

Truce In Canadian Trade War With Russia Not Yet Fruitful

Ottawa, May 31.—(P)—Mutual abolition of all trade restrictions between Canada and Russia, announced last September, has not yet brought any great volume of business between the two countries but expectations are that a considerable exchange of commodities will develop, according to officials here.

Some shipments of clover seed have been made to the Soviet Union and a shipment of Russian anthracite coal has been delivered in Montreal. Negotiations have been going forward looking to Russian purchases of Canadian manufactured goods, particularly machinery.

An exchange of telegrams in September last, between Hon. W. D. Euler, Minister of Trade and Commerce, and S. K. Sudjin, acting People's Commissar for Foreign Trade in the Union of Soviet Socialist Republics, ended the trade stalemate that started in February 1931.

At that time Canada prohibited the importation of certain Russian commodities including coal, and Russia retaliated by forbidding the import of any Canadian products or the charter of Canadian boats.

When these barriers were removed, following the visit of Mr. Euler to Russia a year ago, Canada joined the other trading nations of the world in resuming full commercial relations with the Soviet republics.

The long period during which there were no commercial relations brought about disorganization of import and export facilities which are now being slowly renewed. A Russian trade mission visited Canada during the winter to investigate possibility of making machinery and other purchases here.

A part of the agreement was that Russia could export a maximum of 250,000 metric tons of anthracite to Canada in any year, to be marketed in other than the Maritime Provinces at competitive prices. During the fiscal year ended March 31, 1931, Russian coal was imported to Canada to the extent of 284,271 short tons.

The trade agreement with Germany, arising from the visit of Mr. Euler to that country last summer, has been working well, it is understood, but the volume of business has not been large. The treaty was ratified at the last session of Parliament.

Under that agreement foreign exchange is made available in Germany each month, to the amount of the sales to Canada in the previous month, and may be used by German importers to buy goods from Canada.

So far Canadian exporters have not taken full advantage of the exchange available in Germany to buy their goods, presumably because they can get better prices elsewhere. Indications are, however, that full advantage of the arrangement will be taken in the near future.