

net profit of \$150,000;" the Machine Shops are said to yield a revenue of \$45,000; the Forests are declared to be capable of yielding "an inexhaustible supply of pulp-wood and timber at the lowest possible cost," and the Nickel mines are described as "capable of an output of several thousand tons daily."

The authorized capital is stated to be 20 millions, 120,000 shares at \$50 each, 7 per cent. non-cumulative preferred stock, and 280,000 shares of common stock. The Directors named comprised the presidents of the companies to be amalgamated, amongst them, F. H. Clergue, President Sault Ste. Marie Pulp & Paper Co., whose name has become so closely identified with this great undertaking.

The development and progress of this enterprise, so varied in character, in which capital to an amount unprecedented in Canada, having involved in it such vast financial, personal, commercial and industrial interests, has been watched with hopes not unminged with anxiety. The work of completing the organization, and of bringing the plant into working condition took a length of time. Shortly after the various industries were put in operation, in the spring of 1902, the following description of the enterprise was given by the "New York Commercial & Financial Chronicle."

The Consolidated Lake Superior Company controls and is developing the water power estimated at 200,000 hydraulic horsepower, at Sault Ste. Marie, Michigan and Ontario, for use in connection with its own manufacturing enterprises, the production of steel rails, paper, etc., and under lease to other companies, including Union Carbide Co., American Alkali Co., and others. The Company owns all the capital stock of the following companies, capitalized as follows:—

Michigan Lake Superior Power Co., common stock.	\$ 500,000
and 50 year 1st mortgage 5 per cent. ....	3,500,000
Lake Superior Power Co. of Ontario, preferred .....	500,000
" " " common .....	1,500,000
Sault Ste. Marie Pulp & Paper Co. of Ontario, preferred .....	750,000
Sault Ste. Marie Pulp & Paper Co. of Ontario, common .....	1,250,000
Tagana Water & Light Co. of Ontario .....	200,000
Algoma Tube Company, authorized stock .....	30,000,000
	<b>\$38,200,000</b>

The properties acquired through the Lake Superior Company consisted of about 2,000 square miles of timber and mineral lands, etc., and the entire stock of the Algoma & Hudson Bay Railway. This Company was subsidized by the Government of Canada to extent of \$1,422,000. The steel business is carried on under the Charter of the Algoma Steel Co., Ltd., with \$20,000,000 stock and a plant at Sault Ste. Marie, Ont., having a productive capacity of 2,500 tons of steel daily, operated from April, 1902.

In May, 1902, it was announced that Canadian capitalists had invested a considerable amount in the stock of the company, hitherto unsubscribed by stockholders, and have had the shares listed in Toronto. It was also stated in May last that the company expects to open the power canal on the American side, which was built with the proceeds of the \$3,500,000 5 per cent. bonds of the Michigan Lake Superior Company, which canal, on 16th August 1902, was stated to have been "put in operation." In May, 1902, the Canadian Rolling Stock Co. was incorporated as a part of the enterprise with \$2,000,000 authorized stock.

In June, 1902, the authorized stock was stated to be:—

Common stock .....	\$82,000,000
Preferred, 7 per cent. ....	35,000,000

Total authorized .....

Of these there was then outstanding:—

Common .....	\$72,150,000
Preferred, 7 per cent. ....	23,214,400

Total outstanding, June, 1902 .....

In June, 1902, the Philadelphia Stock Exchange listed \$2,165,149 of additional "preferred" and \$542,000 additional "common stock," the totals quoted being respectively, as stated above, Common \$72,150,000 and Preferred \$23,214,400.

In July the announcement appeared that, "during 1902-3 about \$4,000,000 preferred will probably be issued, making \$25,000,000 in all.

The Report for year ending June 30, 1901, showed:—

Dividends received .....	\$684,916
Preferred stock dividends .....	253,628
Common stock " .....	420,000
General expenses .....	8,044
Balance surplus .....	1,244
	<b>\$684,916</b>

In August last the "Philadelphia News Bureau" quoted an officer of company as having said:—

"The outstanding preferred stock is, roughly, \$24,000,000, upon which a full year's dividend at 7 per cent., which is the rate paid, is \$1,680,000. I may say that a considerable surplus beyond the amount required to pay the preferred dividend has been earned."

After the quarterly dividend had been declared on the preferred stock payable the 15th December last the Board of Directors passed a resolution to postpone its payment. This resolution states that this action is taken "because the financial obligations of the company render it inadvisable to pay the said dividend on the date fixed." Arrangements were announced to be in progress for a collateral trust loan sufficient to meet all obligations maturing by September next, 1903, and to supply working capital. The Vice-President and Treasurer stated:—