

CANADA FURNITURE MANUFACTURERS.—Continued.

It will be seen from the Accountants' Statement that the profits of the last three years have been progressive; the amount necessary to pay the 7 per cent dividend on the \$1,300,000 Preference Stock now issued, being \$91,000, is (on the basis of the profits of the last two years) *more than doubly secured*, and leaves an ample surplus for providing for the Reserve Fund and paying the dividend on the Common Stock.

It is anticipated that the above profits will be considerably increased as the result of the amalgamation of the businesses.

SALES.

The sales for the two years and seven months ending 31st July, 1900, were as follows:

For the year ending 31st December, 1898,	- - -	\$1,082,023
" " " 1899,	- - -	\$1,188,102
For the 7 months ending 31st July, 1900,	\$763,720,	
being at the rate per annum of	- - -	\$1,309,234

ADVANTAGES OF AMALGAMATION.

Among the advantages to be gained by this consolidation of interests the following may be cited:—

- 1st. *The purchase of lumber and goods in larger quantities and on better terms.*
- 2nd. *Avoidance of unnecessary competition.*
- 3rd. *Saving in cost of distribution.*
- 4th. *"Specializing" the manufacture of particular goods, which means that instead of each factory having to manufacture many different kinds of furniture, certain factories will undertake special lines.*
- 5th. *Development of export trade.*

MANAGEMENT.

The Board of Directors include the representatives of some of the principal businesses acquired and it is also intended to retain the services of most of the old Managers, so that the management of the Company and the superintendence of the various factories will be in the hands of experienced manufacturers, who have been successfully identified with the furniture trade for many years.

STOCKS.

After paying for the various businesses, there will remain a sum of over \$500,000 for the purchase of the stocks-in-trade to be taken over by the Company at valuation and for working capital and the general purposes of the Company.

The price to be paid by the Company for the above mentioned businesses has been fixed at \$1,859,972, payable as to \$263,472 in cash, \$525,000 in fully paid Preference Stock, \$1,000,000 in fully paid Common Stock, and \$71,500 in mortgages on the property. The Company will assume these mortgages and will retain in the treasury an equivalent amount of Preference Stock for the purpose of redeeming the same.

The Company will acquire the business of the Furniture Manufacturers' Exporting Company, Limited, by purchasing the whole of the shares of this Company, and thus taking over the assets and liabilities, the consideration for which is included in the above mentioned purchase price.

The Company may at any time before completion reject any of the businesses agreed to be sold, and if they think fit may substitute other businesses of a similar character, and in this case the price to be paid to the Vendors will be increased or diminished as the case may be.

Application will be made in due course for a quotation of the shares of the Company on the Montreal and Toronto Stock Exchanges.

Applications for Preference Shares should be forwarded to either R. Wilson Smith, Meldrum & Co., Montreal, or Pellatt & Pellatt, Toronto, together with a remittance for the amount of the deposit. Cheques to be made payable to the National Trust Co.

If the whole amount applied for be not allotted, the surplus paid on deposit will be appropriated towards the sum due on allotment. Where no allotment is made the deposit will be returned in full.

Prospectuses and Forms of Application can be obtained at the Offices of the Company, and from the NATIONAL TRUST CO., R. WILSON-SMITH, MELDRUM & CO., AND PELLATT & PELLATT.

The Subscription List will open at 10 a. m. on Tuesday, 15th January, 1901, and will close at or before 4 p. m. on Thursday, 17th January, 1901.

TORONTO, DECEMBER 19TH, 1900.

NOTE. Since this prospectus was prepared a fire occurred at the Knechtel Furniture Company's works which destroyed the factory and warehouses and a portion of the stocks, but not the saw-mill or all lumber. The place was well insured and will be rebuilt to a greater advantage than before. This fire will necessitate readjustment of the figures relating to the Knechtel Company, but it does not substantially change the basis of this Prospectus.