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THE INDUSTRIAL INVASION.

There is one aspect of the movement to establish branch plants of United States concerns in Canada which, though important enough, does not get a great deal of attention in the general press. When the announcement is made that some large manufacturing corporation on the other side of the boundary has begun the construction of an important branch plant in Canada we journalistically see in the circumstance only another comforting indication that the Dominion's upbuilding is rapidly progressing. The new factory increases the roster of our industrial establishments; if it is a large one employing many hands it helps to boom the population and trade of some Canadian manufacturing town or city, furnishes good traffic for the railway and steamship lines, and a good market for the agricultural products raised in the vicinity.

All this we hasten to acknowledge and usually ascribe the chief credit to our protective tariff which was largely designed for that very purpose—the building up of Canadian industries. But the tariff has other purposes—one is to bring in revenue for the Government. And, in their agitation for tariff protection, a considerable number of the members of the Manufacturers' Association undoubtedly hoped for a range of duties that would prohibit altogether the importation of such goods as they themselves produced, leaving them securely in possession of the home market.

The question may now be asked: How will the native Canadian industries fare under this extensive foreign invasion? The tariff has apparently done what was expected of it in a great many of these cases. It has effectively shut out from the Canadian market many articles manufactured abroad on which duties were placed. But it has not, therefore, delivered the native industries from foreign competition. On the contrary it has subjected some of them to a competition in this market more troublesome and costly than they would perhaps have had to undergo if the tariff wall were thrown down altogether. For these American invaders, with their factories at Montreal, Toronto, Hamilton, or some other Ontario city, are right on the ground. They work with the very latest labour and time-saving devices, they

have an amplitude of capital, and they are surpassed by none in alertness and resourcefulness.

For some of the native industrial concerns, which were not perhaps established on a very solid footing, to have to meet the competition of foreigners thus directed and located, is proving a serious matter. The only way it can be done with hopes of success is through the most careful attention to customers' wants and the maintaining of plants and methods on a thoroughly up to date basis. In the old days of the early nineties, Canada's trade was not large enough or attractive enough to induce these outside concerns to go to great trouble to get it. The tariff then sufficed to restrict the outside competition to which the native plants were subjected; in some cases it prohibited outside competition altogether. The natives then, to a much greater extent, enjoyed a monopoly of the home trade. The foreigners at that time, in other words, looked over the wall and turned away contemptuously. "Pshaw! There's nothing worth while there." Now when they look over they see a different prospect, a prospect that gets fairer every year. If the wall is too high for them to partake of our trade by remaining outside they are today quite willing to come inside and comply with all the regulations and laws to which Canadians are subject. When our trade becomes so valuable that outsiders look upon it with very hungry eyes it seems that our native industries are bound to have foreign competition to meet. The height of the tariff wall will not matter so much as it did when our trade was small. A low tariff or none at all will mean that the competitors' directing force and their plants are at a distance away; a higher tariff might simply bring a fresh horde of interlopers who would have to be fought hand-to-hand at very close quarters.

When these outsiders come in they frequently make entry through buying up an existing Canadian concern. They also have no difficulty in allying themselves with Canadian financial and other interests which sometimes take an important stake in their enterprises. In spite of the invaders' aggressiveness and the efficiency of his forces and methods the home manufacturer has certain advantages which should enable him to hold his ground well if he has not abused his monopoly in the past. He knows his field thoroughly; he is in possession, and probably enjoys the goodwill of the majority of his customers, who will stand by him if he can equal the offers made by his competitors.

Though the coming of the United States plants has been a source of great uneasiness and disturbance to many of the purely domestic industrials, and though some of them have been hard put to it to maintain their trade and customers, there is scarcely a doubt but that it has been a good thing for Canadian industry as a whole. Our own manufacturers have had to bestir themselves, adopt improvements, build extensions. Those industries which, are sound