

particular emphasis will be placed upon searching out new sources of supply for Canadian imports. It is not the intention to interfere with competitive purchasing of imports -- from whatever source. The eventual result should in fact be to foster, rather than impede, more competitive purchasing. Many influences affecting Canadian purchasing in the United States -- the matter of proximity, the constant pull of advertising and styling, the subsidiary-parent influence, the tendency to adhere to established lines of business, these and many other factors no doubt result in extensive purchases being made in the United States of goods which might be obtained more economically elsewhere. With the tremendous strides now being made in industry the world-over it would be difficult to over-emphasize the advantages to be gained by constant watchfulness in the matter of economic sources of supply.

As a further means of assisting the United Kingdom sales and earnings in Canada the Government has undertaken to review all forms of Government purchasing in Canada, including Crown Companies, with a view to encouraging and facilitating sales by United Kingdom manufacturers of goods now imported from non-Commonwealth sources. It is the intention also to consider the possibility of enlarging the exemption from duty applicable to tourist purchases in overseas countries. This tourist exemption as presently applied allows the import of \$100.00 worth of purchases duty free every four months and is of considerably less benefit to tourists making longer but less frequent visits overseas.

Canada's expanding imports consist largely of manufactured goods and for this reason prospects of affecting any significant increase in the flow of supplies from the Commonwealth are most promising in the case of the United Kingdom. Imports from other parts of the Commonwealth consist largely of tropical foods and other agricultural products such as wool from Australia and New Zealand, tea from Ceylon and India, hemp and jute from India, sugar from the British West Indies and rubber from Malaya.

The development of commercial and economic ties with the British West Indies is of particular interest to Canada -- partly because of proximity and also because of the complementary nature of the two economies. Canada's trade ties with this area date back almost as far as those with England. It is also the part of the Commonwealth with which we enjoy the highest per capita trade. With a population of only four million persons the British West Indies absorbs 5 per cent of Canada's exports to, and supplies 9 per cent of the imports from, the whole of the Commonwealth. Imports from this area, consisting largely of sugar, petroleum and bauxite, exceed the value of all purchases from Australia, New Zealand and South Africa combined. At the same time the British West Indies is a highly diversified market for Canadian exports and given further relaxation of import restrictions offers great potentialities as a market for manufactured products. Having in mind these many matters of mutual concern, Canada is deeply interested in the future course of development in this area, which is destined soon to become a new self-governing member of the Commonwealth.