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FAIRBANKS-MORSE MERGER.

Figures of the Amalgamating Companies—How the Stock
Stands.

Monetary Times Office.
Montreal, August 30th.

It was reported some time ago that the Canadian Fairbanks Company of Montreal, the Fairbanks-Morse Canadian Manufacturing Company of Toronto, together with the E. & T. Fairbanks & Company, Limited, of Sherbrooke, and the Dominion Safe and Vault Company, with factories at Farnham, were to be included in the amalgamation. This report was incorrect as to the E. & T. Fairbanks & Company, Limited, and the Dominion Safe and Vault Company.

The Canadian Fairbanks Company and Fairbanks-Morse Canadian Manufacturing Company have amalgamated under the title, the Canadian Fairbanks-Morse Company. Mr. H. J. Fuller, president of the Canadian Fairbanks Company, is president of the new concern, and Mr. Brooks, president of the Fairbanks-Morse Canadian Manufacturing Company, is vice-president.

The capitalizations of the two original companies and of the new concern are as follows:—

	Common.	Preferred 7%.
Canadian Fairbanks Company ..	\$ 750,000	\$150,000
Fairbanks-Morse Company	500,000
Canadian Fairbanks-Morse Co. ..	\$1,250,000	\$150,000
	\$1,600,000	\$1,000,000

As to Preferred and Common Stock.

The preferred stock of the Canadian Fairbanks Company was non-cumulative, and was preferred only as to dividends, whereas the preferred stock of the Canadian Fairbanks-Morse Company is cumulative, and is preferred both as to assets and dividends. It does not carry any voting power. The company, however, agrees that it will issue no bonds unless with the consent of 75 per cent. of the preferred shareholders, so that in this respect the preferred stock ranks as a first lien on the assets of the company, thus giving it much the standing of a bond. Further secu-

rity is added by an agreement on the part of the company that it will not declare any dividends on its common stock until the surplus available for dividends on preferred stock is equal to the amount requisite to pay these dividends for three years.

Therefore the company would require to have \$210,000 laid aside to meet the dividends on the preferred stock before the common shareholders will receive anything. Notwithstanding this, the holders of the common stock are well satisfied with their security, the dividend on the old common stock having been eight per cent. and the earnings having largely exceeded the amount necessary to meet the dividend.

Mr. H. J. Fuller, President.

The Fairbanks concerns have had success in Canada during the past dozen years or so since Mr. H. J. Fuller came over to Canada from the United States and decided that there was business to be done on behalf of the Fairbanks firm with which he had been associated in Worcester, Mass., and New York. The firm has enlarged until it has branches in practically every city in Canada. Following the opening of the Montreal branch came the establishment of the Vancouver, Winnipeg, Toronto, St. John, Quebec, Ottawa and Saskatoon branches, and it is now proposed to complete the work by opening branches at Prince Rupert, Fort William and Edmonton.

Five or six years ago Mr. Fuller concluded that the time had arrived for the company to manufacture its own lines in Canada. This led to the organization of the Canadian Fairbanks-Morse Company, which is now being amalgamated with the selling end of the business as represented in the Canadian Fairbanks Company, of Montreal.

What is Manufactured.

The company manufactures the scales with which the name of "Fairbanks" has become so well identified, as well as the gasoline engine which bears the name of "Fairbanks-Morse." The Toronto company also makes various types of hand and motor cars, pumps and machinery. The Canadian Fairbanks Company also takes the entire product of the John Bertram Sons Company and the Pratt & Whitney Company, both of Dundas. The Bertram Company manufactures machine tools and the Pratt & Whitney Company small tools, such as used by machinists, as well as drills and similar lines. All this has been accomplished within the past dozen years, and the president of the company is convinced that with the rapid growth which is now taking place in Canada the volume of business will in the future expand in an equally satisfactory manner.

Mr. E. Manning Lewis, chief freight agent of the Port of Bristol, was a visitor to The Monetary Times office this week. He has just concluded a tour of Canada and the Pacific States in the interests of the enterprising West of England port.

In round numbers, \$1,500,000,000 of American bonds are marketed every year and almost all of them pass through the hands of American bond houses. Of this, \$1,500,000,000 of bonds one-third is absorbed by insurance companies, savings banks, trust companies and other banks (in approximately equal amounts) and the remaining two-thirds by corporations (for reserve, etc.), and by private investors in the United States and abroad.