

The CHAIRMAN: Perhaps I should say that before this meeting commenced I had a discussion with Dr. English on this very point, and we had agreed that this was an area where we could have a concentrated study. Would you care to make a brief statement in regard to the Caribbean situation, Dr. English? First of all I think Senator Hugessen wishes to say something.

Senator HUGESSEN: Mr. Chairman, I had exactly the same idea as Senator MacKenzie. I was greatly interested in Professor English's opening statement, and I think he is perfectly right that as regards the E.E.C. it will take a very long time before Britain enters, if indeed she does so. I have just returned from England, and it seems to me that it would be a long process. In the meantime, we can not do anything about it.

I am more interested in the possibility of better trade relationships between Canada and the Caribbean countries, some of which are developing economically quite well. However, it does not seem to me that it would hurt us at all to make a trade liberalization agreement with those West Indian countries.

What is happening in the West Indian countries at the moment is that they are developing new industries, but it is unlikely that those industries could compete with ours. I think they are almost entirely devoted to supplying their own needs. I am thinking, for instance, of Jamaica and the new cement industry there. So far as I gather, the cement industry in Jamaica is entirely engaged at the moment in a plentiful supply of the needs of the local market. So that the fact that we might make an arrangement with those countries would not necessarily involve any great sacrifice on our part, although it would be a step in the right direction.

I would like Professor English to expand a little on that idea of closer trade relationships and agreements with the Caribbean countries, because it seems to me that the Caribbean countries and Canada are more or less complementary in regard to what we have to sell and what they have to sell.

Senator GROSART: Dr. English, can you tell us what percentage of our total trade is with the Caribbean?

Dr. ENGLISH: It is extremely low in percentage. The whole Commonwealth outside of Britain is less than five per cent. The eastern hemisphere, including British Guiana and the Falkland Islands, according to figures of exports in 1965 which I have before me, come to a total of about \$90 million out of our total trade. Out of an amount of \$7 billion or \$8 billion, it is a very low percentage.

Senator GROSART: One per cent.

Dr. ENGLISH: That is right.

Senator GROSART: What is our balance of payments position?

Dr. ENGLISH: I would have to check concerning that, because I have not those figures before me.

Senator GROSART: Is it a deficit position?

Dr. ENGLISH: It is pretty well balanced, I think. The only figure I have relates to the whole western hemisphere. I can check the other for you. I do not think that in itself, of course, is terribly important. When it is a very small part of our trade, whether it is a deficit or otherwise does not matter too much.

Senator GROSART: I agree entirely. In fact, I would be in favour of our carrying a heavy deficit if it would help those countries.

Dr. ENGLISH: Of course, bauxite from Jamaica is a very important ingredient of our industry.

In order to conclude my point about E.E.C. British relationships, I must say that I as an individual have done more work on our basic competitive position as a country and our trans-Atlantic and Canadian-U.S. positions than on Canada-West Indies relations.