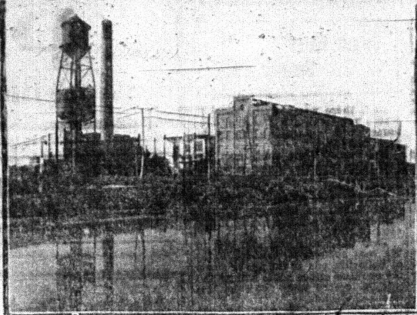


# Americans in Canada



- (1) Procter-Gamble Co., Hamilton, Ont.
- (2) Gore Park, Hamilton, Ont.
- (3) The Gray-Dart Motors Co., Ltd., Chatham, Ont.
- (4) Canadian Ingersoll Rand Co.'s Plant at Sherbrooke, Que.

THE process of the establishment of branches of American industrial concerns within the borders of the Dominion of Canada has been going on for a good many years—ever since it became apparent that no political party was likely to modify very seriously the "protective" character of the country's fiscal policy. It might reasonably have been expected that the shock of war would put a stop, temporarily at least, to this process of peaceful penetration; but the opposite has been the case. Even since the recovery of capital from its paralysis, eight months or so after the war began, the establishment of American branches in Canada has been going on with greater energy and determination than before, and investigation has shown that the war, instead of discouraging such adventure, has afforded new reasons to justify it.

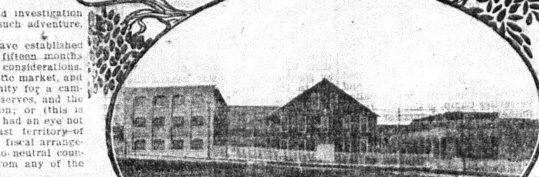
Speaking broadly, the American firms which have established themselves in Canada during the past twelve or fifteen months have been actuated by one or both of two main considerations. Either they have had an eye on the Canadian domestic market, and have regarded the present as a favorable opportunity for a campaign in it because of their own abnormal cash reserves, and the exceptional prosperity and activity of the Dominion; or (this is the explanation in the majority of cases) they have had an eye not only to the Canadian market but also to the vast territory of the Entente Allies, and are convinced that in the fiscal arrangements which will follow the conclusion of peace, no neutral country will receive more "most favored-nation" treatment from any of the Allied countries.

Canada, combining the economic advantages of the American continent, with its wealth of raw material and of skilled labor, with the market advantages of a member of the belligerent Entente, is the natural basis of operations for an American concern with designs upon European markets. This, according to the industrial commissioners of various Canadian cities, and of the Canadian Pacific Railway, is the main motive in inducing most of the recent American branch establishments in Canada, and is likely to bring to Canada within the next few years industrial capital running to many hundreds of millions.

Many American concerns which have established plants in Canada since the beginning of 1915, is an imposing evidence of the attractive power of the Canadian market and of Canadian export possibilities. It should be added that all of the establishments are substantial plants, built for meeting a large business and for carrying on, not merely a sales agency or an assembling process, but practically the entire process of production from the purchased raw material to the finished article.

One of the first American products to meet with an avowed policy of fiscal discouragement in Free Trade England, as a result of the war and its effect upon trade balances, was the automobile. The establishment of branches of American automobile concerns in Canada has already been going on for some years, owing to the great growth in Canadian consumption of the article and the popularity of American brands. But the European situation has given a tremendous impetus to the movement. Existing plants have been vastly enlarged, and three new and important plants have been undertaken, those of the Maxwell Motors at Windsor, Ontario, the Challengers Motor Company at Walkersville, Ontario, and the Chevrolet Motor Company at Oshawa, Ontario. This is exclusive of the acquisition and enlargement of Canadian-owned plants by American firms for the manufacture of American brands of cars.

One of the biggest industrial undertakings of the year was that of the erection of an immense plant in Hamilton, Ontario. The famous packing house of the Flinta, Varrick & Coles Company, the proprietors of Ivory Soap and of sundry other soap and cottonseed oil products, who have commenced the erection Libbey, McNeill & Libbey has established itself in Hamilton, Ontario (which city, it will be noted, is a favorite with American industries owing to its combination of cheap power and good labor supply with the best of shipping facilities). The Flinta, Varrick & Coles Company has put up a branch factory at Toronto, Ontario, and the Link Belt Company is locating in the same city. Sherer & Gillett, makers of store counters, are establishing at Guelph, Ontario. The Maple Leaf Condensing Company, a Detroit concern, is at Chesterville, Ontario.



been small compared with those of Ontario, but the present labor situation, which is much more favourable in Quebec, is likely to correct that tendency to some extent. An important asset to the industries of Sherbrooke, Quebec, is that of Kayser & Company, the famous manufacturers of silk gloves, stockings, and other articles. The Aetna Explosive Company, at Drummondville, Quebec, has been improperly regarded as a war industry; it is so for the time being, but its immense plant has been designed so as to be applicable to the manufacture of dyes when the explosive business falls off. A rumor, which appears to have good foundation, though not officially confirmed, asserts that one of the great American chemical and explosives concerns has made all preparations for the establishment of a plant for the production of nitrates from atmospheric nitrogen at one of the hitherto undeveloped powers of Quebec Province.

Several American concerns already operating in Canada have found that their existing plants are not equal to the demands which they anticipate. The Dominion Sugar Company, which is largely financed by American sugar-refining capital, is adding a big plant at Chatham, Ontario, to its existing buildings at Wallaceburg in the same province. The Goodyear Tire & Rubber Company is removing from small premises at Bowmanville, Ontario, to an immense property which it has bought at New Toronto, Ontario.

These examples, all of them being enterprises undertaken long after the war and her financial sacrifices for that cause were known and allowed for, are convincing evidence that the progressive manufacturers of the United States have perfect confidence in Canada as a field for industrial investment. As most of them are looking for an export trade, it would appear that they are satisfied that production costs in Canada will not be materially altered after the war, either as regards labor (Canada will not be materially altered after the war, either as regards labor supply, cost of living, or burdens of taxation. Mr. Graham W. Curtis, Industrial Agent of the Canadian Pacific Railway, stated recently that he had found American business men greatly impressed by the showing of financial American confidence in, and comprehension of, Canada, was greater than, at any other previous date.