CANADA IS POTENTIAL MARKET

For Machinery—United States Manufacturers Have Big Share of Business—Imports from Great Britain.

Figures respecting British machinery exports, compiled by a writer in the London Times, show that in 1909, the value sent to Canada was £339,593 or 11d. (about 22c.) per head. Commenting upon these and other statistics it is contended that they are suggestive alike to the economist and to the British manufacturing engineer, for they indicate immense potential markets for machinery in many portions of the Empire. "Undoubtedly the most remarkable of them are those which relate to Canada. That country, the oldest of the great dominions, has an enormous extent of territory, 3,730,000 square miles, and her numerous and growing industries, and the development of her varied and immense natural resources, call for nearly every variety of machinery. She is, moreover, the most populous of the British-peopled dominions (nearly 7,500,000 of inhabitants) and her people are at once energetic and enterprising, and sincerely and loyally attached to the Mother Country. Nevertheless, her purchases of British machinery in 1909 amounted to the relatively paltry sum of £340,000, or less than 1s. per head of her population.

Worth Less Than Burma.

"As a market for British machinery, she is worth less than Burma, the Cape, the Transvaal, or Natal, and just about one-third as much as New South Wales. There are, at least, a dozen foreign countries each of which is worth more than she is as a buyer of British machinery. It is not, of course, that she does not want machinery. Although she is now an important manufacturer, and even exporter, of machinery—sending in fact to this country nearly one-third as much as it sends to her—it is probable that she absorbs per capita more machinery of home and outside production than any other British country oversea, apart from small and accidental cases, such as that of the Falkland Islands, and she imported machinery, in the year in question, to the value of £2,661,731, or rather more than 7s. per head. Of that total, the United Kingdom supplied a trifle over 12 per cent.

"The average British manufacturer when faced with a lost or declining market suspects Germany. The suspicion would be quite unjustifiable in the present instance. Germany's exports of machinery to Canada amount to a few thousand pounds only; and the offender is the United States, which supplied over 85 per cent. of all the machinery Canada imported—more than seven times as much as the United Kingdom supplied, and practically all that the latter did not send.

Supplies All This Machinery.

"From the reports it appears that the United States supplies all the machinery of the following classes which Canada obtains from outside: fire engines, steam shovels, railway and tractor motors, typewriting machines and cash registers; among agricultural machinery, all the threshing machines and parts, weeders, seed drills, harrows, self-binding harvesters, horse rakes, manure spreaders, and mowing machines; and also practically all the railway locomotives, gasoline engines, beet-sugar machinery, combined portable and traction engines and boilers, printing presses and bookbinders' machinery, and electric motors and generators. Even of steam engines and boilers, coal mining and some other mining and smelting plant, sewing machines and parts, and windmills, where the record of the United Kingdom is a little better, the United States supplied over 80 per cent.

"No consolation for British machinery makers is to be found in an examination of the proportions which the United Kingdom supplies of other Canadian imports—rather the contrary. Of the import trade of Canada as a whole, the United Kingdom provides nearly 24 per cent., against 61 per cent. by the United States; and if the large amount of crude or raw materials which Canada naturally obtains from her next-door neighbor—materials which the United Kingdom could not expect to supply—is excluded from consideration, and the examination is confined to manufactured goods only, the proportion which the United Kingdom supplies is very much larger than 24 per cent. Even in iron and steel, and manufactures of iron and steel generally, apart from machinery, the United Kingdom supplies over 20 per cent. of the whole, against 76 per cent. supplied by the United States.

Preference and Future Prospects.

"There is no doubt that Canada would prefer to trade with the Mother Country before all others. Her tariff arrangements give a real preference to the machinery of the United Kingdom in most classes. The amount varies, but it is never less than 5 per cent., and ranges up to 12½ per cent. It is true that certain machinery is admitted free of duty into Canada—and in regard to such machinery the United Kingdom has no preference—but its total does not reach 10 per cent. of the whole. On the great bulk of the machinery obtained by Canada from outside sources, the United Kingdom has a preference so far as the duties imposed by Canada are concerned. The explanation of the fact that the United Kingdom gets so little of the machinery trade of Canada would therefore seem to be either that the preference is not sufficient to counterbalance the advantages which the United States has in propinquity to Canada; or that British machinery makers do not care for Canadian trade, and neglect it; or that they are hopelessly beaten in a British dominion and in a branch of trade in which they claim to be experts, and in regard to which no other country has superior, if equal, advantages.

Was a Relapse Last Year.

"The classification adopted in the reports on trade and commerce issued by the Canadian government omits, under the influence of the tariff arrangements, from the normal 'Machines and Machinery' a number of items which are certainly machinery; and hence it is not always easy to arrive at the totals desired. This circumstance, however, will hardly affect, to any material extent, the ratios between the proportions of the machinery imports into Canada supplied by the two chief purveyors. From the Canadian figures it appears that while in 1906 and 1907, of the total 'machines and machinery' supplied by the United Kingdom and the United States, this country provided a little over 5 per cent. only, in 1908 the proportion rose to 9.5 per cent., and in 1909 to 12 per cent. But after so great an improvement, there was a relapse last year, and the proportion fell to only 7.6 per cent. Still it seems that things are really getting better, and that the preference has had an appreciable effect; and while this country cannot now hope to displace the United States as the principal purveyor of machinery to Canada, only a sustained and systematic effort on the part of British machinery makers is required in order to make up a good deal more of the leeway."

LATHS IN CANADA LAST YEAR.

Despite the use of metal lath and patent methods of interior finish, wooden lath production amounted to eight hundred and fifty-two million pieces, worth one million, nine hundred and forty-three thousand dollars, in Canada during 1910. This information has been obtained from statistics compiled by the Dominion Forestry Branch which show that nearly thirty million more lath were produced in 1910 than in the year before, but that owing to a decrease in the price per thousand, the total value of the industry was thirty-five thousand dollars less. Two-fifths of the total was cut in Ontario, which province increased its 1909 production by fifty-seven million or nearly twenty per cent. New Brunswick, the second province in importance, increased its proportion of the total from one-fifth to one-quarter, by cutting sixty-two million more than last year. The production of laths in Quebec and British Columbia during 1910 was considerably more than in 1909, amounting with Ontario and New Brunswick to ninety-four per cent. of the total. The remaining five provinces cut smaller amounts, and with the exception of Alberta, each showed a decrease from the amount produced in 1909. The average price of laths in 1910 was $2.28 per thousand, or 16 cents less than in 1909. The price varied considerably between the different provinces, British Columbia laths being $1.66 per thousand, while in Prince Edward Island the price was $2.67.

MEXICAN COMPANIES WITH CANADIAN CHARTERS.

An increasing number of companies are operating in Mexico with Canadian charters, we are reminded by "Canada," the London illustrated weekly. This practice on the part of British capitalists to incorporate with a Dominion charter companies destined to operate elsewhere is due in large measure to the economies thus effected by avoiding income tax charges, which would necessarily be payable to the British Government, were these companies incorporated in Great Britain.

The article mentions the Mexican-Midland Light & Power Company, which has just secured a Canadian charter. It has a capitalization of $15,000,000 common stock and $30,000,000 five per cent., fifty-year redeemable bonds. None of the stock will be offered to the public yet.

In this connection, we notice that the Barcelona Company, a Pearson flotation, has been organized under the laws of Canada with a capital of $25,000,000, and with the head office at Toronto. The company purposes developing waterpower aggregating over 250,000 horsepower, and it will also construct hydro-electric power plants to supply light and power to the city of Barcelona and the entire north-eastern section of Spain. The company has also acquired one of the tramways in Barcelona and concessions for suburban railways, which will be built at once.

Survey work on the proposed Saskatchewan river waterway between Edmonton and Winnipeg has been completed.