

## INCREASED CANADIAN STEEL PRODUCTION

In a recent issue of The Wall Street Journal is contained a quotation from a business man of excellent judgment, who says that those in the United States reckoning upon a large sale of steel and iron products to Great Britain and to other European countries after the war is ended are in error. For it is asserted that Great Britain, Canada and Germany have greatly enlarged their steel-producing capacity; they have, in addition learned economy and efficiency. Furthermore, the Wall Street Journal says that the prevailing opinion that after the war is ended we shall be found leading the world in our exports of steel and iron products, is not taken seriously by steel men, who have watched the development of the steel industry since the beginning of the war.

### Will Not Buy Heavily

One of the reasons given by the authority which the newspaper quotes for his belief that European countries will not buy heavily of steel and iron from the United States after the war, is to be found in the fact that these countries will then be debtor nations, possibly by as much as \$100,000,000,000. They certainly will owe the United States many billions—in fact they do now. Therefore, they will not be disposed to increase their indebtedness by making heavy purchases of steel and iron in the United States. Instead of that the manufacturers will strain themselves to the utmost to command the greater part of the steel and iron trade of the world. For in that way they will be able to secure some part of the funds by which they may meet their obligations. They will make a great drive against the United States; they will attempt successfully to compete in our own markets with American iron and steel manufacturers. They will rely to some extent for success upon high cost of production of steel and iron in the United States, due chiefly to the wages and salaries which are paid to the artisans.

Discussing these statements, "Holland," in an article in the Wall Street Journal, says that undoubtedly the view set forth by this authority is the one taken by the leaders of the steel and iron industry, yet with a mental reservation. "These leaders believe that we can hold and increase our world trade in steel and iron products, notwithstanding the high cost of labor, if there be satisfactory legislation, part of it so enacted as to prevent the dumping into the United States of steel and iron products and part of it so enacted as to enable us with facility and at reasonably low cost to approach the markets of the world.

On the office wall of one of the high executive officers of the United States Steel Corporation is conspicuously placed a legend reading as follows: "In time of war, we should prepare for peace." Undoubtedly, the managers of the Steel Corporation and, in fact, the managers of all the independent steel and iron industries of the United States, are now, as far as possible, preparing for conditions which will arise immediately after the war is ended. They hope to secure the passage of an act which will enable steel and iron manufacturers who are exporters, to act in co-operation and in combination, so far as foreign markets are concerned. Action of that kind was one of the reasons why Germany was able to secure rapidly a considerable share of the world's trade in the iron and steel products. Then, again, these industrial leaders hope that after the war is ended they will have available a large amount of ships. Lack of shipping facilities was one of the reasons why the iron and steel makers of the United States were not able always to compete with the Germans and the English manufacturers of iron and steel.

Furthermore, it is hoped that legislation, which will modify the existing anti-trust laws, will be enacted. For if, for instance, the United States Steel Corporation should be dissolved through the judgment of the Supreme Court upon the action now pending, then it is inevitable that the United States will lose a large part of her exports of iron and steel products.

### France and Belgium

Apparently the managers of the United States iron and steel industries do not now contemplate entering the markets of Great Britain or of Germany with their products after the war. They do believe that France and Belgium, if Belgium is quickened, will become heavy purchasers of American iron and steel products, provided conditions as well as legislation are favorable. They look for great markets in South America and in the Far East, and if they are not handicapped by unfavorable conditions or by stringent legislation they believe

that they will be able to meet whatever competition Great Britain or Germany, should Germany try to compete, may offer in the South American and Far Eastern markets. They are not concerned about the high cost of labor, for they believe this is offset by the greater productive capacity of highly-paid labor, by the utilization of the best labor-saving machinery, by the employment of highly competent men of science, and also by our favorable situation with regard to coal and iron deposits.

This is the contingency which the industrial leaders, whose achievements since the war began in iron and steel commodities, have been noteworthy, hold in reserve while they are disposed to admit that Great Britain and the European nations will not only refrain from purchasing American iron and steel, but will also attempt to dump enormous amounts of these commodities into the United States. The British manufacturers may be able to do this unless the United States manufacturers are favored by legislation and are aided by such facilities as, for instance, the proposed foreign commerce bank would offer. Given fairly even conditions the American manufacturers believe that they can not only hold the trade they have already secured but can increase it, no matter what competition Great Britain and Germany may offer.

## C.N.R. EQUIPMENT WOULD YIELD PROFITS

The proceedings of the board of arbitration, sitting at Osgoode Hall to hear evidence as to the value of the Canadian Northern Railway stock, on February 14th were enlivened by a debate between members of the board as to the feasibility of W. H. Coverdale's plan for extensions to the Canadian Northern Railway system in mileage and equipment, which, he declared, if put into execution, would result in practically doubling the earning capacity of the railway. Mr. Coverdale is the New York consulting engineer who examined the Canadian Northern Railway system and finances for the purpose of the Loomis-Platten report, and his programme of betterments involves the expenditure, before 1923, of a sum approximating \$80,000,000. With this expenditure allocated as he suggests, he estimates that gross earnings standing at \$35,476,000, as on June 30th, 1916, would be increased to \$80,320,000, with a surplus over expenses of \$4,615,000 by 1923. Mr. Coverdale declared that his estimate of increases in earnings was conservative, and pointed to the fact that for the 1917 period the railway had actually exceeded the amount estimated by \$2,000,000.

The point of contention between members of the board was as to the possibility of finding the funds to pay for the betterments. Mr. Justice Harris expressed an opinion that no sane man would attempt such a programme of expenditures under present conditions, as he believed it would be impossible to get the money. Counsel for Mackenzie and Mann contended that the expenditures were vital and must be made if the railway is to continue its existence as a going concern. Sir William Meredith then broke into the argument in support of Justice Harris, and declared that the minister of finance had intimated that he would not put a dollar into additional expenditures on capital account. Wallace Nesbitt, K.C., disagreed with the chairman, and declared that the money would be available if the proposals proved to be sound.

The Brantford, Ont., city council has approved the purchase of the toll roads of Brant for \$28,000.

One feature of the coming annual general meeting of the Institute of Metals will be the display of cinema films of the Canadian water powers.

A deputation from the Lincoln County Council has asked that the Provincial Government take over the Queenston-Grimsby road as part of the provincial highway system.

To-day at a luncheon meeting of the Ottawa Branch of the Canadian Society of Civil Engineers, Hon. F. B. Carvell, Minister of Public Works, is to speak on "Some Phases of the Relation of the Engineer to National Life."

"It is hardly likely that I would be guilty of making such a silly proposition," was the comment of Lord Shaughnessy, president of the Canadian Pacific Railway, when his attention was directed to rumors which announced that the company would dispose of the railroad to the government. The rumors intimated that the shareholders would retain the hotels, steamships and land of the company and expect a guaranteed dividend of 7 per cent.