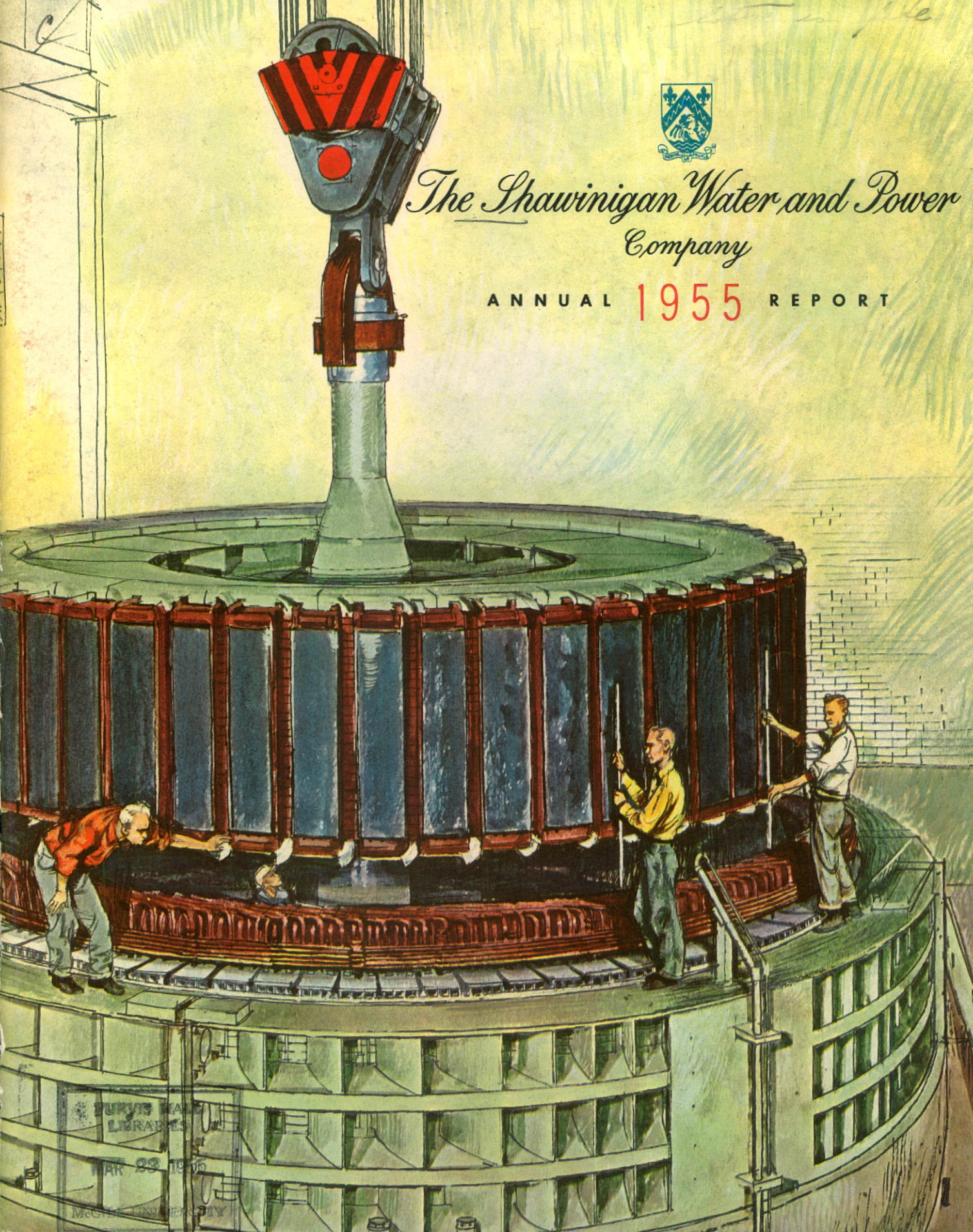




*The Shawinigan Water and Power  
Company*

ANNUAL 1955 REPORT

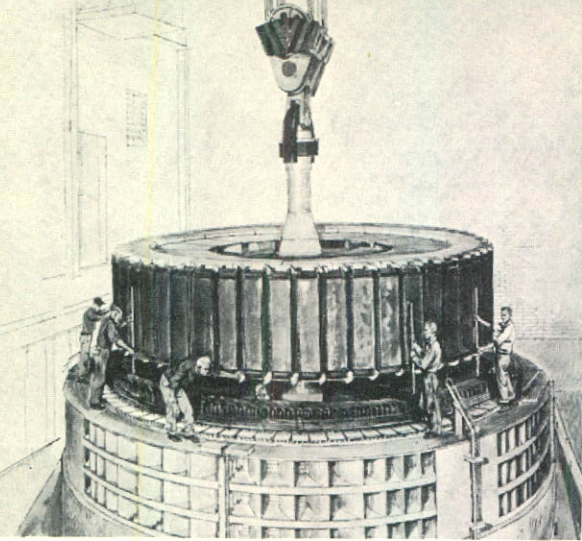


TURIN MUSEUM  
LIBRARY

MAR 23 1966

McGILL UNIVERSITY





## C O N T E N T S

**THE COVER PICTURE** shows the installation of the rotor of No. 6 generating unit at the Trenche generating station. This unit, the largest of three added to the Upper St. Maurice River developments in 1955, was placed in operation in October. Its capacity is 48,500 kilowatts.

The rotor, here seen suspended from the generator room crane, weighs 215 tons and is more than 25 feet in diameter. It was assembled in the generator room and then lowered into the already completed stator or stationary part of the generator, on which the men are standing.

When the generator is in operation, the rotor revolves at a speed of 128.6 revolutions per minute, the outer rim travelling at over 115 miles per hour. There is an air-space of only half an inch between the rotor and the stator and great care must therefore be taken in lowering it into position.

For this purpose, men are stationed at intervals around the framework of the stator, equipped with "feelers"—wooden strips about six feet long and just under one-half inch in thickness—which they hold between the rotor and stator as it descends. If at any time the feelers will not move freely in the air-space, the operation is halted immediately and the crane is moved a fraction of an inch, until the feelers are freed and the rotor can once again descend freely.

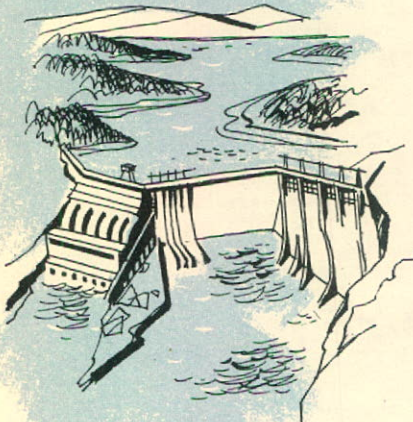
The man in charge can be seen checking the alignment as the critical moment approaches when the descending rotor enters the circular space within the stator.

	Page
Highlights . . . . .	1
Directors' Report . . . . .	3
Financial Results . . . . .	5
The Revenue Dollar and its Disposition . . . . .	6
Sources and Allocation of Funds . . . . .	7
Capital Expenditures . . . . .	8
Financial Position . . . . .	8
System Map . . . . .	9
Operations . . . . .	10
Maintenance . . . . .	11
Engineering and Construction . . . . .	11
Shawinigan Chemicals Limited . . . . .	13 to 18
Employees . . . . .	19
Directors and Officers . . . . .	20
Balance Sheet . . . . .	22
Earnings Account . . . . .	24
Retained Earnings Account . . . . .	25
Comparative Statement of Earnings Account, 1946 to 1955 . . . . .	26
Comparative Balance Sheet 1946 to 1955 . . . . .	27
Operating Statistics . . . . .	28
Shareholders . . . . .	29



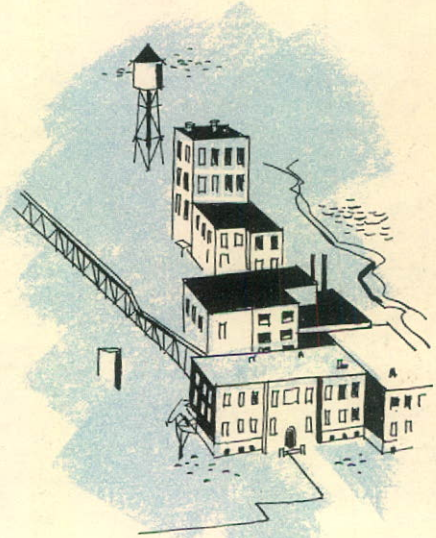
# Highlights...

## THE SHAWINIGAN WATER AND POWER COMPANY

- 
- Total kilowatthours sold 9,234,670,800, up 9.8 per cent.
  - Primary power peak load 1,500,000 kilowatts vs. 1,319,100 kilowatts in 1954.
  - New commitments for sale of primary power, 106,900 kilowatts.
  - Revenue from power sales up 12.9 per cent.
  - Earnings from power operations \$2.71 per common share vs. \$2.11\* in 1954.
  - Total net earnings \$3.48 per common share vs. \$2.91\* in 1954.
  - Regular quarterly dividend rate on common shares raised from 30 cents to 45 cents with declaration of dividend for final quarter, payable February 25, 1956.
  - Capital expenditures for new construction \$14,994,000.
  - Three new generating units completed with total capacity 118,200 kilowatts.
  - 8,175 new customers connected.

\*Adjusted to reflect consolidation of accounts with St. Maurice Power Corporation.

## SHAWINIGAN CHEMICALS LIMITED

- 
- Total sales up 10 per cent.
  - Net profit from manufacturing operations up 22.7 per cent.
  - Total net earnings up 18 per cent.
  - Dividends paid \$4.00 per share, same as in 1954.
  - Capital expenditures for the year \$1,346,000, including advances of \$248,000 to associated companies.
  - Fifty per cent interest in Shawinigan Resins Corporation acquired from Shawinigan Products Corporation.
  - New plant of Shawinigan Resins Corporation under construction at Trenton, Michigan.
  - New associated company, Hedon Chemicals Limited, formed in United Kingdom. Plant under construction to manufacture vinyl acetate.





*Shawinigan line crews may be called upon at any hour of the day or night and in all kinds of weather. Here a line crew is working in sub-zero weather on a distribution circuit near Shawinigan Falls.*



# The Shawinigan Water and Power Company

FIFTY - EIGHTH



ANNUAL REPORT

OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 1955

## To the Shareholders:

We are pleased to report that the year 1955 was a satisfactory one for our Company, both in the electric utility business and in the chemical and engineering fields. Net earnings per Common Share were substantially higher and amounted to \$3.48, as compared with \$2.91 in 1954 on the lesser number of shares outstanding. This result, together with good prospects for continued growth, enabled us to raise the regular quarterly dividend rate from 30 cents to 45 cents per share in the final quarter of 1955. The 30-cent rate had been in effect since 1946.

In February 1955, the first common stock financing undertaken by the Company in twenty-five years was successfully carried out. An offering of 219,595 new Common Shares was made to existing shareholders on the basis of one new share for each ten shares held. The offering was fully sub-

scribed and the proceeds, amounting to \$10,101,370, were added to our working capital. This financing has improved our capital structure, which now consists of approximately 50 per cent funded debt, 10 per cent preferred stock, and 40 per cent common stock and retained earnings.

Earnings from our power operations increased, although there is still room for improvement in the rate of return on our large and growing investment in plant and equipment. Revenue from power operations was 12.9 per cent higher than in the preceding year, reflecting substantial increases in sales of power to large industrial customers and distributing utilities; addition of new power loads; generally increased use of electricity by retail customers; and, in smaller degree, somewhat higher prices for power sold at both wholesale and retail.

The general level of industrial activity



throughout our territory was higher than in 1954, particularly in the pulp and paper, asbestos mining, and metallurgical industries. The outlook is for continuing growth in the demand for electric service in practically all fields.

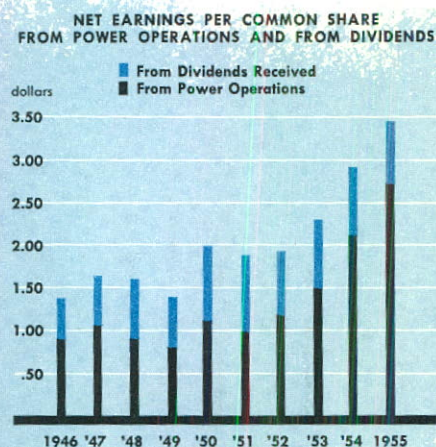
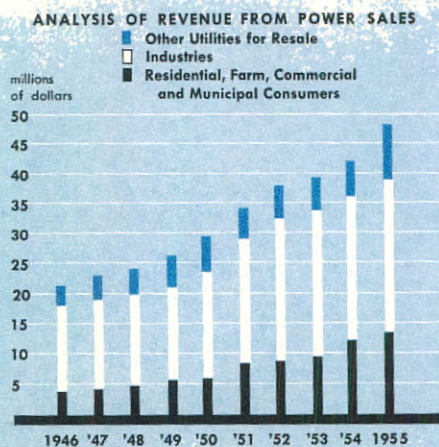
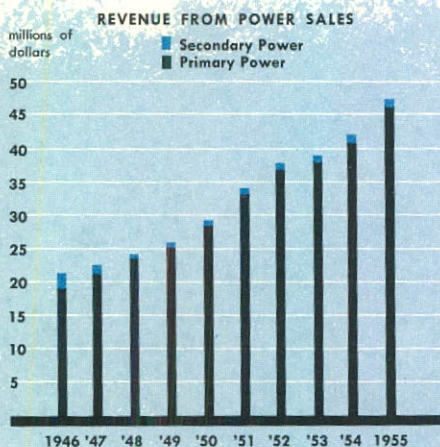
This brings us to the question of power supply, to which we have been devoting intensive study. The 118,200 kilowatts of new generating capacity in our own plants, which was added late in 1955, together with the additional power to be received from Hydro-Quebec's Bersimis development, starting with a minimum of 60,000 kilowatts in December 1956, are expected to take care of our requirements until the fall of 1958. Continuing studies are being made of steps necessary to assure an adequate supply of power for our future needs.

In the territory served by Quebec Power Company, in which company we hold a controlling interest, there was a continuation of the industrial development which has been gaining momentum over the past few years. This development, and increased use of electricity by existing and new

customers, brought about increased revenues for Quebec Power Company during the past year, but, owing to the larger number of common shares outstanding, earnings per share were slightly lower than in 1954.

Our wholly-owned subsidiary, Shawinigan Chemicals Limited, and its associated companies all achieved substantially better results than in 1954. Expansion of manufacturing facilities is under way in Canada, the United States, and the United Kingdom. A special section of this report is devoted to the operations and financial results of this increasingly important subsidiary.

In last year's Annual Report we referred to the work of our Company's research department on a process for the production of titanium metal. It was hoped that conclusive results might be obtained in 1955 from the larger pilot plant which has been operated throughout the year. There are, however, some problems still to be solved. Results on the whole have been encouraging, and work on the project is being actively pursued.





Development of the immense wealth of natural resources in the Province of Quebec is proceeding rapidly. Concurrently, many new industries are being established, a number of them within the area we serve. The result is a continuing expansion of our primary business of providing electric service for industrial, commercial, domestic and farm use.

## FINANCIAL RESULTS

The financial statements of The Shawinigan Water and Power Company and of the wholly-owned subsidiary, St. Maurice Power Corporation, have been consolidated for the year 1955, and, for comparative purposes, figures for 1954 have been similarly consolidated. In the charts in this report, figures for 1955 and 1954 reflect this consolidation.

Gross revenue from sales of electricity totalled \$47,898,994 an increase of 12.9 per cent over the previous year and the highest figure ever attained. Sales of primary power to industry increased 12 per cent; to other utilities for resale 23.7 per

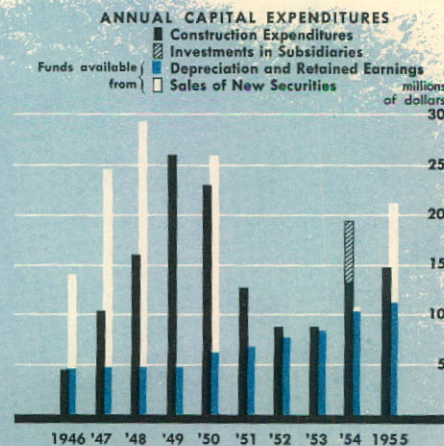
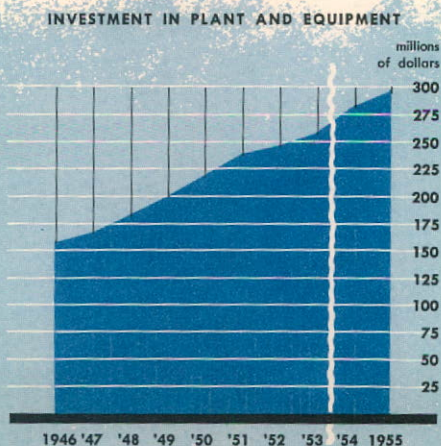
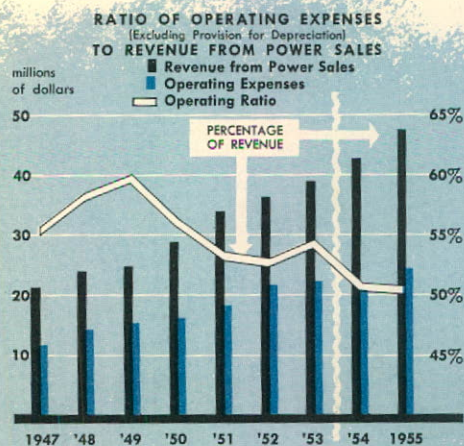
cent; and to residential, farm, commercial and municipal consumers, 12.4 per cent. Other revenue attributable to power operations was 11.2 per cent higher. Dividends from subsidiary and other companies were up 6.2 per cent. Total revenue, which amounted to \$51,200,542, was up 12.6 per cent.

Operating expenses, excluding Depreciation, were 11.8 per cent higher, the greatest increase being in the amount paid for purchased power which was up 28 per cent. Provision for Depreciation of \$6,765,000 was \$330,915 less than in 1954, because the full amount of depreciation had already been provided in respect of certain fixed assets.

For the year, an amount of \$566,000 less applicable Income and Profit Taxes, or a net of \$310,000 was added to the Water Storage Equalization Reserve. This compares with a net of \$294,000 in 1954.

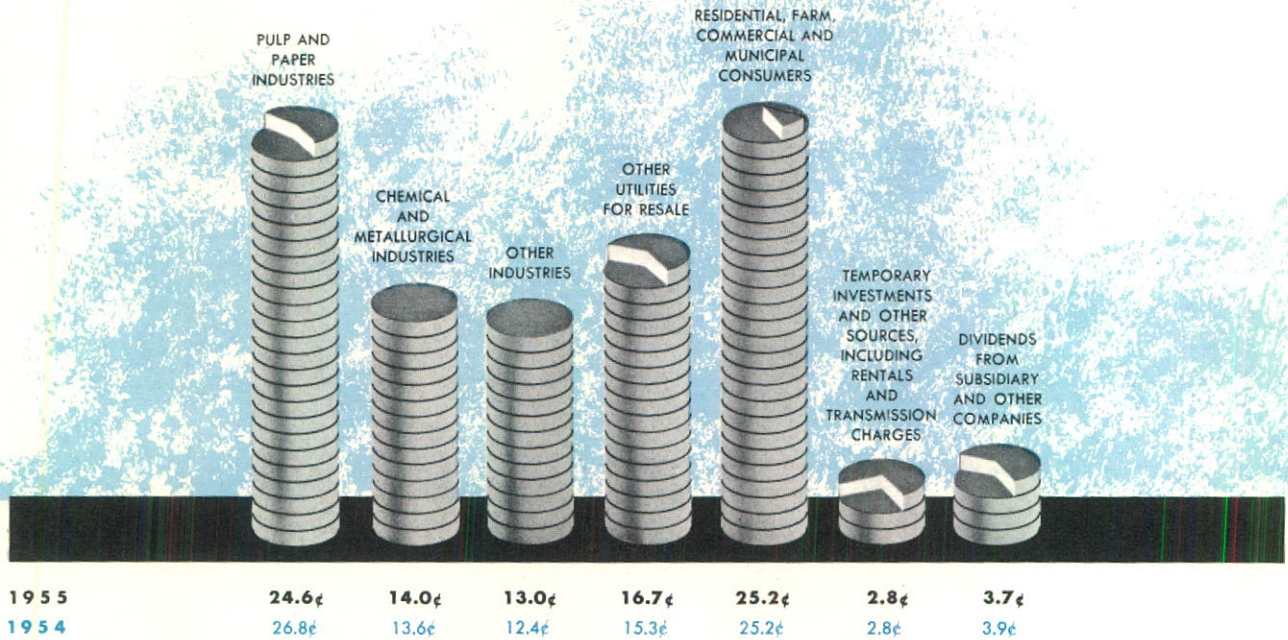
The amount provided for Income and Profits Taxes totalled \$6,443,000 as against \$4,954,000 in 1954, the increase resulting from higher taxable income.

After providing for dividends on the Preferred Shares, net earnings for the

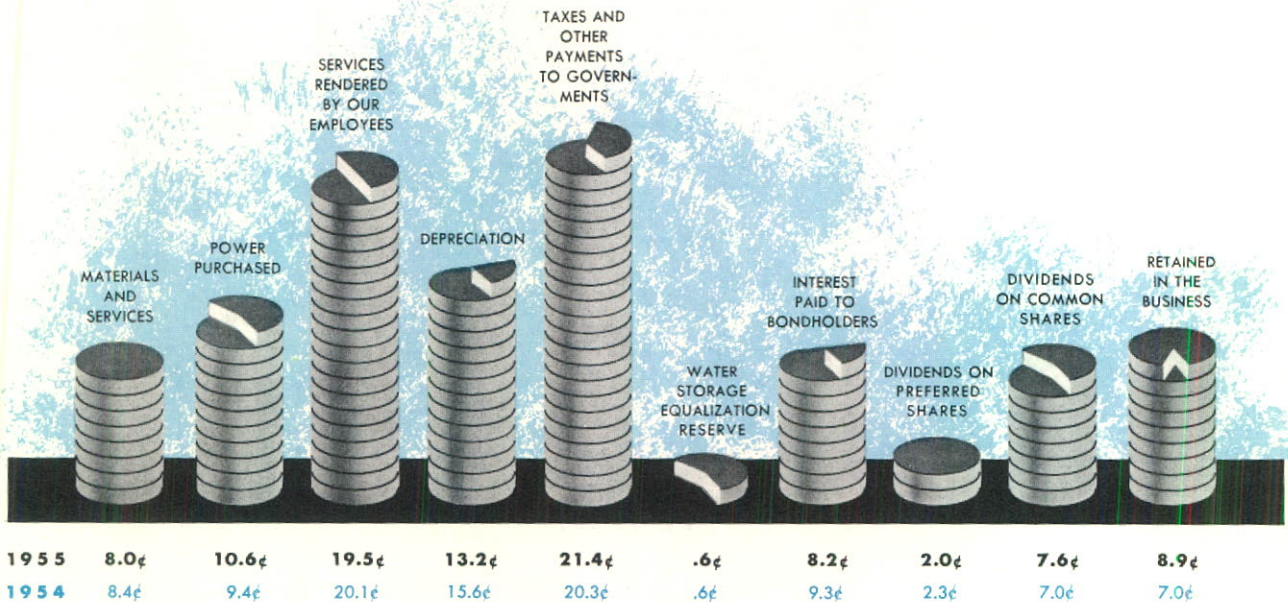




## THE REVENUE DOLLAR...



## ... AND ITS DISPOSITION





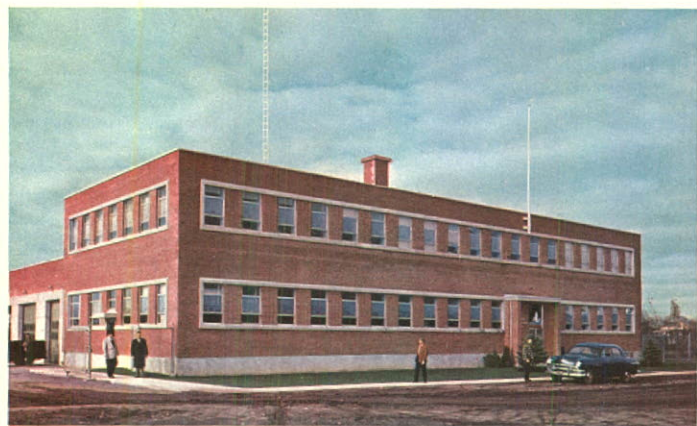
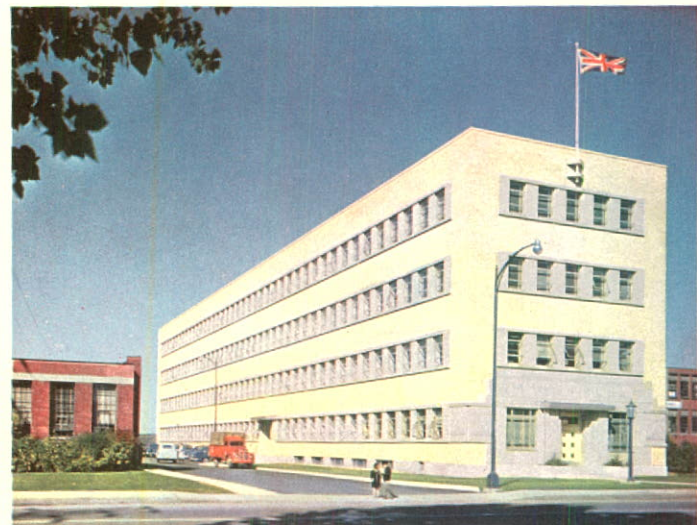
year totalled \$8,426,984, or \$3.48 per share on the 2,422,164 Common Shares outstanding at the year end. This compares with \$2.91 per share on the 2,195,945 shares outstanding December 31, 1954.

Dividends of 30 cents per share were paid for each of the first three quarters of the year. For the fourth quarter, the rate of dividend was raised to 45 cents per share, and at the end of the year, a special divi-

**STATEMENT OF SOURCES AND ALLOCATION OF FUNDS, 1955 AND 1954**

	1955	1954
WORKING CAPITAL, JANUARY 1 .....	\$11,101,453	\$18,578,886
<b>SOURCES OF FUNDS:</b>		
Net Earnings for the year .....	\$9,451,984	7,413,784
Depreciation (\$6,765,000) Amortization (\$69,843) .....	6,834,843	7,165,757
Proceeds from sale of common stock .....	10,311,682	575,087
Reduction in Income Tax payable, as the result of claiming for tax purposes an amount greater by \$3,016,000 (\$2,754,000 in 1954) than the depreciation recorded in the accounts .....	1,151,000	1,054,700
Disposal of Fixed Assets .....	507,596	940,706
Water Storage Equalization Reserve, less Income and Profits Taxes applicable .....	310,000	294,000
Miscellaneous items .....	—	296,480
	<u>28,567,105</u>	<u>17,740,514</u>
<b>TOTAL FUNDS .....</b>	<b>39,668,558</b>	<b>36,319,400</b>
<b>ALLOCATION OF FUNDS:</b>		
Expenditures for new construction ..	14,994,000	13,345,000
Investment in securities of subsidiary and other companies .....	109,151	5,935,685
Bonds redeemed under sinking fund provisions .....	1,514,000	1,229,000
Instalments repaid on account of advances received re construction of transmission lines .....	153,268	514,071
Miscellaneous items .....	78,704	—
Dividends — Preferred Shares .....	1,025,000	1,025,000
Common Shares .....	3,869,622	3,169,191
	<u>4,894</u>	<u>25,217,947</u>
	<u>21,743,745</u>	<u>25,217,947</u>
WORKING CAPITAL, DECEMBER 31 .....	<u>\$17,924,813</u>	<u>\$11,101,453</u>





*Two of the Company's recently completed office and service buildings. The one above is at Trois-Rivières and was completed in 1954; below, the Joliette building, opened in 1955.*

dend of 25 cents per share was paid for the sixth consecutive year. With the establishment of the 45-cent quarterly rate of regular dividends on the Common Shares, it is the intention to discontinue payment of the special dividend.

An analysis of the 1955 revenue dollar and its disposition, with adjusted comparison for 1954, appears on page 6.

#### **CAPITAL EXPENDITURES**

A total of \$14,994,000 was spent during the year on new construction; this compares with \$13,345,000 in 1954. The more

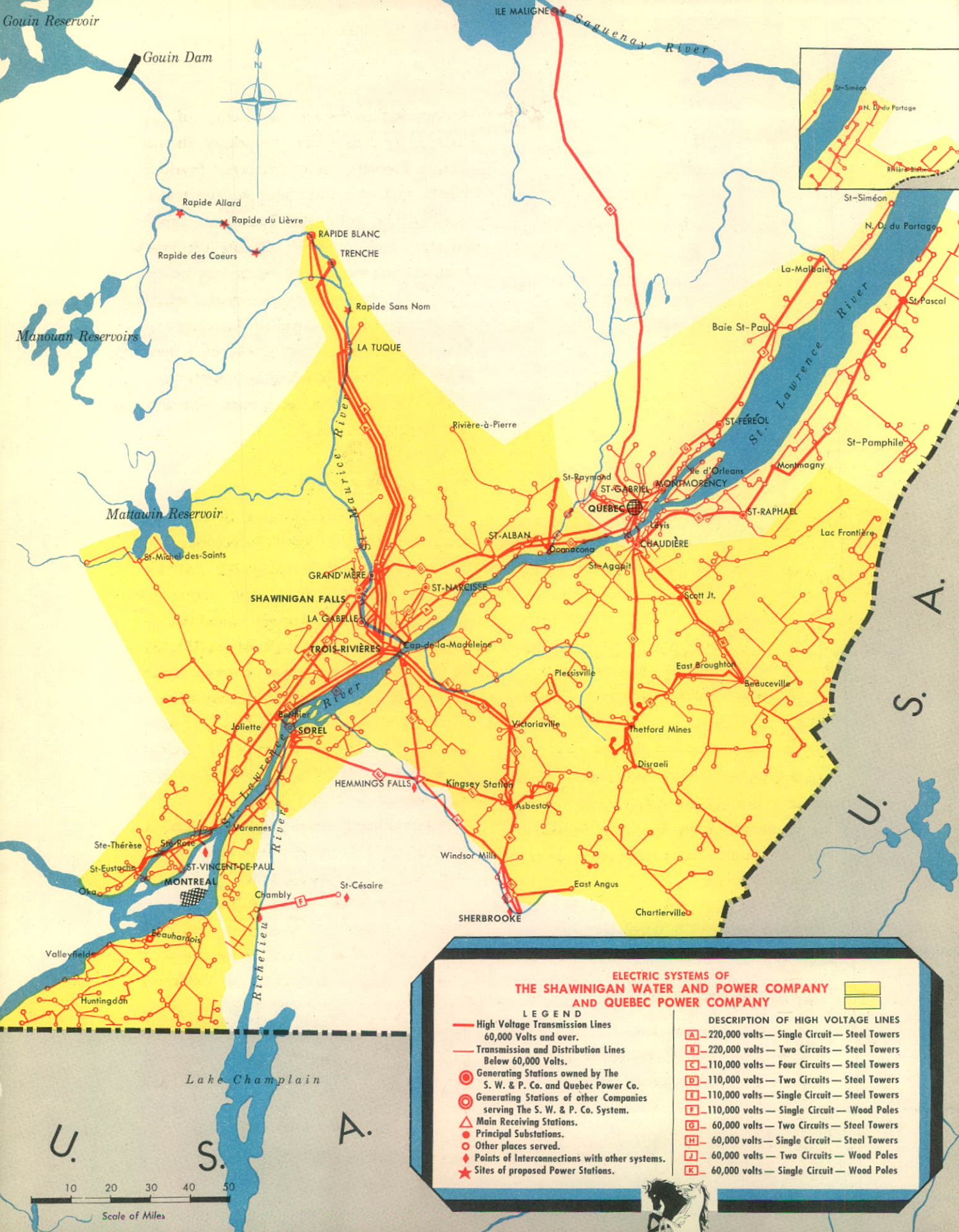
important items were: completion of the sixth generating units at each of the La Tuque, Trenché and Rapide Blanc developments, and of a third high-voltage transmission line from La Tuque to Trois-Rivières; additions to the Quebec Terminal Station preparatory to receiving power from the Bersimis development; initial work on terminal stations at Chaudière and Kingsey Station; construction of a new office and service building at Joliette; and various additions to the transmission and distribution systems.

#### **FINANCIAL POSITION**

The Consolidated Balance Sheet, with comparative figures similarly consolidated for 1954, appears on pages 22 and 23. Our working capital — the excess of Current Assets over Current Liabilities — totalled \$17,924,813, as against \$11,101,453 in 1954. The increase was brought about principally by the sale in February of new Common Shares. Fixed Assets increased by \$13,423,753, as a result of capital expenditures made during the year, less retirements.

Outstanding Funded Debt was reduced by \$1,514,000 during the year, through the operation of the Sinking Fund. At December 31, the Water Storage Equalization Reserve totalled \$1,492,000, as compared with \$1,182,000 at the end of the previous year. A total of 226,219 new Common Shares were issued during the year, proceeds from which amounted to \$10,311,682, bringing the total number of shares outstanding at December 31, 1955

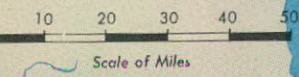




**ELECTRIC SYSTEMS OF THE SHAWINIGAN WATER AND POWER COMPANY AND QUEBEC POWER COMPANY**

- LEGEND**
- High Voltage Transmission Lines 60,000 Volts and over.
  - Transmission and Distribution Lines Below 60,000 Volts.
  - Generating Stations owned by The S. W. & P. Co. and Quebec Power Co.
  - Generating Stations of other Companies serving The S. W. & P. Co. System.
  - △ Main Receiving Stations.
  - Principal Substations.
  - Other places served.
  - ◆ Points of Interconnections with other systems.
  - ★ Sites of proposed Power Stations.

- DESCRIPTION OF HIGH VOLTAGE LINES**
- A**—220,000 volts—Single Circuit—Steel Towers
  - B**—220,000 volts—Two Circuits—Steel Towers
  - C**—110,000 volts—Four Circuits—Steel Towers
  - D**—110,000 volts—Two Circuits—Steel Towers
  - E**—110,000 volts—Single Circuit—Steel Towers
  - F**—110,000 volts—Single Circuit—Wood Poles
  - G**—60,000 volts—Two Circuits—Steel Towers
  - H**—60,000 volts—Single Circuit—Steel Towers
  - J**—60,000 volts—Two Circuits—Wood Poles
  - K**—60,000 volts—Single Circuit—Wood Poles





to 2,422,164. Of these new shares 219,595 were sold in February 1955, and the remainder were issued to employees under the terms of the Employee Stock Purchase Plan. There is still a balance of 6,633 shares being paid for under the Plan on an instalment basis, which will be issued when full payment of the purchase price has been received. At the end of the year, the accumulated total of Earnings Retained and Invested in the Business was \$21,687,369 as compared with \$17,725,037 at the end of 1954.

## OPERATIONS

In 1955, the total amount of electricity sold was 9,234,670,800 kilowatthours which was 9.8 per cent more than in 1954. Primary power sales to industrial customers increased 8.9 per cent, while sales of secondary energy were down 27.5 per cent. Sales to industrial customers accounted for 69.5 per cent of all electricity sold.

The amount delivered to other distributing utilities for resale was up 18.5 per cent, and sales to residential, farm, commercial and municipal consumers were

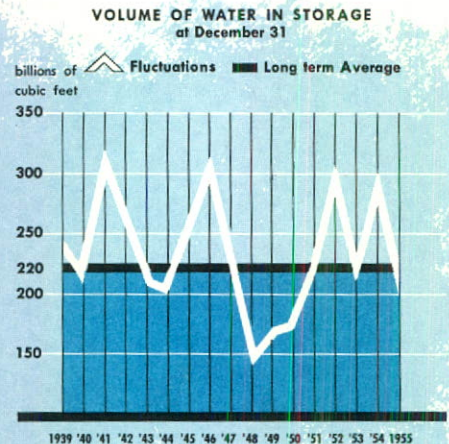
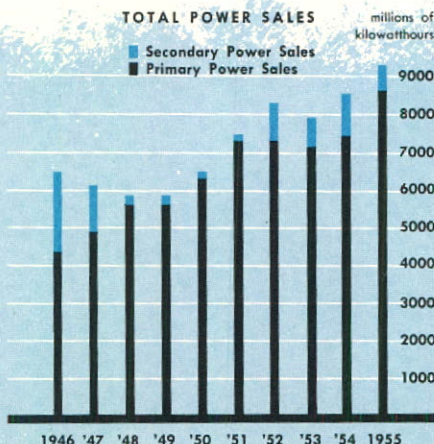
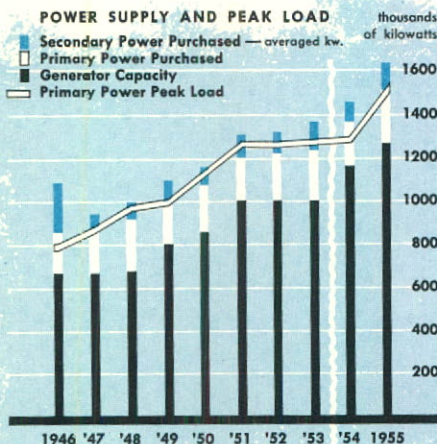
12.5 per cent higher. The primary power peak load on the Company's system reached 1,500,000 kilowatts, as against 1,319,100 kilowatts in 1954.

We made commitments during the year for the sale of an additional 106,900 kilowatts of primary power. This includes both new contracts and increases resulting from revisions of existing contracts.

Water conditions in the St. Maurice Valley were affected by the long period of dry weather in the summer months, which necessitated curtailment in sales of secondary energy. The amount of water in storage at the end of the year was close to the long term average.

In view of increasing loads in the asbestos mining district and other areas south of the St. Lawrence River, a new 220,000-volt transmission line is being built from Chaudière, on the south shore of the river near the Quebec bridge, to Kingsey Station near Asbestos, with large terminal stations at these two places.

A new office and service building was completed at Joliette to meet the growing needs of the operating departments in that district.





Further additions and improvements were made to our transmission and distribution systems including the construction of additional rural lines. Altogether 8,175 new customers were added to our system during the year, which brought the total number of customers served at the end of the year to 222,817. The Company now serves customers in 612 municipalities.

Throughout the year we continued our promotional activities in all parts of the territory. Included in this work were: courses in electricity and its uses, given by our Agricultural Advisors to rural youth groups and in agricultural colleges; co-operation extended to electrical appliance dealers through the work of our Residential Advisors and Home Economists, to foster sales of appliances; and active support given to the Canadian Adequate Wiring Bureau and The Quebec Electrical League in promoting adequate wiring. House wiring is now a serious problem of the electric utility industry and its customers, as a high proportion of homes and farms served are inadequately wired for the ever growing number of electrical appliances and equipment in common use. As a contribution to the solution of this problem, we are extending help to home owners through a wiring finance plan, under which the cost of installing adequate wiring can be defrayed by monthly instalments.

These and other promotional activities are achieving results, as is shown by a further increase in the average annual consumption of electricity by residential customers. In 1954 this average was

2,163 kilowatthours, while in 1955 it reached 2,380 kilowatthours.

## **MAINTENANCE**

Maintenance expenditures in 1955 totalled \$4,025,185. Included were repairs to generators and large transformers at the power plants, and miscellaneous work throughout the Company's system.

## **ENGINEERING AND CONSTRUCTION**

Among the more important construction projects carried out during the year by our wholly-owned subsidiary, The Shawinigan Engineering Company Limited, was the completion of the sixth generating units at the La Tuque, Tranche and Rapide Blanc developments. These units came into operation in August, October and November respectively. Other projects carried out by the Engineering Company were the completion of the third transmission line from La Tuque to Trois-Rivières; preliminary construction work on the transmission line from Chaudière to Kingsey Station and the terminal stations at those places; additions to the Quebec terminal station; and construction of a number of substations and other high-voltage transmission lines.

The Engineering Company was also engaged on a number of projects for other organizations. Among the most important were continuation of the investigation and survey, started in 1954, of the power potential of the Grand Falls site on the Hamilton River, Labrador, for the British



Newfoundland Corporation Limited; investigation of power sites on the Corner Brook River, Newfoundland, and the designing of a hydro-electric development there for The Bowater Power Company Limited; and the design of the Beechwood power development and high-voltage trans-

mission system for the New Brunswick Power Commission. The Company also carried out work on many smaller projects for other Canadian companies.

The Engineering Company paid a dividend to the parent company of \$100,000 in 1955, compared with \$50,000 in 1954.

*Grand Falls, on the Hamilton River, Labrador, where The Shawinigan Engineering Company is carrying out a survey of potential power development.*





# *Shawinigan Chemicals Limited*



Shawinigan Chemicals Limited, our wholly-owned subsidiary, manufactures calcium carbide, a wide range of organic chemicals derived from it, and high grade stainless steel castings. It has a number of subsidiary and associated companies in Canada, the United States and the United Kingdom, engaged in the manufacture and sale of various chemical products.

## **FINANCIAL RESULTS**

The statement on page 15 shows the financial results attained in 1955 with comparative figures for 1954. Dividends of \$4.00 per share, totalling \$1,125,100 — the same rate as in 1954 — were paid during the year to the parent company.

In this statement, earnings of subsidiary and associated companies have been included only to the extent of cash dividends received from them during the year. The Company's share of the undistributed earnings of these companies for the year amounted to approximately \$1,143,000.

## **OPERATIONS**

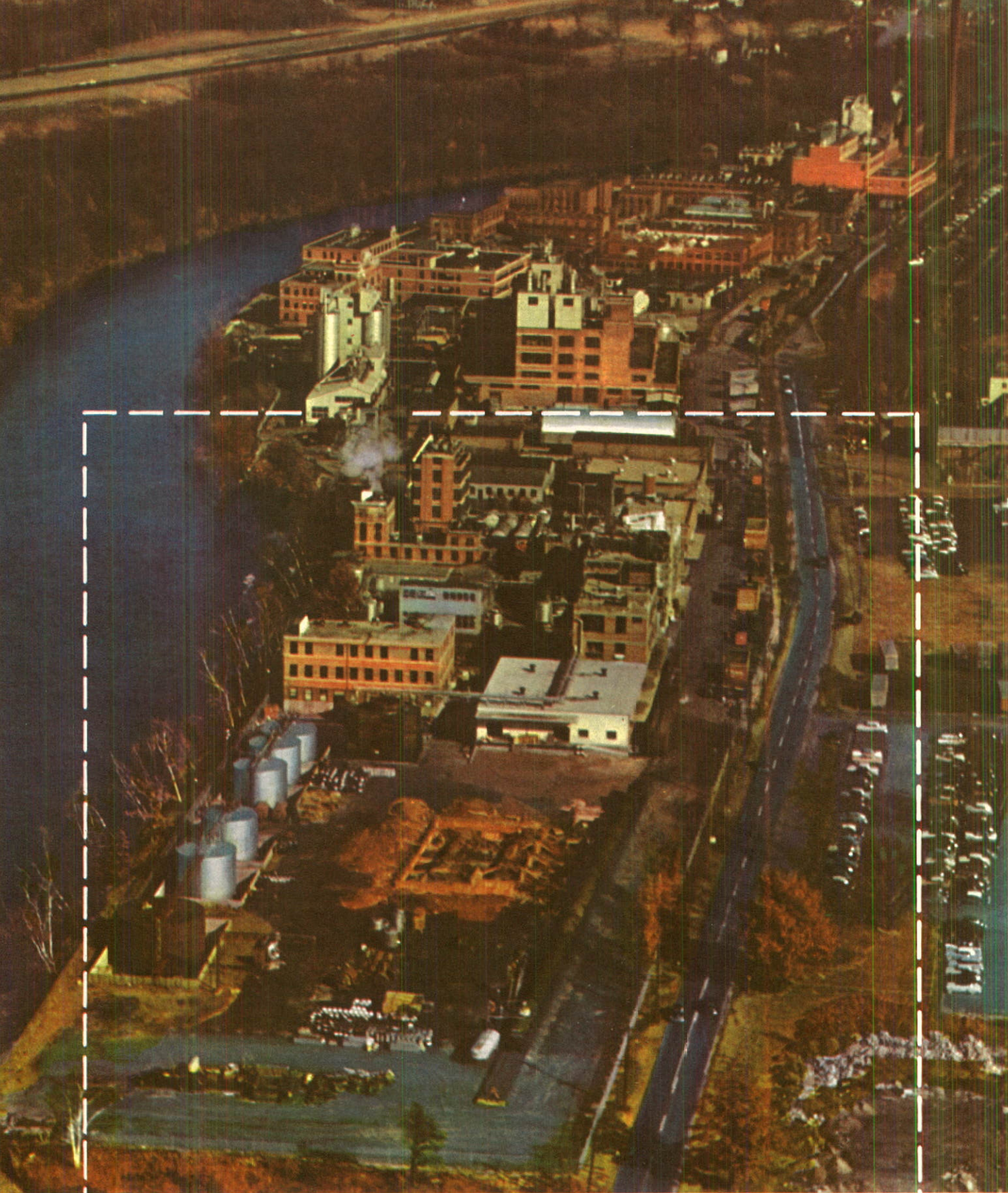
Manufacturing operations at the Company's plants at Shawinigan Falls throughout the year were at a consistently higher level than in 1954. Sales in Canada and the United States were considerably higher, while in other export markets they were slightly lower.

Manufacturing facilities at Shawinigan Falls are being expanded; extensive additions are being made to the vinyl acetate plant, and a sulphuric acid plant is being built which is scheduled for completion in 1956. One of the carbide furnaces has been dismantled and is being replaced by a larger and more efficient furnace of modern design. When completed, this furnace will add some 12 per cent to the Company's carbide production capacity.

## **CAPITAL EXPENDITURES**

Capital outlays of Shawinigan Chemicals Limited during the year totalled \$1,346,000, including advances of \$248,000 to associated companies. The principal items of expenditure were for additions to the vinyl





*Within the dotted line are the plants of Shawinigan Resins Corporation, Springfield, Massachusetts. In the foreground can be seen excavation work for the new Gelvatol plant. The large plant in the background is that of Monsanto Chemical Company, joint owners of Shawinigan Resins Corporation.*



## COMPARATIVE STATEMENT OF SALES AND EARNINGS

	1955	1954
INCOME FROM SALE OF PRODUCTS .....	\$21,830,452	\$19,841,711
Cost of making and selling these products .....	19,247,218	17,745,327
<i>NOTE: Included in this cost is an amount of \$1,073,894 (\$1,114,504 in 1954) to provide for replacement of plant and equipment (Depreciation).</i>		
Earnings from manufacturing operations before Income and Profits Taxes .....	2,583,234	2,096,384
Estimated proportion of such taxes payable on profits from manufacturing operations .....	1,211,369	978,230
NET PROFIT FROM MANUFACTURING OPERATIONS .....	1,371,865	1,118,154
Income from investments in subsidiary and asso- ciated companies .....	654,631	525,477
Income from royalties on patents and other sources .....	\$243,342	337,048
Estimated proportion of Income and Profits Taxes payable on this income .....	93,631	137,770
	149,711	199,278
NET INCOME FROM OTHER SOURCES .....	804,342	724,755
NET INCOME FROM ALL SOURCES .....	2,176,207	1,842,909
Dividends paid to the parent company for use of money invested in the business .....	1,125,100	1,125,100
BALANCE RETAINED IN THE BUSINESS .....	\$1,051,107	\$717,809

acetate plant and initial work on replacement of one of the carbide furnaces.

### SUBSIDIARY AND ASSOCIATED COMPANIES

#### IN CANADA

*Canadian Resins and Chemicals Limited*, which is jointly owned with Union Carbide Canada Limited, operates plants at Shawinigan Falls manufacturing polyvinyl chloride resins and 'Vinylite' plastics, and a converting plant at Ste-Thérèse, Quebec, where 'Vinylite' film is printed and embossed. All plants were operated at full capacity throughout the year and sales and earnings were substantially higher than in 1954. Further additions are being made to the resin manufacturing plant at Shawinigan Falls.

During the year dividends totalling \$258,720 were paid to Shawinigan Chemicals Limited, which compares with \$155,232 in 1954.

Capital expenditures for the year totalled \$430,000, mainly for additions and improvements to processes and facilities at Shawinigan Falls, which will materially increase capacity for the manufacture of certain products. Initial expenditures were also made for major additions to the special resins plant. These additions are scheduled for completion in 1956.

*B.A.-Shawinigan Limited*, which is jointly owned with The British American Oil Company Limited, owns and operates a plant at Montreal East, manufacturing phenol and acetone. The plant was operated successfully throughout the year and the



results achieved were considerably better than in 1954. It is expected that in 1956, the plant will operate at full capacity and that the market will easily absorb all the phenol that can be produced. The marketing of acetone, a co-product of the process, has, however, presented some difficulties due to excess capacity for its manufacture in certain countries. The improvement in the textile industry is expected to result in a better market for this product.

**St. Maurice Chemicals Limited**, which is jointly owned with Heyden Chemical Corporation, New York, owns and operates a plant at Varennes, Quebec, manufacturing formaldehyde and pentaerythritol. This plant was also operated at nearly full capacity and better results were obtained than in 1954. Arrangements are being made to increase manufacturing capacity of both products, and it is anticipated that the market will readily absorb the additional output.

#### IN THE UNITED STATES

**Shawinigan Products Corporation**, a wholly-owned subsidiary, acts as sales agent for

products of Shawinigan Chemicals Limited and of its own associated company, Midwest Carbide Corporation of Keokuk, Iowa. It also had acted as sales agent for products of Shawinigan Resins Corporation of Springfield, Massachusetts, until June 1, when that company established its own sales organization. Shawinigan Products Corporation formerly had a fifty per cent shareholding in Shawinigan Resins, which interest is now owned by Shawinigan Chemicals Limited. The shares representing this half interest were declared as a dividend at the end of the year by Shawinigan Products Corporation, and were thus acquired by Shawinigan Chemicals Limited. Early in the year, Gelvatex Coatings Corporation of Anaheim, California, which was a wholly-owned subsidiary of Shawinigan Products Corporation, was sold to Shawinigan Resins Corporation.

Net income of Shawinigan Products Corporation for the year totalled \$463,651 as against \$389,803 in 1954. Cash dividends totalling \$344,000 U.S. Funds were paid to Shawinigan Chemicals Limited, the same as in the previous year.

**Shawinigan Resins Corporation** of Springfield, Massachusetts, jointly owned with Monsanto Chemical Company, had a very successful year. In view of the progress made by the Company and its position in the industry, it decided to establish its own sales organization, which could work directly with its research and development departments. Accordingly, on June 1, the sales department was formed, its nucleus consisting of experienced personnel from Shawinigan Products Corporation and Monsanto Chemical Company. Earnings for the year were the highest in its history



*Inspecting printed and embossed 'Vinylite' film at the converting plant of Canadian Resins and Chemicals Limited at Ste-Thérèse.*



but, in view of large prospective capital expenditures, dividends paid were at the same rate as in 1954 and the amount received by Shawinigan Products Corporation totalled \$220,145 U.S. Funds, as compared with \$157,250 in 1954, the increase being due to the larger number of shares outstanding.

The demand for Butvar, a Shawinigan polyvinyl resin, from which the plastic interlayer of safety glass is produced, made it evident that additional manufacturing facilities would be required, even though increased capacity had been installed at the Springfield plant in 1953 and 1954. It was therefore decided to build a new plant at Trenton, Michigan, which will approximately double the Company's productive capacity. This location was chosen because of its proximity to the automotive and glass laminating industries. New facilities are also under construction at Springfield to manufacture Gelvatol, a polyvinyl alcohol with a wide market in the textile, adhesive, and paper industries. With the formation of its own sales organization, the company is also expanding its research facilities, and in December a new research laboratory was opened. Further expansion of the laboratories is under way at the present time.

The acquisition of Gelvatex Coatings Corporation, which manufactures vinyl-base paints from raw materials largely supplied by Shawinigan Resins, affords it a firm footing in the vinyl paint industry. **Midwest Carbide Corporation**, in which Shawinigan Products Corporation holds a 50 per cent interest, owns and operates carbide manufacturing plants at Keokuk, Iowa, and Pryor, Oklahoma. The output of carbide from these plants considerably

exceeded that of 1954, although production at the Pryor plant was somewhat curtailed by shortage of power. The general outlook for 1956 is promising.

### IN THE UNITED KINGDOM

**Shawinigan, Limited — London**, wholly owned by Shawinigan Chemicals Limited, acts as its sales agent in the United Kingdom and European markets. Net profits for the year (subject to audit) totalled £34,086, as against £30,684 in 1954. Dividends received by Shawinigan Chemicals for the year totalled \$69,330 when converted at the prevailing rates of exchange, as against \$54,087 received in 1954.

**Hedon Chemicals Limited** was formed in 1955 jointly with The Distillers Company Limited of Edinburgh, Scotland, to manufacture vinyl acetate. A plant is at present under construction near Hull, England, which is scheduled for completion late in 1956.

### ROYALTIES ON PATENTS

Income received by Shawinigan Chemicals Limited from royalties on patents totalled \$187,324, as against \$352,110 in 1954. The decrease was due to the expiry in 1953 of the major patents relating to vinyl acetal resins, the final payments from which were received in 1954.

### FINANCIAL POSITION

A condensed Balance Sheet of Shawinigan Chemicals Limited appears on page 18. It will be noted that Investments in Subsidiary and Associated Companies increased substantially, mainly as a result of the acquisition of a half interest in Shawinigan Resins Corporation. Net Worth increased as a result of this acquisition, as well as



through the sale of certain patents during the year, and by reason of earnings retained in the business.

Shawinigan Chemicals' share of the Net

Worth of its subsidiary and associated companies at December 31, 1955, exceeded the carrying value of its investments in these companies by approximately \$5,209,000.

#### Financial Position as at December 31, 1955 and 1954

OWNED		OWED			
	1955	1954			
Cash and marketable securities	\$2,651,024	\$2,360,660	For materials, services and taxes	\$1,720,509	\$1,419,007
Raw materials, supplies and finished goods	4,317,294	3,378,987			
Due from customers	2,838,844	1,990,825			
Investments in subsidiary and associated companies	9,309,714	7,595,855			
Other assets	315,890	769,530			
Property, plant and equipment	\$23,205,476	22,260,545			
Less—Provision for replacement of plant and equipment (Depreciation)	16,697,514	15,781,574			
	6,507,962	6,478,971			
	<u>\$25,940,728</u>	<u>\$22,574,828</u>			
			<b>NET WORTH</b>		
			Total owned less total owed	24,220,219	21,155,821
				<u>\$25,940,728</u>	<u>\$22,574,828</u>

#### CHANGES OF DIRECTORS AND OFFICERS

In February 1955, Mr. H. D. Ross, Assistant Vice-President of Shawinigan Chemicals Limited, was elected a Director. In April, Mr. A. H. Andersen, Technical Director in Montreal, and Mr. Gwyn Benson, European Representative of the Company, with headquarters in London, England, were appointed Assistant Vice-Presidents.

On July 1, Mr. L. F. Loutrel, President

of Shawinigan Products Corporation of New York, and a Director of Shawinigan Chemicals Limited, retired on pension after 37 years of service, during which time he had made a great contribution to the development of the Company's business in the United States. He was succeeded as President of Shawinigan Products Corporation by Mr. C. M. Schwab, who had been Vice-President of the Company since 1952. Mr. Walter Bender was appointed Vice-President.



**EMPLOYEES**

At the end of the year there were 6,125 regular employees in the Shawinigan group of companies, of whom 2,337 were in the service of the Power Company. Of the latter, 20 per cent had 25 years' service or longer, and a further 19 per cent had been with the Company for 15 to 24 years.

Negotiations with the two unions — The Association of The Shawinigan Water and Power Company Employees and the Union of Office Employees of The Shawinigan Water and Power Company — were concluded and new agreements were signed, in both instances, for a period of 22 months from January 1, 1956.

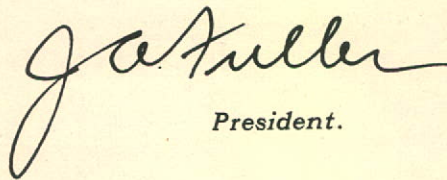
A new comprehensive medical expense plan, providing hospital and medical benefits, was established on August 1, the cost of which is borne partly by the Company

and partly by employees. This plan, which is the first of its kind in Canada, is designed to afford adequate protection to employees against long and costly illnesses, and to provide benefits for all forms of sickness or accident whether the employee is hospitalized or not. It is significant that almost 95 per cent of all eligible employees enrolled in the new plan.

Other employee benefits wholly or partly paid for by the Company include pensions, group life insurance, unemployment insurance, disability benefits, workmen's compensation and paid vacations.

In conclusion, I would like to acknowledge, on behalf of the Directors, the substantial contribution to the year's success made by the loyal and conscientious efforts of all employees, and we tender them our sincere thanks.

On behalf of the Board of Directors,

A handwritten signature in cursive script, appearing to read "J. A. Fuller".

*President.*



# The Shawinigan Water and Power Company

## DIRECTORS

LT.-COL. L. J. A. AMYOT	*S. G. DOBSON	W. F. MACKLAIER, Q.C.
V. G. BARTRAM	RAYMOND DUPUIS, Q.C.	W. F. MAINGUY
*R. J. BEAUMONT	*J. A. ECCLES	*ARTHUR SURVEYER
*N. J. DAWES	*J. A. FULLER	H. G. WELSFORD
AUGUSTE DESILETS, Q.C.		N. P. WOODS

\*Members of Executive Committee

## OFFICERS

R. J. BEAUMONT, *Chairman of the Board*

J. A. FULLER, *President and Chairman of the Executive Committee*

W. F. MAINGUY, *Executive Vice-President*

A. C. ABBOTT, *Vice-President,  
Distribution*

E. D. GRAY-DONALD, *Vice-President,  
Personnel and Public Relations*

H. B. ABBOTT-SMITH, *Vice-President,  
Power Sales*

W. R. WAY, *Vice-President, Generation and  
Transmission, and Chief Engineer*

N. P. WOODS, *Vice-President, Finance, and Treasurer*

R. R. MERIFIELD, *Secretary*

A. TIMON, *Comptroller*

L. E. BOISSONNAULT, *Assistant Vice-President,  
Finance*

GORDON D. HULME, *Assistant Vice-President*

T. P. DALTON, *Assistant Vice-President*

L. MCGILLIS, *Assistant Vice-President*

FRANÇOIS ROY, *Assistant Vice-President*

**HEAD OFFICE:** *Montreal, Canada*

**Registrars:**— National Trust Company Limited  
*Montreal, Que. Toronto, Ont.*

**Transfer Agents:**— The Royal Trust Company  
*Montreal, Que. Toronto, Ont.*

Bankers Trust Company  
*New York City, U.S.A.*

Bank of Montreal Trust Company  
*New York City, U.S.A.*

**Bankers:**— The Royal Bank of Canada  
National Canadian Bank

**Auditors:**— Sharp, Milne & Co.,  
*Chartered Accountants,  
Montreal, Que.*

*The Company's Preferred and Common Shares are listed or traded on the Exchanges shown below:*

*Preferred Shares:*— Montreal Stock Exchange; Toronto Stock Exchange.

*Common Shares:*— Montreal Stock Exchange; Toronto Stock Exchange; American Stock Exchange, New York City; London Stock Exchange, London, England; Paris Bourse, Paris, France; Amsterdam Stock Exchange, Amsterdam, Holland.



# Shawinigan Chemicals Limited

## DIRECTORS

V. G. BARTRAM	J. H. GIBBS	W. F. MAINGUY
P. W. BLAYLOCK	R. S. JANE	H. D. ROSS
J. A. FULLER	C. K. LOCKWOOD	H. S. SUTHERLAND
	L. F. LOUTREL	

## OFFICERS

V. G. BARTRAM, *President*

R. S. JANE, *Executive Vice-President*

P. W. BLAYLOCK, <i>Vice-President, Development</i>	C. K. LOCKWOOD, <i>Vice-President, Stainless Steel and Alloys</i>
J. A. FULLER, <i>Vice-President</i>	H. S. SUTHERLAND, <i>Vice-President, Sales</i>
J. H. GIBBS, <i>Vice-President, Manufacture</i>	J. S. WHYTE, <i>Vice-President, Engineering</i>
A. H. ANDERSEN, <i>Assistant Vice-President</i>	G. BENSON, <i>Assistant Vice-President</i>
H. D. ROSS, <i>Assistant Vice-President</i>	P. W. WRIGHT, <i>Secretary-Treasurer</i>

HEAD OFFICE: *Montreal, Canada*

WORKS: *Shawinigan Falls, Que.*

## SHAWINIGAN, LIMITED, LONDON, ENGLAND

R. H. COLLIS, *Chairman of the Board*

F. G. PENTECOST, <i>Deputy Chairman</i>	A. W. SCOTT, <i>Managing Director</i>
---	---------------------------------------

## SHAWINIGAN PRODUCTS CORPORATION, NEW YORK CITY, N.Y.

C. M. SCHWAB, *President*

WALTER BENDER, <i>Vice-President</i>	F. X. LEE, <i>Secretary-Treasurer</i>
--------------------------------------	---------------------------------------

# The Shawinigan Engineering Company Limited

## OFFICERS

R. E. HEARTZ, *President*

E. V. LEIPOLDT, <i>Vice-President and Consulting Engineer</i>	G. R. RINFRET, <i>Vice-President, Engineering</i>
J. A. BURKE, <i>Vice-President, Construction</i>	N. P. WOODS, <i>Treasurer</i>

R. R. MERIFIELD, *Secretary*

HEAD OFFICE: *Montreal, Canada*



# The Shawinigan Water

and ST. MAURICE

## CONSOLIDATED BALANCE SHEET

With Corresponding Figures

### ASSETS

<u>Current Assets</u>	1955	1954
Cash in Banks and on Hand .....	\$3,317,230	\$2,327,484
Temporary Investments — at cost, less reserve . . . . . (Market Value \$14,731,700)	14,734,290	7,495,203
Accounts and Bills Receivable .....	5,801,940	5,341,864
Materials and Supplies .....	2,282,019	2,262,186
Prepaid Charges .....	<u>1,331,889</u>	<u>1,425,333</u>
	\$27,467,368	18,852,070
 <u>Securities of Subsidiary and Other Companies</u> .....	 16,379,007	 16,269,856
At cost, less net adjustments		
 <u>Fixed Assets</u>		
Property, Plant and Equipment, at cost of construction or acquisition (including \$1,829,765 excess cost of net assets of subsidiary company consolidated) . . . . .	298,383,633	284,959,880
 <u>Mattawin River and Other Storage Dams (at cost)</u> .....	 4,162,368	 4,162,368
Less: Amortization to date .....	<u>1,473,965</u>	<u>1,404,122</u>
	2,688,403	2,758,246
 <u>Unamortized Bond Premium, Discount and Expense</u> . . . . .	 3,186,882	 3,481,182
	<u>\$348,105,293</u>	<u>\$326,321,234</u>

Approved on behalf of the Directors,  
 J. A. FULLER, *Director*.  
 AUGUSTE DESILETS, *Director*

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Consolidated Balance Sheet of The Shawinigan Water and Power Company and St. Maurice Power Corporation as at December 31, 1955, and the Consolidated Statements of Earnings and Earnings Retained and Invested in the Business for the year ended that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Consolidated Balance Sheet and related Consolidated Statements of Earnings and Earnings Retained and Invested in the Business are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Companies as at December 31, 1955, and the results of their operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

(Signed) SHARP, MILNE & CO.,  
*Chartered Accountants.*

Montreal, January 26, 1956.



# and Power Company

POWER CORPORATION

AS AT DECEMBER 31, 1955

as at December 31, 1954

## LIABILITIES

<u>Current Liabilities</u>	1955	1954
Accounts Payable (including Provision for Income and Profits Taxes) .....	\$6,959,020	\$5,589,361
Accrued Interest on Funded Debt .....	1,237,311	1,246,223
Dividends Payable .....	1,346,224	915,033
	<u>\$9,542,555</u>	<u>7,750,617</u>
<u>Deferred Liabilities</u> .....	2,684,864	2,838,132
(Advances received on account of cost of transmission lines, less instalments repaid)		
<u>Funded Debt</u> .....	129,161,000	130,675,000
(per Statement below)		
<u>Deferred Credit</u> .....	4,459,700	3,310,600
(Accumulated Tax Reductions applicable to Future Years)		
<u>Reserves and Provisions</u>		
Provision for Depreciation .....	75,128,039†	69,201,764
Water Storage Equalization Reserve .....	1,492,000	1,182,000
Contingent Reserve .....	500,000	500,000
	<u>77,120,039</u>	<u>70,883,764</u>
	<u>222,968,158</u>	<u>215,458,113</u>

## CAPITAL AND RETAINED EARNINGS

<u>Cumulative Redeemable Preferred Stock</u>		
Authorized — 600,000 Shares of \$50 par value <u>\$30,000,000</u>		
Issued — Series "A" 4% 400,000 Shares .....	20,000,000	20,000,000
Series "B" 4½% 100,000 Shares .....	5,000,000	5,000,000
<u>Common Stock</u>		
Authorized — 2,600,000 Shares of no par value*		
Issued — 2,422,164 Shares (1954 — 2,195,945) .....	78,449,766	68,138,084
<u>Earnings Retained and Invested in the Business</u> .....	21,687,369	17,725,037
	<u>125,137,135</u>	<u>110,863,121</u>
	<u>\$348,105,293</u>	<u>\$326,321,234</u>

†Excludes Capital Cost Allowances totalling \$11,465,000 claimed for tax purposes in the years 1952 to 1955 inclusive.

\*Of which 6,633 Shares are reserved for issue under the Employee Stock Purchase Plan on completion of instalment payments.

## STATEMENT OF FUNDED DEBT

### The Shawinigan Water and Power Company

#### First Mortgage and Collateral Trust Sinking Fund Bonds:

Series "H" 3½% maturing January 1, 1970 — Issued \$18,761,000 less Bonds Redeemed .....	\$15,668,000	\$16,286,500
Series "J" 3½% maturing February 1, 1970 — Issued \$9,164,000 less Bonds Redeemed .....	8,440,500	8,595,500
Series "L" 3% maturing March 1, 1961 — Issued \$12,828,000 less Bonds Redeemed .....	12,103,000	12,181,000
Series "M" 3% maturing April 15, 1971 — Issued \$25,000,000 .....	25,000,000	25,000,000
Series "N" 3% maturing May 15, 1971 — Issued \$10,000,000 less Bonds Redeemed .....	7,071,500	7,175,000
Series "O" 3¼% maturing April 1, 1972 — Issued \$13,806,500 less Bonds Redeemed .....	12,530,000	12,547,000
Series "P" 3½% maturing October 1, 1973 — Issued \$25,000,000 less Bonds Redeemed .....	22,018,000	22,283,000
Series "Q" 3% maturing March 1, 1975 — Issued \$15,000,000 .....	15,000,000	15,000,000
	<u>117,831,000</u>	<u>119,068,000</u>

### St. Maurice Power Corporation

#### First Mortgage, Sinking Fund Bonds

Series "A" 3¼% maturing April 1, 1970 — Issued \$13,500,000 less Bonds Redeemed .....	11,330,000	11,607,000
	<u>\$129,161,000</u>	<u>\$130,675,000</u>

(Principal and Interest payable in Canadian Funds with the exception of Series "M" and "Q" payable in United States Funds)



**CONSOLIDATED STATEMENT  
OF EARNINGS**

FOR THE YEAR ENDED DECEMBER 31, 1955  
(With Corresponding Figures for the year ended December 31, 1954)

	1955	1954
Revenue from Power Sales . . . . .	\$47,898,994	\$42,412,611
Revenue from Temporary Investments and from Other Sources, including Rentals and Transmission Charges . . . . .	1,435,431	1,290,783
Dividends from Subsidiary and Other Companies . . . . .	1,866,117	1,756,580
Total Revenue . . . . .	<u>51,200,542</u>	<u>45,459,974</u>
<u>Deduct:</u>		
Operating, Maintenance and General Expenses . . . . .	14,067,876	12,959,791
Power Purchased . . . . .	5,447,143	4,256,389
Taxes, other than Income and Profits Taxes . . . . .	3,166,650	3,030,065
Water Storage Rentals . . . . .	1,342,717	1,233,879
Provision for Depreciation . . . . .	6,765,000	7,095,915
Total Operating Expenses . . . . .	<u>30,789,386</u>	<u>28,576,039</u>
	20,411,156	16,883,935
<u>Deduct:</u>		
Interest on Funded Debt . . . . .	4,206,172	4,222,151
	16,204,984	12,661,784
<u>Deduct:</u>		
Provision for Water Storage Equalization Reserve of \$566,000, less Income and Profits Taxes applicable . . . . .	310,000	294,000
	15,894,984	12,367,784
<u>Deduct:</u>		
Provision for Income and Profits Taxes . . . . .	6,443,000*	4,954,000
Net Earnings for the year . . . . .	<u>\$9,451,984</u>	<u>\$7,413,784</u>

\*The Income and Profits Taxes payable in respect of the year amount to \$5,292,000. The difference of \$1,151,000 between this figure and the taxes charged against earnings results from claiming for tax purposes an amount greater by \$3,016,000 than the depreciation recorded in the accounts. This difference is applicable to those future periods in which the amounts claimed for tax purposes will be less than the depreciation recorded in the accounts and is accordingly included in the Balance Sheet in the item "Accumulated Tax Reductions applicable to Future Years".



CONSOLIDATED STATEMENT  
OF EARNINGS RETAINED AND  
INVESTED IN THE BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 1955  
(With Corresponding Figures for the year ended December 31, 1954)

	1955	1954
Balance at beginning of year.....	\$17,725,037	\$11,185,883
<i>Add:</i>		
Profits arising from the sale of property and from other transactions	6,076	151,388
Restoration of equivalent of excess of Capital Cost Allowance over normal provision for Depreciation charged in prior years.....	—	3,446,000
Overprovision for Operating Expenses, prior years.....	—	90,289
Net Earnings for the year.....	9,451,984	7,413,784
	<u>27,183,097</u>	<u>22,287,344</u>
<i>Deduct:</i>		
Common Stock Issue Expenses.....	251,319	—
Amortization of Bond Premium, Discount and Expense.....	294,300	294,300
Additional cost for past service, Employees' Retirement Income Plan (final payment).....	55,487	73,816
Dividends on Preferred Shares.....	1,025,000	1,025,000
Dividends on Common Shares.....	3,869,622	3,169,191
	<u>5,495,728</u>	<u>4,562,307</u>
Balance at end of year.....	<u>\$21,687,369</u>	<u>\$17,725,037</u>



# The Shawinigan Water and Power Company

and ST. MAURICE POWER CORPORATION

## CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 1946-1955

(In Thousands of Dollars)

	1955	1954	1953*	1952*	1951*	1950*	1949*	1948*	1947*	1946*
Revenue from Power Sales.....	\$47,899	\$42,413	\$38,801	\$37,557	\$34,651	\$29,270	\$25,880	\$24,792	\$22,671	\$21,169
Revenue from Temporary Investments and from Other Sources, including Rentals and Transmission Charges.....	1,435	1,291	1,256	738	897	1,514	1,281	1,032	749	399
Dividends from Subsidiary and Other Companies.....	1,866	1,756	1,745	1,665	1,921	1,956	1,384	1,468	1,303	1,178
<b>Total Revenue.....</b>	<b>51,200</b>	<b>45,460</b>	<b>41,802</b>	<b>39,960</b>	<b>37,469</b>	<b>32,740</b>	<b>28,545</b>	<b>27,292</b>	<b>24,723</b>	<b>22,746</b>
<b>Deduct:</b>										
Operating, Maintenance and General Expenses.....	14,068	12,960	12,363	11,791	10,310	8,885	8,501	7,834	7,062	6,141
Power Purchased.....	5,447	4,256	5,088	4,653	5,173	5,015	4,512	4,446	3,557	3,594
Taxes, other than Income and Profits Taxes.....	3,166	3,030	2,679	2,580	2,204	1,876	1,811	1,612	1,353	1,245
Water Storage Rentals.....	1,343	1,234	1,053	1,012	978	672	655	628	668	616
Provision for Depreciation.....	6,765	7,096	6,590	6,142	5,600	4,300	3,600	3,500	3,250	3,150
<b>Total Operating Expenses.....</b>	<b>30,789</b>	<b>28,576</b>	<b>27,773</b>	<b>26,178</b>	<b>24,265</b>	<b>20,748</b>	<b>19,079</b>	<b>18,020</b>	<b>15,890</b>	<b>14,746</b>
<b>Deduct:</b>										
Interest on Funded Debt.....	4,206	4,222	3,904	3,938	4,067	4,016	3,695	2,981	2,842	2,959
<b>Total Deducts.....</b>	<b>16,205</b>	<b>12,662</b>	<b>10,125</b>	<b>9,844</b>	<b>9,137</b>	<b>7,976</b>	<b>5,771</b>	<b>6,291</b>	<b>5,991</b>	<b>5,041</b>
<b>Net Earnings for the year.....</b>	<b>15,895</b>	<b>12,368</b>	<b>9,761</b>	<b>9,320</b>	<b>9,137</b>	<b>7,976</b>	<b>5,771</b>	<b>6,291</b>	<b>5,991</b>	<b>5,041</b>
<b>Deduct:</b>										
Provision for Water Storage Equalization Reserve, less Income and Profits Taxes applicable.....	310	294	364	524	—	—	—	—	—	—
<b>Total Deducts.....</b>	<b>6,443</b>	<b>4,954</b>	<b>3,808</b>	<b>4,126</b>	<b>4,091</b>	<b>2,668</b>	<b>1,848</b>	<b>2,040</b>	<b>2,043</b>	<b>1,849</b>
<b>Net Earnings for the year.....</b>	<b>\$9,452</b>	<b>\$7,414</b>	<b>\$5,953</b>	<b>\$5,194</b>	<b>\$5,046</b>	<b>\$5,308</b>	<b>\$3,923</b>	<b>\$4,251</b>	<b>\$3,948</b>	<b>\$3,192</b>
<b>Earnings and Dividends:</b>										
Preferred Shares, \$50 Par Value:										
Earned per Share.....	\$18.90	\$14.82	\$11.90	\$10.38	\$10.09	\$10.61	\$9.80	\$10.62	\$9.87	—
Dividends per Share:										
Series "A" 4% (400,000 shares).....	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00†	—
Series "B" 4½% (100,000 shares).....	2.25	2.25	2.25	2.25	2.25	1.87½†	—	—	—	—
<b>Common Shares, No Par Value:</b>										
Earned per Share.....	\$3.48	\$2.91	\$2.26	\$1.91	\$1.84	\$1.98	\$1.43	\$1.58	\$1.62	\$1.46
Dividends declared per Share.....	1.60	1.45	1.45	1.45	1.45	1.45	1.20	1.20	1.20	1.05

†For ten months only.

†For six months only.

\*Not consolidated.



# The Shawinigan Water and Power Company

## and ST. MAURICE POWER CORPORATION COMPARATIVE CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1946-1955  
(In Thousands of Dollars)

	1955	1954	1953*	1952*	1951*	1950*	1949*	1948*	1947*	1946*
<b>ASSETS</b>										
Current Assets.....	\$27,467	\$18,852	\$24,241	\$23,609	\$24,281	\$29,517	\$22,535	\$34,866	\$29,268	\$15,580
Securities of Subsidiary and other Companies.....	16,379	16,270	14,844	14,899	14,944	15,150	15,078	14,791	16,825	16,810
Refundable Portion of Dominion of Canada Excess Profits Tax.....	—	—	—	—	—	294	421	1,091	1,533	1,533
Funds deposited with Trustee.....	—	—	—	—	—	—	—	8,500	—	—
Fixed Assets.....	298,384	284,960	260,697	253,249	245,493	233,388	213,307	188,626	171,977	160,988
Mattawin River and Other Storage Dams, less Amortization to date.....	2,688	2,758	2,790	2,848	2,917	2,986	3,056	3,129	3,194	3,252
Unamortized Bond Premium, Discount and Expense....	3,187	3,481	2,819	3,043	3,267	3,497	5,417	5,842	5,483	5,566
	<u>\$348,105</u>	<u>\$326,321</u>	<u>\$305,391</u>	<u>\$297,648</u>	<u>\$290,902</u>	<u>\$284,832</u>	<u>\$259,814</u>	<u>\$256,845</u>	<u>\$228,280</u>	<u>\$203,729</u>
<b>LIABILITIES</b>										
Current Liabilities.....	\$9,542	\$7,751	\$7,026	\$6,563	\$7,099	\$6,634	\$5,408	\$5,044	\$4,729	\$4,026
Deferred Liabilities.....	2,685	2,838	3,352	3,929	3,350	2,068	736	—	—	—
Funded Debt.....	129,161	130,675	120,297	121,640	122,987	124,291	110,543	111,673	87,802	87,802
Deferred Credit — Accumulated Tax Reductions.....	4,460	3,310	—	—	—	—	—	—	—	—
Provision for Depreciation.....	75,128†	69,202	69,699	61,696	53,482	48,900	46,395	43,537	40,321	37,110
Water Storage Equalization Reserve.....	1,492	1,182	888	524	—	—	—	—	—	—
Contingent Reserve†.....	500	500	500	500	1,645	1,160	1,160	1,160	1,160	1,160
	<u>222,968</u>	<u>215,458</u>	<u>201,762</u>	<u>194,852</u>	<u>188,563</u>	<u>183,053</u>	<u>164,242</u>	<u>161,414</u>	<u>134,012</u>	<u>130,098</u>
<b>CAPITAL AND RETAINED EARNINGS</b>										
Cumulative Redeemable Preferred Stock.....	25,000	25,000	25,000	25,000	25,000	25,000	20,000	20,000	20,000	—
Common Stock.....	78,450	68,138	67,563	67,563	67,563	67,563	67,563	67,563	67,563	67,563
Earnings Retained and Invested in the Business.....	21,687	17,725	11,066	10,233	9,776	8,922	7,588	6,777	5,172	4,535
Deferred Surplus.....	—	—	—	—	—	294	421	1,091	1,533	1,533
	<u>\$348,105</u>	<u>\$326,321</u>	<u>\$305,391</u>	<u>\$297,648</u>	<u>\$290,902</u>	<u>\$284,832</u>	<u>\$259,814</u>	<u>\$256,845</u>	<u>\$228,280</u>	<u>\$203,729</u>

\*Not consolidated.

†Excludes Capital Cost Allowances totalling \$11,465,000 claimed for tax purposes in the years 1952 to 1955, inclusive.

‡Figures for 1951 and prior years include Insurance Reserve of \$1,000,000, transferred to Earned Surplus Account (Retained Earnings) in 1952.

In 1955, the form of the Company's Balance Sheet was changed, and certain items were eliminated and included under other headings. Figures for previous years have been similarly restated. This, together with the consolidation of the accounts with those of St. Maurice Power Corporation in 1954 and 1955, accounts for the difference between the figures shown above and those published in previous Annual Reports.



# The Shawinigan Water and Power Company

## and ST. MAURICE POWER CORPORATION

### OPERATING STATISTICS

FOR THE YEARS 1947 TO 1955 INCLUSIVE

Figures for 1954 and 1955 have been consolidated

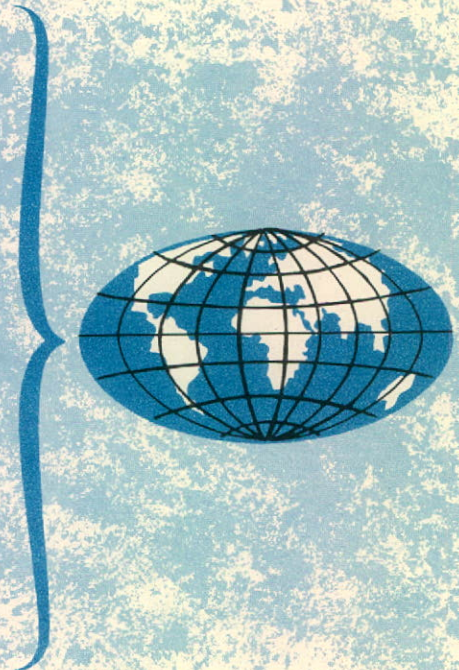
	1955	1954	1953	1952	1951	1950	1949	1948	1947
Installed turbine capacity — horsepower	1,721,200	1,562,700	1,340,200	1,340,200	1,340,200	1,149,200	1,077,700	947,700	882,850
Installed generator capacity — kilowatts	1,289,300	1,175,000	995,000	995,000	995,000	854,400	798,450	698,450	648,530
Peak Load, firm power — kilowatts	1,500,000	1,319,100	1,249,700	1,249,000	1,253,700	1,147,300	1,011,500	969,610	859,290
Peak Load, total — kilowatts	1,507,000	1,491,600	1,403,400	1,349,100	1,316,800	1,152,800	1,027,152	1,001,280	1,024,640
Kilowatthours generated	7,929,428,100	7,425,948,900	6,161,834,400	6,662,337,800	5,730,077,540	4,686,167,780	4,314,443,363	4,140,680,379	4,654,506,798
Kilowatthours purchased	2,322,583,460	1,876,910,700	2,633,543,271	2,441,973,627	2,679,737,892	2,607,405,805	2,350,847,166	2,511,301,873	2,231,983,812
Total	10,252,011,560	9,302,859,600	8,795,377,671	9,104,311,427	8,409,815,432	7,293,573,585	6,665,290,529	6,651,982,252	6,886,490,610
<b>Kilowatthours sold:</b>									
Firm power	8,489,091,658	7,356,269,486	7,021,238,450	7,277,090,408	7,233,097,847	6,243,448,750	5,714,786,565	5,713,804,662	4,904,895,077
Secondary power	745,579,117	1,056,527,951	832,131,343	880,833,350	305,323,348	323,090,598	249,433,946	249,906,171	1,355,886,083
Total	9,234,670,775	8,412,797,437	7,853,369,793	8,157,923,758	7,538,421,195	6,566,539,348	5,964,220,511	5,963,710,833	6,260,781,160
Volume of water in storage at year end billions of cubic feet	207.6	291.9	210.9	309.9	229.2	172.0	165.6	132.9	233.8
<b>Number of customers served:</b>									
Residential	154,156	146,791	139,293	130,818	124,204	116,796	110,601	103,317	94,674
Farm	42,480	42,235	41,359	41,188	40,329	38,578	37,376	32,229	27,045
Commercial	22,635	22,121	20,840	19,621	18,427	17,479	16,465	14,820	13,516
Municipal services	73	67	65	57	57	49	48	41	37
Industrial	3,460	3,415	3,390	3,288	3,223	3,196	3,194	3,163	3,025
Other utilities for resale (including municipal systems)	13	13	14	15	15	14	15	15	15
Total	222,817	214,642	204,961	194,987	186,255	176,112	167,699	153,585	138,312
Number of municipalities served	612	612	591	591	590	580	567	551	539
Average annual kwh. consumption per residential customer	2,380	2,163	1,900	1,721	1,558	1,453	1,352	1,233	1,106
Average annual kwh. consumption per farm customer	1,453	1,301	1,126	989	858	770	693	636	614
<b>Wages and salaries paid, including employee benefits:</b>									
Charged to operation	\$10,000,322	\$9,140,860	\$8,909,510	\$8,499,857	\$7,229,687	\$6,402,339	\$6,014,809	\$5,594,605	\$4,898,763
Charged to construction	740,531	797,047	634,835	597,402	592,532	592,691	908,745	1,017,918	974,950
Other	270,519	263,768	499,973	510,640	478,121	457,644	582,600	583,714	397,069
Total	\$11,011,372	\$10,201,675	\$10,044,318	\$9,607,899	\$8,300,340	\$7,452,674	\$7,506,154	\$7,196,237	\$6,270,782
The Shawinigan Water and Power Company	2,337	2,284	2,297	2,260	2,260	2,190	2,314	2,360	2,223
Shawinigan Chemicals Limited	1,431	1,445	1,529	1,532	1,235	1,226	1,266	1,549	1,615
The Shawinigan Engineering Company, Limited	283	254	251	272	255	241	258	242	195
Canadian Resins and Chemicals Limited	547	470	446	397	387	334	305	296	258
Quebec Power Company	718	693	676	673	686	716	700	697	681
The Quebec Railway, Light & Power Company	512	510	508	492	508	740	763	722	716
Miscellaneous companies	297	233	194	135	110	102	199	209	186
Total	6,125	5,889	5,901	5,761	5,441	5,549	5,805	6,075	5,874

### Regular Employees of Shawinigan and its Subsidiary and Associated Companies










## WHO OWNS SHAWINIGAN COMMON SHARES . . . AND WHERE?

Location	Shareholders	Percentage
Newfoundland . . . . .	22	.20%
Prince Edward Island . . . . .	54	.43%
Nova Scotia . . . . .	445	3.53%
New Brunswick . . . . .	197	1.56%
Quebec . . . . .	6,802	53.88%
Ontario . . . . .	2,403	19.04%
Manitoba . . . . .	202	1.60%
Saskatchewan . . . . .	85	.67%
Alberta . . . . .	114	.91%
British Columbia . . . . .	431	3.42%
<b>Total Canada . . . . .</b>	<b>10,755</b>	<b>85.24%</b>
United Kingdom . . . . .	617	4.86%
U.S.A. . . . .	828	6.55%
Elsewhere . . . . .	423	3.35%
	<b>12,623</b>	<b>100.00%</b>



## AN ANALYSIS OF 12,623 SHAWINIGAN SHAREHOLDERS

								
	Men	Women	Insurance Companies	Brokers	Trusts, Estates, & Banks	Charitable and Educational Institutions	Religious Organizations	Unclassified
Shareholders	4,551	6,105	37	178	1,332	36	18	366
Percentage	36.05%	48.35%	.30%	1.41%	10.56%	.29%	.14%	2.90%



