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The Canadian-United Kingdom Trade Agreement*

By F. W. Field, C.M.G.

British Government Senior Trade Commissioner in Canada

It is in no doubtful way that the Senior British Trade Commissioner in Canada, Mr. F. W. Field, regards the trade agreement entered into between Canada and the United Kingdom in 1932. In this address, which he delivered in Toronto recently, he points out the benefits which have already been derived from it, shows some of the difficulties in the way of developing trade and points out that manufacturers on both sides of the Atlantic view the arrangement with favour.

NATURALLY I heard a great deal about the Ottawa Agreement. It is fully recognized that in certain industries substantial benefits have been obtained by the United Kingdom. I can speak of course only of the opinions I actually heard.

I found a fairly general view that for one reason or another, Canada has been able to obtain practical benefits from the Agreement more quickly than has the United Kingdom. Manufacturers told me that they fully believe that Canada desires trading between the two countries to be truly reciprocal. I think back of their minds is the thought that it is a slower job to build up their trade in manufactured articles in Canada than it is for the Dominion to increase its trade, largely in natural commodities, in the United Kingdom. For example, one that has been mentioned frequently—it is obviously easier to sell half a million boxes of Nova Scotia apples in England than it is to sell, say, half a dozen English X-ray machines in Canada. I have never known of any agreement made anywhere that was not subject to criticism. There have been criticisms of the Ottawa Agreement both in Canada and in the United Kingdom but there is no doubt that the Agreement has made a sound basis for the extension of Empire trade and has already given definite benefits to many Canadian and United Kingdom industries, the latter including tinplate, and certain other iron and steel products, chemicals, glass, books and other commodities.

The parliamentary Secretary (Major D. J. Colville) to my Depart-

*Portion of an address by Mr. Field at the annual meeting of the British Trade Association of the Toronto Board of Trade, Toronto, December 12, 1934.

ment in London, i.e., the Department of Overseas Trade, recently described the policy agreed upon by Ottawa in 1932 as a firm basis on which Britain can stand in negotiating with foreign countries. He quoted figures to show that aggregate exports to seven Empire countries during the first nine months of this year exceeded by more than 23 per cent, the value of exports during the same period preceding the Ottawa agreements. Canada has taken about \$11,000,000 more of United Kingdom goods this year than in any similar period before the war. Similarly, Australia's imports of British goods increased by £4,930,000, New Zealand's by £621,000, South Africa's by £3,486,000, Newfoundland's by £116,000, British West Indies' by £373,000 and Southern Rhodesia's by £366,000. The British Government has negotiated 13 agreements which have considerably increased Britain's trade. Three are being negotiated at present while several others are in contemplation.

* * *

The United Kingdom market for Canadian goods is proving very valuable. The Canadian Prime Minister is reported as having said in a speech at Brockville a few days ago that the Dominion has been given "a sheltered market in the greatest market in the world, the United Kingdom." I found almost everywhere a strong desire to encourage imports from Canada and from other parts of the Empire. Merchants, wholesale houses, department stores and other retail establishments and business men generally are pushing the claims of Canadian and other Empire products.

* * *

Coming to British trade in Canada, you know better than I that this market is one of the most difficult for British manufacturers. It is due partly to the fact that Canada is highly industrialized and that the United States stands next door. In the past, to some extent, United Kingdom manufacturers did not appreciate this position. It is not so today. A large number know the difficulties and are trying to meet them.

Some very interesting figures with regard to the trade between Canada and the United Kingdom have been

sent to me by Mr. W. A. Warne of the Dominion Bureau of Statistics, Ottawa. They show that for the twelve months ended September last, Canada's total trade—exports and imports—with the United Kingdom increased, compared with previous year, nearly 28 per cent.

Exports to the United Kingdom amounted in same year to \$261½ millions, compared with \$173 millions in 1931-32 and \$200¼ millions in 1932-33.

Some of the increases in Canadian exports to the United Kingdom in the twelve months ended September last, were, in round figures (dollars)—

Wheat from 67 millions to 86 millions.

Apples from 5 millions to 11 millions.

Meats from 4 millions to 19 millions.

(Including bacon and hams from 3 to 17 millions.)

Furs from 6 millions to 9 millions

Cattle from 2 millions to 3½ millions

Planks and boards from 3 millions to 14½ millions.

Motor cars from ¼ million to 2½ millions.

Copper from 3 millions to nearly 13 millions.

Zinc from 3 millions to 5 millions.

Motor cars from ¼ million to 2½ millions.

There were many other increases in natural commodities and manufactured products.

In the same twelve months period, Canadian imports from the United Kingdom were valued at about \$112½ millions compared with about \$93 millions and \$94 millions in the two previous years.

The increase in our trade with Canada in the textiles group from \$27 millions to \$38 millions was general. The iron and steel group registered an increase from \$12½ millions to \$18 millions. Tinplate was the most important item. There were also many increases in commodities in other groups.

Summarizing the trading position between the two countries during the year ended September last, we have the following figures—

Canadian sales to the United Kingdom increased 51.1 per cent over those of 2 years ago.

United Kingdom sales to Canada increased 20.1 per cent over those of 2 years ago.

Canadian sales to the United Kingdom increased 30.5 per cent over those of last year.

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INDUSTRIAL CANADA

United Kingdom sales to Canada increased 21.3 per cent over those of last year.

There is considerable room, therefore, for expansion of our trade here. Canada has a splendid market for its products in the United Kingdom and large quantities of lumber, cattle, meats, apples, tobacco and manufactured goods are being sold in that market. This fact obviously will strengthen the desire of Canadians to buy their requirements in the United Kingdom provided that Canadian manufacturers cannot supply the exact goods required.

I feel sure that my experience is also yours—that the majority of Canadian firms desire to co-operate with the object of increasing British trade in Canada. Speaking for our own offices in Canada, we receive the greatest possible assistance from the business community, including the Canadian manufacturers, in our efforts to turn into British channels much of the Canadian import trade that is now going to foreign countries. We regard Canadian manufacturers as our best "clients" because they all import something or other and a large share of Canada's import trade is for Canadian industry. There is a certain amount of resistance by some of the foreign firms who have branches in Canada. They resent the rising tide of Empire trade and sometimes try to check it but like Canute

they are likely to get their feet wet in doing so. It is about firms such as these, perhaps, that I receive complaints from some United Kingdom manufacturers to the effect that their quotations were used in Canada to reduce the prices of our foreign competitors here.

As to the attitude of Britain's industrialists to those of Canada, I found everywhere the best wishes for Canada's continued industrial prosperity and expansion. The Englishman asks only that he shall have a fair opportunity to compete in the Canadian market.

I learned that our manufacturers at home appreciate the efforts of the Customs officials at Ottawa to remove irritating obstacles to the expansion of our trade in Canada provided, of course, that Canadian revenue and Canadian industrial interests are not unduly affected.

I return to Canada with a deep impression of the recovery made by Great Britain. It makes one especially proud to be a citizen of the British Empire. In that recovery, too, is a lesson because undoubtedly one of the main factors of recovery was the manner in which every citizen of Great Britain faced the grave crisis in 1931, tightened his belt and laboriously plodded his way to brighter days.

These brighter days are now there, and the Briton has earned them.

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other media, Canadian goods are being kept constantly in the public mind. Consequently there has been a steadily mounting demand for Canadian products, and particularly those of a class and character similar to lines from non-Empire countries, previously in great demand in the United Kingdom market. This has imposed upon Canadian producers a further obligation to maintain quality and ensure adequate distribution.

Apart from the new trading opportunities provided by the Ottawa Agreements, factors which have assisted the great increase in the sale of Canadian goods in the United Kingdom are: The greater willingness of the Canadian producer and industrialist to cater to the tastes of the British consumer and meet the needs and standards prevailing; the education of the British public to the value and quality of Canadian products by methods to which reference has already been made; and the powerful Imperial sentiment which has given force and direction to the predilections of the British purchaser.

Canadian producers and manufacturers are displaying a keener interest than ever in the British market, and are investigating the possibilities for the still wider sale of Canadian products of a price and quality which will commend them to a buying public that is becoming increasingly conscious of the availability of Canada's diverse output of natural and manufactured products.

Canada's Growing Share in British Market

By Frederic Hudd

Chief Canadian Government Trade Commissioner in the United Kingdom.

(From Canada's Weekly, London, Nov. 29, 1934)

THE extent to which Canadian producers are taking advantage of the greatly widened market for Canadian products in the United Kingdom is shown by the steady increase in Canadian exports. The value of Canadian exports to the United Kingdom in the 12 months ending September, 1934, was \$261,433,844, as compared with \$200,262,608 in the corresponding period of the previous year, an increase of 30.5 per cent.

Among noteworthy evidences of the expansion of Canadian sales in the British market are apples, which increased to a value of \$11,412,562 in the 12 months ending September, 1934, as compared with \$6,943,659 in the corresponding period of the previous year. In the same period, canned fruits increased to \$1,003,951 from \$896,861; canned vegetables to

\$745,056 from \$385,410; furs to \$9,450,997 from \$6,899,056; meats to \$19,506,075 from \$7,917,023; bacon and hams to \$17,272,171 from \$6,113,096; fibres and textiles to \$2,131,708 from \$1,550,017; wood and wood products to \$24,787,880 from \$13,633,601; iron and its products to \$7,823,737 from \$4,069,096; and non-ferrous metal products to \$43,883,011 from \$25,403,809.

London and the more densely populated areas in the United Kingdom are large consumers of Canadian goods—particularly foodstuffs, and Canadian raw materials find their way into practically all the important industrial areas. Efforts to popularize Canadian goods are now more intensive than ever before. By exhibitions, window displays, "Canada shops," illuminated signs and

British Trade Commissioner to Visit England

A. M. Wiseman, British Trade Commissioner at Toronto, is leaving for England early in January. The purpose of his visit is to enable him to renew contact with the Department of Overseas Trade in London, which he more particularly represents in Toronto, and also to make contacts with other Government departments having an interest in the work of the Trade Commissioner Service overseas. He anticipates that this work, and the vacation which he hopes to take while in the United Kingdom, are likely to delay his return to Canada until January, 1936.

The work of the office of the British Trade Commissioner at Toronto will be carried on by James Paterson, who has been assistant to Mr. Wiseman for the past five years, and who has been in charge of the office during Mr. Wiseman's previous absences from Toronto.

H. Macdonald, Legal Secretary of the Canadian Manufacturers' Association, was elected Chairman of the Chartered Institute of Secretaries, Canadian (Toronto) Branch, at its recent annual meeting.

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