

*Trade with Caribbean Federation*

meat, lumber, newsprint and other consumer goods.

Of course, Mr. Speaker, free trade of this nature requires the consent and co-operation of both parties. I would urge our government to give high priority and the most active consideration to the proposal to establish a free trade area embracing Canada and the West Indies. However, it does not seem that government officials in the West Indies are as favourably disposed to this proposition as we are. From what I have been able to learn it seems that their leaders have been reluctant to commit themselves to such a trading arrangement. This is understandable from their point of view because tariff duties are a very important source of revenue for their governments. Furthermore, the balance of trade between the two areas is very much in their favour.

I am slightly disappointed, Mr. Speaker, that the hon. member has restricted the terms of his motion in these words: "Those West Indies islands comprising the proposed eastern Caribbean federation". The hon. member mentioned that the proposed federation includes the Leeward islands, the Windward islands and Barbados. This does not include, of course, as the hon. member for Red Deer (Mr. Thompson) has mentioned, Jamaica, Trinidad and Tobago, Bermuda, the Bahamas, British Guiana or British Honduras.

In my calculations I included Grenada, which I understand is leaning toward union with Trinidad and Tobago but is still maintaining an observer status in the negotiations between other members of the proposed federation. I tabulated the area of the proposed federation and arrived at a figure of 1,196 square miles, which is roughly 10 per cent of the total area of the West Indies. On a population basis I have also arrived at certain figures. They are not up to date but they may be the latest that are available. The figure I have arrived at is a population of 601,127 out of a total population of 3½ million, or about 16 per cent. So the area under consideration is really a small portion of the total area of the West Indies. As the hon. member mentioned, the federation proposed in 1958 was formally dissolved in 1962, but I had hoped that he would include in his resolution the other areas in the Caribbean.

To come back to the more restrictive sense of the resolution, I would point out that there are a few considerations which have to be taken into account in any discussion of a free trade area between Canada and the

posed federation. I will mention three of them. First of all, since the federation is not yet in existence or operation as an economic unit or as a governmental unit, it is probably not in a position at this time to enter into negotiations or to address itself to or even consider very seriously trading relations with Canada or other countries. If and when this proposal is accepted and a federation is formed, this area will then be in a much better position to carry on active negotiations with our country.

Second, as I mentioned earlier and for the reasons I have given, recent indications are that the West Indians themselves are not very enthusiastic about entering into a free trade area or a customs union at this time. They are actively engaged in promoting economic growth and industrial expansion and therefore they are preoccupied with the idea of using tariffs as an instrument for the development of new industries under their new legislation.

Third, in considering a free trade area with the proposed federation we would have to have regard to the present trading relations between Canada and the other countries of the West Indies, not only commonwealth countries but non-commonwealth countries as well. Any arrangements which we might eventually make with the proposed federation, if and when it does come into existence, would have to take into consideration all the arrangements we have at present with the other parts of the West Indies.

It might be useful, Mr. Speaker, to consider for a moment the volume of our trade and the pattern of our trade with the West Indies or the Caribbean area in general. In 1962, Canada exported to the Leeward and Windward islands, who are components of the proposed federation, an amount which equalled 5.9 per cent of our total trade with the Caribbean area. Imports into Canada from the areas comprising the proposed federation represented only 1.4 per cent of Canada's total imports from the area. In 1962, exports to the members of the proposed federation accounted for only 16.2 per cent of our exports to the commonwealth Caribbean, and only 5.9 per cent of Canada's imports from the commonwealth Caribbean came from the Leeward and Windward islands and Barbados.

I have a table outlining Canada's trade with the Caribbean and showing Canada's exports to the Caribbean, to the commonwealth Caribbean and to the proposed Carib-