

REICH MENACES CANADA TRADE WITH AMERICAS

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Link With Pan-American Union

Seen as Protection

CO-OPERATION IS REMEDY

United Front Held Needed to Combat Hitler Aims in Latin Republics

(Gazette Resident Correspondent.)

Ottawa, November 11.—Canada is vitally interested in Hitler's avowed aim to get a foothold in South America through peaceful penetration or economic pressure, and in the increased efforts of the United States through strengthening its relations with Latin America to check what is regarded as a real German menace to this hemisphere.

For the same reasons this country is concerned with the combined move of Britain and the United States to curb the confiscatory policies of the Mexican government, and secure an equitable settlement of their claims for expropriation of oil and other rich resources.

By well-placed advertising campaigns and the efficient work of the trade commissioners this country has been able to overcome political and geographical handicaps and build up a substantial trade with Central and South America. With one-half of the twelve important Latin-American countries Canada has agreements providing for exchange of most-favored-nation treatment, while with the other six business is done on the basis of the general tariff.

Linked with this activity in the Western Hemisphere to keep German domination from spreading across the Atlantic is the question of Canada's membership in the Pan American Union. This body, formed some years before the war and called non-political, is an organized tie between North and South America and one of the many expressions of the Monroe Doctrine.

Many times in the House of Commons Liberal members have urged the King Government to make Canada a member of that Union. At the time of its formation a chair was left vacant for this Dominion, and although Canada has never received a formal invitation to join, it is well-known that this country would be warmly welcomed.

Those who had a hand in founding that organization see in the latest developments fresh warrant for its existence. There is little doubt that the Pan-American Union will be a powerful weapon in warding off a German threat. It is the spectacle of the two Americas united against any outside force that has produced so much anger in Berlin.

It was at a Pan-American gathering in Buenos Aires two years ago that some sort of peace pact was drafted and signed with President Roosevelt as the dominant figure in the scene. Even though that pact has not yet been ratified its effect will be important upon opinion in this hemisphere during the next two or three years. It will be intensified at the Pan-American gathering to be held in Peru next month, which will be attended by Cordell Hull, Secretary of State at Washington. Another indication of the importance the United States

attaches to the furtherance of good relations in South America at this time is furnished in the recent naming of Hon. Norman Armour, then Minister to Canada, as Ambassador to Chile.

CANADA'S SHARE OF TRADE.

Canada's total trade with Central and South America in the year ended August was \$36,737,000, as against nearly \$51,000,000 in the previous year, but almost all of this difference is accounted for by the heavy corn importations into Canada last year from Argentina due to the crop shortage in this country and in the United States. From these totals can be subtracted about \$5,250,000 as representing the year's aggregate business with Central America alone, including Cuba and Mexico, leaving total trade in the year ended August with South America at about \$32,000,000, as against \$46,000,000 in the previous year. In

normal years it has been much higher.

There are two real obstacles to any present expansion of this business. One is monetary, a condition over which Canada has obviously no control, and the other is one about which this country alone can do something. No country has been better served by its trade commissioners than has Canada in South America, but every report of operations from that continent gives fresh proof of the fact that unless and until Canada's trade envoys below the Canal are given consular status much of their efforts will be in vain.

This country's sales to Argentina in the year ended August were \$7,000,000, or nearly double those in the previous year, while purchases from Argentina were \$3,100,000, one-fourth of those in the previous year; but as previously indicated this discrepancy is accounted for by the abnormal corn importations. Canada and Argentina, which are big competitors in the British market for grain and meats, give each other most-favored-nation treatment.

The other Latin-American countries with which Canada exchanges most-favored-nation treatment are Brazil, Colombia, Panama, Uruguay and Venezuela, while with Chile, Cuba, Ecuador, Honduras, Mexico and Peru business is done on the basis of the general tariff. Cuba, however, has given Canada its minimum tariff, but on condition that Canada's purchases from Cuba are 50 per cent. of this country's sales to the island.

Canadian exports to Brazil in the year ended August were \$4,250,000, a slight decrease from the previous year, while imports were less than \$1,000,000; sales to Cuba were \$1,500,000, a slight decrease, and imports were \$640,000; exports to Mexico were \$3,150,000, a slight increase, and purchases were less than \$500,000; sales to Peru were \$1,000,000 and purchases were \$4,000,000, mostly nitrates; and to Venezuela sales were \$1,250,000, unchanged, and purchases were \$1,900,000.