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Doing Business as Usual—Always

THEY were all there, a quorum and more. Some were there because they had never missed an annual meeting for fifty years; others, because they had never attended one in ten. Some liked the social end of the directorate, and one or two felt that plug hats and frock coats matched the board room furniture particularly well. Some had come from afar, feeling the strange duty of a director who directs. Others had turned up, keen and energetic to direct the directors who never did any of the directing themselves. Twelve men, more or less good and true, fitted themselves as best they could into revolving chairs. These chairs were built on a plan which secured marginal inch fractions for 300 pounds, and gave more than elbow room for 110. They were standard chairs for standard sizes, a term which covers a multitude of manufacturing misfits.

This concern had run for years. Even the bond house junior had forgotten how many. There had always been a quorum, except once, when a board of trade excursion had been too strong a counter attraction. This day, however, December 1st, 1914, every member of the board had managed to get to the inkwells, sunk cunningly in the table tops, and to the penholders which were brought up to scratch at the last minute, short in number and long in crossed points. Only special business, of course, could bring forth the halt and the lame from Victoria and Charlottetown and the cities between. The proposal which had been framed by one of the younger executive officers was a simple one, but new. Like most of these new and perfectly simple ideas in modern finance, the older men had frowned at it, played their thoughtful wrinkles and toyed with it. They regarded it much as a long-whiskered, deliberate mouse, once in trap difficulties, regards a piece of succulent cheese on the tongue of a "break-back." When we say the older men, we should recall that there were only two such on the board. This particular company had thrived on the help of the new generation every few years. However, they had all come to hear this proposal discussed. The young fellow who sprung it was keen, but pessimistic, toned with needless worries about what the war might have done to his business, and he had a Germaniac view of the scrap of paper.

Here was the trouble which the high, low and no brows had to face.—Balance sheet on December 31st, 1913, excellent, and goodwill valued highly; prospects for season's trade, December, 1914, good. Along came the war, down went the mercury of human confidence, and as the office boy said, things were looking mighty blue. When the senior office boy ceases to test the accuracy of the yellow rubber as a weapon, the new junior acting as unconscious target, when the senior office boy gets down on time and is not diverted from the stern path of duty by a dog fight, arrest, or an auto accident, when the senior office boy ceases to confide to the maidenly stenographer his latest amour, when all this occurs, and the senior office boy competes with the pen-wiper in a contest of silence, one of two things has happened—his treble voice for church purposes has broken or something is wrong with the boss. In this case, the choirmaster still loved the boy. It was the boss who had forgotten him during a Berlin nightmare—on a Kitcheneresque landscape. Business was bad one minute and good the next, according to the authority the boss met on the street. He fretted and fumed about the inevitable, and that causes more grey hairs in a month than hard work does in a lifetime. Business returns dropped and so did the boss's hands to his side and confidence to boot. It all meant that the bond interest would be hard to pay, thought the boss. And the office boy quickly got what he termed "a hunch" that a chair cushion would mark the place where a Christmas box had in previous years covered the design.

But the young executive—who was the right hand of the chief, and had both the chief's ears, to say nothing of the nerve of others too numerous to mention—this young executive, playing chess one evening,—a little practice game—made a king look like a pawn, which gave him an idea. The company's bonds could be made to look like thirty cents, bondholders' disgust following, reorganization later, and a little clotted cream of the financial variety for those who conceived the idea, executing it and other things. To make a Christmas story short, a resolution, well besprinkled with "Whereases" and "Now Therefore," was sprung on the directors. It proposed the postponement of the bond interest, falling due in 1915 to 1925 inclusive, until 1935, or later if need be, so long as the bondholders had not lit their cigars with the coupons prior to the aforesaid and hereinafter described due date, or words to that effect.

To make a Christmas story finish before New Year's, strange to say, the directors,—well, the office boy, whose usually-dull head took on the aural assets of stone walls at board meeting times, said the directors "bucked the resolution." They refused to punch holes in a parchment bond or to make a first mortgage look like a pack of old playing cards. It was a hot meeting, but the proposal never got to the bondholders. They said,—and despite the cheap estimate of Their opinion, They are sometimes right,—They said it was the company's president who refused to cease doing business as usual, and to pay bond interest, just because a military autocrat had developed intense swelled head in Europe.

To make the story fit into this page, it should be mentioned now that the company in question is very well known. Claus is the president's name. New fangled finance gets no chance in his toque. He is doing business as usual, despite the war. He will be doing it, too, when that senior office boy is looking a mischievous grandson in the eye, telling him what model lads they grew in nineteen-fourteen, and concluding the oration with a kindly slap on the back and a "Merry Christmas, my lad!"