

Consolidated-Bathurst continued to be vulnerable to low prices, weak markets, oversupply, depressed earnings, poor dividends, and a sagging share price. Then Davie Shipbuilding, a wholly owned subsidiary of Canada Steamship Lines, suffered a significant loss in 1972 due to unexpected cost overruns in the construction of three 80,000-ton ocean-going tankers, and two years afterwards CSL's earnings were hurt by an eight-week strike on the Great Lakes.

But Power's team of head office executives and its talented pool of autonomous managers, with strong leadership from its controlling shareholder, gradually began to produce steadily improving results, which boosted investor confidence and the value of the Company's stock. In the case of Consolidated-Bathurst, for example, Power was able to initiate the management changes and set the strategic direction that turned the forest products company around. It wrote off money-losing operations, sold assets, restructured its finances, and netted more than \$24 million cash in its abortive attempt to take over Abitibi Paper in 1974. Loans were paid down. Cash flow increased. Dividends rose. When its markets and prices picked up, so too did the fortunes of Consolidated-Bathurst.

In 1975, coincident with the Company's 50th anniversary, Power Corporation made what was then considered one of the boldest and most controversial moves in Canadian business



The La Presse building today.



It launched a takeover attempt for Argus Corporation, a Toronto investment company with assets of over \$200 million, including significant positions in Massey Ferguson, Standard Broadcasting, Dominion Stores, Domtar, and Hollinger Mines. Though by 1976 Power had picked up more than 50 per cent of Argus's total equity, it was unable to wrest the company from the core