



The Plant of The Lehigh Portland Cement Co., Belleville, Ont.

The Canada Cement Company

An indication of how rapidly the industries of Canada are developing is afforded by the announcement of the completion of The Canada Cement Company, which will represent the largest industrial consolidation that has ever been effected in Canada. Within the past couple of years it has been apparent that there were decided advantages to be gained through the consolidation of the different properties and for some months past the leading financial interests of Montreal and Toronto have been trying to arrange terms with the different companies to enter into the merger. A few weeks ago it became apparent that their efforts would be successful when a number of the leading plants were either absorbed or contracts made by which the controlling interest in the stock was secured. It was not, however, until the last few days that it was known that practically all the largest concerns had been secured and that the merger would thus be rendered a very complete one.

The ten companies that have been secured are as follows: The International Portland Cement Company, Ltd., Hull, Que.; The Vulcan Portland Cement Company, Montreal, Que.; The Lehigh Portland Cement Company, Belleville, Ont.; The Canadian Portland Cement Company, Ltd., Marlbank, Ont.; The Canadian Portland Cement Company, Ltd., Port Colborne, Ont.; The Lakefield Portland Cement Company, Montreal, Que.; The Lakefield Portland Cement Company, Lakefield, Ont.; The Owen Sound Portland Cement Company, Shallow Lake, Ont.; The Alberta Portland Cement Company, Calgary, Alta.; The Belleville Portland Cement Company, Belleville, Ont. In addition, The Canada Cement Company, Ltd., by means of contracts already made, proposes to acquire the majority of the shares of the capital stock of The Western Canada Cement and Coal Company, Ltd., Exshaw, Alta., and the Eastern Canada Portland Cement Company, Quebec, Que.

The plants which are owned and controlled by the new company are regarded as being among the best constructed and most efficiently equipped on the continent, and it is expected that on account of central management not only will a uniform standard of quality be secured in the combined product but an equitable standard of prices will be maintained throughout the whole country. Of the output the various plants are showing at the present time it is expected that the whole capacity of all the plants for the year 1909 will be in excess of 4,500,000 barrels.

Objects of the Merger.

According to the returns made to the Dominion Government by the cement manufacturers the average price obtained by them in 1908 was \$1.39 a barrel. 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 realised by a number of the manufacturers that even without any increase in price the business could be rendered much more profitable by the merger. Of several of the large competing companies on a conservative basis The Canada Cement Co., Ltd., 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 will be able to regulate the distribution of the manufactured product from these central points to the centres of consumption, while economy in the present cost of freight will undoubtedly be effected. The establishment of one executive office in the city of Montreal and the elimination of competing salesmen, middlemen and brokers should also enable the company to effect a considerable saving in the costs of the sales department.

The Canadian Market for Portland Cement.

Some idea of the way in which the demand for Portland cement has increased in Canada during the past five years may be obtained from the statistics of the Dominion Government. They show that in 1904 the whole consumption of Portland cement in the Dominion was 1,694,988 barrels of

which 784,634 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 companies indicate that the trade for 1909 will largely exceed that of 1908. The increase is not abnormal nor due to 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 importation in Canada of the foreign product exceeded the Canadian production. The report of Mr. John McLeish, B.A., Chief of the Division of Mineral Resources and Statistics of the Department of Mines, Ottawa, on the production of cement in Canada during the calendar year 1908 furnishes the following comparative statement: In 1904 the number of barrels manufactured in Canada was 908,990, and the amount imported into Canada was 784,630, while the whole consumption in the same year was 1,694,988 barrels. In the year 1908 the number of barrels manufactured in Canada was 3,495,961 and the number of barrels imported was 469,049, while the whole consumption was 3,134,338 barrels.

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, harbour improvements, piers, wharves, docks, pavements, building foundations and buildings, etc., will all require proportionately large quantities of the manufactured products. The hydro-electric development throughout the country will increase the demand, while the rapid substitution of concrete for other materials in the building trades will render necessary an increase in production on the part of the new company. The board of directors of the new company is most representative. It is one of the most representative that has ever been gathered in Canada, representing as it does interests not only from all the important financial centres but also from the men who have been identified with the cement industry in Canada ever since its inception. In this way Toronto and Montreal gain the right to representation on the board by the part played by their leading financiers while other centres obtained representation because of the active part they have played with different plants that are now included in the consolidation. The board of directors is as follows:

Sir Sandford Fleming, K.C.M.G., Ottawa, Director of The International Portland Cement Company, Ltd., and of The Canadian Pacific Railway Company; J. M. Kilbourn, Montreal, President of Lakefield Portland Cement Company, Limited; J. R. Booth, Ottawa, Director of the Grand Trunk Pacific Railway Company; George E. Drummond, Director of The Molsons Bank; J. S. Irvin, Ottawa, Managing Director of The International Portland Cement Company, Ltd.; Hon. W. C. Edwards, Ottawa, Director of The Canadian Bank of Commerce; W. D. Matthews, Toronto, Director of The Canadian Pacific Railway; R. W. Kelly, New York, President of The Vulcan Portland Cement Company, Ltd.; Hon. Robert Mackay, Montreal, Director of The Canadian Pacific Railway; W. R. Warren, New York, Director of The Vulcan Portland Cement Company, Ltd.; W. H. E. Bravender, Calgary, Vice-President, The Alberta Portland Cement Company, Ltd.; E. M. Young, Allentown, Pa., Vice-President The Lehigh Portland Cement Company; Hon. George A. Cox, Toronto, Director of The Grand Trunk Pacific Railway; W. M. Aitken, Montreal, Director The Montreal Trust Company; Charles H. Cahan, K.C., Montreal, President The Western Canada Power Company, Ltd. The Bank of Montreal are the bankers for the new consolidation and The Royal Trust Company, transfer agents, and The Montreal Trust Company, registrar.

Forms of application can be obtained at any office of the Royal Trust Company or of the Royal Securities Corporation, Limited.

The Royal Securities Corporation, Limited - Montreal