

Rodolphe Forget

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\$8827-945CAPITAL (SUBSCRIBED) \$2,500,000
CAPITAL (PAID UP) \$1,500,000
RESERVE FUND \$1,300,000**CENTRAL
CANADA**LOAN & SAVINGS
COMPANY
TORONTODEPOSITS RECEIVED
AND DEBENTURES
ISSUED**MONEY AND
MAGNATES****First Tests of Canadian Mergers.**

DEVELOPMENTS during the past couple of weeks are affording Canadians a first opportunity of experiencing what happens when mergers or consolidations fail to work out the way their organizers had anticipated. First of all came the trouble in the Asbestos consolidation, known as the Amalgamated Asbestos Corporation. A large number of Canadian investors will lose a lot of money in this asbestos concern, because the company has unfortunately found itself in the position of not being able to pay its bond interest on December 1st, and as a result some re-organization plan will have to be worked out. The securities were placed more particularly in and around Montreal. The trouble with the Asbestos situation seems to have been that just after the consolidation there came a decided change in the market for Asbestos products. If the consolidation had been able to get anything like the prices for its Asbestos that had prevailed during the couple of years previous to the consolidation there would not, it is claimed, have been any difficulty in earning its bond interest, but unfortunately prices declined from 40 to 50 per cent., and even by cutting down expenses as quickly as possible, the Company still fell short of earning enough money to pay the interest on its bonds.

Just as Montreal was affected by the unfortunate development in Asbestos, so Toronto and Ontario gets its turn in connection with the Canadian Cereal and Milling Consolidation. This represented a consolidation of eight of the different milling and cereal companies in the Province of Ontario. At the time the consolidation was effected everything looked very well, but unfortunately the company in its first year had to contend against conditions in the milling trade that were said to be the worst in twenty years. While it had no difficulty in earning the interest on its bonds, still during the past few months it has fallen short of being able to earn its dividend, on its Cumulative Preferred stock. As a result the dividend, it is said, would have to be passed. All of which goes to show that while it is comparatively easy to figure out how a company should earn its fixed charges with comparative ease, it is another thing to get them to do so.

* * *

Always a Surprise Coming in Dominion Steel.

JUST at a time when the thousands of shareholders of Dominion Steel Corporation Common had figured out that they had, after a great deal of patience, experienced almost every surprise that could likely be in store for them, the directors of the company came along the other day with the announcement that they had decided to attend to further financing for the Company by an issue of Preferred Stock which, of course, must rank ahead of the present Common Stock. Almost every time that the Dominion Steel gets on its way towards slightly higher prices, something or other always happens that puts it back very quickly. The situation to-day seems to be that it would be difficult to find more than about one holder in a hundred who would not gladly sell his Steel, if he could only manage to get anything like the price he paid for it. Of course the Steel directors are evidently sincere in their statement that the Preferred issue was very much better financing for the Company and more in the interests of the Common shareholders than if they continued issuing bonds, but it is hard to get the average holder to consider what is to his ultimate advantage when he has to recognize that the value of his holdings is depreciating very fast. The developments of the past few months in the Steel situation would seem to indicate that the insiders themselves are finding out that everything is not just as rosy as it seemed at the time that they effected a practical consolidation of the Dominion Iron and Steel, and Dominion Coal companies into the Dominion Steel Corporation. With the large amount of new work still to be carried out, it will be necessary, during the next couple of years, to do quite a considerable amount of financing.

* * *

Calling of Loans Affected Market.

THE set-backs that have been experienced in the Canadian markets during the past few weeks are said to have been due, almost entirely, to the calling of loans by some of the Canadian banks. Quite a few of the latter close their fiscal years at the end of the present month and, as a rule, in anticipation of preparing their statement to shareholders, call loans are reduced to some considerable extent. On this account it is expected that money will again work easier immediately after the turn of the month. On the other hand, it is stated that the banks are discouraging over-extension of speculation on the Canadian markets, and while they have lots of money for business accounts, are not lending out any more than they can help to brokers.

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Change in Control of Big Ontario Pulp Company.

THE attention that the pulp industry in Ontario is receiving from the leading financial interests of the country was indicated, the other day, when a number of the interests who had nursed the Spanish River Pulp and Paper industry along for some years past, sold out their holdings to Mr. Garnet P. Grant, the President of the Dominion Bond Co., and C. Meredith & Co., Ltd., of Montreal. Mr. Grant was personally responsible for the reorganization of the company back some months ago, which provided ample capital to enable the company to go ahead with the erection of a large paper mill which is now nearing completion.

* * *

Steel Interests Seeking Assistance From Government.

IT will be interesting to watch just what will be the outcome of the endeavour the steel interests of the country are making to try and get additional assistance from the new Government at Ottawa. The other day representatives of the three largest concerns, viz., Dominion Iron, Nova Scotia Steel and Coal, and Lake Superior Corporation, waited on the Ministers at Ottawa, and a great many people claim that the new Conservative Government are so committed to better protection of Canadian industries that the said companies will stand a very much better chance than they did when Mr. Fielding was in charge.

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Profits Earned in per cent. of Premiums Received

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