scholarships. I am pleased to tell you that Canada will be making available, through the Canadian International Development Agency, at least 50 new scholarships for the region — in addition to other scholarship programs.

Finally, my Minister of Finance will expedite the negotiation of double taxation treaties with Commonwealth Caribbean governments, where such treaties do not now exist.

This is a wide ranging set of measures. To me this is appropriate. CARIBCAN is not just about a duty-free agreement. CARIBCAN is about strengthening the broad and diverse relationship between Canada and the Commonwealth Caribbean.

Let me turn for a moment to our efforts in the security field. These programs play a key role and they forge an important bond among us in our pursuit of freedom and democracy. In this context, I should mention coast guard training, which has a special significance for island or coastal states. Over the past five years, 446 men and women from the Commonwealth Caribbean have received training in Cornwall, Ontario and Sydney, Nova Scotia, as well as in selected Caribbean locations. This training program will continue.

These measures demonstrate anew that Canada has a real and continuing interest in the vitality and well-being of the Commonwealth Caribbean.

It is important to continue to discuss frequently and informally, as we are today, the means by which our relationship and the prosperity of our peoples can be advanced.

However, before we do so, I should like to ask you to lift your glasses and join me in a toast to the strengthening of our special relations.

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