

Supply—Trade and Commerce

\$242 million last year. Other sizeable imports were coffee, bananas and unrefined sugar. The total imports of all products were valued at \$380 million, leaving us once again in the position of purchasing substantially more from our Latin American friends than we sell to them.

Our trade relations with the West Indies are also very important. These relationships are especially close, and they have grown out of a long tradition of trade which was important to Canada even before our confederation. Recently the establishment of the Federation of the West Indies, and the opening of their parliament in April marked the most important step which has been taken so far in the progress of these islands toward fully responsible nationhood. It was an important event also in the political evolution of the commonwealth. This progress of the West Indies is welcomed by the Canadian people. Many of the initial problems of the West Indies bear a close similarity to those which confronted our own country; problems of transportation and communication between the units, the rights of local governments, as well as providing for continued economic development.

I think these common problems of nation-building give us a special appreciation of the circumstances of the West Indies. The importance of the West Indies to this country as a trading partner is sometimes not fully appreciated in Canada. Taking the British Caribbean as a whole these territories are Canada's second commonwealth market, tenth world market, third market for manufactured products and, on the import side, Canada's fifth supplier. In 1957 exports to the whole area amounted to \$51 million. Traditional imports such as fish and flour are important in this trade, but in more recent years manufactured products have increased rapidly. The West Indies is a valuable market for Canadian exporters of manufactured goods. Canadian imports from the British Caribbean in 1957 amounted to \$80 million. In this trade traditional products such as sugar, rum and molasses are important, but newer products have entered the trade in very considerable quantity in recent years, notably bauxite, alumina and petroleum.

The West Indies federation consists at present of Jamaica, Trinidad, Barbados and the Leeward and Windward islands. The federation has not as yet established a customs union within its own territory or a common external tariff. It is, however, one of the major economic objectives of the federation to achieve such a union. A commission has been studying the problems involved in establishing a customs union, and we understand

its report will be ready during the next few months.

As the West Indies makes progress toward the establishment of a customs union and decides upon the nature of its future economic relations with other countries, it will be possible to review the trade relations between that country and Canada. Canadian trade relations with the area are governed by the Canada-West Indies trade agreement which was entered into in 1927. This agreement provides for the exchange of preferential tariff treatment between the two countries. Through this agreement Canada extends preferential tariff treatment on sugar and the West Indies extends bound preferences to Canada on a wide range of products.

I believe there are important opportunities for the future development of Canada-West Indies trade. The expansion of Canadian exports to the area depends in part on the progress in economic development the federation will be making in the next few years, and in part on liberalizing dollar import restrictions. We are hopeful that it will be possible for the West Indies to introduce over a period of years additional measures aimed at further liberalization of trade between our two countries.

I now come to Canada's trade with China. Last year we bought a good deal more from China than we sold to that country, with imports amounting to \$5.3 million and exports to \$1.4 million. However, in the last few months we have been able to improve our balance of trade with China. Since March alone sales of wheat to this area involve close to 3½ million bushels of wheat valued at \$5½ million. Following the visit of the Canadian government trade commissioner in Hong Kong to China in November, 1957 we learned that the Chinese were interested in a wide range of Canadian commodities including pulp and paper, wheat, fertilizer, aluminum, chemicals, plastic raw materials, synthetic fibres and non-ferrous metals. Canadian suppliers were asked to submit prices and specifications on such commodities available for export to China. We obtained a good deal of information as to the best method of dealing with the Chinese market, and we made this information available to Canadian business in the form of a report entitled "How to Trade with the Mainland of China" published in our departmental publication *Foreign Trade* on February 1, 1958.

Hon. members are interested in our trade with China, and particularly in United States foreign assets control regulations affecting Canadian subsidiaries of United States firms. Every effort is being made to find an appropriate solution to the difficulties in this