

CANADIAN INDUSTRIAL UNDERTAKINGS

**To be Brought Out in London as English Companies,
Says a Correspondent—Question of Government
Loan Guarantees.**

Last week the Monetary Times referred to the imperative necessity for Canadian financiers to place before the British investor only the best propositions, together with the fullest information so that the individual investor could judge values. In this connection, a correspondent writes a London contemporary regarding the lack of appetite on the part of the British public for Canadian industrial enterprises. But, he adds, preparations are being made for bringing out a number of these undertakings as English companies this year. In Anglo-Canadian circles one hears of many such proposals.

Milling, Power, Coal and Fish Companies

There are draft prospectuses of projected flour-milling companies, water and electric power companies, British Columbia frozen and canned fish companies, Alberta coal companies, lumber companies, land and other companies now being hawked about from one promoter to another, with the object of unloading them during the next few months on British investors. Some of these projects are good in themselves, but are so scandalously over-capitalized that they can have but small chance of ultimate success, and the attempt to float them in this country will serve only to injure the credit of other legitimate Canadian enterprises. To people who are disposed to put forward this class of over-capitalized undertakings it may be pointed out that there are now resident in this country an ever-increasing number of Anglo-Canadians of wide information and assured position and influence with a competent knowledge of every part of the Dominion, and some one or other of these gentlemen is sure to be applied to for information about any Canadian concern that is offered for sale, publicly or privately. These Anglo-Canadians are not backward in giving an opinion with a refreshing frankness that is unusual in old-world business circles, and as a result more than one discomfited promoter has already returned to Canada a sadder and a wiser man than when he landed on these shores.

Railway Loans to be Offered

Important railway loans will be offered this spring, bearing the guarantees of Ontario, Manitoba, Saskatchewan, Alberta or British Columbia respectively, for railway construction that is indispensable to the development of these Provinces and to the Dominion as a whole. Nobody wishes for a moment to question the credit and responsibility of any one of these provinces for the liability it undertakes by becoming a guarantor. It is conceded that these provinces must have the railways now projected, and an even larger mileage, but it may be open to question if guaranteeing the interest and principal of the construction bonds of privately-owned companies is the most prudent and business-like method of attaining the desired result.

Suggestion Regarding Government Guarantees

"The end might be attained in another and simpler way, particularly in the case of the Dominion Government, which has given its guarantee to large issues of bonds by the Canadian Northern and Grand Trunk Railway Companies. It would be a simpler, more efficient, and certainly a more dignified method of finance, if the Dominion or any Provincial Government wishing to support the construction of any particular railway were to borrow the money for the purpose directly on its own credit, and then lend the money to the railway company, on such terms and security as it might deem advisable.

"In this way the Dominion or a province could borrow at the lowest obtainable rate of interest and lend the money for construction at a slightly higher rate of interest—say, 1 per cent. This difference between the interest paid and the higher rate received from the railway company could be created into a sinking fund for the redemption of the principal loan money. Further, the system proposed would have the effect of making the payments of principal and interest on such loans part of the ordinary finance of any Government in each year and not a contingent liability as these railway bond guarantees are at present.

The old Canada Permanent Block at the corner of Portage Avenue and Main Street, Vancouver, is being torn down to make way for the Bank of Montreal building. This has necessitated the Great-West Life Company removing to temporary quarters until their new building is completed. The Canada Permanent Mortgage Corporation have also moved into their new building on Garry Street. The new building is fitted up with the latest equipment and is one of the finest offices in Vancouver.

INDUSTRIAL COMBINES.

Another Amalgamation of Fishing Companies—Navigation Deal Completed—Cotton Companies May Merge—Cereal Companies, Too.

The cult of the Canadian industrial amalgamation continues. Last week details were given of a combination of several Nova Scotia firms handling dried fish. Regarding the statement that the firm of Zwicker & Company were in that merger, we now learn that this company, so far as is known will not be connected with the new amalgamation. Messrs. Zwicker & Company are prosperous and the outlook for their business is excellent. Now the fresh fish companies are to be merged and taken over by a Montreal syndicate headed by the National Securities Company of that city. It is proposed to acquire the Whitman interests, who are the biggest fish dealers in Nova Scotia and who own the largest cold storage warehouses in Canada at Canso. Options have been obtained on two large companies and also on a number of smaller companies in Yarmouth and elsewhere.

The financial organization is being arranged by the National Securities Company and Mr. A. H. Brittain, the representative of the Atlantic Fish Company, in Montreal, is attending to the business end of the scheme, having been the original promoter. The increase in capital invested in Canadian fisheries has doubled in sixteen years, and is now \$15,508,000, while the number of men employed totalled 84,823 last year.

The Canada Gazette this week contains a notice that a charter has been granted the Maritime Fish Corporation, Ltd. The capital is \$1,000,000 divided into 10,000 shares of \$100 each, and the head office will be Montreal. The company have been granted wide powers consistent with the nature of their business.

Navigation Companies Affected.

Following close upon the proposed gas merger in Hamilton, Ont., comes the news of an amalgamation of two transportation companies. This has been effected by the combination of the Midland Navigation Company and the Inland Navigation Company, as the Inland Navigation Company, with head office at Hamilton. The board of directors will consist of nine, five from the old Inland Company, and four from the Midland, one of the conditions imposed by the shareholders of the former company being that the majority of members of the board were to be representatives of the old Inland Company.

Mr. James Playfair will be president and managing director of the concern, while as an assistant he will have Mr. Irving Hobson of the Bank of Hamilton. The stock of the new company will be divided into \$2,500,000 preferred and \$1,000,000 common shares. Until the new charter is granted, it will not be possible to close the deal. There is little likelihood of a slip as the shareholders of both companies have agreed on all the terms of amalgamation. In connection with this matter Mr. R. Forget, president of the Richelieu and Ontario Navigation Company, this week confirmed reports of negotiations between that company and the Toronto and Hamilton line for the purchase of the latter.

Another Combine for Hamilton.

Another combine of even greater importance to Hamilton than that of the navigation companies is likely to be consummated at an early date. This may include several steel and iron companies, including the Hamilton Steel and Iron Company, Canada Screw Company, Montreal Rolling Mills Company, and the Canada Bolt and Nut Company. The new concern will be known as the Canada Bolt and Nut Company, and may absorb the Toronto Bolt and Forging Company, the Brantford Screw Company, and the Gananoque Bolt Company, these companies having recently merged under the title about to be taken by the new amalgamation. The headquarters will be in Hamilton, and extensive additions will be made to the plant in that city. The Hamilton Steel and Iron Co. expending between \$400,000 and \$500,000, installing the Gayley dry air process for treating ore, it being estimated that by this process the cost of production will be reduced by about 75 cents per ton.

The consummation of this merger will mean the expenditure of about \$1,500,000 on improvements, also the employment of a large number of extra hands.

The new company will be capitalized at \$15,000,000 and will be one of the largest doing business in the Dominion. On the directorate will be representatives from Hamilton, Toronto, Montreal, Brantford and Gananoque.

Cereal Interests to Amalgamate.

The next industrial merger is of several cereal food and flour milling companies. The following will likely be amalgamated:—Tillsonburg Company, Tillsonburg; Flavelle Milling Company, London; P. McIntosh & Son, Toronto; James Wilson & Son, Fergus; Walter Thomson & Son,