pany, Limited, Belleville, Ontario; The Western Canada Cement and Coal Company, Exshaw, Alberta; The Eastern Canada Portland Cement Company, Limited.

Those familiar with the cement situation in Canada will conclude that the new company has undoubtedly acquired many of the best cement plants. But that fact does not seem to indicate an immediately easy road for the Canada Cement Company. Its prospectus gives various figures regarding the price, output and consumption of cement in Canada. These are not sufficient to form a proper idea as to how stands the industry and the prospects of the company. The manufacture of Canadian cement was commenced in 1887, and for many years natural cement was the sole product. In 1891, for one barrel of Portland cement produced there were 23 barrels of natural cement. In 1895, Portland cement led in the matter of production.

The following table shows the Canadian production and consumption:—

Year.	Manufactured Barrels.	Consumed Barrels.	Difference %.
1904	908,990	910,358	— 0.1
1905	1,541,568	1,346,548	+ 14.4
1906	2,152,562	2,119,764	+ 1.07
1907	2,491,513	2,436,093	+ 2.2
1908	3,495,961	2,665,289	+ 31.1

These figures show a steady increase in the manufacture of cement in Canada, while the consumption has also increased. But since 1904 the consumption in every case was less than the output. The difference per cent. each year is shown in the above table. In 1908 the manufactures were 31 per cent. more than the sales. To obtain the total consumption of cement in Canada, the imports must be added, and this is done in the following table:—

Year.	Imports, Barrels.	Total Consumption in Canada, Barrels.
1904	784,630	1,694,988
1905	917,558	2,264,106
1906	666,931	2,785,695
1907	672,630	3,108,723
1908	469,049	3,134,338

Before analyzing these figures, it will be well to glance at the average price per barrel of natural and Portland cement. :—

Year.	Average price $ per bbl. Natural.	Portland.
1897	.771	1.748
1898	.842	1.987
1899	.843	2.012
1900	.797	1.927
1901	.708	1.783
1902	.773	1.729
1903	.809	1.834
1904	.884	1.414
1905	.724	1.421
1906	.703	1.493
1907	.704	1.555
1908	....	1.190

These figures illustrate the rapid multiplication of cement companies and their output, which has gradually increased. The decline in the price of cement since 1898 is significant. While the output has increased almost tenfold in ten years, the price has dropped nearly 25 per cent. Therein perhaps one sees the chief reason for the advent of the Canada Cement Company, Limited. Competition had become so keen that the business became almost impossible at a profit. At least two United States firms established mills in Canada and added to the trouble. Both these companies are included in the amalgamation. The Lehigh Portland Cement Company, it is understood, held out for a big price before it entered the merger. The inclusion of the Lehigh reduces somewhat the competitive factor.

An important consideration is the capacity of the Canada Cement Company. This is stated to be more than 4,500,000 barrels. The imports last year were 469,049 barrels. The capacity of the Independent Portland Cement Company, which is applying for a charter, is said to be 2,500,000 barrels. Here, then, there is a market provided for with capacity and imports of 7,469,049 barrels, or 3,334,711 barrels more than the total consumption of cement in Canada last year.

Capacity and actual manufactures have as strong a line of demarcation as exists between output and consumption. The Independent Portland Cement Company includes the following mills: The Bells Lake Cement Company, Markdale, Ontario; The St. Mary's Portland Cement Company, Limited, St. Mary's, Ontario; The Brant Portland Cement Company, Limited, Brantford, Ontario; The Colonial Portland Cement Company, Limited, Wiarton, Ontario; The Hanover Portland Cement Company, Limited, Hanover, Ontario; The Imperial Cement Company, Limited, Owen Sound, Ontario; The Ontario Portland Cement Company, Paris, Ontario; The Superior Portland Cement Company, Orangeville, Ontario; The Western Ontario Portland Cement Company, Limited, Atwood, Ontario.

While these plants will afford some competition, many of them, we believe, are not at present operating. The strength of the Canada Cement Company, Limited, would have been enhanced had one big amalgamation been arranged. From the figures available it would seem that the capitalization of the Canada Cement Company is far greater than the aggregate capital of the twelve individual companies. The financing and output are closely related. The sales of cement will have to pay interest on the capital.

The authorized capital stock of the Canada Cement Company is $30,000,000, including $8,000,000 bonds. To be issued now are $10,500,000 7 per cent. cumulative preference shares, $13,500,000 ordinary shares, and $5,000,000 6 per cent. first mortgage 20-year gold bonds. The public offering now is $5,000,000 of the 7 per cent. cumulative preference shares at 93. With every four of these shares goes as a bonus one ordinary share.

The Monetary Times figures that the payment of 6 per cent. interest on $5,000,000 first mortgage 20-year gold bonds would require the sale, at a net profit of 20 cents per barrel (apparently a very liberal net profit allowance), of 3,000,000 barrels of cement. The payment of 7 per cent. interest on $10,500,000 preference shares would require the sale, at a net profit of 20 cents per barrel, of 3,675,000 barrels. Therefore, to pay the interest on the first mortgage bonds and preference stock of the company, now to be issued, the sale, at a net profit of 20 cents per barrel, would have to be made of 5,175,000 barrels, or 657,000 barrels more than the total capacity of the Canada Cement Company. And these figures do not allow for competition by Canadian companies not included in the merger, or for competition in the shape of imports.

The practical men connected with the Canada Cement Company state, we are told, that so marked will be the saving in executive expenses and elimination of brokerage fees by the consolidation that even with the maintenance of market prices around the present level there should be a net profit of from forty to sixty cents a barrel, according to the plant at which the cement is manufactured. The present market price is quoted at $1.40, f.o.b. cars. Therefore, the Canada Cement Company, Limited, anticipate that the cost of manufacture, advertising and all other expenses will not be more than from eighty cents to one dollar per barrel, according to the plant responsible for the manufacture. That, we consider, is a low manufacturing estimate.

It cannot be said that the promoters have given sufficient information to the public in order that they may judge for themselves the worth of cement stock in the light of present market conditions. It should be known what has been paid by the Canada Cement Company to the companies purchased by it, and also how