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JOINT COMMUNIQUE CANADA/CARICOM JOINT TRADE AND ECONOMIC COMMITTEE MEETING

The Second Meeting of the Canada/CARICOM* Joint Trade and Economic Committee was held in Kingston, Jamaica from 15-17 January 1981. The Committee, which on this occasion met at ministerial level, has been established in keeping with the provision of the Trade and Economic Co-operation Agreement concluded between the Government of Canada and the Governments of the Caribbean Community in 1979.

The Committee includes among its objectives, the further development of trade and economic relations and the identification of the opportunities and methods for industrial, technical, financial, agricultural and transportation co-operation.

The inaugural session of the Committee was chaired by Dr. Kurleigh King, Secretary-General to CARICOM. It was declared open by the Honourable Edward Seaga, Prime Minister of Jamaica. In his keynote address, Mr. Seaga reiterated his call for a Marshall Plan type programme of assistance to the Caribbean and Central American region as part of an effort and a thrust to introduce more capital flows into the region. It was important to know, he pointed out, that the Caribbean and Central American group benefited from multilateral and bilateral flows estimated at about U.S. \$400 million in 1980. It is estimated, the Prime Minister pointed out, that if this group of countries is to realize the kind of development progress which is necessary to lift them closer to the point of take-off, that figure of U.S. \$400 million in multilateral and bilateral flows would have to be U.S. \$900 million, an increment of U.S. \$500 million. He estimated that, of that U.S. \$500 million, the oil facilities which have been provided by Venezuela, Mexico and Trinidad and Tobago accounts for U.S. \$200 million in extra flows of assistance to the CARICOM area. What remains therefore is to fill a gap of U.S. \$300 million to raise the level

*Caribbean Common Market

of public investment flows to the region to enable development to proceed at the pace which is required to reach a take-off point. Against this background, the Prime Minister stated that Canada plays a vital role in the entire system of donor countries and in fact could take a lead role in mobilising the efforts of the donor group.

Speaking on behalf of the CARICOM Council of Ministers, the Right Honourable Hugh Shearer, Deputy Prime Minister and Foreign Minister of Jamaica, pointed out that the Caribbean Community comprises countries at different stages of economic development, but the distinguishing feature of their economies is the similarity in structural development problems. These problems have inhibited efforts to mobilise adequate finance to increase productive capacity and reduce the high levels of unemployment within the Community. The action which the Community seeks to instigate in the context of the Committee must lead to the development of enterprises and industries which will provide employment for some of the thousands of young and not so young people whose lives are being destroyed by their inability to support themselves and their families. The process can be profoundly assisted, Mr. Shearer said, through the strengthening of co-operation between the Commonwealth Caribbean and Canada.

The Honourable Dr. Mark MacGuigan, Secretary of State for External Affairs of Canada, who led the Canadian delegation in dealing with the policy review of his country's relations with the Caribbean Community, announced that the Canadian Cabinet had approved an action plan for a regional policy approach which directed that the Commonwealth Caribbean should be accorded priority in the overall external policy of Canada. The Canadian Minister announced that there will be a steady expansion in the real value of Canadian aid to the region over the next five years. He expressed the hope that the totality of Canadian assistance flows would double in three to four years and confirmed that the bilateral programme will be increased from current levels of over \$30 million to at least \$55 million by the mid-point of the decade. Canada was also prepared to make emergency balance of payments assistance available to countries whose needs have been internationally recognized and for which an International Monetary Fund (IMF) remedial programme is agreed. The highest possible priority will be given to increased regional co-operation. Particular attention will be paid to the development needs of the LDCs (Less Developed Countries). In this context, Canada is prepared to organize with the World Bank, a special consultative meeting on the needs of the Leeward and Windward Islands. In addition, there will be increased levels of technical assistance, help in funding alternative energy studies and special assistance to meet the security needs of the region including civil emergency planning to deal with disasters such as hurricanes, volcanic eruptions, oil spills and epidemics.

The Honourable M. Eugenia Charles, Prime Minister of Dominica, responding on behalf of the Caribbean Community to these addresses, welcomed the priority being accorded by Canada to the region and the indication of higher levels of assistance. She emphasized the need for aid to be made available expeditiously. The Prime Minister of Dominica called for the meticulous respect for the sovereignty, independence and territorial integrity of CARICOM Member States, and for the recognition that the Caribbean region is an area of peace and stability, and that the maintenance of these traditions is not only necessary for the progress and economic and social development of its people but also an indispensable element in the progress of development of the region as a whole.

Dr. Mark MacGuigan and Mr. Hugh Shearer were identified as Co-Chairmen for Canada and the Caribbean Community respectively. The talks were characterized by the cordiality which prevails in the relations between Canada and the Caribbean Community, and a basis was established for the positive resolution of outstanding issues.

In the discussion on the proposed aid package, the specific and urgent needs of the Caribbean Community were emphasized and clarification sought on a number of issues. While welcoming the announcement that Canada regarded the Commonwealth Caribbean as an area of special interest, it was emphasized that the development needs of the region warranted a higher level of aid than was being provided. The Canadian side gave the undertaking that the level of aid would be reviewed and that, at the time of the meeting of the Caribbean Group for Co-operation in Economic Development (CGCED) in June 1981, Canada might be in a position to give a more specific indication.

The CARICOM side emphasized the need for a flexible approach in the provision of balance of payments support. There was also need for consideration to be given to the special circumstances of the Less Developed Countries (LDCs) on balance of payments matters and for arrangements which would enable states to finance local costs when necessary from aid funds. The Canadian side emphasized the importance which they attached to the prior conclusion of agreements with the IMF.

The meeting endorsed the view that the formulation and implementation of projects within the framework of Canada/CARICOM cooperation should, as far as possible, be designed to involve the utilisation of indigenous expertise and national and regional institutions.

The meeting also accepted that a basic and fundamental principle that should guide Canadian assistance to the region is the attainment of the ultimate objective of removing the need for assistance and this was seen as being intimately linked to programmes and strategies for creating and fully utilising productive capacity of the region.

Prospects and Problems of Canada/CARICOM Trade

The Canadian and CARICOM delegations reaffirmed the importance which they attach to the further development of trade. There was a useful exchange of views on trade and access questions in general and on the specific matters raised by CARICOM, including possible improvements in the Canadian General Preferential Tariff (GPT). The Canadian side reported on progress made by them to date by outlining both the steps already taken, or under active consideration at the present time, particularly as regards rum.

Financial and Technical Co-operation

In the area of financial and technical co-operation, the CARICOM Member States drew attention to a number of project areas in which Canadian assistance would be welcome including the CARICOM technical assistance fund, a CARICOM Country Officer Scheme for the LDCs, science and technology for development, regional communications, the development of marine resources, training, air and sea transport, manpower planning and disaster prevention preparedness and relief. It was agreed that these proposals for financial and technical co-operation will be considered at a special meeting of the Ad Hoc Industrial Group in May so that action in this area could be expedited.

The Canadian delegation reiterated their support, given at the first Joint Trade and Economic Committee (JTEC) meeting, for the Pool of Experts Scheme for the Windward and Leeward Islands, and the meeting endorsed the understanding that assistance should be directed to the creation of a pool of indigenous expertise within the Eastern Caribbean Common Market (ECCM) subregion, as a means of achieving permanent improvement in the technical, managerial and administrative capabilities in the subregion.

Industrial Co-operation

In the context of the overall programme on industrial co-operation a full report on the results of the Action Programme established by the Ad Hoc Working Group in April 1980 was received. The JTEC noted with satisfaction the considerable progress already made and expressed its expectations of continuing progress in achieving closer industrial co-operation between Canada and CARICOM over the broadest possible range of activities.

The CARICOM delegation sought clarification on the Canadian proposal to provide one million dollars per year to CARICOM as concessional industrial credits to enable the hiring of Canadian advisers to assist in industrial planning and implementation. Moreover, CARICOM indicated the major advantages of utilising the services of regional experts whenever possible.

It was agreed that the matter should be reviewed and it was noted that assistance might be made available through the proposed CARICOM technical assistance fund for the hire of regional experts.

Both sides proposed new projects for consideration as a basis for further action and it was agreed that these would form part of the agenda for detailed analysis at the next Ad Hoc Working Group meeting foreseen for May, 1981.

Role of the Private Sector

The meeting recognized the importance of the private sector as a vehicle of joint industrial and commercial action between Canada and the CARICOM region. It welcomed the information that the Canadian Association for Latin America (CALA) has been expanded in scope to encompass the Caribbean region, and noted with approval the fact that a joint meeting of representatives from CALA and the Caribbean Association of Industry and Commerce (CAIC) was held concurrently with the second meeting of the second meeting of the JTEC.

North-South Negotiations

In exchanges on the North-South negotiations, the meeting took note of the role which Canada is playing in the preparatory work for the proposed summit conference in Mexico and to ensure the centrality of North-South issues at the forthcoming Summit of the Seven Industrialized Countries and the Commonwealth Conference in Canberra. The Canadian Minister expressed a basic sympathy with the view that steps should be taken to ensure that the CARICOM Member States with their special problems and difficulties, and as a most seriously affected region should qualify for assistance both individually and collectively, from any emergency programme of aid on which the international community might agree.

Hemispheric Affairs

In considering the role of Western Hemispheric Commonwealth States in Western Hemisphere affairs, it was agreed that a major feature of present-day Caribbean reality is the fact of the movement towards integration in the form of the Caribbean Community and that such acceptance should be manifested by the inclusion, in the programmes of co-operation with the subregion, of significant components of assistance at the regional level.