

Sierra Leone, West Indies and South Africa. The cans are shipped in wood shooks all made in Canada and these shipments replace goods formerly packed in the United States.

A company manufacturing valves and other products have benefitted indirectly from the trade agreements

owing to the increased prosperity of many of their customers and the additional business which they have secured from them on that account.

The Purchase of Raw Materials From Empire Sources

A company manufacturing rubber products state that they are purchas-

ing zinc oxide and sulphur from England which they formerly purchased in a foreign country.

A company manufacturing carpets report that they have been assisted by the agreements in diverting the purchase of some commodities from foreign to British sources, notably jute yarns. Some mill supplies have also been similarly diverted.

A company manufacturing hosiery and underwear have been purchasing cotton yarn either in Great Britain or Canada, which was previously procured outside the Empire.

A firm of rice millers state that due to the trade agreements and increased steamship services they have been able to purchase in larger quantities from India.

A British Columbia company making corrugated fibre boxes secure their adhesive materials (silicate of soda) in England; all other materials are purchased in Canada.

A company making fine hardwood flooring, lumber veneer, etc., are importing face veneers from Australia.

A firm of manufacturing chemists state that they are now buying castor oil in the Empire, which they previously bought largely in Europe.

A canning company are importing some sugar and tin plate from Empire sources previously obtained from other countries.

A manufacturer of heating systems has used steel sheets and some steel plates, the product of Great Britain, when such were not obtainable in Canada.

A company making various metal products are now purchasing in Great Britain steel not made in Canada, which was formerly purchased in the United States.

A rubber manufacturing company have recently started to import supplies of Latex from British Malaya. They are now purchasing whitening direct from London and are more than pleased with the quality they get.

Stating that they had previously imported tin plate from England, a company making a variety of metal products find that the effect of the agreements has been to make the source of supply more permanent.

A manufacturer of hardware, after stating that about 96 per cent. of his raw materials are bought in Canada, says that he is trying to buy the remainder in Great Britain but he feels that the British manufacturers are not studying the Canadian market as they should and are missing a lot of opportunities.

A manufacturer of silk textiles has been able to obtain some raw mate-

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Products Imported Into Canada from the United Kingdom in Which Substantial Gains Have Been Recorded in the Past Two Years

AN EXAMINATION of the last annual trade returns of the United Kingdom reveals the interesting fact that Canada is one of Great Britain's chief markets for a number of the leading lines of exports of the Old Country. In tin plate it ranks first; in worsted fabrics, first, and in spirituous liquors, first. It stands second in the matter of cutlery, wool tops, worsted yarn. It is Britain's third largest customer for coal, while it ranks fifth in flax and hemp piece goods and leather. As between 1932 and 1933, Canada passed from 22nd to 13th position as a purchaser of cotton piece goods, while in nearly all categories it either advanced or held its own.

The following table gives the statistics of numerous commodities in which substantial gains have been recorded:—

	Twelve Months Ending October, 1932	1933	1934
Confectionery	2,892,084	3,007,983	4,105,508
Leather (unmanufactured)	454,486	411,145	496,413
Cotton yarn	577,943	809,567	810,656
Cotton fabrics, bleached	2,082,262	2,991,325	4,202,232
Cotton fabrics, unbleached	1,066,146	1,572,210	2,070,212
Cotton fabrics, piece dyed	967,325	1,210,800	1,427,120
Velveteens and corduroys	548,020	613,455	723,388
Lace, cotton	625,238	1,383,508	2,918,521
Flax, hemp and jute yarn	244,204	493,574	904,488
Fabrics of flax or hemp	2,167,533	2,231,519	3,062,668
Worsted tops, wool	1,240,169	1,193,104	1,612,385
Woolen yarn	1,491,484	1,638,357	1,931,904
Woolen dress goods (to be dyed)	940,901	983,816	1,138,851
Castings and forgings	274,187	424,599	526,058
Cast steel bars over 4c. per lb.	242,113	309,605	409,964
Sheets for galvanizing	362,593	296,755	426,188
Sheets for tinning	3,007,460	3,135,508	4,009,813
Tin plate	511,596	321,494	430,054
Wire for rope	380,468	1,064,477	964,922
Engines and boilers	6,251,355	8,272,826	7,797,208
Cutlery	2,172,491	3,196,126	3,756,296
Textile machinery	3,090,589	3,749,651	3,591,983
Tin	2,238,431	2,623,148	2,930,667
Coal, anthracite	583,251	908,404	1,245,504
Common window glass	602,089	879,900	1,338,260
Plate glass	521,850	600,671	1,151,477
Acids (total)	494,890	582,982	1,083,125
Ammonia, nitrate of	608,933	670,058	1,011,878
Dyeing and tanning chemicals	289,047	248,245	408,523
Paints and varnishes	22,361	20,068	34,318
Sodium compounds	242,782	191,864	364,684
	186,957	241,998	295,624
	408,337	527,935	720,324
	33	1,956	127,737
	101	7,608	389,879
	768,200	1,399,207	1,700,937
	2,949,225	6,079,963	7,634,487
	51,225	46,974	100,967
	332,165	297,882	644,389
	288,442	306,709	462,491
	346,201	606,703	520,817
	439,828	489,660	833,314
	180,137	255,705	515,402
	1,227,372	1,597,937	1,669,596
	6,185,847	8,078,433	7,793,963
	539,681	5,442,235	7,627,496
	24,331	167,029	269,415
	762,391	529,615	1,020,085
	283,178	196,959	397,180
	246,316	302,331	349,956
	1,299,812	500,752	2,651,216
	50,570	18,463	101,589
	359,051	535,913	635,652
	750,563	910,279	1,162,419
	17,396,586	19,093,485	24,237,401
	585,592	757,177	775,662

The Ottawa Trade Agreements and the Tanning Industry

Imperial Economic Conference Arrangements Offset Loss of United States Market to Canadian Tanners and Led to Large Increases in Business to and from United Kingdom

One of the most interesting examples of the beneficial effects of the Empire trade agreements is described in this article. The tanning industry had been badly hit by the closing of the United States market in 1930. Arrangements made at Ottawa gave them a preferred entry in the British market and at the same time gave United Kingdom tanners an entry in Canada. The result has been a stimulation of business in both directions.

IN THE last two years there has been a definite improvement in the Canadian tanning industry, and prominent Canadian tanners believe that this is due largely to the trade agreements arising out of the Imperial Economic Conference held at Ottawa in the summer of 1932. In 1931 the employees in the tanning industry in Canada numbered 3,012; in 1932 they numbered 3,096; and in 1933 the number had increased to 3,322. The volume of production in 1933 was \$16,475,383, an increase over the preceding year of \$2,287,265.

To understand the importance of the Ottawa Trade Agreements to the Canadian tanning industry, it is necessary to go back to the year 1930. Up until that year, a very large amount of Canadian leather had been exported to the United States. For example, in the fiscal year ending March 1930, Canada's exports of leather to the United States were valued at \$4,812,320. The Hawley-Smoot tariff, effective June 18, 1930, placed high duties on boot and shoe leathers and also increased the former rates of duty on various other leathers. As a result of these tariff increases, Canadian exports of leather to the United States were drastically restricted as the following figures show:—

Fiscal Year	Exports to United States	Imports from United States
1931	\$2,672,487	827,797
1932	306,220	306,220
1933	435,108	435,108
Six months ended Sept., 1934	129,338	129,338

Although exports of leather to the United States were definitely curtailed, large quantities were still entering Canada from the United States and this, coupled with the severe trade depression, reacted gravely on employment in Canadian tanneries. Ultimately these United

States tariff increases on leather injured Canadian farmers since the lessened demand for hides and skins had an adverse effect on livestock prices. Canadian tanners became especially anxious to secure some stable export market to replace the large market which they had had in the United States until 1930 and which was now definitely lost. In view of the ever-increasing severity of Customs tariffs, quota restrictions, blocked currencies, exchange restrictions, etc., imposed against imported goods by almost all non-British countries, it appeared that the United Kingdom was the only remaining overseas market which offered reasonable possibilities to Canadian exporters of leather. This prospect became more favorable when the United Kingdom placed a general duty of 10% ad valorem against foreign leather on March 1, 1932, which duty did not apply to Canadian and other Empire leathers. On April 26, 1932, the duty against foreign dressed leather (other than patent, varnished, japanned and enamelled, and glaze kid) was further increased from 10% to 15% ad valorem.

The Arrangement
When the Imperial Economic Conference convened at Ottawa later in 1932, the tanning industries of the

Fiscal Year	Trade with the United States	Trade with the United Kingdom
1931	Imports \$3,490,686	Exports \$668,814
1932	2,115,121	530,483
1933	1,144,351	603,264
1934	1,308,349	882,598

United Kingdom and Canada submitted proposals to the governments of the two countries with a view to increasing the trade in leathers between Canada and the United Kingdom. As a result of the deliberations at the Ottawa Conference, and effective October 13, 1932, genuine pig leathers, genuine morocco leathers, so-called roller leathers, genuine reptile leathers, East India tanned kip for shoe linings, and certain upholstery leathers were placed on the free list under the British preferential tariff of Canada. At the same time other reductions in the British preferential tariff rates of Canada were made on Empire leathers, the most important of which was a reduction in the duty on kid leather to 12½% ad valorem. On April 18, 1934, the government of

the United Kingdom increased the duty on foreign patent leather from 10% ad valorem to 15% ad valorem, thus giving Canadian patent leather exporters of a larger preference.

The Imperial Economic Conference arrangements, as outlined above, have resulted in large increases both in Canadian exports of leather to the United Kingdom and in Canadian imports of leather from the United Kingdom. The chief increase in exports has been in patent leather, and in this connection it is expected that exports of patent leather will show even further increases as a result of the United Kingdom tariff change made in April of this year. On the other hand, there have been large increases in the shipments of kid leather from the United Kingdom to Canada; also in shipments to Canada of East India tanned kip for lining boots and shoes. Some manufacturers of first quality boots and shoes say that they have transferred their purchases of kid leather from the United States to the United Kingdom. The following statement shows imports of leather into Canada from the United Kingdom and the United States, respectively, also exports of Canadian leather to these two countries, respectively, for each fiscal year from 1931 to 1934, inclusive:—

In the fiscal year ended March 31, 1931, Canadian exports of leather to the United Kingdom amounted to 26% of Canada's total exports of leather to all countries, but in 1934, Canada's exports to the United Kingdom had increased to 73% of total exports. For the fiscal year of 1931, imports of leather from the United Kingdom amounted to 16% of Canada's total imports of leather, but in the fiscal year of 1934 the United Kingdom's share of Canada's total leather import market had increased to 39%.

The tanners of Canada, as part of the Imperial Economic Conference arrangements affecting leather and raw hides and skins, arranged to purchase New Zealand hides and skins so far as possible in preference to