

Offers \$18,000,000 for "Canyon" Bonds

Premier Henry Announces Terms Under Which the Government will take over the Abitibi Canyon Power Project.

During the last week-end Premier Gen. S. Henry made known the terms under which the Abitibi Canyon power project may be acquired by the Ontario Government. The provincial Hydro Commission would operate but the ownership would be in the province direct and the financing would be done by the province direct, so that the Hydro Commission and the municipalities concerned would not be obligated specially for the purchase. Under the plan as outlined by Premier Henry, Hydro 20-year debentures to the amount of \$18,000,000 are to be exchanged for \$20,000,000 of Ontario Power Service bonds, on condition that 90 per cent. of the Power Service bonds are deposited for exchange.

Dated October Next.

The debentures of the Hydro Commission, which will be guaranteed by the Government, will be dated Oct. 1, 1932. They will be payable in Canadian funds only, and instead of bearing interest at 5 1/2 per cent. in either Canadian or United States funds, the interest rate will be as follows: 3 1/2 per cent. for five years; 4 1/2 per cent. for five years, and 5 per cent. for ten years. The Hydro Commission will retain the right to redeem at par on any interest day.

G. T. Clarkson and Strachan Johnston, K.C., are working out the details of the exchange, and a detailed advertisement will shortly be published giving complete information to the bondholders on the effecting of the exchange.

"We have gone into the transaction thoroughly and are satisfied as to the arrangement under which the project is acquired," said Commissioner C. Alfred Maguire of the Hydro last week. "If we could not operate successfully we would not have touched it. However, to protect the municipalities of the province now composing the Commission in the case of an eventuality arrangements have been made that they incur no financial responsibility.

Predicts Cheap Power.
The Abitibi Canyon will put Northern Ontario on the map," predicted

Commissioner Maguire. "For years the lack of cheap power has held the development of Northern Ontario back. It will be provided now. The transaction is a complete set-up for the Hydro in Northern Ontario."

Mr. Maguire stated that he thought the matter of when work would be resumed would be settled at the Commission meeting Thursday, or even earlier.

The Statement.

The full statement, as issued by the Prime Minister, follows:

"For many years past the Government of the Province of Ontario has been studying the electric power needs of Northern Ontario, with a view to encouraging development in that part of the Province. Cheap power is required to stimulate the mining industry, and particularly to encourage the development of the low-grade mining properties which could not otherwise be developed. There has been an insistent demand from these sources for cheap power.

"At the canyon site of the Abitibi River there was the possibility of developing approximately 240,000 commercial h.p. A power lease providing for the development of this power was granted to Ontario Power Service Corporation Limited, a company which is entirely controlled by the Abitibi Power and Paper Company Limited, which was then in a prosperous condition.

"In order to encourage the development and to meet the demand for cheap power, the Hydro-Electric Power Commission of Ontario was authorized to enter into a contract with the Ontario Power Service Corporation Limited for 100,000 horse-power at \$13 per horse-power, to be delivered to the Commission at Huntia, just west of Cochrane, for a term of approximately forty years, and the Government guaranteed the Commission against any loss in respect of such contract. At the same time, the Abitibi Power and Paper Company, Limited, agreed with the Ontario Power Service Corporation Limited, to purchase from it for a term of forty years all the power not required to be delivered to the Commission.

Underwritten at 90.

"In July, 1930, Ontario Power Service Corporation, Limited, issued \$20,000,000 20-year bonds bearing interest at 5 1/2 per cent. The bonds were underwritten at 90, netting approximately \$18,000,000, which was paid to the Mon-

HELP MAKE COMPANY RECORD



H. T. BUCHANAN



J. D. BRADY

For the six weeks ending July 11, the London Life Insurance Company reported the unprecedented volume of \$21,078,000, which is greater by \$4,000,000 than that of last year.

H. T. Buchanan, Superintendent Industrial Agency and J. D. Brady, Ordinary representative contributed their share to the grand total.

treal Trust Company, as Trustees, to be paid out for construction and interest during construction, and Abitibi Power and Paper Company, Limited, covenanted with the Trustee to furnish any additional moneys which might be required to fully complete the development. The work is nearing completion, but it will cost approximately two and a half million dollars in addition to the moneys still in the Trustee's hands to complete the work.

"Owing to the position of the newspaper industry, the Abitibi Power and Paper Company, Limited, is unable to supply any part of the moneys it agreed to furnish. It has made default in its bond interest, thus a serious situation has developed.

"Under these circumstances Ontario Power Service Corporation Limited requested the Government to consider some plan for assisting the company or for taking over and completing the work on behalf of the Government, and for some time the matter has been given serious thought by the Government and the Hydro-Electric Power Commission of Ontario.

"Under its contract with the Power Company the Hydro-Electric Power Commission would be liable on completion of the plant to purchase 88,000 h.p. at \$13.00 per h.p. a total of \$1,144,000 per annum, and to increase the amount of power taken until in 1936 it would have to purchase 100,000 h.p. for a total of \$1,300,000 per annum. At present the Commission has sold 16,000 h.p.

"The Commission has agreed to sell to the Abitibi Power and Paper Company, Limited, and its subsidiary, Abitibi Electric Company, Limited, 45,000 horse-power, but owing to the financial position of the Abitibi Power and Paper Company and its subsidiary no income can be expected from these contracts for the present.

"The Government and the Commission consider that it is most important that the development should be completed, and the Government with the approval of the Commission has finally decided as the most convenient way of getting title to the property to offer to the bondholders \$18,000,000 of the Commission's twenty-year debentures in exchange for the \$20,000,000 of outstanding bonds of the company, subject to the condition that 90 per cent. of the issued bonds of the company are deposited for exchange.

"The debentures of the Commission will be dated Oct. 1, 1932, and instead of bearing interest at 5 1/2 per cent. payable in Canadian or American funds, will be payable in Canadian funds only, will bear interest at 3 1/2 per cent. for five years; 4 1/2 per cent. for five years, and 5 per cent. for ten years, with the right to the Commission to redeem on any interest day at par. These debentures will be guaranteed by the Province.

To Acquire Title.

"If a sufficient number of the com-

pany's bonds are exchanged, the Commission will be able by any necessary legal proceedings to acquire complete title to the property thereafter. It is intended that the Commission will transfer the property to the Province, but will continue to manage it on behalf of the Province.

"The Government rejected proposals that it should advance moneys to the company to enable it to complete on the security of second-mortgage bonds or any subordinate security, believing that the property should be owned by the Province outright.

"The plan proposed involves a considerable sacrifice on the part of the bondholders, but the Government has been in touch with a large number of local bondholders, or their representatives, who have finally indicated their willingness to accept the proposed exchange and to advise other bondholders to do so.

"The details to carry out the exchange are now being worked out by G. T. Clarkson and Strachan Johnston, K.C., and a public advertisement will shortly appear, giving the bondholders full information as to the steps to be taken to give effect to the exchange."

High-Grade Samples from Week's Run of the Press

St. Mary's Journal-Argus:—There had been a rear-end collision. One of the drivers climbed out in a fit of temper and strode up to the man standing on the sidewalk, thinking him to be the other driver. "Say, where's your tail light?" he roared. The innocent bystander looked up at him. "What do you think I am, a blooming lightning bug?"

Blairmore Enterprise:—We hope soon to publish a new book, entitled "Condolences," containing the many letters of sympathy we have received of our marriage in the various papers throughout Canada. One friend of ours, who, by the way, is still holding his fort as a bachelor in eastern Ontario, ends his comment this way: "Gone, but not forgotten!"

Cobden Sun:—Westmeath can claim no cities or towns within her limits, and no advanced institutions of learning, but from her two villages and from her farm homes have gone forth many men and women of keen intellect and sterling character to bring honour to the community that claims them as its sons and daughters. Mention might be made of three native sons who have received parliamentary honours. The late James Findlay of Beachburg was for a time member of the Dominion House of Commons and was first English speaking member of Parliament to give an address in the French language in the House of Parliament. Norman Reid of Westmeath was a member of the Ontario legislature; and David Sykes was for a number of years a

Canada's Gold Mines Rank High in World

Lake Shore Fifth; Hollinger Seventh; Teck-Hughes, Noranda, McIntyre, Dome, Wright-Hargreaves in the List of Dividend-payers.

The high standing of Canada as a gold producer is indicated by a table recently published by The Engineering and Mining Journal. This table indicates that out of the 88 largest gold-producing mines in the world in 1931 Canada has no less than 16. In a list of 40 of the leaders, Canadian mines to the number of seven are included, these being the Lake Shore, of Kirkland Lake, the Hollinger, of Porcupine, the Teck-Hughes, of Kirkland Lake, the Noranda, of Rouyn, Que., the McIntyre-Porcupine, of Porcupine, the Dome Mines of Porcupine, and the Wright-Hargreaves, of Kirkland Lake. Of the forty big mines listed, 27 are in the Union of South Africa. Two, the Homestake and the Alaskan Juneau are in the United States. One, the Ashanti Goldfields, is located on the Gold Coast. One, the Kilo-Moto Gold Mine, is in the Belgian Congo. Australia is represented by the "Lake View & Star," while Rhodesia has the "Cam & Motor."

In gold production for 1931, the first ten in world production are as follows:

Mine	Gold ozs.
Government Gold	1,129,872
Crown Mines	986,329
New Modderfontein	805,560
Randfontein	745,313
Lake Shore	533,577
East Rand	501,085
Hollinger	487,123
New State Areas	479,205
Homestake Mining	432,381
Brakpan Mines	414,539

Seven of the above are located in the Union of South Africa, the three exceptions being the Lake Shore and Hollinger, of Canada, and the Homestake of the United States.

The next five producers are all from the Union of South Africa.

The sixteenth on the list is the Teck-Hughes, with a production of 294,422 gold ozs.

Noranda is twenty-fifth with 253,363 gold ounces.

McIntyre-Porcupine has twenty-seventh place in the world output, with a production for 1931 of 229,413 gold ounces.

Dome Mines is thirty-fourth, with 169,686 gold ounces.

Wright-Hargreaves takes thirty-eighth place in the list with 140,520 gold ounces.

It is interesting to note that Canada has second place as a world gold producer but that if South Africa, the leader, were ruled out, Canada would greatly outdistance all other countries.

In the matter of dividends the New Modderfontein ranks first, with Lake Shore a close second. Government Gold is third with Hollinger close behind it. Teck-Hughes is fifth, Homestake sixth.

It may be noted that Canada's gold output is steadily increasing, while this is not true of the gold mines of other countries. This year it is expected that Canada will have at least four mines among the first fifteen gold producers of the world.

IS THIS THE REAL REASON FOR THE SAID THUSNESS

The Cochrane Northland Post last week had the following editorial comment:—"The Porcupine Advance comments on the fact that the Ontario Government and the Hydro Electric Commission will spend from one hundred and five to one hundred and ten million dollars on the St. Lawrence waterways project while at the same time there is the oft repeated cry of 'We haven't the money'—when the providing of relief work is mentioned. The Advance apparently forgets that the St. Lawrence development is expected to be a great benefit to Toronto!"

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CHAS. V. GALLAGHER, Reeve

South Porcupine, July 27th, 1932

-30



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The two 8-week old Eastern Canadian black bear cubs seen above were born on the Wedgewood Hunting and Fishing Club grounds at Bissett, P.Q. They arrived in Montreal accompanied by Arthur Beauvais, well known guide. They've been called Michael and Mary. As shown by the photograph, and photographs cannot lie, these two babies took early advantage of their first introduction to civilization.