

FINANCING OF LAKE SUPERIOR CORPORATION

Reducing the Load—Improvement of the Algoma Steel Plant

Some interesting details were given to the shareholders by Mr. J. Frater Taylor, president of the Lake Superior Corporation, at the recent annual meeting. He explained that the aim of the management since 1909 has been to concentrate the resources of the Lake Superior Corporation in the building up of its largest earner, Algoma Steel Corporation, Limited, all of whose issued share capital, \$10,000,000 preferred, and \$15,000,000 common stock is owned by the corporation, and to dispose of all other industries and assets which were in an incomplete state or would be a drain on its resources, unless such industries were so closely allied with the operations of the steel company as to make them essential. In pursuance of this policy, all outside assets, with certain exceptions have been sold and the proceeds applied partly in improvements in the steel plant and partly in payment of the Lake Superior Corporation first mortgage bonds, which have been reduced from \$10,000,000, at which they stood on June 1st, 1910 to \$5,708,000, the present amount.

The exceptions referred to are:—Algoma Central and Hudson Bay Railway, Algoma Central Terminals, Limited, Algoma Eastern Railway, Algoma Eastern Terminals, Limited, International Transit Company, Trans. St. Mary's Traction Company and the Tagona Water and Light Company.

City Buys Plants.

The Tagona Water and Light Company has, under the terms of its concession, just been acquired by the city of Sault Ste. Marie, and the company will receive a net sum of about \$450,000 for same. Of this sum, \$160,000 must be applied in repayment of first mortgage bonds of the Tagona company. The revenue heretofore received from this source—last year \$94,667—will naturally cease.

Negotiations are in hand for an extension of the street railway franchise in the Canadian Soo and also for the disposal of the assets of the two street railway companies.

The corporation's interest in the railways is as follows:—

			Owned by Lake Superior Corporation.
Algoma Central & Hudson Bay Railway ..	Preferred	5,000,000	
	Common	5,000,000	5,000,000
Algoma Eastern Railway	Preferred	800,000	800,000
	Common	2,000,000	1,000,000
Algoma Central Terminals	Preferred	All owned by Algoma, Central and Hudson Bay Railway
	Common	100,000	
Algoma Eastern Terminals	Preferred	
	Common	100,000	

The bonds of the railway are guaranteed by the corporation. The Algoma Central is not yet fully in operation, but under present conditions neither railway can show the earnings expected.

About the Algoma Steel Corporation.

As set forth in the prospectus of the Lake Superior Corporation 5 per cent. first mortgage and collateral trust bonds issued in 1909, the steel plant and allied industries, now consolidated into Algoma Steel Corporation, Limited, formed the main asset of the Lake Superior Corporation.

The plants of the steel corporation were at that time most incomplete and far from modern in design and construction. Nothing but rails were made—not even spikes, bolts or tie plates to complete the various railroad companies' orders. The steel company controlled but little of the raw materials required in the manufacture of its product. The net earnings, exclusive of bounties, had never exceeded \$400,000.

Steel and Power Plant.

To-day the steel company owns a steel plant equipped with every modern appliance, comprising 110 coke ovens, 3 blast furnaces, Bessemer plant (mixer and 2 four-ton converters), an open hearth plant, consisting of seven 40-ton furnaces with a 250-ton mixer, representing a steel making capacity of 500,000 tons, rolling mills with a capacity of 400,000 tons of rails, and merchant mills with a capacity of 80,000 tons of steel products per annum.

The geographical position of the plant places it in a commanding situation to supply the great and increasing market in the Canadian west, whilst the quality of the steel rails produced has an excellent reputation in Canada and the United States.

The Steel company also possesses a complete gas engine power plant, consisting of four gas engines and blowers, and five gas engines and electric generators, developing 19,800 horsepower, and two turbo-electric sets and four Mesta steam blowing engines developing 8,000 horsepower. The Steel company also owns the hydro-electric power station and plant at Sault Ste. Marie, developing at present about 15,000 horsepower, all of which is under contract for sale to the town of Sault Ste. Marie and local industries. In addition, a hydro-electric plant of 2,000 horsepower has been constructed to supply power to the ore mines. The total development, therefore, amounts to 44,800 horsepower.

The company's balance sheet appears elsewhere in this issue.

WANT NEW COMPENSATION ACT

Mr. Robert Campbell, member for Rocky Mountain in the Alberta legislature, has given notice of a resolution calling on the provincial government to appoint a commission to investigate the workmen's compensation act with a view to its amendment or repeal at a later session. Mr. Campbell contends that the act passed some years ago is not working satisfactorily, either to the employees or the employers.

PROTESTS OF QUEBEC PROVINCE LIFE MEN

At a meeting of the Life Underwriters' Association of Quebec Province, held in Montreal, a protest was made against the employment of alien insurance agents of German or Austrian birth during the present war. The matter will be brought to the attention of the Dominion Life Underwriters' Association.

Mr. A. J. Meiklejohn, president of the Dominion association, spoke of the necessity for field men becoming members of underwriters' associations. The public must be taught the benefits of life insurance by advertising along definite lines in the press and by instituting lectures on insurance in schools and colleges. That such lectures might be instituted, the suggestion was offered that for every \$1,000 of business written, managers should subscribe five cents towards a fund to be administered by the Dominion association.

Mr. Homer A. Vipond, Montreal manager of the New York Life Insurance Company, called attention to the fact that a law recently passed by the Ontario Legislature made it impossible for any agent not resident in the province to obtain a license for soliciting insurance in Ontario. He thought this was unfair to insurance men living in other provinces and doing some business in Ontario. A motion of protest against the law was proposed by Mr. Vipond and carried.

Hon. Pierre Edouard Blondin, appointed minister of inland revenue in the Dominion cabinet this week, was born in Yamaska county, Quebec, December 14th, 1874. He is a graduate of Laval. He has been clerk of the circuit court of Champlain county, and an alderman for the town of Grand Mere. He was elected to the House in 1908. He has been deputy Speaker since 1911.

Hon. T. Chase Casgrain, K.C., LL.D., appointed post-master-general in the Dominion cabinet this week, is the second American-born member of the cabinet, Hon. G. H. Perley being the other. He was born in Detroit, Mich., July 28th, 1852, but was educated in the Quebec seminary and at Laval University. He is a distinguished member of the Bar; was member of the Quebec Legislature 1886-96; was Attorney-General, 1891-96, and was a member of the House of Commons, 1896-1904. He has been chairman of the Canadian section of the International Waterways Commission. Hon. Mr. Casgrain was called to the Quebec Bar in 1877, and was junior counsel for the Crown at the trial of Louis Riel for high treason at Regina in 1885, and in 1894 was chairman of the Royal Commission to revise and amend the code of civil procedure. In 1907 he was prominently identified with the Anti-Alcoholic League of Montreal.