

## Christmas BLESSINGS

May the blessings of Christmas be yours during this holy season and may they continue long into the future.



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## Canadian Motor Firm Forced To Reorganize

By KEN SMITH  
Canadian Press Business Editor  
Canadians have been buying new cars at a record clip this year—more, even, than the industry had expected—but despite the boom one company has been caught with its sales down.

Canadian Motor Industries Ltd. came on the scene a year ago as a private company to sell and, eventually, to assemble Japanese cars in Canada.

Since then things have not gone exactly as planned. When it was first formed, the company was billed as the only car producer in Canada not tied to a parent outside the country; officials talked of sales of 5,000 to 10,000 cars in the first year; a network of 200 dealers was expected; a 15,000-car-a-year assembly plant was to be built and operating as soon as possible.

Last week CMI admitted its first hopes were too elaborate. Faced with financial woes, the company passed control to two Japanese groups, subject to approval of the Japanese gov-

ernment. Retail sales so far have totalled only 1,800 cars and the number of dealers is put at 35, both a far cry from early forecasts.

### SCALE DOWN PLANT

The assembly plant output has been scaled down to 4,000 cars annually to start and construction has been postponed until retail sales reach that figure—possibly as long as two years, officials of the reorganized firm say.

Taking over control of CMI with a 30-per-cent equity each will be Mitsui and Co. (Canada) Ltd., and Royota and Isuzu, the two car firms whose products CMI is distributing.

Clairtone Sound Corp., which now holds 51 per cent of CMI, will reduce its holdings to 30 per cent while a Western Canadian group will hold the rest. The western group, led by industrialist Frank McMahon of Vancouver, has owned 35 per cent of Mitsui the remainder.

One Mitsui official said CMI's troubles have resulted from insufficient capital. The reorgan-

ization, he said, is aimed at remedying that.

He emphasized the change in plans does not affect the company's decision to put up an assembly plant at Point Edward, N.S. Although the early optimism hasn't been justified, he said, the company still is encouraged by the acceptance of the cars.

A CMI spokesman also noted there are two aspects to the company's operations. The immediate one is selling cars, while the longer-range aim is assembling them in Canada. The first is succeeding, he said.

**PREDICTS SLOWDOWN**  
Elsewhere on the business scene, the 3,700-member Toronto Real Estate Board warned of a possible slowdown in total housing starts across Canada in 1966.

Anticipating a drop in the number of apartment starts, the board predicts about 160,000 dwelling units will be built next year, compared with this year's record, 170,000.

The board also says it is not likely there will be much easing in the tight mortgage money situation since most of next year's funds already have been committed.

The tight money, high interest situation was blamed as a factor by Laurentide Finance Corp., Canada's third-largest finance company, in the closing of its Regina office. The branch was Laurentide's only one in Saskatchewan.



## DEBRIS FROM SPACE

These three heavy metal spheres, found near Sevilla, Spain, Dec. 6, are believed to be debris from a Soviet space

craft or rocket which disintegrated as it re-entered the atmosphere. Spanish scientific experts say the spheres

appear to be pressure tanks and have numbers and letters on them in the Russian alphabet. They are undamaged ex-

cept for a burned area on one which is believed to have been caused by re-entry. (AP)

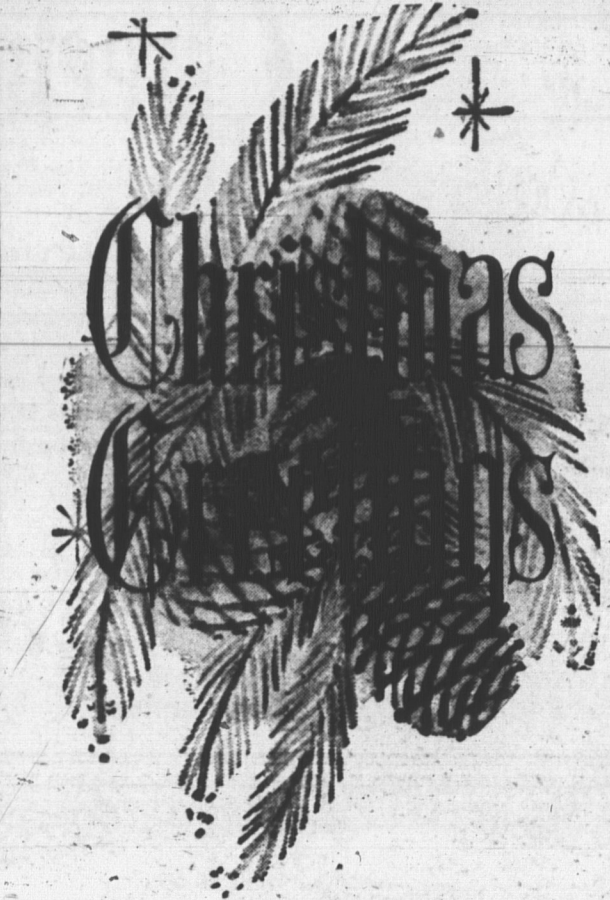


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**SEASON'S GREETINGS**

With all the tranquility of a snow-covered landscape, the spirit of Christmas comes to bless and brighten every heart and home. It is our wish that you may enjoy three fold this Yule all the wonderful things that go into making the Christmas season such a special time: the joyful hours, the happy memories, the cheerful gatherings with family and friends. And may we, too, continue in your friendship, serving the needs of you and your family, always in a better way. We know how much it means to have the trust and good will of folks like you, and we are truly grateful.

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