

AMERICAN INDUSTRY IN CANADA

Tariff and Exchange are Important Factors Bringing Capital Here—"Made in Canada" Campaign also an Influence in Buying

AMERICAN manufacturers with a large Canadian business must establish plants in Canada if they hope to hold this trade intact, it is claimed by A. G. Selater, manager of the statistical department of the Union Bank of Canada, in the July issue of the "Union Bank Monthly." After noting that Canada for many years before the war and to-day ranks second only to Great Britain among the customers of the United States and that changes in trade during the war has placed the Canadian dollar at an appreciable discount, Mr. Selater continues as follows:—

"Even under the conditions which existed before the war, the importer of American made merchandise in Canada was forced to pay a heavy customs duty, which averaged about 35 per cent. ad valorem. During the war this duty was increased by the further imposition of a 7½ per cent. war tariff, a tax which has been recently removed. The Canadian importer of American made merchandise was thus compelled to pay during the war on an average at least 42½ per cent. of the wholesale value of the goods he bought in the United States as a Government tax. When on top of this already heavy tax was imposed the additional one created by conditions of the exchange market the situation became serious for the American manufacturer. While it had, in most cases, been possible to do business with Canada in the face of a 35 per cent. tariff, when it became necessary to make provision for what actually was equivalent to a tax of about 52 per cent. of the wholesale value of his produce in the United States, a solution had to be found on pain of losing Canadian trade almost entirely.

Many Branches Already Here

"During 1919 over 200 American manufacturers solved this problem and a number of less pressing ones by either erecting or leasing plants in Canada. They thus not only solved the problem outlined above but they, at one stroke, took advantage of a series of opportunities which a number of American manufacturers already had seen and profited by. Long before the war rendered commercial relations between Canada and the United States more difficult, several hundred—about 350 to be exact—American manufacturers had taken advantage of the opportunities they believed Canada to offer and had built Canadian plants and established purely Canadian businesses.

"These manufacturers had established themselves in Canada, first, to escape the Canadian tariff; and, second, to take advantage of the preferential tariff treatment given by other parts of the British Empire to goods originating within the boundaries of the British Commonwealth. Without waiting for events to force upon their attention an opportunity of a rare kind, they foresaw the future, and have profited greatly as a result of their foresight.

Desire to Buy in Canada

"While these manufacturers who have been in Canada for many years are now firmly established and in enjoyment of a large volume of trade, not only in Canada but in all parts of the British Empire, the opportunity which they foresaw so many years ago still exists. Times have changed, however, and with them the nature of the opportunity. To-day the American manufacturer who has any large volume of business in Canada must establish himself in Canada to hold that business. The instinct of financial self-preservation is forcing Canada to do all in her power to curtail her purchases in the United States and to make within her own borders those things which her people need. Only in this way can she hope to rehabilitate her credit in the United States and to reduce the volume of her war debt. Canadians plainly see the logic of the situation, and the 'Made in

Canada' movement is daily gathering strength in the Dominion. In this task of making herself self-sustaining Canada is being helped by the course of events. Canada is now an exporting nation of some importance and this development is making it increasingly possible for Canadian manufacturers to produce commodities in quantities and bring down their initial costs. This development of Canada's export trade has stimulated the imagination of the Canadian manufacturer; he sees more clearly than he ever did before his opportunities in the markets of the world, and he is fitted with a renewed ambition to make the most of these opportunities. The inevitable outcome of this development will, of course, be greater ability on the part of the Canadian manufacturer to hold his own domestic markets against outside competition. This will mean less buying in the United States as time goes on."

CANADA FAVORED IN COAL ALLOTMENT

Plans for speeding up the movement of coal to central Canada were discussed on July 19th in Washington by Frank B. Carvell and S. J. McLean, of the Canadian Railway Board, at conferences with the United States Interstate Commerce Commission and Daniel Willard, chairman of the Advisory Commission of the Association of Railway Executives. Before returning to Ottawa the Canadian commissioners announced they would meet later with Canadian railroad officials to consider priority of movement for coal and increasing car mileage. Both commissioners said they were confident that the coal problem would be solved, but added that it primarily rested with the United States railroads and coal operators in getting improved movement of coal.

Following these discussions, new emergency orders were issued on Tuesday by the United States Interstate Commerce Commission, giving priority in the movement of the winter stock of soft coal to the northwestern states and Canada. More than a score of railroads serving mines in western Pennsylvania, Ohio, West Virginia, Virginia, Kentucky and Tennessee were directed by the commission not only to give preference in the movement of coal for the territory at the head of the Great Lakes, but also to give preference in the supply of cars for such shipments.

COMMISSION TO INVESTIGATE RADIALS

The Ontario government has announced the personnel of the commission to enquire into the proposal to purchase the Dominion government radial lines in the province. It is composed of Justice Sutherland, chairman; W. A. Amos, C. H. Mitchell, A. F. MacCallum and F. Bancroft. As first announced, the commission included T. A. Russell, president of the Russell Motor Car Co., in place of C. H. Mitchell, but Mr. Russell withdrew as a result of criticisms aimed at his connection with the motor car industry. Justice Sutherland was speaker of the House of Commons from 1905 to 1909, and was liberal member for North Essex in the House of Commons. He practised law in Windsor until his elevation to the bench. W. A. Amos, vice-president of the United Farmers of Ontario, was formerly a Presbyterian minister. Illness caused him to retire from the pulpit, and he is now a farmer in Perth county. At the last provincial election he was U.F.O. candidate in North Perth. Brigadier-General C. H. Mitchell is dean of the School of Practical Science of Toronto University, and served with distinction in the Canadian army. A. F. MacCallum, at present commissioner of works in Ottawa, was formerly assistant engineer for York county, and later city engineer in the city of Hamilton. He has been on several arbitration boards. Fred Bancroft, although a member of the Pattern Makers' Union, has been in newspaper work for years and is a "Star" reporter. He has been a vice-president of the Dominion Trades and Labor Congress, and has represented unions on numerous boards of arbitration and conciliation.