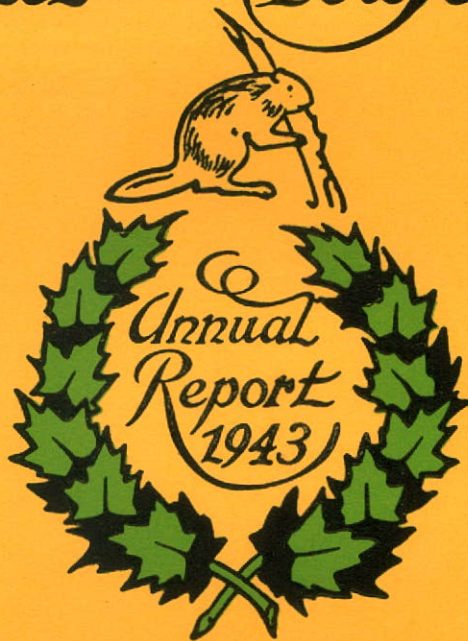
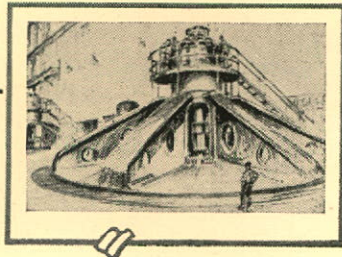


The  
*Shawinigan*  
Water and Power Co.





# The SHAWINIGAN WATER AND POWER COMPANY



Incorporated by Act of the Legislature of the Province  
of Quebec, 15th January, 1898, and Amendments



Annual Report  
1943



# THE SHAWINIGAN WATER AND POWER COMPANY

## DIRECTORS:

JAMES WILSON.....*President*  
GORDON W. MACDOUGALL, K.C....*Vice-President and Chairman  
of Executive Committee*  
HOWARD MURRAY, O.B.E.....*Vice-President*  
W. S. HART.....*Vice-President and Treasurer*  
LIEUT. COL. L. J. ADJUTOR AMYOT  
NORMAN J. DAWES  
G. H. DUGGAN  
J. A. ECCLES  
BEAUDRY LEMAN  
PAUL F. SISE  
ARTHUR SURVEYER  
MORRIS W. WILSON

---

H. G. BUDDEN.....*Secretary*

## EXECUTIVE OFFICERS:

JAMES WILSON.....*President*  
R. J. BEAUMONT.....*Vice-President in charge of Distribution*  
J. B. CHALLIES.....*Vice-President and Executive Engineer*  
P. S. GREGORY.....*Vice-President in charge of Power Sales*  
JOHN MORSE.....*Vice-President in charge of Operation*

## CONSTRUCTION ENGINEERS:

J. A. McCRORY  
R. E. HEARTZ                      C. R. LINDSEY  
  
*Assistant Treasurer*                      *Assistant Secretary*  
N. P. WOODS                      C. W. HEMMING  
  
*Chief Accountant*  
W. BOOTH

---

OFFICE: Montreal, Canada

# THE SHAWINIGAN WATER

Balance Sheet as at

## ASSETS

### Fixed Assets:

Power Development . . . . . \$ 54,749,492.31

(Cost of power houses, gatehouses, dams, tunnels, sluice and regulating gates, log chutes, penstocks, shop buildings, roads, tracks, bridges and riparian rights at Shawinigan Falls, La Gabelle, Grand Mere, Rapide Blanc and other plants.)

Property . . . . . 25,541,219.69

(Cost of land for power developments at Shawinigan Falls, La Gabelle, Grand Mere, Rapide Blanc and other plants, including road and shore protection. It includes the cost of undeveloped water power sites, real estate and dwellings at Shawinigan Falls owned by the Company, dwellings and miscellaneous buildings at other power sites.)

Machinery . . . . . 24,415,980.23

(Cost of water wheels, generators, transformers, switches, cables and other equipment used in the production of power at Shawinigan Falls, La Gabelle, Grand Mere, Rapide Blanc and other plants.)

Distribution Systems . . . . . 47,608,278.46

(The amount of the Company's investment in equipment required for the delivery of power to the Company's customers, inclusive of towers, transmission lines, distributing lines, right-of-way, terminal stations, sub-stations, transformers and installations of electric steam boilers.)

Total Fixed Assets . . . . . \$152,314,970.69

Mattawin River and Other Storage Dams . . . . . 4,040,532.83

Less: Amortization to Date . . . . . 607,226.24

3,433,306.59

Securities of Subsidiary and Other Companies (Book Value) . . . . . 17,060,608.65

Deposit with Quebec Government . . . . . 250,000.00

(\$250,000 Province of Quebec Bonds, deposited with the Quebec Government as provided in Water Power Leases.)

Refundable Portion of Dominion of Canada Excess Profits Tax . . . . . 1,118,892.82

Stores and Moveable Plant . . . . . 1,119,879.70

(Cost of spare equipment, also materials, supplies and miscellaneous items carried in stores.)

### Current Assets:

Cash in Banks and on Hand . . . . . 2,136,577.27

Call Loans, Government Bonds and Temporary Investments . . . . . 5,114,200.00

Accounts Receivable . . . . . 2,874,465.43

Total Current Assets . . . . . 10,125,242.70

Prepaid Charges . . . . . 411,331.34

(Insurance, taxes, rentals, etc., paid in advance.)

Total Assets . . . . . \$185,834,232.49

Approved on behalf of the Directors.

P. F. SISE  
ARTHUR SURVEYER } *Directors.*

# AND POWER COMPANY

December 31, 1943

## LIABILITIES

Capital Stock .....		\$ 67,562,996.75
(Represented by 2,178,250 shares of no par value.)		
<b>Funded Debt:</b>		
First Mortgage and Collateral Trust Sinking Fund Gold Bonds:		
Series "A" 4½% Maturing Oct. 1, 1967 .....	\$35,000,000.00	
Less: Redeemed under Sinking Fund provisions .....	836,000.00	
		\$ 34,164,000.00
Series "D" 4½% Maturing Oct. 1, 1970 .....	21,000,000.00	
Less: Redeemed under Sinking Fund provisions .....	2,239,000.00	
		18,761,000.00
First Mortgage and Collateral Trust Sinking Fund Bonds:		
Series "F" 4% Maturing April 1, 1961 .....	19,375,000.00	
Less: Bonds unsold .....	375,000.00	
	19,000,000.00	
Less: Redeemed under Sinking Fund provisions .....	5,796,500.00	
		13,203,500.00
Series "G" 4% Maturing June 1, 1969 .....	26,367,500.00	
Less: Bonds unsold .....	10,621,500.00	
	15,746,000.00	
Less: Redeemed under Sinking Fund provisions .....	1,939,500.00	
		13,806,500.00
Total Funded Debt .....		79,935,000.00
<b>Current Liabilities:</b>		
Accounts Payable (including Provision for Income and Excess Profits Taxes) .....	3,434,630.96	
Accrued Bond Interest, and Dividends Payable .....	1,274,460.41	
Total Current Liabilities .....		4,709,091.37
<b>Reserves:</b>		
Contingent and Insurance Reserves .....	1,165,020.48	
<small>(This amount is made up of sums transferred from surplus or earnings to provide for loss or damage to property by fire or other contingencies.)</small>		
Depreciation and Renewal Reserve .....	27,837,694.43	
<small>(Amounts representing provision for renewals and obsolescence in addition to expenditure for maintenance.)</small>		
Total Reserves .....		29,002,714.91
<b>Surplus:</b>		
Earned Surplus .....	3,505,536.64	
Deferred Surplus .....	1,118,892.82	
<small>(Refundable Portion of Dominion of Canada Excess Profits Tax)</small>		
		4,624,429.46
Total Liabilities .....		<u>\$185,834,232.49</u>

The Company jointly with Montréal Light, Heat & Power Consolidated has guaranteed, as to one-half each, the principal and interest of \$3,351,500 of the 3% Collateral Trust Ten-year Bonds of United Securities Limited maturing May 1, 1952.

Audited and Verified,  
as per our Report attached,

SHARP, MILNE & CO.,

Chartered Accountants,

Montreal, January 17, 1944.

# THE SHAWINIGAN WATER AND POWER COMPANY

## COMPARATIVE STATEMENT OF PROFIT AND LOSS ACCOUNT

*For the years ended December 31, 1943 and 1942*

	1943	1942
Revenue from Power Sales.....	\$23,088,890.22	\$ 23,291,282.82
Other Revenue, including Income from Investments in Subsidiary and other Companies and Rentals.....	1,242,822.57	887,030.37
Gross Revenue.....	24,331,712.79	24,178,313.19
<b>Deduct:</b>		
Operating Expenses.....	1,703,597.70	1,580,348.65
Power Purchased.....	4,284,067.96	4,252,494.70
Maintenance and Repairs.....	1,425,055.56	1,194,899.76
Taxes, other than Income and Excess Profits Taxes.....	836,384.05	921,936.09
General Expenses.....	2,024,498.70	1,737,503.35
Water Storage Rentals.....	548,725.85	530,921.89
Total Operating Expenses.....	10,822,329.82	10,218,104.44
Operating Profit.....	13,509,382.97	13,960,208.75
<b>Deduct:</b>		
Interest paid and accrued on Bonds (including U.S. Exchange \$261,821.25).....	3,789,896.74	3,836,243.59
<b>Net Income before Depreciation and Income and Excess Profits Taxes.....</b>	<b>9,719,486.23</b>	<b>10,123,965.16</b>
<b>Deduct:</b>		
Provision for—Depreciation.....	3,000,000.00	2,900,000.00
Income and Excess Profits Taxes.....	4,352,100.80	4,691,099.33
(Of which amount \$670,442.50 is refundable under Dominion of Canada Excess Profits Tax Act)		
Total Depreciation and Income and Excess Profits Taxes.....	7,352,100.80	7,591,099.33
<b>Net Income transferred to Surplus Account.....</b>	<b>\$ 2,367,385.43</b>	<b>\$ 2,532,865.83</b>

## COMPARATIVE STATEMENT OF SURPLUS ACCOUNT

*For the years ended December 31, 1943 and 1942*

	1943	1942
Surplus carried forward from previous year, less adjustments.....	\$3,098,576.21	\$2,534,734.99
Net Income transferred from Profit and Loss Account.....	2,367,385.43	2,532,865.83
Dividends for the year.....	5,465,961.64	5,067,600.82
Earned Surplus as per Balance Sheet.....	1,960,425.00	1,960,425.00
Earned Surplus as per Balance Sheet.....	\$3,505,536.64	\$3,107,175.82

Audited and Verified,  
as per our Report attached,

SHARP, MILNE & CO.,

*Chartered Accountants.*

Montreal, January 17, 1944.



SHARP, MILNE & CO.,  
CHARTERED ACCOUNTANTS

ALDRED BUILDING  
Place d'Armes

Montreal, January 17th, 1944.

*The Shawinigan Water and Power Company,  
Montreal, Que.*

We have audited the books and accounts of The Shawinigan Water and Power Company for the year ended December 31st, 1943. In connection therewith we examined or tested the accounting records and other supporting evidence and made a general review of the accounting methods of the Company.

Moveable Plant, Stores, Customers' Accounts and Cash Funds at the several branches of the Company have been verified periodically by your Internal Audit Department from whom we have received certificates to that effect.

We have received all the information and explanations we have required, and in our opinion, based on our examination, the attached Balance Sheet and Statements of Profit and Loss and Surplus set forth correctly the financial position of The Shawinigan Water and Power Company as at December 31st, 1943, and the result of operations for the year ended that date, according to the best of our information, the explanations given to us and as shown by the books and statements of the Company.

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

FORTY-SIXTH ANNUAL REPORT  
*of the*  
Board of Directors  
*of*  
The Shawinigan Water and Power Company

For the year ended December 31, 1943

Submitted to the Shareholders of the Company at the Annual  
Meeting held on February 16, 1944

---

Your Directors submit the Annual Report of the Company for the year ended December 31, 1943, together with Balance Sheet, Profit and Loss Statement and Surplus Account.

*Balance Sheet*

The Balance Sheet continues to reflect a strong financial position. Current assets amount to \$10,125,243. Current liabilities, including accrued bond interest and provisions for exchange and dividends declared but not paid, amount to \$4,709,091, or a surplus of current assets over current liabilities of \$5,416,152.

### *Profit and Loss Statement*

Revenue from Power Sales amounted to \$23,088,890 as compared with \$23,291,283 in the previous year. The difference indicated was not due to a falling off in the amount of energy sold, but largely to a special rebate on certain power bills, as ordered by the Public Service Board in November last. This order provided for one month's free service for domestic customers, and one month's service at half rate for general street lighting, municipal service and other users of power for industrial purposes, whose requirements do not exceed 250 horse power. This rebate, to the extent of 75%, is reflected in the Profit and Loss Statement; the remaining 25% will be incorporated in 1944 accounts.

Other Revenue of \$1,242,823 shows an increase of \$355,793 over the previous year.

Net Income before Depreciation and Income and Excess Profits Taxes amounted to \$9,719,486, as compared with \$10,123,965 in the previous year.

The amount appropriated for Depreciation was \$3,000,000, as compared with \$2,900,000 in 1942 and \$2,400,000 in 1941.

Provision has been made for Income and Excess Profits Taxes in an amount of \$4,352,101 (of which \$670,442 is refundable under the provisions of the Dominion of Canada Excess Profits Tax Act). The provision for similar taxes in 1942 was \$4,691,099 of which \$448,450 is refundable.

After the deductions mentioned Net Income transferred to Surplus Account was \$2,367,385.

Dividends were paid quarterly, aggregating 90c per share per annum.

### *Operations*

The plants of the Company have been operated at or near capacity throughout the year with an increasing demand for primary power. All electrical energy generated in the Company's plants is sold and distributed in the Province of Quebec. Industrial activity in the Province has continued at a high level, and all demands in the territory served by your Company have been fully met. A close co-ordination of the various plants and the exercise of a high degree of technical skill in the employment of the available water resources have made possible this result. The assistance and co-operation received from the Quebec Streams Commission and its officials is hereby acknowledged.

Water conditions have been satisfactory throughout the year, and storage reserves should be sufficient to cover anticipated requirements in 1944.

### *Power Produced and Purchased*

Power produced and purchased during the year amounted to 7,343,099,000 kilowatt-hours. This is the highest figure in the history of the Company and compares with 7,314,326,000 kilowatt-hours in 1942. The firm power peak load on the system increased from 1,313,458 horse power to 1,366,890 horse power. This increase in production and delivery was rendered possible by the establishment of facilities for the interchange of electrical energy with other power operators during certain off-peak hours, thereby providing for a more efficient utilization of available power resources.

### *Power Sales*

Contracts which expired during the year covering an aggregate of 29,050 horse power have been renewed. New contracts for approximately 65,500 horse power have been entered into with a number of

industries all located in the Province of Quebec, the majority of which are engaged in the manufacture of war materials. In addition to power covered by existing contracts, your Company has been able to deliver to the Aluminum Company of Canada Limited an average of 100,000 horse power of "over contract power," largely as a result of the use of energy purchased from outside sources.

### *Retail Distribution*

Owing to restrictions imposed by the Federal Government on the purchase and use of certain materials no important additions have been made to the Company's retail distribution system during the year. This system has however been fully maintained and has been operated with satisfactory results. The number of domestic, general and small power customers as at December 31, 1943, was 98,168, an increase of 3,950 for the year. The number of communities served is 475.

### *Rural Electrification*

The Company's progressive policy with respect to rural electrification is well known. When present restrictions on the use of essential materials have been removed, the Company is prepared to co-operate with governmental authorities in the establishment and operation of all reasonable and proper additions to the existing service.

### *Construction*

Expenditures of \$560,000 have been made on Capital Account. An important link has been added to the transmission system serving Sorel and other points on the south shore of the St. Lawrence River, and these expenditures have provided facilities for the sale and distribution of power.

### *Research Department*

Early in the year your Company established an Industrial Research Department to investigate various electro-metallurgical, electro-chemical and other processes for use in such plants as may hereafter be established in the Province of Quebec. Your Company believes that this work will make an important contribution to post-war industry in the Province.

### *Distribution of Shares*

The 2,178,250 shares of the Company are now registered in the names of 17,243 shareholders, of whom 10,409 are residents of the Province of Quebec, holding 1,246,184 shares or 57.2% of the total. Shares held in all Provinces of Canada, including Quebec, amount to 1,524,448.

### *Shawinigan Chemicals Limited*

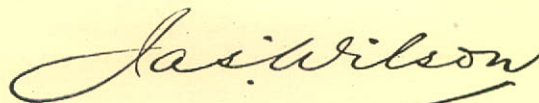
The operations of Shawinigan Chemicals Limited and of its subsidiary and associated companies have been greatly expanded during the year. A Research Department was established by this Company in 1920, and since that time various processes and formulas have been developed, and valuable patents obtained. As a result the Company should continue to hold after the war the prominent position it presently occupies in the chemical industry. A statement appended to this report indicates in broad outline the materials produced by this wholly owned subsidiary and its affiliates.

From its net earnings for the year Shawinigan Chemicals Limited has declared a dividend of \$1.00 per share amounting to \$281,275, and this amount has been included in your Company's Profit and Loss Statement under the heading of "Other Revenue."

Your Directors desire to record their appreciation of the loyal and efficient service rendered by all employees of the Company during the past year, including employees of Shawinigan Chemicals Limited and other associated companies.

Financial allowances are being continued to employees and members of the staff numbering 298 men and 18 women, who are now serving in various branches of the Armed Forces. Five have given their lives on Active Service and three are missing. We honour the memories of these men and extend to their relatives our heartfelt sympathy.

Submitted on behalf of the Board of Directors.

A handwritten signature in cursive script that reads "J. Wilson". The signature is written in dark ink and is positioned above a horizontal line.

*President.*

# SHAWINIGAN CHEMICALS LIMITED

## OFFICERS

JAMES WILSON  
*Chairman of the Board*

V. G. BARTRAM  
*President*

W. S. HART  
*First Vice-President*

H. S. REID  
*Vice-President in charge of Manufacturing*

H. W. MATHESON  
*Vice-President in charge of Research and Patents*

J. A. FULLER  
*Secretary and Treasurer*

---

SHAWINIGAN LIMITED, LONDON, ENGLAND

H. E. MUSSETT  
*Chairman and Managing Director*

SHAWINIGAN PRODUCTS CORPORATION  
NEW YORK, N.Y.

L. F. LOUTREL  
*President*



# SHAWINIGAN CHEMICALS LIMITED

Since 1939 the operations of Shawinigan Chemicals Limited have been greatly extended, permitting a wider diversification of the materials produced. Additional plant capacity has been installed and there has been an important increase in all the Company's regular products and in certain materials now used for war purposes. Many of these products can be made available for commercial use after the war.

The following products are among those referred to:

<b>Calcium Carbide:</b>	Used to produce acetylene gas for use in various chemical industries, oxy-acetylene welding and lighting;
<b>Acetic Anhydride:</b>	Employed in the manufacture of cellulose acetate for the production of artificial silk, plastics, synthetic chemicals, and explosives;
<b>Acetone:</b>	Used as a solvent in the manufacture of explosives, cellulose acetate and lacquers;
<b>Acetylene Black:</b>	Used as an electrolyte absorbent in dry-cell batteries and the manufacture of conductive rubber;
<b>Dibutyl Phthalate:</b>	Employed as a plasticizer for synthetic resins, lacquers and explosives;
<b>Burnt Lime &amp; Hydrated Lime:</b>	Used as a causticizing agent;
<b>Acetic Acid:</b>	Used in the manufacture of cellulose acetate for the production of artificial silk, plastics, metal acetates, acetic esters, in the textile industry, in the coagulation of rubber latex and for use in the pickling industry;
<b>Stainless Steels and Alloys:</b>	Employed in various process industries, including paper and chemical industries, in all of which resistance to heat, corrosion and erosion is an important factor;
<b>Various solvents and other products:</b>	These plants produce amyl acetate, butyl acetate, ethyl acetate, vinyl acetate and vinyl acetate resins;
<b>Vinyl chloride resins:</b>	These resins are produced by a Company in operation since June, 1943, and jointly owned by Shawinigan Chemicals Limited and an associate.

There has also been a considerable expansion in the operations of various American companies now associated with Shawinigan Chemicals Limited.





---

---

**THE SHAWINIGAN  
WATER and POWER  
COMPANY**

---

**Annual Report of Directors  
and  
General Statement**

**December 31, 1943**

---

---