

South African Trade in Canada

By D. de W. Meyer

Trade Commissioner for the Union of South Africa, Montreal.

Mr. Meyer shows in this article that South African trade with Canada received an impetus in 1930 when increased preferences were accorded Empire products and this was given further encouragement by the agreement of 1932. Sugar has been the most important commodity received from South Africa with Indian corn, dried fruits, wines, grape juice, etc., figuring among other imports. On the other hand South Africa has been an important market for Canadian manufactured products.

THE trade between the Union of South Africa and Canada has always been very one-sided, with the balance generally strongly in favour of Canada.

In 1929, when both countries reached their peaks in exports to the other, Canada had a balance in her favour of \$10,516,221 with exports to South Africa to the value of \$11,359,425 and imports from there totalling only \$843,204. Before that time only a little wool and very small quantities of dried and canned fruits were imported from South Africa. In 1930, however, the U.S.A. excluded a large number of Canadian products by the Smoot-Hawley Tariff, and Canada replied by very considerably increasing the duties on a wide range of foreign products, notably inter alia on Indian corn, sugar, dried and fresh fruit, but allowed these goods free or preferential entry from Empire countries.

South Africa immediately took advantage of these preferences, with the result that her exports to Canada proceeded to increase during the years of depression while Canada's exports thither were falling off, as can be seen clearly from the following statistics:

Year	Canada's Imports from S.A.	Canada's Exports to S.A.	Volume of Direct Trade	Balance in favour of Canada
1928	\$ 242,343			
1929	843,204	\$11,359,425	\$12,202,629	\$10,516,221
1930	2,952,668	10,204,537	13,159,205	7,251,869
1931	4,416,665	9,202,619	13,619,284	4,785,954
1932	4,085,341	4,419,734	8,505,075	334,393
1933	4,537,204	5,706,258	10,243,462	1,169,054

For this increase sugar is responsible more than any other commodity: last year, e.g., sugar accounted for just short of \$4,000,000 of the total imports. Owing to an alteration in the preference of B.W.I. sugar, the prospects are that the latter will re-

place the S.A. product to some extent this year, but nevertheless it is expected that sugar will still easily rank first in importance.

Indian corn or maize from South Africa has also gained a considerable market here, having reached as high a figure as \$1.5 million in 1932 and only falling last year because of a disastrous crop failure in South Africa. This year cargoes are again coming in regularly.

The preference has also increased the imports of dried fruits very substantially, the direct imports rising from about \$16,000 in 1929 to \$58,075 last year, besides large quantities coming in via London.

Although a substantial preference was granted to British Empire countries in 1930, South Africa was unable to avail herself thereof owing to lack of refrigerated shipping facilities, but this year boats were specially chartered for oranges, and 100,000 boxes were brought in over a period of three months as an experiment. It is possible this may be repeated next year if results justify it.

The lack of suitable shipping facilities also hampers the regular importation of deciduous fruit from South Africa, but the possibility of making special provisions to place them on the market here regularly is now also being explored.

While the preferences on these goods were actually granted in 1930, they were stabilized at Ottawa in 1932 and entrenched for a period of at least 5 years; and this no doubt led to an extra stimulation to the trade. In addition also South Africa received at Ottawa certain substantial preferences on wines and brandy, alcoholic perfumes and fruit juices. As a result, South Africa has succeeded in establishing a rapidly ex-

panding market for her wines in all the Provinces and for her brandy in most. Moreover South African grape juice, which is not an ordinary beverage but the entirely pure juice of the grape without added sugar, preservative or colouring matter, is having a

very encouraging reception here, and Eau de Cologne and Lavender Water made from grape alcohol is now also being introduced.

South Africa enjoyed a good market here for canned pineapple up to 1930 when her exports to Canada amounted to over \$84,000, but as the result of a preference granted to Australia on this commodity, coupled with the depreciation of the currency of that country, South Africa has lost that market, and though placed on an equal footing with Australia at Ottawa, has not been able to regain it—the imports last year amounting to only \$6,700.

Next to Australia, South Africa is the world's most important exporter of fine wool and, though enjoying no preference on this commodity, regularly ships quantities of scoured and grease wool to Canada. This trade reached as much as \$105,000 in 1930, but dropped to only \$49,000 last year. As Canadian textile industry improves it is expected that this item will again increase.

The only other commodities imported from South Africa are manganese and fruit pulp and juices. Of these commodities enormous supplies are available but at the present time only small quantities are coming in.

South Africa's imports from Canada, on the other hand, consist, with the exception of wheat, almost entirely of manufactured products, the principal items in 1933 being (in order of importance) silk hosiery, sodium cyanide, motor cars and trucks, rubber tires and other manufactures, electrical heating and cooking apparatus, lumber and box shooks, paper of all kinds, agricultural implements and machinery, canned fish and vegetables, barbed wire and wire netting, binder twine, card board, pipes and fittings, typewriters, canvas footwear, lead, shovels and forks.

During the present year there has been a very considerable increase in South African purchases from Canada as a result of the boom conditions there engendered by the increased prices of her principal products, gold and wool. For the seven months ending October last Canadian exports to South Africa were more than double the value for the similar period of 1933 with \$7,635,637 as compared to \$3,701,204, and bid fair to surpass the record of \$11,359,425 in 1929. Imports from South Africa during this period on the contrary have fallen from \$1.9 million to \$1.5 million. It is therefore essential that every Canadian should support South African products on every possible occasion.

Bacon Industry Gains Under Agreements

Due to an Assured Market in Britain Industry Attains Prosperous Condition

By S. E. Todd

Secretary, The Industrial and Development Council of Canadian Meat Packers

One of the most impressive examples of the benefits accruing from the Ottawa Agreements has been the effect on the bacon industry. How that industry has in the space of two years been raised from a condition of despondency to one of prosperity is revealed in this informative little article by Mr. Todd. Canada's favourable position under the agreements has contributed materially to the change for the better.

THE hog and bacon industry in 1934 has been profitable due to an assured market for bacon in Britain. This was brought about by the adoption by the Government of the United Kingdom in 1932 of a policy to encourage British home farmers to increase hog production. In order to do this Britain determined on a reduction, by means of quotas, of the great overload of bacon being sent to that market.

Very low feed grain prices had enormously increased hog production

in European exporting countries. Under the quota system as it is known, Canada secured in the Ottawa Agreements a favorable place for her bacon industry.

Slaughter of Hogs at Government Inspected Packing Plants

1930	1,756,068
1931	1,965,515
1932	2,454,525
1933*	2,549,678
1934*	2,588,332

* Eleven months, Jan. to Nov.

The following table, for the ten months January to October, inclusive, of each year, shows the reduction in bacon and ham imports into Great Britain after the application of a quota to foreign imports in the late fall of 1932 and Canada's position in relation to total imports:

	1931	1932	1933	1934
Total Imports into Great Britain	cwt.	cwt.	cwt.	cwt.
Imported from Canada	9,903,127	10,228,484	8,511,456	7,008,294
Canada's Percentage of Total Imports	71.25%	291,311	594,857	1,005,066
Canada's Place in Supplying Countries	7th	6th	4th	2nd

It will be seen from this table that Canada has now an important bacon industry. The effect of this on the percentage of total hog slaughter dis-

tributed into the domestic market and into the export market is very interesting. Below are the percentages of export by Government inspected plants in relation to total slaughter for the ten months January-October, inclusive, for each year—

1930	1931	1932	1933	1934
5.6	4.0	9.0	21.3	34.2

It will be seen from a reference to the first table that while in 1933 and 1934—the period in which Canada has had the benefit of the British import quota policy—there was only a little increase in hog slaughter, there was a very great increase in exports.

In 1932 Canada, like other countries with very cheap grain, greatly increased hog production. Without a profitable export outlet the domestic market was unable to absorb the increased load at prices profitable to the producer. The result was abnormally low hog prices. The adoption of the British policy and Canada's favorable position under the Ottawa Agree-

ments permitted the withdrawal of the excess from the domestic markets and gave us our present prosperous condition.



New Weldless Tubular Steel Plant at Welland.

In 1932 Page-Hersey Tubes, Limited, appropriated the sum of \$2,000,000 to equip and operate a Push Bench plant for the manufacture of weldless pipe and boiler tubes. Prior to that time no weldless or seamless pipes were made in Canada.