



CANADA

# STATEMENTS AND SPEECHES

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## CANADA AND THE COMMONWEALTH CARIBBEAN

A Statement in the Senate by the Honourable  
Paul Martin, December 8, 1970.

Honourable Senators, several weeks ago I indicated to the Senate that I would report on my special mission to the Commonwealth Caribbean, which I had earlier undertaken on behalf of the Government.

In September and October I made two separate trips to the area, calling on the governments of 13 countries. Between September 8 and September 22, I visited in turn Barbados, St. Vincent, Grenada, Trinidad and Tobago, St. Lucia, Dominica, St. Kitts-Nevis-Anguilla, Montserrat and Antigua. Between October 9 and October 18, I returned to the area to visit Guyana, Jamaica, British Honduras and the Bahamas. I had, of course, been in the area on numerous occasions in the past but I had not visited every one of the above countries. It is difficult to realize how richly varied, and different one from the other, each of these countries is until you have visited them concurrently, seen their topographies, talked to their people, heard about their aspirations and problems, savoured their way of life and, I might add, even swum at their glorious beaches.

The purpose of my visit was both narrow and broad. It was narrow in the sense that I was there basically to talk to the governments of each of the countries. The purpose of my trip was broad in the sense that I was under no restricted mandate in my talks with the governments. The Canadian Government viewed the mission as an opportunity to open a dialogue with the governments in the area and to listen to any points of view which they might wish to advance or subjects which they might wish to discuss. On the Canadian side, the two specific issues which we wished to bring up were the Canadian offer to extend the sugar-rebate payments for the calendar year 1970 and the Canadian offer of a regional agricultural development fund.

I have, of course, prepared a report for the Canadian Government on this special mission. It would obviously be inappropriate for me at this time to say what is in this report. My conversations with the governments in the Commonwealth Caribbean were extremely frank and necessarily of a confidential nature. My account of them to the Canadian Government, and conclusions I have reached, must similarly remain government matters at least until the Government has dealt with the report.

However, in the light of the important interest shown by the Senate of Canada in our relations with the Commonwealth Caribbean, I thought it might be of value to pass on some of my general impressions. Frankly, I had had doubts before I left in September about how useful such a special mission could be. I had heard some say that there had been a deterioration of our relations with the area. I had heard some say that Canadians were unpopular in the Caribbean. I had heard others say that unless I could go down and promise more special favours from Canada there was little point in my going or I would only be creating unwarranted expectations. Let me say openly and emphatically from the start that my trip proved there was no substance to these views.

I found no evidence of any serious deterioration in our relations. It was a subject I asked about everywhere I went. The responses were overwhelmingly warm and not merely perfunctory. Personally I was extended what can only be considered great courtesy. In every country I was met on arrival by a senior minister, and frequently by the head of government. In every case the key figures of government took off a great deal of time to spend with me in both formal and informal meetings. Touching and sincere words of greeting were spoken to me, not in my personal capacity but as a representative of the Canadian Government and the people of Canada. The tone of every working session with governments was cordial, intimate and, I believe, frank. Certainly, the receptions given to me by governments demonstrated in very clear terms the great fund of goodwill which they have towards Canada.

Moreover, the press, newspapers and radio paid a great deal of attention to my visit, and I was particularly struck by the accurate nature of the reporting, the balanced nature of the views expressed in it, and the almost complete absence of any emotional bias against Canada.

I do not wish to imply that there are not problems between Canada and the Commonwealth Caribbean, that new problems will not grow, or that the governments in the area to whom I spoke overlooked them. On the contrary, I found concern about them and a mature appreciation of them. A large number of bilateral problems were raised with me of a political, commercial, aid, and other nature. It would be clearly inappropriate for Canada to try to meet every demand from the area, as it would be for us to expect the governments there could meet every one of our requests. I generally went on to indicate my view, however, that it was not the presence of inevitable problems which determined whether or not relations were good between any two countries but rather the willingness on both sides to recognize the validity of each other's views and the desire to resolve those problems quietly in a spirit of co-operation.

There was no question but that this feeling was reciprocated. Most leaders were prepared to admit that there had been a period earlier this year, in the spring and early summer, when a number of unfortunate circumstances had come together to create some problems. One of these was obviously the Sir George Williams University incident. Even at senior levels of government, I found that some misunderstandings still persisted, such as, for example, why ten Trinidadian students had been tried first, the fact that a larger number of Canadian students had faced charges, and the nature of the court procedures involved. I think I was able to explain successfully some of the facts and the necessarily limited role of the Canadian Government, and indicate the lack of any racial prejudice in Canadian policies, including our immigration policies. The governments welcomed and in some cases seemed relieved by the explanations I was able to give.

With time, of course, the incident has been slowly disappearing from the public limelight. But the misconceptions and repercussions created over the incident have been profound. As one intelligent minister in the area put it to me, as a lawyer he was bound to admit that the proper processes of the law had to be and had been followed, but as an individual he was also forced to recognize that because of human nature the incident would have in his judgment far-reaching influences in the Commonwealth Caribbean.

It is interesting to note that, in one of the islands I visited in the Caribbean, a black-power demonstration was organized against me and a sheet distributed containing charges of racial discrimination in Canada. This was, however, the only specific evidence of anti-Canadian sentiment I found during my nearly four weeks in the Commonwealth Caribbean.

Another factor which led to our earlier difficulties was, of course, the Canadian handling of the sugar-rebate question. While I, of course, defended and explained the reasons for the Canadian decision, I admitted frankly both to the governments and to the public, as my colleague the Secretary of State for External Affairs himself has done, that we should have handled the issue perhaps in a more tactful way. The offer of the Canadian Government to extend the rebate payments during the current year was accepted by all of the sugar-producing countries and was regarded, I think, as evidence of our desire to respond constructively to their concerns.

Obviously, a number of points of view were put to me by leaders in the Commonwealth Caribbean, ranging from those who had originally understood that the rebate payments would be ended when a new international sugar agreement came into being to those who believed that the original Canadian offer made by the Government of Mr. Pearson in 1966 was open-ended and not subject to termination. By extending the rebates for the current year and by going through the process of consultation in which I have been involved, I am confident that a much better setting has been achieved for resolving this issue in a spirit of understanding on both sides.

A further contributing element to some of the misunderstandings earlier this year was a feeling of questioning in the Commonwealth Caribbean about the degree of interest Canada still had in the area. They were conscious that in Canada we have been re-examining the basic tenets of our foreign policy, and attempting to reappraise our relations with other areas such as Latin America or the Pacific Rim. I think I was able to explain that there was no diminution of Canadian interest in the region and, on the contrary, a heightened interest caused by a large number of factors such as our traditional and historical ties, geographic proximity, growing Canadian investment, our trading relations, increasing Canadian tourism, the growing numbers of first-rate West Indian immigrants coming to Canada, our expanding Canadian aid programs in the Commonwealth Caribbean, our new participation in the Caribbean Development Bank and many other factors. I think as well that the mere fact of the visit, and its demonstration that the Canadian Government was seriously interested in listening to any points of view which local leaders wanted to raise, did much to dispel some of the unfounded suspicions I have described.

In this context, I should like to underline the usefulness of the report on Canada-Commonwealth Caribbean relations prepared by the Standing Senate Committee on Foreign Affairs under the very able chairmanship of Senator

Aird. I strongly support the endorsement he gave to the work of that Committee, mentioning as he did particularly Senators Grosart and Robichaud, and other members of the Committee.

I can say to members of the Committee that I was questioned about this on many occasions. Naturally, I had to reply that it was a Committee report, which did not necessarily in all its particulars reflect the views of the Government, and that the recommendations of the report were being studied by the Government, as indeed they are. I was able to point out, however, that the report itself, the amount of time and effort which had been put into it by members of the Senate under Senator Aird's chairmanship, and their desire to listen to the evidence of a large number of eminent authorities on the Commonwealth Caribbean, demonstrated in concrete fashion the very real interest which existed in Canada towards the region. I might add that, although some of the individual points made in the Senate Committee report were not equally espoused by all of the Caribbean leaders, they were very full in their praise for the excellence, comprehension and balance of the report.

There had obviously been misunderstandings in the Commonwealth Caribbean about the Canadian offer of a \$5-million agricultural development fund. Critical things had been said about it earlier in the year. However, when I explained that the Canadian offer should be judged on its own merits, that it was independent of the sugar-rebates issue, that the fund was replenishable and could be substantially untied, and that it represented a genuine attempt by the Canadian Government to offer help of a generous kind in a sector to which the Commonwealth Caribbean attached high priority, the reception of the Canadian proposal quickly became enthusiastic, and that is the reception that I now note. All governments welcomed the idea of an agricultural development fund, and this, of course, was presaged in the Senate Committee report. We had useful exchanges about the best means of implementing the fund. Some differing views were put forward by countries of the region about, for example, the most appropriate channel of administration, but I am confident that these will soon be resolved and that the fund will soon become operational.

I might say a few words about investment, since it was a subject which figured prominently in the Senate Committee report. I did not meet a single government in the Commonwealth Caribbean which did not want more private Canadian investment in its country.

In asking for more Canadian investment, however, most governments also raised the issue of local policy guidelines. These are more advanced in some countries than in others. Much of the Commonwealth Caribbean is going through the same sort of soul-searching examination that has been taking place in Canada on the question of how much control can or should be effected on foreign investment in key sectors. Many would like to see some form of local participation in most investment. Lack of local resources or the type of investment may not make this possible in all cases. What all governments are seeking, however, is some means of ensuring that foreign capital is used to promote the development of the country and the welfare of its people within the framework of national policies. They recognize that foreign investment is a means of importing needed skills and expertise, as well as capital, but they also want local peoples to be trained in these skills and to be employed in these industries.

Looking to the future, I can foresee more strict conditions under which new Canadian investment will be welcome in the area and increasing pressures on existing Canadian investment to conform to local policies. Responsible investment is, however, wanted in the area and, from what I was told by governments, they are fully aware that the Canadian investor must be allowed to operate profitably at the same time as being expected to conform to local policies.

From what I have said, I think it is clear that I personally have no reservations about the closeness of our present relations with the Commonwealth Caribbean. My judgment is that these will continue. Time and time again I heard local leaders say that they liked dealing with Canada, in part because of our long historical association, in part because we treated them as equals, in part because we had no pretensions of imperialism or domination, in part because of similar traditions of law and government, in part because of strong personal connections. From prime ministers to taxi drivers, all seemed to have been to Canada, to have a relative in Canada, to want to go to Canada, or to have just received a letter from a friend in Canada. And the Caribbean leaders still look to Canada for friendship and help, perhaps now more than ever in the past.

We in Canada sometimes feel that we are a very small unit in a large, modern complicated world, trying against odds to control our own destiny. The same feeling, perhaps more powerfully, exists in the Commonwealth Caribbean countries. Domestically, they are trying, with limited resources, to promote rapid development and at the same time to cope with all the economic problems and social stresses which go with rapid development. Externally, they are conscious of shifting world trading patterns and economic alignments. But they tend to feel "comfortable", as one leader put it, in dealing with Canada and I found wide respect for the sort of foreign policies which we pursue in this country.

I do not wish to underemphasize the likelihood that new problems will arise in the future to test our goodwill and diplomatic skill. The Commonwealth Caribbean countries will judge their own national interests by their own national priorities, just as we judge ours. Nor do I wish to imply that the goodwill I found in my tour in any way meant that our discussions of bilateral problems were less than extremely vigorous. Trade, aid and political problems were raised with me at practically every stop, and frequently it was pointed out that there were very real differences of policies being pursued on our side and on theirs.

In the context of trade, the sugar question is much broader than simply the rebates issue which I mentioned earlier, and it affects most of the countries in the Commonwealth Caribbean with the exception of some of the smaller islands. Their basic grievance is that the price Canada pays them for their sugar is less than their cost of production. While they accept the fact that greater efficiencies are required in their production techniques, to bring their costs more in line with the world free price of sugar, they also argue that a number of particular circumstances apply to them, such as lack of domestic market, lack of resources to subsidize production and relatively high labour costs, which mean that the West Indies must obtain higher prices for their sugar exports if they are to survive as sugar producers.

In this light, the West Indies contrasted unfavourably the price which Canada pays for their sugar to the higher prices paid by the United Kingdom and the United States.

On the Canadian side, I said frankly that there was simply no chance of our entering into a bilateral agreement based on a cost-plus price for sugar. I pointed out the difficulties for Canada of attempting to introduce state-trading machinery, which would be involved under such a bilateral agreement, and described our policy of working towards a sugar price remunerative to producers and equitable for consumers, under the International Sugar Agreement, which was concluded in 1969, with the active participation of countries like Canada. Since the introduction of the International Sugar Agreement in 1969, the world free price for sugar has more than doubled, and certainly my hope would be that the ISA will continue to operate as a basic mechanism under which we shall import our sugar requirements.

Generally, in the trade field the problem which seemed to concern most of the countries of the Commonwealth Caribbean was the so-called unfavourable balance of trade. In this they were not so much thinking of the balance-of-payments question but rather the way the cost of their imports had been rising faster than the price of their exports. In Jamaica, for example, codfish imported from Canada forms a part of the staple diet of the ordinary person, and, while they could understand the reason for the rising prices of codfish imports, they were obviously concerned at the repercussions. The countries of the area want to pay their own way by increasing their export earnings, both through agricultural items and manufactured goods. Within the framework of the Caribbean Free Trade Area, CARIFTA, they are trying to work out a sounder basis for trade patterns among themselves and with the outside world.

I may say that I note the considerable reference made to those suggestions in the report of the Senate Committee as to the proposed marketing arrangements that are underlined in that report. The potential of the Canadian market is very much in their minds. A large number of questions were put to me as to how they could increase the flow of fruit and vegetables, for example, to Canada; and on the side of manufactures they are looking to Canada not to put barriers in their way.

The question of limits on the importation of shirts from Trinidad and Tobago was causing concern in the press when I was there, as well obviously with the Government and the people. I was able to indicate our willingness to look flexibly at the question of a possible raising of the quota. This was discussed recently when a team of their officials came to Ottawa to consider the matter further.

With respect to Canadian assistance, I found a great appreciation of the considerable volume of aid Canada was making available, which is the highest *per capita* amount we give to any area of the world. The countries of the Commonwealth Caribbean are, however, impatient, and naturally so, to get on with their development as rapidly as possible. Their appreciation for Canadian aid was, therefore, often coupled with criticism, generally helpful criticism, about what they regarded as some of the limitations of our program. The Senate Committee report mentions some of these -- the tying of assistance to Canadian goods and services, the limitations on the financing

of local costs, and the relatively small start we have made on program assistance. Some of these things are necessary under the Canadian program but I was able to point out the new, more flexible guidelines adopted under the foreign policy review, which will make it possible for Canada to meet some of their concerns.

I know as well that CIDA is examining very carefully possible means of improving the administration of our aid program; and I am confident not only that our aid program has been a legitimate source of pride to us but will be more so in the future, as we adapt it to meet local needs more effectively. The agricultural development fund, for example, which I mentioned earlier, will be substantially untied and will enable us to respond to requests for assistance in the agricultural sector to which we would not have been able to reply positively in the past.

Politically, these countries will want to work out their own destinies, either independently or on some regional basis, without outside interference. The Senate Committee report refers to the "possibility of constitutional links between Canada and countries of the Caribbean area".

In all of my discussions during the tour, there was only one leader who raised this possibility, and even this comment was tempered by qualification. There was certainly no indication of general interest in it, and I am quite sure that the emphasis within the region is at present in directions other than towards constitutional links with Canada. The view of the Canadian Government remains that it is up to the region to take its own decisions about its political future. This is the attitude that we take. It is understandable that this is the attitude that we should understand exists not only on the part of sovereign governments in the area but also on the part of associate states.

Although I have not attempted to relate this statement directly to the Senate Committee report, it must be obvious that most of the comments I have made are relevant to many of its recommendations. The simple fact that the Government decided to send a special mission to the Commonwealth Caribbean -- even though this decision was taken prior to the release of the Senate Committee report -- is an indication of the Canadian Government's awareness of the theme which runs throughout the report, that there was and is a need to maintain a close dialogue with the governments of the Commonwealth Caribbean. The Government's consideration of my report will lead to a positive step, I sincerely believe.

As I indicated, I have made a report. My recommendations are before my colleagues and these are in the process of discussion.

It is not inappropriate to add that I think Canadian interests are well served in the area through the Canadian high commissioners and their staffs who are posted there, and through the various private Canadians I met, whether they were serving under the aid program or were in religious institutions, in business or in other walks of life. I was struck by, and I concur with, the recommendation of the Senate Committee that particular priority should be attached to the selection of suitably-qualified Canadian representatives in the area. In my own experience, we can be proud of the dedication and the competence of our present personnel, both those serving in the Caribbean and those working on Caribbean relations in Canada.

I said a few moments ago that the leaders in these countries still look to Canada. They are small units in a modern world, beset with external and domestic problems, and they are fearful of the domination of their largest neighbour, conscious of Britain turning toward a more European association, and feeling their way towards a closer association with Latin America. On the Caribbean side, too, our long historical connections with the area, its geographic proximity, and the amount of tourism, trade and investment and aid flowing there have created special connections which we cannot overlook. Whether we like it or not, and however we may wish to define it, we obviously have a relationship with the Commonwealth Caribbean which is unlike that with any other part of the world.

In speaking of the Commonwealth Caribbean I have not meant to imply that it can be considered as a homogeneous unit. In looking back over my tour, one of my most striking impressions is the differences which exist. The topographies, economies and stages of development vary widely. Clearly they must work out their own political destiny; and they are doing so, both on a national basis and through closer forms of regional co-operation, as witnessed by such institutions as CARIFTA, the Caribbean Development Bank, WIAS, and other forms. On our part, we must obviously judge our own national interests and national priorities. I am only suggesting that there exist, in fact, special connections with the Commonwealth Caribbean, which means we should treat the area under our foreign policy with particular care, and which, in our own enlightened interest, we should preserve and promote.

I formed a high regard indeed for the governments and peoples of this region, countries where I have spent a considerable amount of time since September. With goodwill, understanding and tact, we can and should seek to strengthen our present relations and promote our own national interest. May our efforts bear fruit in the economic development, in the standard of living, and in the improvement of the quality of life in the Caribbean. There will be times in the future, as there have been in the recent past, when the long vines of our linkages with the area are blown and stretched by the hot winds of Caribbean storms. But they will withstand it. The roots are strong and firm. We are all part of the same western hemisphere and of the Commonwealth in this hemisphere. This relationship will grow and prosper for the benefit both of the Caribbean countries and of the people of Canada.

I have tried in the fulfilment of this assignment to understand the nature of the mandate given to me by my colleagues in the Government. Whether my views will prove to be fully acceptable remains to be seen. In any event, I can assure Senators in this interim report that these recommendations are being carefully considered by the Government, and in that consideration I am sure we will be greatly aided by the report of the Standing Senate Committee on Foreign Affairs after such an exhaustive analysis last year of our relationship with this interesting and important part of the world.