

especially capital goods and the more sophisticated kind of consumer goods. This is where we need to put particular emphasis in our selling efforts to the West Indies.

Expanding our trade with the West Indies and bringing about closer trade relations has been an important objective of governments in Canada since before Confederation. In 1855, for example, a British North American delegation tried to negotiate a preferential tariff arrangement with the West Indies, but this was vetoed by the Imperial Government on the grounds that it would be contrary to the Imperial policy of free trade. The year before Confederation another mission representing the various British North American provinces went to the West Indies and worked out certain understandings on the general level to tariffs to be applied to Canadian goods and arranged for consideration to be given to any problems that might affect Canadian exports. It was not a trade agreement, but it was a step towards a closer trading relationship between Canada and the West Indies.

A new stage in our trade relations with the West Indies opened up just before the turn of the century when Canada established tariff preferences. These were extended to the West Indies in 1898 without asking for any reciprocity on their part. This was during the period before the West Indies themselves had tariff preferences for Commonwealth countries. Most of the West Indies established preferences for Canadian goods just before the First World War, in 1912, when our first bilateral trade agreement was negotiated with the West Indies. The key feature of this agreement was an undertaking on both sides to extend preferences of not less than 20 per cent of the general tariff rates on a list of imported goods. The coverage and size of these tariff preferences was broadened and extended when the bilateral agreement with the West Indies was renegotiated in 1920 and 1925.

The agreement negotiated in 1925, which was incorporated in an Act of Parliament in 1926 is still in effect. Under this agreement Canada and the West Indies extend to one another minimum tariff preferences on practically all goods that are subject to duty. In addition, there are a number of specified tariff preferences on leading items in the trade at the time the agreement was written. For example, the West Indian items on which there are specified preferences include, sugar, bananas, cocoa beans, lime juice and arrowroot; and the Canadian items specifically mentioned in the agreement include things like flour, butter, lard, meats, potatoes, lumber and apples.

Another feature of the 1926 agreement was the inclusion of a section providing for the establishment and maintenance of subsidized steamship services.

Our relations with the West Indies have, of course, evolved considerably since this agreement was negotiated in 1925, and at an appropriate time it will need to be reviewed to take into account a number of developments. The sort of things that I am thinking of are the changed constitutional position of some of the West Indian countries, and the formation of the free trade area which I mentioned between Barbados, Guyana and Antigua. There has also been a considerable change in the pattern of trade in both directions. Some items which were important in 1925 are of little significance today, and a considerable number of new items have been added to the trade. Then, in the West Indies various trade measures are being used now to stimulate industrial development, such as import restrictions, which were not envisaged at the time the 1925 agreement was negotiated. Also the shipping clauses have fallen by the wayside.

The Canada-West Indies Conference, the conference of the Prime Ministers of Canada and the West Indies, which has been scheduled for July 6-8 in Ottawa this year, will provide an opportunity to review trade between Canada and the West Indies, and this conference will also consider a number of other