



CANADA

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## TRADE WITH WEST INDIES

The Department of Trade and Commerce marked the inception of the Federation of the West Indies by three special articles in the January issue of Foreign Trade. Writing on the subject "Two-Way Trade with the West Indies", Mr. M. V. McCormick, International Trade Relations Branch, pointed out that Canada has a long history of trade with the West Indies, stretching back well over 200 years. We have sold them principally flour, fish, other food-stuffs, and lumber; they have sold us sugar, molasses, lumber, spices and tropical fruits. In recent years the trade has taken on a more varied complexion: bauxite, alumina and petroleum have been coming to us from the West Indies and we have been sending them a wide variety of manufactured goods.

In the last twenty years this trade has grown in size as well as in scope. Just before the Second World War the total trade with the West Indies, both imports and exports, reached \$33 million. By 1956, it had increased to \$113 million, with our exports to the West Indies totalling \$49 million and our imports from the islands \$64 million. Figures for the first nine months of 1957 show exports to the West Indies at \$35 million and imports from the West Indies for the first six months of 1957 at \$40 million, a substantial rise over the 1956 figure.

The close trading relations between Canada and the British West Indies over the years are the result of several factors. The economies of the two areas are largely complementary and

the areas themselves are not far apart, geographically speaking. In addition, three successive trade agreements have provided a framework for the building-up of this trade.

At the turn of the century, the British West Indies lost its sugar market in the United States and became interested in the possibility of selling sugar in Canada instead. At that time, total Canada-BWI trade had an annual value of less than \$5 million and both sides wanted to increase it. This feeling, plus the desire for Empire solidarity within the Imperial Preferential Tariff system, paved the way for the first Canada-West Indies Trade Agreement of 1912.

The 1912 Agreement gave Canada preferential rates of duty of four-fifths of the general tariff on specified goods and provided that some British West Indian products, notably sugar, would receive corresponding preferential treatment in Canada. In 1920, this agreement was replaced by a broader one under which preferences applied to all dutiable goods on both sides, with a few exceptions. Canada gave the British West Indies a tariff preference of 50 per cent on all dutiable articles other than tobacco, cigars, cigarettes and spirituous or alcoholic liquors.

A third and more extensive trade agreement, the one now in force, was signed on July 6, 1925, and came into operation on April 30, 1927. This agreement broadened the exchange of preferences still further and made various special provisions for individual products and