

Progress of Canada's Canned Salmon Industry

Through a Guarantee of Quality and the Negotiation of Preferential Tariffs, Industry has been able to Stabilize Itself in Empire Markets

In this article it is brought out that, while exports of canned salmon to foreign countries, with the exception of France, have fallen off in a marked manner, those to Empire countries have been well maintained. This is attributed to the existence of preferences and to the fact that successful efforts have been made to standardize the product and guarantee its quality. The figures quoted are illuminating and go to prove once more the value of the Empire trade agreements.

THE world-wide prosperity of the 1923-29 period made it possible for the producers of canned salmon in British Columbia to widen their markets so as to include some 70 countries. Coincident with that expansion, however, came a rapid development of salmon canning in Siberia and Japan, far more than offsetting the declining export capacity of the United States salmon canners which had previously been the most important competitor of British Columbia. From another direction, the rapid growth of the California sardine industry led to the replacement of canned salmon by their cheaper product in many of the newer markets for pink and chum salmon, particularly the East Indies, India, the South Sea Islands and tropical Africa; though that industry has in turn yielded place to the still cheaper canned sardines produced by Japan and Russia.

In other countries, such as Mexico and Italy, the desire to foster the canning of cheap domestic fish led to imposition of prohibitive tariffs against canned salmon, while the advent of hard times throughout the world, and the increasing volume of governmental action, by tariffs, exchange restrictions, surtaxes, etc., further served to cut down Canadian exports to such an extent that by 1931 trade to non-Empire countries had been greatly reduced, dropping as low as 24.5 per cent of the total export.

The energies of the industry under these conditions were naturally exerted toward safeguarding and extending the volume of export within the Empire. The first step was to take such steps as would place the quality of the pack definitely beyond re-

proach, so that, with the co-operation of the Federal Department of Fisheries, a system of inspection of all canned salmon produced in British Columbia was installed. Backed by this guarantee of quality, the Federal Government has been able to negotiate preferential tariffs on canned salmon with Australia, New Zealand, South Africa and various of the non-self-governing colonies. In addition, the 10 per cent preference accorded to Canadian products by Great Britain, though it does not overcome the great depreciation of the yen and ruble which give the Japanese and Russian salmon packers a substantial advantage, assists to some degree in meeting the competition of these countries in the British market.

A Stabilizing Effect

The stabilizing effect of the Intra-Empire Trade Agreements on Canada's canned salmon trade with Empire countries is demonstrated by the following tables, commencing in each case with the year following the institution of the preference:—

Exports to Australia (in cases)			
1926	223,906 cases	1933	219,496 cases
Exports to New Zealand			
1927	38,021 cases	1933	28,058 cases
Exports to South Africa			
1926	38,750 cases	1933	37,102 cases
Exports to United Kingdom			
1932	291,204 cases	1933	232,329 cases

In contrast to these figures, the following statement shows the drastic reduction (amounting, in some cases to obliteration of the market) in exports to non-Empire territories:

Exports to Argentine			
1927	1,363 cases	1933	Nil
Exports to Belgium			
1926	46,358 cases	1933	22,414 cases
Exports to Chile			
1926	34,393 cases	1933	35 cases
Exports to Colombia			
1927	5,840 cases	1933	Nil
Exports to Dutch East Indies			
1926	9,363 cases	1933	1,473 cases
Exports to Ecuador			
1927	6,057 cases	1933	Nil
Exports to France			
1926	233,937 cases	1933	249,106 cases
Exports to Holland			
1926	9,869 cases	1933	1,200 cases
Exports to Italy			
1926	109,388 cases	1933	13,102 cases
Exports to Mexico			
1926	22,421 cases	1933	Nil

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Exports to Straits Settlements			
1926	22,731 cases	1933	Nil
Exports to Venezuela			
1926	12,127 cases	1933	212 cases

While the volume of canned salmon exports to British countries, in spite of depressed business conditions and decreased purchasing power, has been fairly well maintained as a result of the trade treaties, it is interesting to note that the only non-Empire country to show an import in 1933 comparable to 1926 is France. This situation is also the result of a trade arrangement negotiated with that country by Canada. The salmon canning industry has found, however, that arrangements with non-Empire countries are subject to frequently, and sometimes, disastrous fluctuations, while agreements with the Empire countries are, generally speaking, dependable for a number of years. Had it not been for the existence of these preferences during the past few years, undoubtedly, Canada's canned salmon trade with the Empire would have suffered a similar decline to that experienced with non-Empire territories.

Necessity for Exports

In an article appearing in the August, 1934, issue of Industrial Canada it was pointed out that Canada exceeds any other country in the world in the use of canned salmon, the United States with a per capita consumption of about 2.25 lbs. coming second, and Great Britain and Australia following at about two pounds per person per year. Canadian consumption does not exceed 450,000 cases annually and, as the salmon runs of British Columbia appear able to sustain an annual production of several times that amount, the export market is evidently vital, if the industry is to employ its fishermen and equipment to advantage.

When the industry was first started, the exporters' problem was comparatively simple. Production was confined practically to the premier variety, the sockeye, and the annually increasing pack was shipped in chartered sailing vessels direct from the canneries, via Cape Horn, to the British market. In due course, Canada and Australia became consumers but it was not until after 1900 that increasing production made it necessary to look elsewhere for a market.



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