



DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

communiqué

N^o: 101
No.:

FOR IMMEDIATE RELEASE
AUGUST 29, 1983

CARIBBEAN BASIN INITIATIVE

The Deputy Prime Minister and Secretary of State for External Affairs, The Hon. Allan J. MacEachen, said today that Canada warmly welcomed the fact that on August 5, 1983 the President of the United States had signed Public Law 98-67 which included the remaining elements of the United States contribution to the Caribbean Basin Initiative.

Part of the United States contribution, approved by the Congress last year, involved the supplementary appropriation of \$350 million to address critical short term economic problems of the region. The remaining elements of the program incorporated in Public Law 98-67 involve a variety of incentives to encourage United States investment in the region and an innovative and far-reaching 12-year program to eliminate duties on most products imported into the United States from countries in the Caribbean Basin region.

Mr. MacEachen recalled that the Foreign Ministers of Canada, Mexico, Venezuela and the United States, at their meeting in Nassau in July 1981, had agreed to exert their best efforts to stimulate economic and social development in the countries of the Caribbean Basin area by means of bilateral programs of co-operation without military considerations or political preconditions and by co-operation with international financial and economic developmental institutions. These four countries were subsequently joined by Colombia on March 15, 1982 at which time the Foreign Ministers of the five countries, meeting in New York, affirmed their determination to make sustained and long term efforts, implemented in close co-operation with each other and with the countries of the Caribbean Basin region, to re-vitalize the economies of the region and facilitate its self-sustaining growth and social development.

.../2

Canada



In regard to Canada's contributions, Mr. MacEachen recalled that in January 1981 Canada announced its intention to double its total aid flows to the Commonwealth Caribbean for a total amount of \$350 million by 1986 and later announced, in February 1982, its intention to allocate up to \$106 million to the countries of Central America over the 1982-87 period. Mr. MacEachen said that these Canadian programs were being implemented as quickly as possible and that disbursements in the fiscal years 1980-81 to 1982-83 amounted to approximately \$130 million for the Commonwealth Caribbean and \$50.9 million for the countries of Central America (\$15.1 million for Honduras, \$12.5 million for Nicaragua, \$10.3 million for El Salvador, \$6.8 million for Guatemala, \$4.8 million for Costa Rica and \$1.4 million for Panama). In addition, during the same period, disbursements for Haiti amounted to approximately \$30.5 million and for the Dominican Republic to approximately \$4.9 million. Thus Canada's contribution to the Caribbean Basin area amounted to approximately \$216.3 million in the 1980-83 period. Insofar as Canadian tariff treatment to products from the Caribbean Basin region is concerned Mr. MacEachen noted that Canada currently provides duty free or preferential access to the Canadian market of some 98% by value of all exports from the Caribbean Basin area to Canada.

Mr. MacEachen emphasized that it has been the consistent Canadian view that inadequate social and economic development was the main cause of the current dangerous political and military instability in Central America and that more than ever there was an urgent need for all countries to provide economic co-operation and assistance and that Canada would continue to play its full part.