

The Herding of Industries

How Similar Classes of Manufacturing Congregate in Certain Districts

By F. P. MEGAN

WHEN Timmins of the fifth concession drove to the cross-roads store for a barrel of salt and to solve the country's political problems with his neighbour down the line, he was, unwittingly perhaps, celebrating an industrial awakening. The cross-roads that have attracted a country store soon have added to their industrial life a blacksmith shop. Before the land was denuded of timber a saw mill not infrequently followed the smithy and the social centre grew alike in attractiveness and in serviceability to the surrounding country.

In a bigger way the same development is materializing in the industrial centres of Canada. The influence of an industry on a town does not stop with the erection of a factory and the employment of a body of workmen. This is but the beginning. With a regularity that is appreciated by town planners every industry becomes the nucleus of others dependent or consequent upon it.

When we still had to wait for most of our manufactured supplies for weeks and months till American and British customers were satisfied, the iron and steel plant which is now operated by the Steel Company of Canada was located in Hamilton. Its effect on that city is one of the most interesting incidents of this country's economic progress. Interesting as would be the story of that progress in detail—the struggle of the small shops for existence, the persistency that alone enabled the small man to keep in the running, and the pioneer work done by him in establishing a place for Canadian-made products—mention can be made here merely of the results. A score of tall chimneys smoke in unison with the Steel Company's furnaces. The westward procession of farm implements from the plants of the International Harvester Company, the Sawyer-Massey Company and the Oliver Chilled Plow Company, has its origin in those furnaces. The assurance of getting a ready supply of steel and iron at all times influenced the Berlin Machine Works Company, the Dominion Steel Castings Company, and many others to settle under the wing of the big producer. Iron and steel products of every kind are procurable in the busy city which has grown since the inauguration of the steel plant from a population of a few thousands to a city which yields to Toronto and Montreal alone in the value of its output.

And all this development and growth was brought about without cost to the country. Hon. Mr. Fielding, then Minister of Finance, speaking in the House of Commons in December, 1909, pointed out that the Treasury of Canada had not lost a dollar by the payment of the steel and iron bounties. The customs revenue at the six steel ports increased in ten years by \$9,011,645, and this he attributed almost exclusively to the new business which the steel plants had originated.

EARLY in the days of motor cars a manufacturer in Detroit gazed through the smoke that drifts down the river, obscuring the view of the fair cities of Windsor and Walkerville. He became seized of the possibilities of the Canadian market and he established a branch of an American factory in Walkerville. A few skilled workmen were drafted into the service, a superintendent, a manager. A selling force followed.

What has resulted from that pioneer effort? A sturdy group of industries has come into being. Half a dozen motor car factories have followed the lead of the early comer. These have given rise to a whole ring of auxiliaries, manufacturing parts and producing the raw material for the automobile makers. One big plant, which is now just reaching completion, will turn out nothing but auto bodies. Another is more advanced in culture. There the workmen do the upholstering and trimming. Another factory, this year's addition to which could hold the old factory in one corner, stamps out the metal for various parts. A paint factory specializing on carriage paints is now moving into a model building. The motor car factories keep a grey iron casting shop busy day and night, and a brass plant cannot turn out parts fast enough to meet the demand. The tariff conditions which made it necessary for the first company to erect a plant in Canada rather than to supply this market from a Detroit factory have resulted in an increased population for Windsor and Walkerville of several thousands, with all the advantages that such a consuming public confer.

MANUFACTURING industries do not just happen. Every plant represents an investment of capital which is of first importance to the investor. Business is no doubt always speculative. There are invariably many elements, the wrong estimation of any one of which will spell disaster. The market for the goods, the ability to meet competition, the probability of new processes being devised, the permanence of the demand, these are things which must be reckoned with. No one of them can be settled with absolute assurance. But with the scales sinking slightly on the right side the investor erects a building and equips it; employs his men and commences production. If he has judged rightly he keeps his staff or increases it and he makes what he can on his sales. If he has judged wrongly he loses his investment, that is all; not by any means an unusual occurrence; only the failures are not heralded from the house-tops like the successes.

IN Western Ontario there has come about a grouping of furniture factories, so that the nests of all Canada, one might almost say, are feathered from that district. It happens this way in the individual town. In the earlier days, before factories came into existence completely equipped for a large and specialized trade, a small shop would be opened to handle more or less a local business. As the embryo manufacturer became surer of his ground he would see the desirability of decreasing his individual costs by increasing his output. He enlarged the sphere of his operations. His plant grew.

Incidentally the odd superior workman would develop in his staff, and seeing a chance in some specialized line, would in his turn start in a small way. We are speaking of the furniture trade, where heretofore the small man has been able to commence with little capital.

Gradually a town develops a class of workmen who are desirable in any line of wood-working. A manufacturer who has contemplated the establishment of a factory in an allied line comes to this town because there are workmen there. The leaven of the first factory is at work.

We have now the original factory, the specialized off-shoot, and the third factory which is there because the other two are. What happens? This: Each of the manufacturers knows that he is suffering severely from the competition of the big manufacturer in some other town or some other country, who gets cheaper freight rates because he can ship in car-load lots. The three manufacturers—we shall say of upholstered furniture, chairs, and office and library equipment—work it out that while even together they cannot sell enough goods to enable them to ship in car-load lots, if they could only add a bed factory, a line of wicker furniture and one or two other lines handled by the furniture dealers, they would be able to make up a composite car-load without overloading the retail dealer in Regina or Moose Jaw. They set about getting the additional factories by inviting in an outside manufacturer or by organizing a company among themselves. So from the small nucleus grows up a thriving group of industries, working in entire harmony, each directly interested in the others' welfare, and by their co-operation reducing the freight charges and so the cost to the consumer. This development is not unique; it is seen in a number of towns in Ontario and Quebec.

IN some cases the grouping of industries seems to be not so much a "herding" as a "taking to cover." Down in the East, where, as in the land of the lotos-eaters, "all round the coast the languid air did swoon," we find the peaceful town of St. George, whose three principal, if not sole, manufacturers, are makers of monuments. Not that they have any prejudice in favour of the dead as against the quick. Quite the contrary. No doubt they would as soon erect a sixty-foot shaft in honour of Sir Charles Tupper as they would in memory of Joseph Howe; only there seem to be more dead heroes than live ones. At least they look more heroic to their enemies after they are dead. De mortuis nil nisi bonum—so say the makers of monuments.

MANY factories become as planets with their satellites circling around them. A woollen mill supplies the demand for a whole series of products. As a direct result of its establishment we find springing up bobbin factories, spool factories, thread and yarn mills. To carry on its work we

have finishing and dyeing plants and paper box factories, with the supplementary activities of label-making and printing.

As in Hamilton, so in Sault Ste. Marie, Sydney and the other steel centres, many factories have followed in the wake of the big pathfinder. The usual run of factories use the steel and iron output as their raw material. A fertilizer plant changes the worthless slag into a productive product. The coke is treated by the tar and chemical companies.

While the pulp and paper industry has grown to enormous proportions in Canada, the utilization of waste products has hitherto been largely neglected. We may expect to see soon a group of industries surrounding the big mills which, hidden away in the forests of Ontario and Quebec, are digesting the timber and feeding the publishers.

A meat-packing plant is always the entering wedge for a considerable industrial development. A soap plant, a tannery, a fertilizer plant, and the much-despised glue factory, follow in its train. So at the present time we have whisperings of a tannery in connection with the Swift plant at West Toronto.

So the industrial herds gather. A town or a country makes a sacrifice to secure a factory or an industry. The price may seem high for the acquisition of an investment of a few thousands of dollars and the employment of a few hundreds of men. It may seem high to the man whose vision does not extend beyond the horizon of to-day. But the cost is insignificant to the man who sees in the shop of to-day, the factory of to-morrow and the ring of chimneys of the day after to-morrow, representing the growth of the original plant and the development of its auxiliary industries. Few will now question the wisdom of fostering in the early days the little shop which constituted the beginning of what is now the Massey-Harris Co., whose thousands of workmen consume the products of an army of farmers. The pearl button industry in the United States, which in recent years has converted a mass of worthless shells into a necessary commodity valued in the millions, was started by a single Austrian workman. However humble an industry may be in its inception it bears within it unlimited possibilities for national development and uncounted opportunities for the utilization of the latent abilities and talents of the people. From small beginnings have arisen all the industrial centres of Canada.

In His Official Robes



His Royal Highness the Prince of Wales, K.G., R.N., From the Painting by A. S. Cope, R.A.
From The Studio.