

# BEAVERBROOK TO REORGANIZE PRICE BROS. CO.

## Plan Presented at Annual General Meeting Saturday

### TO REMAIN INDEPENDENT

#### Allan A. Aitken Is President and Major Andrew P. Holt Vice-President

(Special to The Gazette.)

Quebec, June 4.—Shareholders of Price Bros. and Company, a leading unit in the newsprint industry of this country, at the annual general meeting held here today, had laid before them by Lord Beaverbrook, British publisher who has a substantial interest in the securities of the newsprint company, a broad scheme of capital reorganization to meet the difficult situation which at present faces the company. Formal approval of the plan will be sought later, at special meetings of the security holders.

Postponement for a period of five years of sinking fund payments on the bond issue of \$11,513,600; deferment for five years of dividend payments on the cumulative preferred stock and issuance of income debentures to the company's creditors are the principal features of the plan.

The reconstructed Price Company will remain as an independent company and will not enter any consolidation of newsprint companies, stated Lord Beaverbrook.

The board of directors elected at the meeting was as follows: A. J. Brown, K.C.; Allan A. Aitken (brother of Lord Beaverbrook); Major Andrew P. Holt, Sir William Stavert, Sir Ion Hamilton Benn, Sir Keith W. Price, Victor M. Drury, William P. Creagh, Claude S. Richardson, J. Angus Ogilvie, F. Campbell Cope, John G. Porteous, Alfred H. Lang, George T. Hardie and Herbert W. Jackson. A. J. Brown, K.C., acted as chairman.

At a meeting of directors following the shareholders' meeting, the following officers were elected: Allan Aitken, brother of Lord Beaverbrook, president; Major Andrew Holt, son of Sir Herbert Holt, vice-president, and W. E. Elwin, secretary. The resignations of Col. John H. Price, president, J. Leonard Apedalle, vice-president, and H. E. Price, secretary, had already been submitted and accepted.

Lord Beaverbrook stated that on the approval of the plan, the present board of fifteen would be reduced to seven and indicated his willingness to serve on the board as an expression of his confidence in the company's prospect. Col. John H. Price would continue as operating vice-president of the company. Another interesting point brought out by Lord Beaverbrook, in conversation with The Gazette, was the fact that he would substantially increase the tonnage, already an important volume, which he takes from Price Brothers.

#### BEAVERBROOK'S REMARKS.

The complete address of Lord Beaverbrook to shareholders at the meeting, in which he outlined the reorganization scheme, follows:

Mr. Chairman and Gentlemen.—I came here at the request of Mr. Price to help him in readjusting the company's affairs. I have come with the full knowledge of the circumstances that have led up to the situation which Mr. Price has discussed with you today.

I took part with Sir William Price in the affairs of the company when he undertook the newsprint operations in 1910. I have the same interest today that I had at that time. I am also one of the largest customers of the company, taking one-quarter of the output of the mills during the months of March and April.

When Mr. Price asked me to come, I communicated with banks and other institutions interested in Price Brothers. I asked these institutions, if I came to the aid of Mr. Price, would they be prepared to support me, and would they be prepared to help me to carry through an effective plan of reconstruction that would enable us to make the company strong and resourceful. I have received assurance from the banks. The Bank of Montreal, the Royal Bank and the Guarantee Trust Company gave me proxies to represent them. In giving me these proxies, the banks gave me also approval of a plan which I will submit to the various security holders of the company.

There is, however, no change in the control of this Company. The control is just where it was. It has been stated in some quarters that I would take over control of the Company. The control of the Company is just where it was 25 years ago.

That plan is roughly divided into five headings—

First, we wish to deal with the First Mortgage Bonds. We will ask of those First Mortgage Bondholders that they should relinquish their sinking fund under the mortgage for a period of five years. We will ask that the First Mortgage Bondholders forego any claim that may be existing at this moment under which a default under the mortgage could be declared. There are clauses in the mortgage providing that the Company must maintain its liquid assets in relation to its liabilities at 125 per cent.

If we should have defaulted in that respect, we ask the Trustee to waive it.

That concludes the First Mortgage Bondholders concessions which we will ask them to carry through.

As to Price House—the Company, I think, is called Price Realty Co., and Price Brothers and Co., owns all the ordinary shares. There is 3

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