

## Trade of Canada with the Six Countries Visited

	Canadian Dollars		
	Canadian exports to:	Imports from:	Balance of trade
In 1938—			
Argentina.....	4,675,000	2,149,000	+ 2,526,000
Brazil.....	3,522,000	769,000	+ 2,753,000
Chile.....	604,000	179,000	+ 425,000
Ecuador.....	52,000	28,000	+ 24,000
Uruguay.....	216,000	137,000	+ 79,000
Peru.....	892,000	3,005,000	- 2,113,000
Total (B).....	9,961,000	6,267,000	+ 3,704,000
First 3 countries.....	8,801,000 (87%)	3,097,000 (50%)	+ 5,704,000
In 1940—			
Argentina.....	6,107,000	6,542,000	- 435,000
Brazil.....	5,063,000	6,243,000	- 1,180,000
Chile.....	1,436,000	175,000	+ 2,261,000
Ecuador.....	131,000	26,000	+ 105,000
Uruguay.....	610,000	431,000	+ 179,000
Peru.....	1,527,000	712,000	+ 815,000
Total (C).....	14,874,000	14,129,000	+ 745,000
First 3 countries.....	12,606,000	12,960,000	- 354,000
P.C. of total (C).....	85 per cent	92 per cent	
In 1941—			
Argentina.....	7,172,000	4,764,000	+ 2,408,000
Brazil.....	8,097,000	19,444,000	- 11,347,000
Chile.....	1,788,000	233,000	+ 1,555,000
Ecuador.....	162,000	170,000	- 8,000
Uruguay.....	931,000	688,000	+ 243,000
Peru.....	1,942,000	2,833,000	- 891,000
Total (D).....	20,092,000	28,134,000	- 8,042,000
First 3 countries.....	17,057,000	24,443,000	- 7,386,000
P.C. of total (D).....	85 per cent	87 per cent	

Previous to our visit Canada had no direct trade treaty with Chile.

In 1931 Chile and the United Kingdom concluded a trade arrangement on the basis of most-favoured-nation treatment, and in the past certain countries had been granted special concessions by Chile in trade agreements, but these advantages had not been extended to Canada.

Negotiations between Canada and Chile had been undertaken early in 1936 on the basis of most-favoured-nation treatment, but little progress was made, one of the main reasons being that the balance of trade between the two countries was unfavourable to Chile. Another problem was the granting of foreign exchange by Chile for the purchasing of Canadian goods. Chile, however, was anxious to obtain the advantages of the Canadian intermediate tariff as regards one of its most important exports—nitrates.

A trade agreement between Canada and Chile was signed at Santiago on September 10, 1941. Based upon mutual concession of most-favoured-nation treatment in matters pertaining to tariffs, import quotas and foreign exchange control, the treaty provides—

I do not know whether the particulars are of interest to honourable members, but I will give them for Chile, taking it for granted that they cover similar ground in the other treaties. I mention them also for the benefit of honourable senators who have had something to do

Right Hon. Mr. DANDURAND.

with negotiating trade treaties. These matters appear as difficulties to be met and solved in every trade treaty negotiated by Canada. The treaty provides:

(a) For the extension to Chile of the benefits granted under Canada's intermediate tariff as regards imports into Canada from that country. In return, Canadian goods exported to Chile enjoy the rates of duty under the minimum tariff.

(b) On the basis of most-favoured-nation treatment, Canada enjoys the benefits of any reductions which may be granted to other countries by Chile, and, conversely, Chile is granted any reductions under the intermediate tariff which Canada may grant as a result of tariff negotiations with other countries or otherwise.

(c) The tariff advantages which Canada may grant to imports from Empire countries are excluded under the provisions of the agreements, as well as the treatment which Chile may reserve to imports from contiguous countries.

Where governments have established monopolies which affect the production, sale or importation of certain products, provision is made for fair and non-discriminatory treatment by the respective signatories of the trade agreement.

The agreement also provides against discrimination with respect to internal taxes and charges on imports.