

THE CANADA CEMENT COMPANY.

Its History, Growth and Future.

THE stock of the Canada Cement Company has been active of late and fresh interest has been aroused in the affairs of this company. This is one of the big mergers which is apparently making good. During the past two or three years an epidemic of mergers struck Canada with the result that practically every industry in the country that is capable of being combined was consolidated with other similar enterprises. In some cases huge amounts of watered stock were offered for public subscription. In some cases the stocks of the merged companies sank to almost a trifling fraction of the values set upon them by those at the head of the mergers. In other cases the stock has shown strength. The Canada Cement Company is one of these.

This company was incorporated a little over two years ago, with an authorized capital of \$30,000,000, divided as follows:—

Preferred 7 per cent stock,—	
Authorized.....	\$11,000,000
Issued.....	10,500,000
Common stock,—	
Authorized	19,000,000
Issued.....	13,500,000
Bonds,—	
Authorized	8,000,000
Issued.....	5,000,000

Thus the total authorized securities of the company amount to \$38,000,000 while the total amount of securities issued amounts to \$34,000,000.

Some twelve of the leading cement companies situated in various parts of Canada were included in the merger, the head office of the company being located in Montreal. In justifying the merger those at the back of it contended that the reduction in freight rates, of administration charges and selling expenses would effect immense savings. Previous to the merger competition was so keen that cement companies often shipped their product long distances with the result that freight charges ate up the bulk of their profits. This has been prevented by the merger and the cement plant in any given locality supplies cement to that neighborhood. Contrary to expectations, the price of cement decreased as soon as the merger took place.

The following table will show the prices which have prevailed during the past ten years. The prices quoted are taken from Government reports and apply to cement at the mills.

1900	\$ 1.91
1901	1.78
1902	1.73
1903	1.83
1904	1.41
1905	1.42
1906	1.49
1907	1.55
1908	1.39
1909	1.32
1910	1.34
1911	(estimated) 1.30

The following table shows the Canadian production and consumption of cement during the past few years:—

	Manufactured.	Consumed.
1904	908,990 barrels	910,358 barrels
1905	1,541,568 "	1,346,548 "
1906	2,152,562 "	2,119,764 "
1907	2,491,513 "	2,436,093 "
1908	3,495,961 "	2,665,289 "
1909	4,067,709 "	4,209,003 "
1910	4,753,975 "	5,101,28 "

The above figures show the remarkable growth of the industry in Canada and the indications are that the output during the next few years will be largely increased. The Canada Cement Company are at present enlarging their plants in various places and building a new one in Winnipeg with a capacity of 500,000 barrels per year. In the latter city, however, strong opposition to the action of the Canada Cement Company has lately arisen. The Board of Control have decided to conduct an investigation into the cost of cement. The city claims that this year it paid \$2.25 per barrel for 20,000 barrels, while in 1909 it paid \$1.76 for 25,000 barrels. The average price given by the Canada Cement Company for cement at the mills during these years is \$1.34 in 1910 and \$1.32 in 1909, which indicates that Winnipeg has been paying much higher prices than have prevailed elsewhere.

A comparison with the cost of cement in the United States is interesting. In 1909 the average price prevailing throughout the United States was 81c., as compared with \$1.32 in Canada. The price in 1908 in the United States was 85c., in Canada \$1.39. In 1907 in the United States the price was \$1.11 and in Canada \$1.55. On the other hand, however, the production of cement in the United States is much greater than in Canada and for this reason the cost of production will be much less. In the year 1900 the United States produced 8,482,000 barrels. In 1909 this increased to 62,508,000 barrels valued at \$50,510,000. During this period the price decreased from \$1.09 in 1900 to 81c. in 1909. Since the industry started in the United States a total of 458,075,856 barrels have been produced, valued at \$358,423,385. In 1910 the United States exported 53,253 barrels of cement to Canada, despite a heavy duty. Altogether a total of 349,310 barrels were imported into Canada last year. During the past year the Cement Company's plants were only operated to 57.6% of their capacity but during 1911 they have been operated to a greater extent. In 1910 the company showed current assets of \$2,633,450 but expect to show considerably higher earnings for the present year.

Recently the Canada Cement Company and Sir Max Aitken in particular, came in for some adverse criticism from Sir Sandford Fleming, former President of the company. His charges were brought up in parliament but the dissolution of the House prevented them from being investigated. Whether or not they will be brought up again is difficult to say. There has undoubtedly been a great deal of criticism regarding the formation of this company, especially in regard to the amount of water injected into it. In round numbers almost half of the capital is water and to expect the public to earn dividends on some \$15,000,000 of water is asking them a good deal. The Canada Cement Company undoubtedly have been favored by the prosperity of the country and the increasing use of cement in all kinds of building. The increased consumption of cement, the saving of freight and administration charges and other economies have resulted in making this merger a success despite its heavy capitalization. Efficient management has also had something to do with the success of the company.

FIELD CROPS IN CANADA.

A BULLETIN issued by the Census Department gives some interesting information regarding the field crops in Canada.

The census enumeration of field crops taken in June shows for the North-west provinces together with Ontario and the Maritime provinces an area of 9,990,021 acres wheat, 7,661,862 acres oats, 1,291,287 acres barley, 133,053 acres rye, and 1,090,615 acres flax,—to which will be added the areas for two districts in Saskatchewan and for one district in Nova Scotia. For the harvest year of 1900 the corresponding figures of the census of 1901 for farms only were 4,068,328 acres wheat, 3,981,370 acres oats, 765,273 acres barley, 156,352 acres rye, and 21,202 acres flax.

The increase in the production of the principal grains in the decade, computed for the present year on the estimates of correspondents, is shown to be in round numbers 148,035,000 bushels wheat, 187,049,000 bushels oats, 21,711,000 bushels barley, 664,000 bushels rye, and 12,360,000 bushels flax. These figures are exclusive of returns for two districts in Saskatchewan and for one district in Nova Scotia.

The average yield of fall wheat in the North-west provinces this year is 24.68 bushels per acre, of spring wheat 19.82 bushels, of oats 45.93 bushels, of barley 32.93 bushels, of rye 28.52 bushels and of flax 11.46 bushels. In Ontario and the Maritime provinces the averages are 21.75 bushels for fall wheat, 19.35 bushels for spring wheat, 30.76 bushels for oats, 30.67 bushels for barley, 18.24 bushels for rye and 12.61 bushels for flax.

Including the province of Quebec but excluding British Columbia the revised totals of production in Canada for 1911 are in bushels as follows: Fall wheat 26,479,000, spring wheat 176,518,000, all wheat 202,997,000, rye 3,007,000, barley 43,579,000, oats 348,774,000 and corn for husking 17,159,300.

FIRE INSURANCE IN CANADA.

THE annual report of the superintendent of insurance on companies other than life companies shows that during the year 1910, the business of fire insurance in Canada was carried on by sixty companies, of which 25 were Canadian, 19 British and 16 American.

Cash received for premiums during the year in Canada amounted to \$18,725,531, being greater than that received in 1909 by \$1,676,067, and the amount paid for the losses was \$10,292,393, which is greater than that paid in 1909 by \$1,645,567.

The gross amount of policies, new and renewed, taken during the year by fire companies was \$817,055,685, which is greater by \$237,079,818 than the amount taken in 1909. The premiums charged thereon amounted to \$24,684,292,40, being \$2,390,663 15 greater than the amount charged the previous year. The rate of premiums (1.358) is somewhat lower than that of 1909 (1.431). The loss rate (54.966) is 4.24 per cent greater than the loss rate of the previous year (50.72) and 8.67 per cent less than the average loss rate (63.63) for the past 42 years.