

\$527 million in 1958. This is in contrast to the drop of approximately \$430 million (10.7 per cent) in imports from the United States. Automobiles and parts, agricultural and animal products, aircraft, aircraft engines and parts, telephone apparatus and parts, radio apparatus, other machinery and diesel engines were the main British products that made major gains in the Canadian market.

The current trend seems to be to import truck parts and engines (diesel and otherwise) from Commonwealth countries rather than from the United States. This trend is partly due to Canadian and United States firms establishing plants to make these products in the United Kingdom, in order to have a base of operations in the sterling area and thus reap the advantage of tariff preferences.

The improvement in Anglo-Canadian trade in a year when imports from the United States and other Commonwealth countries declined, no doubt stems in part from the increased interest in the Canadian market exhibited by British exporters as a result of the Canadian Trade Mission to the United Kingdom in 1957, and the visit of a United Kingdom trade delegation to Canada in 1958.

Now that some of the United Kingdom's European markets have decreased because of its exclusion from the Common Market, British manufacturers have an added incentive to step up their efforts to sell to the dollar area.

Although it is not likely that the United Kingdom will regain its prewar level of exports to Canada, there is, nevertheless, a substantial growth potential and a concerted drive by British exporters could mean the capture of a larger share of the Canadian market.

OTHER COMMONWEALTH COUNTRIES

Canadian exports to Commonwealth countries other than the United Kingdom increased from \$233 million in 1957 to \$282.7 million in 1958, a rise of \$49.6 million, or about 21 per cent. Imports from these countries, however, decreased by \$29.6 million (12 per cent)--from \$238.8 million in 1957 to \$209.2 million in 1958. This meant a favourable balance for Canada of \$73.7 million and reduced these countries' share of total imports by nearly 1 per cent.

Estimated import figures for 1958 compared with those of 1957 show that imports into Canada from The West Indies, Mauritius and the Seychelles, Ghana, India, Ceylon, Malaya and Singapore, Fiji, and New Zealand declined in 1958, but imports from Australia, Hong Kong, and the Union of South Africa increased.

Most of these Commonwealth countries largely depend on exports of primary products for their national income. Lower prices for these commodities last year sharply reduced the overseas reserves of many of them and forced them to tighten import restrictions to conserve foreign exchange. With the improvement in the balance-of-payments position in many of these countries, it is hoped that restrictions will be relaxed in accord with the views expressed at the Commonwealth Economic Conference.

SIGNIFICANT FEATURES

Some of the Commonwealth countries depend greatly on the export of one or two products. For example, copper and tobacco account for about 83 per cent of total exports of the Federation of Rhodesia and Nyasaland, and Ghana relies on cocoa for about 60 per cent of its total sales abroad. Ghana was very worried about the effect that the Common Market in Europe would have on its markets in that area. It has been heartened by the news that West German cocoa importers have requested that the 9 per cent Common Market import duty on cocoa imposed on supplies from outside the Common Market area should be removed. As an alternative they have suggested that duty-free quotas on cocoa should be established. It is understood that approximately 75 per cent of West German cocoa imports are supplied from countries outside the Common Market. If these duties are imposed, then Ghana would suffer a severe loss in exports of its staple commodity.

Imports into Canada from Ghana dropped from \$6 million in 1957 to an estimated \$2.2 million in 1958. Part of this reduction was due to smaller imports of cocoa, but the main cause was a sharp fall in imports of manganese ore. Total Canadian imports of this ore reached \$3.46 million in 1957 but for the first ten months of 1958 were valued at only \$130 thousand.

Canadian exports to Nigeria dropped from \$1.5 million in 1957 to \$336 thousand in 1958, but last year's figures were bolstered by a large order of over \$1 million for wrought-iron pipe and tubing.

As the smaller countries of the Commonwealth become independent and more industrialized, Canadian exporters of capital and construction goods should have more opportunities to obtain orders, such as the one mentioned above.

Shipments of wheat and flour under the Colombo Plan and the granting of credit arrangements accounted for most of the increase shown in exports to India, Pakistan, and Ceylon. India also imported more railway rails, pipe and tubing, copper ingots, aluminium and aircraft.

CANADA AND THE NEWER MEMBERS

Canada has a particular meaning at the present stage in history for the many countries within the Commonwealth that have recently gained independence, or hope to do so shortly. They appreciate that Canada has blazed the trail from colony to independent member of the Commonwealth, and countries such as The West Indies look to us for advice and assistance as they evolve towards self-government. Thus, in addition to the Colombo Plan, Canada is giving technical assistance to Ghana and The West Indies and is supplying two ships to the West Indies Federation for inter-island trade. We would hope that this aid will have a beneficial effect on Canada-West Indies relations.