

What Canada Gains By The Imperial Conference

An impartial review of the results of the Imperial Economic Conference, as given in its Monthly Letter by the Royal Bank of Canada.

The rise in security prices and that growth in confidence which were hailed as the turning point in the depression were the prelude to the Imperial Conference. This may have been purely a coincidence, but a variety of causes were responsible for the long downward movement, so a favourable conjunction was held to be needed to turn the tide. It is the prospect of an increase in the buying power of Great Britain and the Dominion which will have a favourable effect upon their trade with other countries that has made the Conference at Ottawa comparable in importance to that at Lausanne. The Lausanne Conference, the great inflow of funds to the United States from Great Britain and the Continent, the purchases of Canadian securities by the British, the effects of the new fiscal policy in the United States, and the Imperial Conference have effected a change in sentiment which is making itself felt in all parts of the world. It may be that the Conference, in establishing closer trade relations within the Empire, made the first move toward tearing down the barriers to trade which were created by the war and by the suspicion, fear and hatred of the post-war period. The failure of the Conference would have produced extreme pessimism as to the future of international trade relations, since the statement would have been made that if the nations within the Empire were unable to find a common basis for trade relationships, there was little room for hope that an international conference could do better. In fact, the doctrine has been advanced that the world is entering upon a phase when each country would attempt to become as nearly self-sufficient as possible, and through this implied a general and permanent lowering of standards of living. The belief in the necessity of knitting the economic organizations of the world into a single unity seemed to be dying out. The success of the Conference augurs well both for the future of trade relations within the Empire and for possible achievements on the part of the World Economic Conference which is to be assembled later in the year. Throughout the Conference the emphasis was upon increased volume of trade rather than upon new restrictions which would create new barriers against other countries.

GENEROUS PREFERENCES

New trade agreements between the Dominions have been planned and it will not be long before the results of the Conference itself, together with these agreements, will find expression in new trade contacts and exchange of products on an increasing scale. As yet it is too early to discuss the concessions which Canada made to Great Britain. The details are not to be made public until after Parliament assembles; moreover, qualities, classifications and other technical considerations make difficult the discussion of changes in tariff on the manufactured commodities Canada will receive from Great Britain. It is clear, however, that preferences already extended by Canada on British goods were generous. These were given at a time when there was no reciprocity on the part of Great Britain. Now that the British Government is prepared to give corresponding concessions we have no doubt that the Canadian proposals will be found to be correspondingly generous.

It is the concessions which have been made by Great Britain that constitute the basis for the present letter. In the abrupt decline of prices it was the producers of raw materials who suffered most. It was the farmers, the lumbermen, the miners and the fishermen whose buying power was most severely curtailed. Construction of public works and other forms of unemployment relief have mitigated the suffering of industrial populations but have been of little assistance to those who supply the world with raw materials. The concessions made by Great Britain, which will supply a market for Canadian wheat, lumber,

minerals and fish, must improve the buying power of these producers.

WHEAT

To Canada, the concessions with regard to wheat and flour are of outstanding importance. The wheat of high protein content from our Western Prairies commands the preference of the shrewd buyers of British flour mills. London has always been the best market for high-grade wheat. It is not quite clear whether it will be the British miller or the Canadian farmer who will receive the benefit of the tariff preferential when there is a world surplus, but in normal years it seems likely that the Canadian farmer will secure the 3d. preference tariff on this commodity. In any case, the preferential will result in an increase in the proportion of Canadian wheat used in Great Britain.

LIVESTOCK AND BEEF

During the past two years shipments of live cattle from Canada to Great Britain have been resumed after a lapse of some years. This trade was at one time an important outlet for the Canadian livestock industry, 111,000 head being shipped in 1925. Increasing demand and higher prices in the markets of the United States diverted these exports and shipments overseas ceased. In 1930, exports were resumed and since then steady progress has been made, the total last year reaching 27,150 head. The Irish Free States is the only other country which ships cattle in any volume to this market. Shipments of beef from Canada to Great Britain had also dwindled away, but the past year has shown some increase in this trade. Total exports of beef from Canada still remain small, amounting to about 4 million pounds in 1931 against 57 million pounds in 1927.

BACON

Perhaps the outstanding opportunity in animal products is in the market for pork and bacon. The demand for bacon in Great Britain has grown at an amazing rate. In 1921 imports amounted to 636 million pounds; in 1931 a total of approximately 1,300 millions pounds was reached. This is an increase of more than 100 per cent, and most of the additional supplies have come from Denmark. Canadian shipments, until recently, were no greater than they were forty years ago.

Impressive progress has been made during the present year. Shipments of bacon and ham increased from 4 million pounds in the first six months of 1931 to more than 17,500,000 pounds in the first six months of 1932. Exports to Great Britain amounted to 3 million pounds in the first half of 1931 and 13,895,000 pounds in 1932, but even this large figure amounted to only 2 per cent of total British imports. Of the total imports of bacon into Great Britain during the six months mentioned 444 million pounds came from Denmark, 64 million from Poland, 38 million from Holland, 25 million from Sweden, and Canada stood in fifth position. The Irish Free State shipped 11 million pounds. Imports from the United States were less than 5 million pounds.

In this connection it is of interest to note that the number of swine on the farms in Canada increased by 18 per cent, between June 1930 and June 1931, reaching a record figure of 4,717,000 head. Falling prices discouraged farmers and marketings have been heavy. In addition, severe weather during March resulted in serious losses of young pigs and holdings are reported to be greatly reduced. According to recent reports, hog numbers are also decreasing in all important European producing countries.

CHEESE AND BUTTER

Great Britain, as in other food products, is the great world market for cheese and butter and draws supplies from many parts of the world. In 1930 her imports of cheese reached approximately 350 million pounds. Once the largest contributor to British needs (with exports of 234 million pounds in 1930-4), Canada still maintains an important position in this trade but has yielded first place to New Zealand. Other important sources of British supplies are the Netherlands, Italy and Australia. Production of factory cheese in Canada has declined 20 per cent, during the past three years and exports have fallen below 100 million pounds. The decline in the manufacturing of one commodity does not necessarily indicate a falling off in the industry as a

whole, but heavier demand for whole milk and butter has reduced the supply available for cheese-making. It is reported, however, that low prices in these fields have renewed interest in cheese-making, and output and exports are again increasing.

Butter production reached a record total of 225 million pounds in 1931, an increase over the previous record year (1930) of 22 per cent. The expansion in the Prairie Provinces was particularly notable. Export shipments of butter in substantial volume from Canada to Great Britain were resumed in 1931 after a lapse of several years, during which Canadian supplies were not equal to domestic requirements and considerable quantities were imported. These imports reached a maximum of 39 million pounds in 1930. The return of the butter industry to its natural place in the export field is an important event in the history of the trade. The quantity shipped in 1931 to Great Britain was less than 9 million pounds and Canada is at present a relatively small factor in the British butter market. The Canadian Trade Commissioner at Glasgow, however, reports that, "The majority of traders welcome this renewal of interest in the market and hope that farmers and butter-makers in Canada will see the advisability of furnishing continuous supplies, a pre-requisite for success. Canadian creamery butter is looked upon as the best in the market."

British imports of butter in 1931 exceeded 900 million pounds, of which Canada contributed less than 1 per cent. The chief source of supply was Denmark, which shipped 276 million pounds. New Zealand supplied 217 million pounds and Australia 174 million pounds. The Soviet, Irish Free State and Argentina respectively followed in importance. During the first six months of 1932 New Zealand increased her shipments and nearly reached the total sent from Denmark. Australian shipments were also larger, but supplies from Canada declined. The low prices for the finished product has discouraged producers, who are reported to be diverting milk supplies to cheesemaking. Canadian dairy factories are equipped so that they can quickly shift from cheese to butter production or vice versa, in response to price variation between the two products.

APPLES

A preference amounting to 85 cents per hundred weight on apples should be sufficient to give Canadian producers an outlet for all the apples they are likely to be able to ship within the near future. News of this agreement has been received with a great deal of enthusiasm in the Maritime Provinces, in the Ontario Peninsula and British Columbia. It is not quite clear as to what other agricultural products will be directly benefited by the new trade agreements. A general duty on canned goods makes it possible that some Canadian vegetables will be sold in the British market, but tinned vegetables have not achieved great popularity in Great Britain.

SUMMARY: AGRICULTURAL PRODUCTS

The agreements reached at Ottawa include a tariff preference of 15s. per hundred weight on butter, 15 per cent, ad valorem on cheese and a quota of 2,500,000 pounds on bacon and ham. There are also provisions made for eggs, condensed milk and the continuation of the present preference on tobacco. Canadian tobacco is now manufactured into cigarettes in England and the cigarettes are marked, "Canadian Tobacco." The present market restrictions against Canadian cattle are also to be removed. To the British importers there must be an assurance for adequate and steady supplies with quality and prices in keeping with that of similar products from other countries if Canada is to retain her former prominence in the British market. Present conditions in Canada seem to be favourable for the expansion of these industries. At the last two Annual Meetings of this bank the President expressed the opinion that the production of Canadian agricultural products could be advantageously diver-

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LUMBER

In the last four calendar years Canadian exports of wood, unmanufactured or partially unmanufactured, to the United Kingdom have amounted to \$8,451,000, \$7,943,000, \$7,395,000 and \$4,683,000 respectively. It is this falling off which has made Canadian lumbermen acutely conscious of Russian competition. Under the forthcoming treaty, Canadian lumber is to be protected against dumping. Total British imports of wood and timber, according to British statistics, in the last four calendar years amounted to \$42,548,000, \$45,845,000, \$42,275,000 and \$28,144,000. In recent years Canada has been supplying less than 5 per cent of the wood and timber requirements of the British market. It would seem that there should be possibilities of a considerable expansion in the British requirements for Canadian forest products.

MINERAL PRODUCTS

There is to be a duty of 10 per cent, on foreign asbestos, zinc and lead, and of 2d. per pound on all foreign copper. This should mean that Empire mines will provide Great Britain's requirements of these minerals to the exclusion of other producers.

MANUFACTURED PRODUCTS

While the provisions mentioned above with reference to the raw and partially manufactured products of the country are those in which the greatest number of Canadians are most keenly interested, it should not be forgotten that Canada is the fifth manufacturing nation in the world. Under the new British tariff manufactured goods from Canada enter the British market without paying duty. Since a duty of 15 to 20 per cent, has been levied on most manufactured products going into Great Britain from countries outside the Empire, the more efficient Canadian manufacturers may find a greater opportunity in the British market than has been generally anticipated.

Interest Shown In Mrs McCormac's Will

CHICAGO, Sept. 2 — Disposition of the depleted fortune left by Mrs. Edith Rockefeller McCormick intrigued Chicago today as it learned that her Swiss architect companion, Edwin D. Krenn, had sold control of his share in her millions to a former international harvest company clerk for a few thousand dollars. The body of Mrs. McCormick lay in state at her Lake Shore

Drive mansion today awaiting the funeral this afternoon, but in ballroom and clubroom the estate was the principal topic of conversation. Edward A. Dato, business partner of Krenn and himself "former clerk" announced he had bought Krenn's interest, indicating he would come into full control of millions of dollars left by Mrs. McCormick.

Dato said the importance of Krenn's action would depend somewhat on whether Mrs. McCormick named him. Krenn, in the will, for not only did Krenn sign away his interest in the trust, but he assigned to Dato any possible legacy he may receive. In return Krenn was to receive from Dato a life annuity of \$2,000 monthly, Dato said.

The agreement, Dato said, was signed August 12. He said attorneys for all parties concerned had favored it. The financial interests of Mrs. McCormick, Krenn and Dato, became permanently intertwined in July, 1929, when Mrs. McCormick guaranteed \$11,000,000 of notes sold to furnish capital for Krenn and Dato real estate operations. She later invested much more in the concern. Her estate is largely tied up with the real estate holdings. The three—Mrs. McCormick, Krenn and Dato—were trustees of the Edith Rockefeller McCormick

trust. With most of this trust, as well as the personal fortunes of all three, invested in the company's holdings, it follows that Dato will practically control the McCormick estate.

MANITOBA MARRY NATIVES OF PROVINCE

Manitoba brides prefer natives. Whatever the romance of far countries, the charm of strange peoples, they pick the home product first when choosing a life mate. The latest vital statistics for the province of Manitoba show that five times out of six Manitoba born girls marry British subjects or prefer Canadians. The remainder prefer Slav or Teutonic spouses to Asiatics or even Latins, and only one in a couple of thousand marries a black. The last statistics show five married Asiatics, but in the two preceding years were only four alliances between Manitoba girls and Asiatics.

And the home preference goes double for Manitoba men. To be specific: Out of 2,639 brides of a year ago born in Manitoba, 1,703 married Canadian husbands, 422 chose their mates from the British Isles, with ten more coming from other British possessions, while 116 took American husbands. Of the remainder, there were 381 married to Europeans, with Poles, Russians and Austrians running as favorites

to the tune of 264. There were three marriages between Chinese men and Manitoba girls, while two other Asiatics won Manitoba brides. Only one girl married a colored man.

In the same year, 1,551 Manitobans out of 1,879 native sons married in the province took Canadian brides, 155 married girls from the British Isles, and 56 found their wives south of the Canadian boundary. Of the remainder, 111 married European lassies, and only one chose a Chinese wife.

PAYS 25 CENTS FOR STRADIVARIUS

DESIO, Italy, Sep 1—When Pietro Sala, music teacher, saw a small boy dragging a toy cart made out of a violin and some wheels, he paid the lad 25 cents for it. Inside the instrument he found a tag saying: "Antonius Stradivarius-Cremoneensis Faciebat—Anno 1717." If the violin proved to be a genuine Stradivarius, Sala estimates it is worth \$50,000.

Puddings of the plain suet type will be improved by a sauce quickly and easily made with the help of a bottled essence used for lemonade. Boil 1-4 pint of water with a tablespoon of sugar. Mix one tea spoon cornstarch with a little water and stir into the boiling water adding one tablespoon lemon essence.

By George McManus

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