Rising Costs Of Machinery Pose Problem For Industry

By FORBES RHUDE
Canadian Press Business Editor

High costs, which put up the day-to-day price of producing goods, are felt perhaps even more when it comes to replacing the equipment with which the goods are made.

Industry is, of course, allowed to put aside a certain untaxed amount yearly for depreciation. Theoretically, when a piece of machinery is worn out, resources have been provided to replace it.

Rising costs of replacement, however, kicks holes in this theory.

This illustrated in an article by W. Cordes Snyder Jr., chairman of Blaw-Knox Company, in the current issue of The Exchange, publication of the New York Stock Exchange. He says:

"In 1960 we replaced a turret lathe purchased in 1928 at a cost of $8,140. It had been fully depreciated and, in addition, we realized $675 from its resale. Thus, there was available $8,815 for the purchase of a replacement. The cost of our new lathe, however, was $46,915.

HAD SOME CAPACITY

"While the replacement was somewhat larger and more flexible, it had roughly the same capacity as the old lathe. Just to stay even, we had to invest an additional $38,100 and to be able to invest that new money we had to earn about $80,000 before taxes."

While there are some differences in American and Canadian laws, about the same situation as cited by Mr. Snyder faces Canadian industry.

He says that unless there are changes in tax laws the American economy "may soon be operating one of the least efficient and most outmoded industrial plant of any developed nation in the Free World."

The Stainless Steel Development Committee announces a country-wide campaign Feb. 14-28 "to spur consumer preference for nickel stainless steel products and to stimulate Canadian designers and manufacturers in the consumer product field."

The campaign will be called Gleam of Stainless Steel and will be featured by advertising by the companies concerned and by displays in the 60 stores of T. Eaton Co. Ltd., which is co-operating in the program.

Committee members are Atlas Steels Ltd., Union Carbide Canada Ltd. and International Nickel Company of Canada Ltd. Three previous campaigns along the same lines were sponsored by : co.

J. D. Houlding, president, Electronic Industries Association of Canada, says:

"The short-term outlook (for the electronics industry) is for moderate improvement in sales and profits, resulting from the economic upturn and generally increased consumer markets. For the longer range, the expectation is for a host of new products based on technological advances, stimulated and supported by Canadian research and development facilities."

Buffalo Meat Is Glamorized By Department

OTTAWA (CP)—The northern affairs department is making another attempt to rescue Canadian palates from monotony.

Its latest suggestions include buffalo cutlets marinated in red wine, buffalo and beer pie, and even a piece de resistance called sweetgrass buffalo tenderloin en chemise strasbourgeoise.

The last dish calls for buffalo tenderloin brushed with brandy, alternated with slices of ham that are spread with pate de foie gras, roasted until half-done and sprinkled with chopped truffles, then baked in a pie crust and served with mushroom sauce flavored with Madeira.

The campaign was timed for the appearance on Canadian market Tuesday of 250,000 pounds of sweetgrass buffalo meat, so-called because it comes from the federal government's pampered herd in Wood Buffalo National Park.

The department, which has put the meat in the hands of large packing companies, said nothing about the retail price. A butcher shop in Ottawa says the price will average about $1.29 a pound, though it goes as high as $2.50 a pound for tenderloin.

Eleven recipes — eight by Angelo Casagrande, chef at Edmonton's MacDonald Hotel—are included in a recipe book the department is selling for 35 cents through the Queen's Printer.

Dominion Bridge Reports Profit

MONTREAL (CP)—Dominion Bridge Company Ltd. reported Tuesday net profit in the year ended last Oct. 31 was 52,139,531, or 83 cents a share, compared with a net loss of $2,116,778 in the previous year.

Approximately $570,000 in income taxes otherwise payable for the year were eliminated by carrying forward the loss from last year. The balance of the loss which may be carried forward against taxable income in the next four years could result in tax savings of about $1,400,000.

Sales for the current year, including completed contracts, warehouse materials and mill products, fell to $83,983,408 from $116,377,343 in the previous year. Sales for the 1961 year were the lowest since 1952.

The company's annual report said the offer by Canadian General Electric Company Limited to buy all the outstanding shares of Dominion Engineering Works Ltd. about 60 per cent controlled by Dominion Bridge, will be accepted by the company "at the appropriate time." The closing date for completing of the purchase is Feb. 1.

Refugee Leaves Canada Now Wants To Come Back

By JOHN E. BIRD

OTTAWA (CP) — A Hungarian refugee and his family who left Canada Christmas Day after deciding they would be better off in Sweden want to return to this country as immigrants, it was learned here.

Ferenc Pal, his wife and three children were brought to Canada from Sweden a year ago by the Deep River, Ont., Refugee Committee. The committee paid all expenses, found the Pals a home and Mr. Pal a job as an oil serviceman.

Shortly before Christmas the family decided to return to Sweden, where they had been sent from an Austrian refugee camp. Their main reasons for returning were that Mr. Pal could not get work in Canada as an automobile electrician and his wife—a former tuberculosis patient—could get free medical attention in Sweden.

The Deep River committee which had spent $2,500 bringing the family to Canada agreed to contribute another $1,100 for their passage back to Stockholm. The family left Montreal by air Christmas Day, arriving in Stockholm Dec. 26.

MADE MISTAKE

Six days later—on Jan. 1—Mr. Pal wrote to the immigration department from Stockholm that his decision to leave Canada was a mistake and that he and his family want to return to Canada. He said he didn't want to return to Sweden but agreed to go at the insistence of his wife and children.

Mr. Pal said he had obtained a job in Stockholm as an automobile electrician but had been unable to find proper housing.

He asked in his letter to C. E. S. Smith, assistant to Deputy Immigration Minister G. F. Davidson, to instruct him on what he must do to re-enter Canada as an immigrant.

Mr. Pal said in the letter that he has $600 toward the cost of transportation back to Canada. He asked whether he could borrow the rest of the fare from the government and repay the amount later.

While he was in Canada Mr. Pal quit his job as an oil serviceman because he felt he should be allowed to work as an automobile electrician without serving an apprenticeship. However, in his letter he said he will take any kind of a job if he is allowed to return to Canada.

SCOTTISH FAIRS

The annual stock fairs known as "the trysts of Falkirk" have been held for centuries in Stirlingshire, Scotland.