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NOTES FOR A SPEECH BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
DR. MARK MACGUIGAN,
AT THE INAUGURAL PLENARY MEETING
OF THE CANADA/CARICOM
JOINT TRADE AND ECONOMIC COMMITTEE,
KINGSTON, JAMAICA,
JANUARY 15, 1981

The Canadian Government has been an active participant in the economic development of the Commonwealth Caribbean for a quarter of a century. In the autumn of 1956, in the heady days when a federation of the English-speaking island states of the region was in the air, the then Canadian Secretary of State for External Affairs, Lester Bowles Pearson, convened a conference of Caribbean leaders in Ottawa during which a first significant pledge of Canadian official assistance was made to the then embryonic University of the West Indies, to begin the Caribbean Broadcasting Corporation and to lay down the keels of the "Federal Maple" and the "Federal Palm", sturdy inter-island trading vessels which many in this room will remember. A decade later in 1966 when we had all become wiser in the difficulties of federal government and in the techniques of development assistance transfers, my predecessor in office, the Hon. Paul Martin, chaired a Second Commonwealth Caribbean Conference in Ottawa during the course of which Canada renewed its pledge to assist the states of the Commonwealth Caribbean on a continuing basis. Over the fifteen years since the Second Ottawa Conference on the Caribbean, the Canadian Development Assistance Programme to the region - bilateral, multilateral, non-government organizational, industrial cooperation, grant and loan, direct and indirect - has been put in place to quicken economic growth in the Caribbean, leading naturally and inevitably to redefinition of the Canada-Commonwealth Caribbean relationship.

Two years ago here in Kingston, Don Jamieson as Secretary of State for External Affairs, was proud to sign for Canada the agreement with CARICOM (Caribbean Common Market) on trade and economic cooperation. That was the first formal meeting at ministerial level between CARICOM and Canada. It gives me great personal pleasure to be here at the Second Ministerial Meeting, and once again to bask in the warmth of Caribbean hospitality.

Initial progress in providing substance to the trade, technical and financial and industrial cooperation provisions of the 1979 agreement has been modest, solid and real. Our first contacts were essentially exploratory in nature. These were followed by useful work by officials, at the November 1979 Joint Trade and Economic Committee (JTEC) Meeting in Ottawa and in the subsequent meeting of the ad hoc committee on industrial cooperation in Barbados. Our challenge today is to build on this foundation.

For our part, at the highest political levels, there is commitment to a new and dynamic thrust to the CARICOM relationship. In the past year, a comprehensive review of Canada's relations with the Commonwealth Caribbean has been commissioned, completed, considered and approved by the Canadian Cabinet.

Let me share some part of that review with you.

We looked at commercial ties. These date back to the days when salt cod and pitch pine were exchanged for rum and molasses. Such historic trading relationships are still alive in the memories and sentiments of the part of Canada where I have my roots, the Maritime Provinces.

In recent years, our trade has broadened significantly and today Canada exports a wide range of goods and services such as telecommunication equipment, machinery, consulting services, consumer goods, food products and resource commodities in exchange for such imports as petroleum products, textiles and sugar from Trinidad and Tobago, clothing from the Leeward and Windward Islands, aluminum ores, alcoholic beverages and sugar from Guyana, fish and food products from Belize and sugar, sporting goods and clothing from Barbados. Further, the Caribbean has become a centre of interest for Canadian investors particularly in the banking, tourism and mineral sectors, as well as a source of over 140,000 new Canadians.

In today's perspective Canada/CARICOM trade is important to both parties, but neither is the other's major market. Canada supplies about five per cent of CARICOM imports and takes about five per cent of CARICOM exports. Canada's share of the Commonwealth Caribbean market has declined compared to the shares of the European Economic Community, the United States and Japan. In the 1950s, for example, Canada's share was about 17 per cent. By 1970, it had fallen to nine per cent and by 1978 had declined to five per cent. Canadian investment remains high, but the facts of life are that Canadian businessmen are investing relatively more elsewhere in the hemisphere and paying less attention to the Commonwealth Caribbean. A number of your ministers have stressed to me how welcome Canadian business investment would be on their islands. We too hope that this adverse trend can be reversed. More mutually beneficial trade and investment flows must be stimulated. Our sponsorship of visiting businessmen for joint Canadian Association for Latin America and Caribbean (CALA)/Caribbean Association of Industry and Commerce (CAIC) consultations in parallel with this meeting shows that we are serious about this objective. We look to the Canada/CARICOM Joint Trade and Economic Committee (JTEC) for good ideas.

We looked at the people-to-people links. Large Caribbean communities now exist in most major Canadian cities. This has served to spread interest in things Caribbean from its historic base in the Maritimes to Central Canada and beyond. Our new communities bring a new consciousness of both the misery a volcano can bring to a small island, and the joy of jumping up to pan bands.

The development of heavy tourism from Canada has significant effects. Over 400,000 Canadians visit the region each year and, in some countries like Barbados, they are usually the single largest group of tourist arrivals. A large number of Canadians own homes, notably in Montserrat, Grenada and Antigua, and are resident in the area for at least part of the year. These movements of people are not always free of difficulty. But the balance sheet is decidedly pro-goodwill, of economic benefit to the region and a source of personal pleasure to Canadians. Regular meetings of the Commonwealth Parliamentary Association, and the frequent special exchange visits of Canadian and Caribbean parliamentarians, have developed a special relationship and affinity between legislators.

As you would expect, we also looked closely at our development cooperation relationship.

Public consensus in Canada supports this cooperation. For average Canadians, the Commonwealth Caribbean is the part of the developing world they know. It was one of the first areas of concentration for Canadian development assistance. It is an area where we have confidence that aid dollars are well spent. Waste and ostentation are minimal and a high degree of public probity prevails. I salute you ministers and your governments that this continues to be the case.

CIDA has disbursed approximately 300 million Canadian dollars since the inception of its programme in the area in 1959. Indeed the region remains the highest per capita recipient of Canadian assistance. In the current year Canadian development assistance provided to the Commonwealth Caribbean will total about 41 million Canadian dollars. Thirty-one million dollars bilateral assistance is provided on a government-to-government basis, about 3.5 million dollars through the Caribbean Development Bank (CDB), five million dollars through the non-governmental programme and about one million dollars by the industrial cooperation programme. You will also be aware that the Commonwealth Caribbean has benefited from Canadian funds provided to the International Bank for Reconstruction and Development (IBRD), International Monetary Fund (IMF), International Development Bank (IDB), Commonwealth Fund for Technical Cooperation (CFTC), the United Nations Development Programme (UNDP) and its agencies which fund programmes in the area. In short, there is an impressive tradition of important investment. We decided to protect and enhance this mutual investment for the future.

Quite naturally we reviewed our political links. We found that Canada's relations with the states of the region have traditionally been excellent, nourished by a constant two-way flow of leaders on private and official

business. In the past year, Canada has had the pleasure of receiving visits from the Foreign Ministers of Jamaica, Barbados and Grenada, as well as the Premier of Belize and the Chief Ministers of the British Virgin Islands and Montserrat. Canadian ministers in turn have just completed visits to Barbados, St. Vincent and Jamaica. I myself am coming from Barbados and St. Kitts-Nevis and am combining my participation at the Canada/CARICOM Joint Trade and Economic Committee (JTEC) with an official visit to Jamaica.

We recognized that the area is not trouble free in political terms, and that our close and easy ties could therefore never be taken for granted. We looked at security considerations, and the important geopolitical place of this area in the Western Hemisphere. We came to conclusions that were both sobering and heartening. We are resolved to play a responsible and responsive role.

Finally, we recognized that intangibles lie at the heart of our relationship: common language, a sharing of institutional structures, affection for and loyalty to the Commonwealth, similar traditions of democracy. A commitment to civil liberties, and widespread and diverse people-to-people contacts have led to the development of a "special relationship" which is unlike that which Canada has with any other part of the developing world. It is in fact, unlike our relationships with all but a few countries anywhere.

Our review took eight months of preparation involving extensive consultations in Ottawa, and the full and active participation of the Canadian High Commissioners in the field.

We built on a foundation established by wise men from your countries and mine. Several of my predecessors in their time commissioned or undertook special reviews of the relationship. Many of you will understand my own regard for the contribution of Paul Martin whose concern and affection for the Caribbean persists to this day.

Our review confirmed as official policy that the Commonwealth Caribbean is and will continue to be a region of major interest to Canada. In fact we went beyond the mere provision of an assessment; Cabinet approved an action plan for a regional policy approach which directed that the Commonwealth Caribbean should be accorded priority. There are two novel aspects to this action plan: it marks the first time Canada formulated such a comprehensive policy toward the Commonwealth Caribbean; and, as I have noted already, we accorded priority to the Commonwealth Caribbean in the overall external policy of Canada.

As a Cabinet, we concluded that Canada should intensify and deepen our economic and political relationships with the states of the Commonwealth Caribbean. Cabinet further directed that I take this opportunity to announce our position to you collectively and to seek your individual and collective views on the exact nature, scope and form of the role Canada could most usefully play before any announcement is made in Canada. We want this partnership to assist your states to cope with rapid changes and economic difficulties which beset the region. You know how this can best be done and where and how we can be partners in the process. The regional policy approach which the Canadian Government is prepared to implement focusses primarily on economic cooperation, both bilateral and multilateral, but calls also for strengthening political and social ties.

The framework we defined for specific programmes is as follows:

- The Canadian Government has recently taken the decision to increase its global development assistance from the current level of 0.43 per cent to 0.5 per cent GNP by 1985/86. Within this increased level, a special priority will be given to the Commonwealth Caribbean.
- We will achieve rapid annual increases which will lead to steady expansion in the real value of our aid to the region over the next five years. It is my personal hope that the totality of these flows will double in a very short time frame, perhaps in as little as three to four years. This will depend primarily on absorptive capacity, and in particular, the amount of resources that regional governments can and will make available for development projects and programmes. I can confirm today that that part of the Canadian Official Development Assistance Programme over which we have most influence, the bilateral programme, will jump from current levels of over 30 million dollars to at least 55 million dollars by the mid point of the decade.
- All countries in the Commonwealth Caribbean, regardless of level of economic development will be eligible for Canadian development assistance.
- We are prepared to make emergency balance of payments assistance available to countries whose balance of payments needs have been internationally recognized and for which an International Monetary Fund remedial programme is agreed. This will be additional to and not offset by reductions in regular allocations.

- As regards the programme objectives of this increased assistance, we will work with the Caribbean countries toward greater emphasis on the maintenance of economic, social and political stability, and the promotion of sustained economic development and growth.
- In accordance with the Canada/CARICOM agreement, we will pay particular attention to the development needs of the less developed country states of the Eastern Caribbean. Canada is prepared to organize, with the World Bank, a special consultative meeting this spring on the needs of the Leeward and Windward Islands.
- We will continue to accord the highest possible priority to increased regional cooperation.
- To ensure more rapid disbursement of development assistance funds and to improve the effectiveness of programme development, we will give serious consideration to decentralizing CIDA operations to the field.
- We will provide increased levels of technical assistance concentrated on economic and financial management in the public sectors, and on the production areas in private sectors.
- One million dollars per year on highly concessional rates can be made available to CARICOM in industrial cooperation credits to permit the hiring of Canadian advisors to assist in industrial development planning and implementation.
- At CARICOM's request, Canada is ready to provide a Canadian official to the joint CARICOM/CANADA desk on industrial cooperation for up to three years.
- Canada is similarly willing to help in funding alternative solutions to current energy problems by commissioning studies and by supporting Canadian companies who have appropriate technologies to enable them to test, demonstrate and transfer these techniques to the Caribbean.
- Canada also offers to help CARICOM in computerization, particularly in the application of mini and micro computers through industrial cooperation studies and technology transfers.
- We are prepared to do a good deal more to enhance the vital contribution of the private sector to the objectives of our joint trade and economic cooperation. We value the participation of both the 25 Caribbean and the 45 Canadian businessmen in the Canadian Association for Latin America and Caribbean (CALA)/Caribbean Association of Industry and Commerce (CAIC) investment promotion meetings and look

forward to hearing their comments at the end of these joint meetings. Canada's industrial cooperation programme stands ready to assist in establishing new mutually beneficial relationships.

To deal with the security needs of the region, additional programmes will be made available. Among those proposed:

- Canada is prepared to offer training in civil emergency planning (to deal with disasters such as hurricanes, volcanic eruptions, oil spills and epidemics) either to CARICOM as an institution or to individual states.
- Canada is prepared to accept modest increases in the number of candidates for military and police training on a space available basis at Canadian institutions.
- A modest number of candidates for coast guard training will be accepted at the Department of Transport schools on a space available basis.

Fellow Ministers, the Canadian Government, through its offices in the Caribbean and through increased direct exchanges, has decided to step up the level of consultations with the governments and states of the region and regional institutions on any and all aspects of our present and future relationships.

Only with your guidance, indeed your concurrence, can we bring reality to this enhancement we propose in our relationship. We in Canada will approach the task with alacrity and enthusiasm.

If to the goodwill that exists around this task, we harness political will to improve the situation in these islands, we could establish a model for relationships among states.

I hope you will understand and share my own enthusiasm for the task. I see the purposeful development of closer, more comprehensive links between our countries, and the mobilization of the resources needed to touch and improve the lives of Caribbean men, women and children as a magnificent challenge. We must take these steps if those values held most dear by Commonwealth members are to be preserved and protected. While Canada would like, and will try hard to improve our trading and financial status in the region, I can assure you that Cabinet accepted this policy in the full knowledge that the primary profit from the investment of public Canadian resources would be found in human, humanitarian and political benefits. Our policy is a direct response to the Caribbean suggestion at Lusaka that particular attention be given micro and mini states.

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I am personally delighted to have played a role in the formulation of this policy, pleased and proud to have this opportunity of presenting its broad outline to you today. I will listen with eagerness and attention to you, and I thank you for your attention to me.

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