

Canada Cement Company, Limited (Continued).

The following persons have agreed to become DIRECTORS OF THE COMPANY.

SIR SANFORD FLEMING, K. C. M. G., Ottawa, Director of The International Portland Cement Company, Limited; Canadian Pacific Railway Company.
 J. M. KILBOURN, President of Lakefield Portland Cement Company, Limited; Owen Sound Portland Cement Company, Limited.
 J. R. BOOTH, Ottawa, Director of Grand Trunk Pacific Railway Co.
 GEORGE E. DRUMMOND, Montreal, Director of Molsons Bank; Canada Iron Corporation, Limited.
 J. S. IRVIN, Ottawa, Managing Director, The International Portland Cement Company, Limited.
 HONORABLE W. C. EDWARDS, Ottawa, Senator, Director of Canadian Bank of Commerce; Director of Toronto General Trusts Corporation.
 W. D. MATTHEWS, Toronto, Vice-President The Dominion Bank; Director of Canadian Pacific Railway.

R. W. KELLY, New York, President of The Vulcan Portland Cement Company, Limited.
 HONORABLE ROBERT MACKAY, Montreal, Senator, Director of Canadian Pacific Railway; Director of Bank of Montreal.
 W. R. WARREN, New York, Director of The Vulcan Portland Cement Company, Limited; Shawinigan Water and Power Company, Limited.
 W. H. E. BRAVERDER, Calgary, Vice-President of Alberta Portland Cement Company, Limited.
 E. M. YOUNG, Allentown, Penn., Vice-President of the Lehigh Portland Cement Company.
 HONORABLE GEO. A. COX, Toronto, Senator, Director Grand Trunk Pacific Railway Company; Canadian Bank of Commerce.
 W. M. AITKEN, Montreal, Director Montreal Trust Company.
 CHARLES H. CAHAN, Montreal, President Western Canada Power Company, Limited.

The Canada Cement Company, Limited, is a new Company, which has been incorporated for the purpose of taking over the undertakings, properties and business of the following Companies, now doing business in Canada as manufacturers of Portland Cement and like products: viz:—

The International Portland Cement Company, Limited, Hull, Quebec.
The Vulcan Portland Cement Company, Limited, Montreal, Quebec.
The Lehigh Portland Cement Company, Limited, Belleville, Ontario.
The Canadian Portland Cement Company, Limited, Marlbank, Ontario.
The Canadian Portland Cement Company, Limited, Port Colborne, Ontario.

The Lakefield Portland Cement Company, Montreal, Quebec.
The Lakefield Portland Cement Company, Limited, Lakefield, Ontario.
The Owen Sound Portland Cement Company, Limited, Shallow Lake, Ontario.
The Alberta Portland Cement Company, Limited, Calgary, Alberta.
The Belleville Portland Cement Company, Limited, Belleville, Ontario.

The Canada Cement Company, Limited, by means of contracts already made, proposes to acquire control of a majority of the shares of the capital stock of the following companies:—

The Western Canada Cement & Grit Company, Limited, Exshaw, Alberta, and The Eastern Canada Portland Cement Company, Limited, Quebec.

The plants, which will be owned or controlled by the new company, are believed to be among the best constructed and most efficiently equipped on this continent; and, under a competent central management, not only will a uniform standard of quality be secured in the combined product, but an equable standard of prices may be maintained throughout the whole country. These plants will have a total capacity in excess of 4,500,000 barrels of Portland cement per annum.

Estimated Earnings.

The following may be regarded as a conservative estimate of the earnings of the Company:—

NET EARNINGS.

The estimated annual net earnings of the Company, based on the quantities of cement being sold, during the present year, by the companies comprised in the merger, and on the costs of manufacture under existing conditions, amount to \$1,900,000

FIXED CHARGES.

Interest on \$5,000,000 of First Mortgage bonds, at six per cent. per annum \$300,000
 Sinking Fund payment on bonds, two per cent. per annum 100,000
 Preferential Dividend of 7 per cent. per annum on \$10,500,000 Preference Shares 735,000
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 Leaving available for dividends on Ordinary Shares of the Company \$765,000

Objects of the Merger.

According to the returns made to the Dominion Government by the cement manufacturers, the average price at their works obtained by them in 1908 was \$1.39 per barrel. This was the lowest price ever reported by the Canadian mills. In 1906 the average price was from \$1.65 to \$1.70, and in 1907, about \$1.60. At the beginning of the present year it was realized by a number of the manufacturers that, even without any increase in prices, the business could be rendered much more profitable by a merger of several of the large competing companies on a conservative basis. The Canada Cement Company, Limited, is the outcome. The new company will own or control cement producing plants at the central points of distribution from the St. Lawrence River west to the Rocky Mountains; and, by securing a more efficient organization, which will be able to regulate the distribution of the manufactured product from these central points to the centres of consumption, large economies in the present cost of freight, which represents a large percentage of the ultimate cost to the consumer, will undoubtedly be effected. The establishment of one executive office in the City of Montreal, and the elimination of competitive salesmen, middlemen, and brokers is also expected to effect a considerable saving in the costs of the Sales Department under the new management.

The Canadian Market for Portland Cement.

The demand for Portland Cement in Canada has increased remarkably during the last five years. In 1904, the total consumption of Portland Cement in the Dominion was 1,694,988 barrels, of which 784,630 barrels were imported. In 1908 the consumption, notwithstanding the general industrial depression, was 3,134,338 barrels, and no less than 3,495,361 barrels were manufactured in Canada. Existing trade conditions indicate that the consumption during 1909 will largely exceed that of 1908.

The increase is not abnormal, nor due to merely local causes. In the year 1888, it is estimated that less than 200,000 barrels of Cement were manufactured on the North American Continent; and the enormous growth of the business is shown by the fact that in 1908 approximately 55,000,000 barrels were there produced. The manufacture of Portland Cement commenced in Canada in 1888, but until 1904 the importations into Canada of the foreign product exceeded the Canadian production.

The report of John McLeish, B.A., chief of the Division of Mineral Resources and Statistics of the Department of Mines Canada, on the production of cement in Canada, during the calendar year 1908, furnishes the following comparative statement.

Calendar Year	Canadian		Foreign	
	Manufactured	Consumed	Imported into	Total Consumed in
	Barrels.	Barrels.	Canada.	Canada.
1904	908,990	910,358	784,630	1,694,988
1905	1,541,568	1,346,548	917,558	2,264,106
1906	2,152,562	2,119,764	666,931	2,785,695
1907	2,491,513	2,436,693	672,630	3,108,723
1908	3,495,961	2,665,289	469,049	3,134,338

Great as has been the development of the Portland Cement industry in Canada since 1904, it is only reasonable to assume that this growth will be largely exceeded in the immediate future, and for many years to come. The enormous public works in progress and in contemplation, including Railways, Canals, Bridges, Harbor Improvements, Piers, Wharves, Docks, Piles, Pavements, Building Foundations, and Buildings, etc., will all require proportionately large quantities of the manufactured products of the new company. The hydro-electric developments throughout the country will increase the demand, while the rapid substitution of reinforced concrete for other materials in the building trades will render necessary an increased production on the part of the new company.

(See over)