



communiqué

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THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS
TO ATTEND MINISTERIAL MEETING ON THE CARIBBEAN BASIN INITIATIVE
NEW YORK, MARCH 14-15, 1982

The Secretary of State for External Affairs, the Honorable Mark MacGuigan, announced today that he would be meeting in New York on March 14-15 with Mr. Carlos Lemos Simmonds, the Foreign Minister of Colombia, Mr. Jorge Castaneda, the Secretary of Foreign Relations of Mexico, USA Secretary of State Alexander M. Haig, Ambassador William E. Brock, the U.S. Trade Representative and Mr. José Alberto Zambrano Velasco, the Foreign Minister of Venezuela, to discuss the Caribbean Basin Initiative.

Dr. MacGuigan recalled that the Caribbean Basin Initiative was not an overall plan for development assistance in the Caribbean Basin area, but was rather a common expression of political will by Canada, Mexico, the USA and Venezuela, 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 cooperation without military considerations or political pre-conditions and by cooperation with international financial and economic development institutions.

Dr. MacGuigan noted that in the final communiqué of the Nassau meeting the Ministers had "expressed the hope that regional and non-regional governments would, in a similar expression of political will, associate themselves with the promotion of integral and sustained development in the area." Dr. MacGuigan said he and the other Ministers were very pleased that Colombia, a country with important interests in the Caribbean Basin region, had responded positively and that the Foreign Minister of Colombia had accepted the joint invitation to join the other Ministers in New York for the meeting.

Prior to the Nassau meeting, Canada had already announced its intention to double its official development assistance to the countries of the Commonwealth Caribbean and had undertaken a review of development assistance to the countries of Central America. Dr. MacGuigan noted that the overall value of Canada's aid flows to the Commonwealth Caribbean, Haiti and the Dominican Republic would amount to over \$400 million over the next five years; Canada's development assistance program for Central America, which was announced on February 12, 1982, will involve aid flows of up to \$106 million over the next five years with the largest concentration on Honduras, Costa Rica, Nicaragua (which had already received \$4.5 million in wheat shipments last year) and Panama. Assistance to Guatemala and El Salvador will resume as soon as the current level of violence subsides to permit maintenance of existing or planning for new programs. This assistance reflects the Government's deep concern for the conditions of poverty and economic dislocation in Central America which lie beneath the current instability and traumatic social changes there. Canadian officials will be visiting Honduras, Nicaragua and Costa Rica in the very near future to discuss with those governments how Canadian aid programs can best be implemented.

Thus, Canada's total aid flows to the Caribbean Basin area over the next five years will amount to over one-half billion dollars.

In respect to exports to Canada from the Caribbean Basin region, Dr. MacGuigan noted that Canada provides duty-free or preferential access to Canadian markets for some 98 percent (by value) of exports from the Caribbean Basin area.

In the context of the Canada/CARICOM Joint Trade and Economic Agreement of January 1979, Canada is engaged in a variety of programs to promote regional integration, industrial development and Canada/CARICOM private sector cooperation. Dr. MacGuigan also noted that the Petro-Canada International Assistance Corporation, through its assistance to developing countries in hydrocarbon exploration, is expected to play a useful developmental role in the area.

In the general context of Caribbean Basin development, both Mexico and Venezuela, under the San José declaration by the Presidents of those two countries, are cooperating in providing long-term credits valued at over \$700 million per

year and are also providing substantial additional financial and technical assistance to the region.

The Ministers at Nassau had agreed to meet again to review their respective development programs in the light of consultations with the various governments and institutions concerned. Dr. MacGuigan said the New York meeting would provide the Ministers with a useful opportunity to review current and future economic development activities of Canada, Colombia, Mexico, the United States and Venezuela, as well as other countries of the region and beyond.

Dr. MacGuigan said Canada welcomed the recent proposals by the President of the United States for a comprehensive economic program to increase trade, investment and financial assistance within the Caribbean area, a program which could make a significant contribution to the region's economic and social development. This program envisages a number of positive measures, including a \$350 million supplemental appropriation for the current fiscal year to address critical short-term economic problems of the region and an innovative and far-sighted program to eliminate duties on imports from the Caribbean Basin region, with the exception of textiles and apparel - a measure which should encourage both local and foreign investment and employment in the region. Dr. MacGuigan expressed the hope that there would be early and effective implementation of this important program.