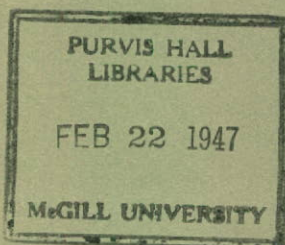


Corporation  
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# THE SHAWINIGAN WATER AND POWER COMPANY



ANNUAL REPORT  
1946





# THE SHAWINIGAN WATER AND POWER COMPANY



## FINANCIAL STATEMENTS 1946

Herein is presented the Balance Sheet of The Shawinigan Water and Power Company as at December 31, 1946, together with comparative Statements of Profit and Loss Account and Earned Surplus Account for the year ended December 31, 1946, and the report of the Company's auditors.

The report of the Directors will be submitted to the shareholders at the Annual General Meeting to be held in Montreal on Thursday, February 20, 1947. Copies of the report will subsequently be mailed to all shareholders.

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# THE SHAWINIGAN WATER

Balance Sheet as at

## ASSETS

Fixed Assets:

Power Development .....	\$ 55,246,548.18	
<small>(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.)</small>		
Properties .....	25,691,640.44	
<small>(Cost of land for power developments at Shawinigan Falls, La Gabelle, Grand'Mere, Rapide Blanc and other plants, including road and shore protection, together with 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.)</small>		
Machinery .....	24,454,309.66	
<small>(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.)</small>		
Distribution Systems .....	54,661,980.71	
<small>(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, distribution lines, right-of-way, terminal stations, sub-stations, transformers and installations of electric steam boilers.)</small>		
Total Fixed Assets .....		\$160,054,478.99
<u>Mattawin River and Other Storage Dams</u> .....	4,062,884.94	
Less: Amortization to Date .....	811,045.73	3,251,839.21
<u>Securities of Subsidiary and Other Companies (Book Value)</u> .....		16,810,111.18
<u>Deposit with Quebec Government</u> .....		250,000.00
<small>(\$250,000 Province of Quebec Bonds, deposited with the Quebec Government as provided in the Water Power Lease.)</small>		
<u>Refundable Portion of Dominion of Canada Excess Profits Tax</u> .....		1,532,774.08
<u>Stores and Moveable Plant</u> .....		2,405,928.01
<small>(Cost of spare equipment, also materials, supplies and miscellaneous items carried in stores.)</small>		
<u>Current Assets:</u>		
Cash in Banks and on Hand .....	2,143,624.02	
Government Bonds and Call Loans .....	8,167,600.00	
Accounts and Bills Receivable .....	2,712,616.32	
Total Current Assets .....		13,023,840.34
<u>Prepaid Charges</u> .....		445,744.22
<small>(Insurance, taxes, rentals, etc., paid in advance.)</small>		
<u>Unamortized Bond Premium, Discount and Expense</u> .....		5,566,568.65
Total Assets .....		\$203,341,284.68

### AUDITORS' REPORT

*We have audited the books and accounts of The Shawinigan Water and Power Company for the year ended December 31st, 1946. 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.*

*Stores, Moveable Plant, Cash Funds and Customers' Accounts have been verified periodically by your Internal Audit Department which has furnished us with 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 related Statements of Profit and Loss and Surplus set forth correctly the financial position of The Shawinigan Water and Power Company as at December 31st, 1946, and the result of operations for the year ended on that date, according to the best of our information, the explanations given to us and as shown by the books and records of the Company.*

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

Montreal, January 16, 1947.

# AND POWER COMPANY

December 31, 1946

## LIABILITIES

Capital Stock..... \$ 67,562,996.75  
(Represented by 2,178,250 shares of no par value.)

### Funded Debt:

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

Series "G" 4% maturing June 1, 1969..... \$ 15,746,000.00  
 Less: Redeemed under Sinking Fund Provisions 1,939,500.00  
 \$ 13,806,500.00

Series "H" 3½% maturing January 1, 1970..... 18,761,000.00  
 Less: Redeemed under Sinking Fund Provisions 1,194,000.00  
 17,567,000.00

Series "J" 3½% maturing February 1, 1970..... 9,164,000.00  
 Less: Redeemed under Sinking Fund Provisions 63,000.00  
 9,101,000.00

Series "L" 3% maturing March 1, 1961..... 12,828,000.00  
 Series "M" 3% maturing April 15, 1971..... 25,000,000.00

Series "N" 3% maturing May 15, 1971..... 10,996,500.00  
 Less: Bonds unsold..... 996,500.00

10,000,000.00  
 Less: Redeemed under Sinking Fund Provisions 500,000.00  
 9,500,000.00

Total Funded Debt..... 87,802,500.00

### Current Liabilities:

Accounts Payable (including Provision for Income and Excess Profits Taxes)..... 2,545,124.11

Accrued Bond Interest, and Dividends Payable..... 1,480,692.57

Total Current Liabilities..... 4,025,816.68

### Reserves:

Contingent and Insurance Reserves..... 1,160,032.35  
(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.)

Depreciation and Renewal Reserve..... 36,721,576.72  
(Amounts representing provision for depreciation and renewals.)

Total Reserves..... 37,881,609.07

### Surplus:

Earned Surplus..... 4,535,588.10

Deferred Surplus..... 1,532,774.08  
(Refundable Portion of Dominion of Canada Excess Profits Tax.)

6,068,362.18

Total Liabilities..... \$203,341,284.68

The Company jointly with Montreal 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.

Approved on behalf of the Directors.

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

# THE SHAWINIGAN WATER AND POWER COMPANY

## COMPARATIVE STATEMENT OF PROFIT AND LOSS ACCOUNT

For the years ended December 31, 1946 and 1945

	1946	1945
Revenue from Power Sales.....	\$ 21,168,786.30	\$20,805,954.50
Other Revenue, including Income from Investments in Subsidiary and other Companies and Rentals.....	1,577,429.27	1,180,244.42
<b>Gross Revenue.....</b>	<b>22,746,215.57</b>	<b>21,986,198.92</b>
<b>Deduct:</b>		
Operating Expenses.....	2,086,953.94	1,868,763.47
Power Purchased.....	3,593,802.57	3,465,720.02
Maintenance and Repairs.....	1,729,420.34	2,042,721.47
Taxes, other than Income and Excess Profits Taxes.....	1,245,362.99	913,599.15
General Expenses.....	2,324,690.32	2,058,853.75
Water Storage Rentals.....	616,199.75	575,004.50
<b>Total Operating Expenses.....</b>	<b>11,596,429.91</b>	<b>10,924,662.36</b>
<b>Operating Profit.....</b>	<b>11,149,785.66</b>	<b>11,061,536.56</b>
<b>Deduct:</b>		
Interest paid and accrued on Bonds (including U.S. Exchange \$40,453.00).....	2,958,659.61	3,163,561.90
<b>Net Income before Depreciation and Income and Excess Profits Taxes.....</b>	<b>8,191,126.05</b>	<b>7,897,974.66</b>
<b>Deduct:</b>		
Provision for—Depreciation.....	3,150,000.00	3,000,000.00
Income and Excess Profits Taxes.....	1,849,000.00	2,592,000.00
<b>Total Depreciation and Income and Excess Profits Taxes.....</b>	<b>4,999,000.00</b>	<b>5,592,000.00</b>
<b>Net Income transferred to Earned Surplus Account.....</b>	<b>\$3,192,126.05</b>	<b>\$2,305,974.66</b>

## COMPARATIVE STATEMENT OF EARNED SURPLUS ACCOUNT

For the years ended December 31, 1946 and 1945

	1946	1945
Surplus carried forward from previous year, after adjustments.....	\$ 3,958,696.54	\$ 3,875,810.95
Net Income transferred from Profit and Loss Account.....	3,192,126.05	2,305,974.66
	7,150,822.59	6,181,785.61
<b>Deduct:</b>		
Amortization of Bond Premium, Discount and Expense.....	254,871.99	211,144.27
One tenth of estimated additional cost for past service, Employees' Retirement Income Plan.....	73,200.00	—
Dividends for the year.....	2,287,162.50	2,003,990.00
	2,615,234.49	2,215,134.27
<b>Earned Surplus as per Balance Sheet.....</b>	<b>\$ 4,535,588.10</b>	<b>\$ 3,966,651.34</b>

Audited and Verified,  
per our Report attached,  
SHARP, MILNE & CO.,  
Chartered Accountants.

Montreal, January 16, 1947.

# THE SHAWINIGAN WATER AND POWER COMPANY



## ÉTATS FINANCIERS 1946

Ci-dedans se trouvent le bilan de The Shawinigan Water and Power Company à la date du 31 décembre 1946, avec les états comparatifs de Profits et Pertes et le compte Surplus accumulé pour l'exercice terminé le 31 décembre 1946 ainsi que le rapport des vérificateurs de la compagnie.

Le rapport du conseil d'administration sera communiqué aux actionnaires à l'assemblée générale annuelle qui aura lieu à Montréal, jeudi le 20 février 1947. Des exemplaires du rapport seront subséquemment adressés par la poste aux actionnaires.

# THE SHAWINIGAN WATER

Bilan au 31

## ACTIF

### Immobilisations:

Aménagements . . . . .	\$ 55,246,548.18	
<small>(Coût des usines génératrices, bâtiments de mise en charge, barrages, tunnels, vannes de trop-plein et de régularisation, descentes de billes, conduites d'amenée, ateliers, chemins, voies ferrées, ponts et droits riverains à Shawinigan Falls, La Gabelle, Grand'Mère, Rapide Blanc et autres usines.)</small>		
Propriétés . . . . .	25,691,640.44	
<small>(Coût des terrains pour aménagements hydroélectriques à Shawinigan Falls, La Gabelle, Grand'Mère, Rapide Blanc et autres usines, y compris travaux de protection des chemins et des rives, plus coût des chutes inexploitées, des terrains et habitations de la Compagnie à Shawinigan Falls, des habitations et bâtiments divers situés aux autres chutes.)</small>		
Outillage . . . . .	24,454,309.66	
<small>(Coût des roues hydrauliques, génératrices, transformateurs, interrupteurs, câbles et autre matériel affecté à la production de l'énergie à Shawinigan Falls, La Gabelle, Grand'Mère, Rapide Blanc et autres usines.)</small>		
Réseaux de distribution . . . . .	54,661,980.71	
<small>(Sommes affectées par la Compagnie aux installations nécessaires pour fournir l'énergie aux abonnés: pylônes, lignes de transmission, lignes de distribution, droits de passage, stations terminus, sous-stations, transformateurs et installations de chaudières à vapeur électriques.)</small>		
Total des Immobilisations . . . . .		\$160,054,478.99
<u>Barrages-réservoirs de la rivière Mattawin et autres . . . . .</u>	4,062,884.94	
Moins: amortissements à date . . . . .	811,045.73	
		3,251,839.21
<u>Portefeuille-titres, filiales et autres sociétés (valeur aux livres) . . . . .</u>		16,810,111.18
<u>Dépôt au Gouvernement de Québec . . . . .</u>		250,000.00
<small>(\$250,000 d'obligations de la Province de Québec en dépôt au Gouvernement provincial, conformément au bail.)</small>		
<u>Partie remboursable de l'impôt fédéral sur les excédents de bénéfices . . . . .</u>		1,532,774.08
<u>Magasins et matériel . . . . .</u>		2,405,928.01
<small>(Coût des pièces de rechange, matériaux, accessoires et fournitures diverses en magasin.)</small>		
<b>Disponibilités:</b>		
Espèces en caisse et en banques . . . . .	2,143,624.02	
Fonds d'Etat et prêts à vue . . . . .	8,167,600.00	
Comptes et effets à recevoir . . . . .	2,712,616.32	
Total des disponibilités . . . . .		13,023,840.34
<u>Sommes payées d'avance . . . . .</u>		445,744.22
<small>(Assurances, impôts, loyers, etc.)</small>		
<u>Prime, escompte et dépenses sur obligations, non amortis . . . . .</u>		5,566,568.65
Total de l'actif . . . . .		<u>\$203,341,284.68</u>

### RAPPORT DES VÉRIFICATEURS

*Nous avons vérifié les livres et comptes de The Shawinigan Water and Power Company pour l'exercice terminé le 31 décembre 1946. A cette occasion, nous avons fait l'inspection des registres et autres pièces justificatives, au complet ou au moyen de sondages, et nous avons procédé à une revue générale des méthodes de comptabilité de la compagnie.*

*Les matériaux en magasin, l'outillage, la caisse et les comptes à recevoir ont fait l'objet de vérifications périodiques de la part de votre propre service de vérification qui nous a fourni des certificats à cet effet.*

*Nous avons obtenu toutes les informations et explications demandées et nous estimons, d'après notre examen, que le bilan ci-joint ainsi que les comptes de Profits et Pertes et de Surplus s'y rapportant exposent fidèlement la situation financière de The Shawinigan Water and Power Company au 31 décembre 1946, ainsi que les résultats d'exploitation pour l'exercice terminé à cette date, suivant les renseignements que nous avons obtenus, les explications qui nous ont été données et les écritures portées aux livres et états de la compagnie.*

(Signé) SHARP, MILNE & CO.,  
Comptables agréés.

Montréal, le 16 janvier 1947.



# AND POWER COMPANY

décembre 1946

## PASSIF

Capital-actions.....		\$ 67,562,996.75
<small>(Représenté par 2,178,250 actions sans valeur nominale.)</small>		
<b>Dette Obligataire:</b>		
Obligations amortissables comportant première hypo-		
thèque et nantissement en fiducie:		
Série "G" 4% échéance le 1er juin 1969.....	\$ 15,746,000.00	
Moins: Titres amortis en vertu des provisions du		
fonds d'amortissement.....	1,939,500.00	\$ 13,806,500.00
Série "H" 3½% échéance le 1er janvier 1970....	18,761,000.00	
Moins: Titre amortis en vertu des provisions du		
fonds d'amortissement.....	1,194,000.00	17,567,000.00
Série "J" 3½% échéance le 1er février 1970....	9,164,000.00	
Moins: Titres amortis en vertu des provisions du		
fonds d'amortissement.....	63,000.00	9,101,000.00
Série "L" 3% échéance le 1er mars 1961.....		12,828,000.00
Série "M" 3% échéance le 15 avril 1971.....		25,000,000.00
Série "N" 3% échéance le 15 mai 1971.....	10,996,500.00	
Moins: Obligations invendues.....	996,500.00	
	10,000,000.00	
Moins: Titres amortis en vertu des provisions du		
fonds d'amortissement.....	500,000.00	9,500,000.00
Total de la dette obligataire.....		87,802,500.00
<b>Exigibilités:</b>		
Comptes à payer (y compris provision pour impôts sur le revenu et		
sur les excédents de bénéfices.....	2,545,124.11	
Intérêts courus sur les obligations et dividendes à payer.....	1,480,692.57	
Total des exigibilités.....		4,025,816.68
<b>Réserves:</b>		
Fonds de prévoyance et fonds d'assurance.....	1,160,032.35	
<small>(Ces fonds ont été constitués et alimentés par des prélèvements sur les bénéfices en vue de parer aux pertes qui pourraient résulter d'incendies ou d'autres dégâts aux propriétés.)</small>		
Fonds d'amortissement et de renouvellement des installations.....	36,721,576.72	
<small>(Provision pour la dépréciation et les renouvellements.)</small>		
Total des réserves.....		37,881,609.07
<b>Surplus:</b>		
Surplus accumulé.....	4,535,588.10	
Surplus différé.....	1,532,774.08	
<small>(Partie remboursable de l'impôt fédéral sur les excédents de bénéfices.)</small>		
		6,068,362.18
		<u>\$203,341,284.68</u>

La Compagnie, conjointement avec Montreal Light, Heat & Power Consolidated, a garanti, chacun pour sa moitié, le principal et les intérêts des obligations, nanties en fiducie, 3%, dix ans, de United Securities Limited, au montant de \$3,351,500 échéant le 1er mai 1952.

Approuvé pour le Conseil d'Administration,

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

# THE SHAWINIGAN WATER AND POWER COMPANY

## ÉTAT COMPARATIF DES PROFITS ET PERTES

Pour les exercices terminés le 31 décembre 1946 et 1945

	1946	1945
Recettes provenant des ventes d'énergie.....	\$21,168,786.30	\$20,805,954.50
Recettes diverses y compris revenus du portefeuille-titres et des loyers...	1,577,429.27	1,180,244.42
<b>Recettes brutes.....</b>	<b>22,746,215.57</b>	<b>21,986,198.92</b>
<b>Moins:</b>		
Frais d'exploitation.....	2,086,953.94	1,868,763.47
Achats d'énergie.....	3,593,802.57	3,465,720.02
Entretien et réparations.....	1,729,420.34	2,042,721.47
Taxes, autres que les impôts sur le revenu et sur les excédents de bénéfices.....	1,245,362.99	913,599.15
Frais d'administration.....	2,324,690.32	2,058,853.75
Loyers d'emmagasinage des eaux.....	616,199.75	575,004.50
<b>Total des frais d'exploitation.....</b>	<b>11,596,429.91</b>	<b>10,924,662.36</b>
<b>Bénéfices d'exploitation.....</b>	<b>11,149,785.66</b>	<b>11,061,536.56</b>
<b>Moins:</b>		
Intérêts payés et courus sur obligations (y compris la prime sur le change américain \$40,453.00).....	2,958,659.61	3,163,561.90
<b>Bénéfices nets avant défalcation de la dépréciation et des impôts sur le revenu et sur les excédents de bénéfices.....</b>	<b>8,191,126.05</b>	<b>7,897,974.66</b>
<b>Moins:</b>		
Provisions pour—Dépréciation.....	3,150,000.00	3,000,000.00
Impôts sur le revenu et sur les excédents de bénéfices.....	1,849,000.00	2,592,000.00
<b>Total de la dépréciation et des impôts sur le revenu et sur les excédents de bénéfices.....</b>	<b>4,999,000.00</b>	<b>5,592,000.00</b>
<b>Bénéfices nets transportés au compte Surplus accumulé.....</b>	<b>\$3,192,126.05</b>	<b>\$2,305,974.66</b>

## ÉTAT COMPARATIF DU COMPTE SURPLUS ACCUMULÉ

Pour les exercices terminés le 31 décembre 1946 et 1945

	1946	1945
Report de surplus à la fin de l'exercice précédent, après ajustements....	\$ 3,958,696.54	\$ 3,875,810.95
Bénéfices nets transportés du compte Profits et Pertes.....	3,192,126.05	2,305,974.66
	7,150,822.59	6,181,785.61
<b>Moins:</b>		
Amortissement de prime, escompte et dépenses sur obligations.....	254,871.99	211,144.27
Un dixième du coût estimatif, pour services passés des employés en vertu du Plan de Revenu à la Retraite.....	73,200.00	—
Dividendes de l'exercice.....	2,287,162.50	2,003,990.00
	2,615,234.49	2,215,134.27
<b>Surplus accumulé ressortant au bilan.....</b>	<b>\$ 4,535,588.10</b>	<b>\$ 3,966,651.34</b>

Vérfié, conformément à notre rapport ci-joint,  
SHARP, MILNE & CO.,  
Comptables agréés

Montréal, le 16 janvier 1947.



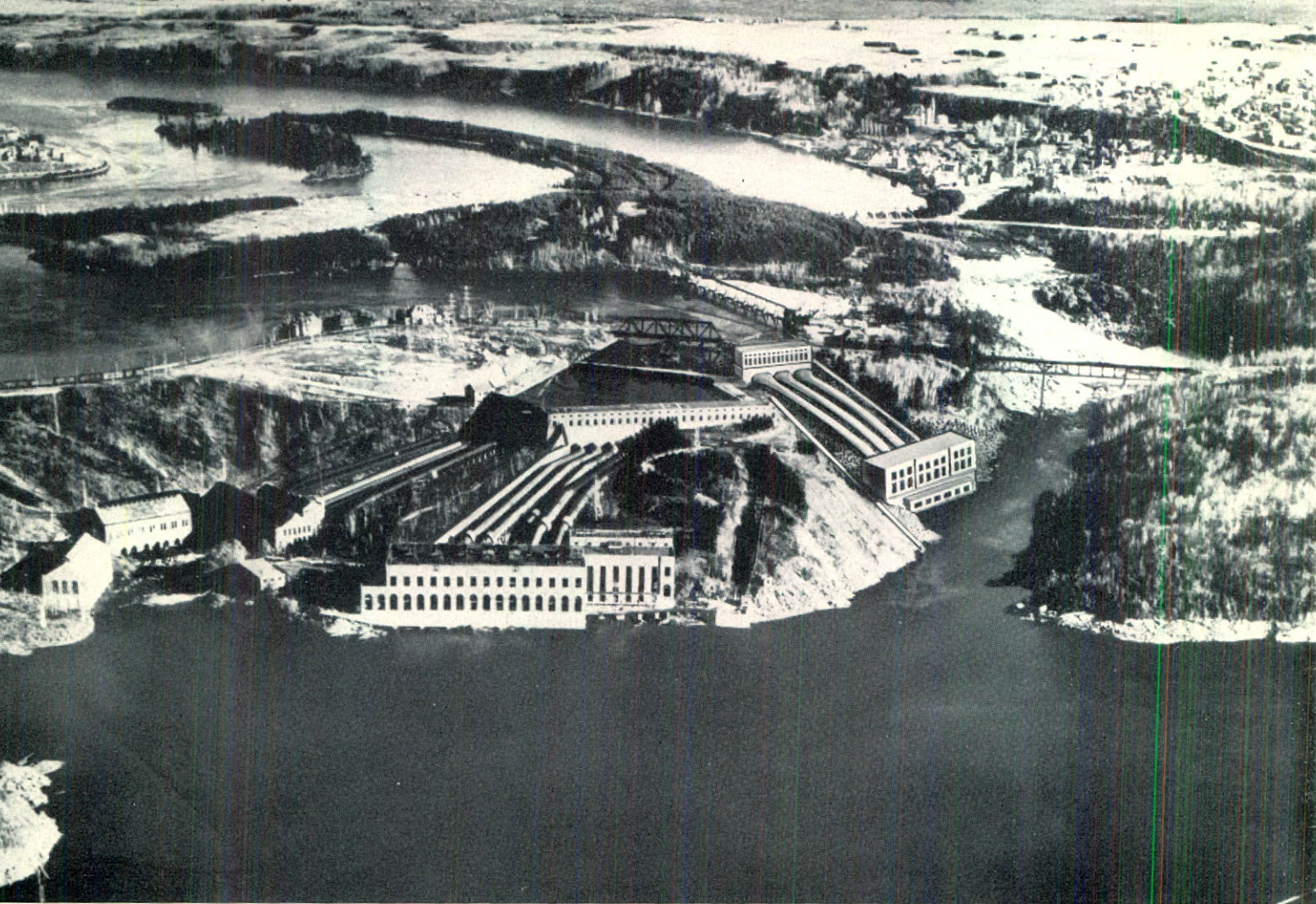
THE SHAWINIGAN WATER AND POWER  
COMPANY

*Forty-Ninth Annual Report*

of the

*Board of Directors*

*For the Year Ended December 31, 1946*



"Power developments of the Company at Shawinigan Falls on the St. Maurice River. This is the original and principal source of the Company's power."

The location of the new development at present under construction is shown on the photograph.

The Company's Coat of Arms reproduced in full colour on the cover of this report, embodies the motto "Servir le Peuple", which symbolizes the following objectives:

- 1.** To provide dependable electrical services at the lowest practicable rates.
- 2.** To provide adequate remuneration to the Company's employees for their services.
- 3.** To pay to the owners of the Company's shares a fair return on their investment.
- 4.** To promote the development, utilization and conservation of the natural resources of the Province of Quebec.

*"All the power generated and purchased by The Shawinigan Water and Power Company and its subsidiary and associated companies is distributed for consumption within the Province of Quebec."*

# THE SHAWINIGAN WATER AND POWER COMPANY

## DIRECTORS:

JAMES WILSON, O.B.E.....*President*  
GORDON W. MACDOUGALL, K.C.....*Vice-President and Chairman  
of Executive Committee*  
R. J. BEAUMONT.....*Vice-President*  
J. A. FULLER.....*Vice-President*  
LIEUT.-COL. L. J. ADJUTOR AMYOT  
NORMAN J. DAWES  
S. G. DOBSON  
J. A. ECCLES  
BEAUDRY LEMAN  
PAUL F. SISE  
ARTHUR SURVEYER  
H. G. WELSFORD

---

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

## EXECUTIVE OFFICERS:

JAMES WILSON, O.B.E.....*President*  
R. J. BEAUMONT.....*Vice-President*  
J. B. CHALLIES.....*Vice-President and Executive Engineer*  
J. A. FULLER.....*Vice-President*  
P. S. GREGORY.....*Vice-President in Charge of Power Sales*  
W. F. MAINGUY.....*Vice-President in Charge of Distribution*  
JOHN MORSE.....*Vice-President in Charge of Operation*  
N. P. WOODS.....*Treasurer*

---

C. W. HEMMING  
*Assistant Treasurer and Comptroller*

WALTER S. HUNTER  
*Assistant Secretary*

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HEAD OFFICE: Montreal, Canada

## HIGHLIGHTS OF THE YEAR

### THE SHAWINIGAN WATER AND POWER COMPANY

- ➔ Revenues from power sales exceeded those of 1945 notwithstanding the discontinuance of sales to war industries.
- ➔ Kilowatt hours sold 6,500,000,000 — an increase of 1.6% over previous year.
- ➔ Contracts covering 150,600 horse-power renewed.
- ➔ Retail sales of electricity increased 16%.
- ➔ 600 miles of new distribution lines completed.
- ➔ 10,856 new retail customers.
- ➔ \$37,828,000 Bonds refunded saving \$253,280 in interest charges.
- ➔ \$10,000,000 additional Bonds sold to provide for capital future expenditures.
- ➔ Capital expenditures for year \$4,368,000.
- ➔ Construction started on new 195,000 horse-power development at Shawinigan Falls.

### SHAWINIGAN CHEMICALS LIMITED

- ➔ Unfilled orders at the highest level in the Company's history.
- ➔ Total sales somewhat lower than in 1945 due to cessation of war material shipments.
- ➔ Production and sales adversely affected by shortages of materials for containers.
- ➔ Large capital expenditures contemplated for the manufacture of new products and to meet increased demands for existing products.

## *Forty-Ninth Annual Report*

of the

## *Board of Directors*

of

## **THE SHAWINIGAN WATER AND POWER COMPANY**

For the Year Ended December 31, 1946

Your Directors submit the Annual Report of the Company for the year ended December 31, 1946. Copies of the Balance Sheet, Profit and Loss Statement, Earned Surplus Account, and the Report of the Auditors have already been forwarded to the Shareholders, and will be submitted at this meeting for approval.

The financial position of the Company and its earnings for the year are shown in the statements appended to this Report.

Fixed Assets include all properties, plant and machinery for the production and distribution of power and are valued at \$160,054,479, with Reserve for Depreciation and Renewals of \$36,721,577.

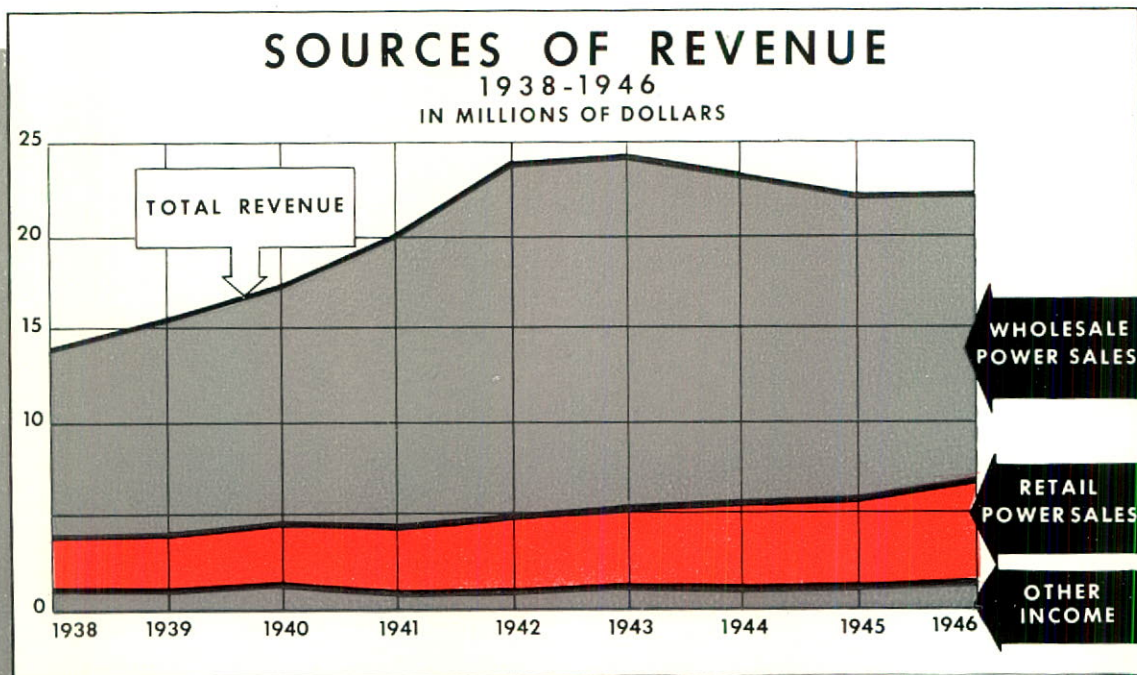
Shares and securities of subsidiary and other companies are valued at \$16,810,111. These include all the issued common shares of Shawinigan Chemicals Limited, 57% of the issued common shares of Quebec Power Company, and a substantial investment in the common shares of Saguenay Power Company Ltd., and Southern Canada Power Company Limited. Current Assets are valued at \$13,023,840 with Current Liabilities of \$4,025,817, or a balance of Current Assets over Current Liabilities of \$8,998,023.

The refundable portion of Excess Profits Tax paid during the war amounts to

\$1,532,774, and is repayable by the Dominion Government at stated periods; the first repayment on account of such tax is due not later than March 31, 1948.

First Mortgage Bonds issued and outstanding, after application of Sinking Fund payments already made or provided for, amount to \$87,802,500. The increase in Funded Debt, as compared with the end of the previous year, reflects the sale of \$10,000,000 of additional Bonds for the purposes hereafter referred to.

In the course of the year, \$37,828,000 of the Company's outstanding First Mortgage Bonds were refunded, of which \$12,828,000 in principal amount bearing interest at 4% were replaced by a similar amount of 3% Bonds, and \$25,000,000 in principal amount bearing interest at 3½%, payable in U.S. funds, were replaced by 3% Bonds also payable in U.S. funds. As the result of this refunding the annual saving in interest will amount to \$253,280, and when this amount is added to the interest saving of \$529,250 resulting from refunding operations carried out in 1945, the total annual interest saving will amount to \$782,530. The Company's Funded Debt, both as to principal and interest, is now payable in Canadian funds, with the exception of the \$25,000,000 of Bonds above referred to, which are payable in U.S. funds only. The cost of these operations, including premium on Bonds redeemed and discount and expenses incurred in connection therewith, amounted to \$6,032,585, of which \$211,144 was charged to Earned Surplus in 1945 and \$254,872 in 1946, leaving an unamortized balance of \$5,566,569.





## REVENUES AND THEIR DISTRIBUTION

Revenues from power sales amounted to \$21,168,786, as compared with \$20,805,955 in 1945.

Sales of power in large blocks for industrial use and to other utility companies produced a revenue of \$15,885,748. Revenues from the sales of power for use in homes, shops and small industrial plants amounted to \$5,283,038. In the early part of the year there was a reduced demand for power to be used in industries previously engaged in the production of various materials for war purposes. As the year progressed a steady increase in industrial demand occurred, and, by the month of October, power revenues from this source exceeded those of the corresponding period of 1945.

Over the years there has been a steady increase in retail sales with the greatest percentage increase occurring in 1946, namely—16.4% over the previous year. Revenues from these sales produced 25% of the Company's power revenues in 1946.

Other Revenue, which includes income from investments in subsidiary and other companies, shows an increase of \$397,185 over the previous year.

Operating Expenses of \$11,596,430 show an increase resulting largely from the increased cost of materials and higher wage levels. Taxes, other than Income and Excess Profits Taxes, amounted to \$1,245,363 as compared with \$913,599 in 1945; this increase is due in large part to the payment of a special tax for educational

purposes, recently imposed by an Act of the Province of Quebec, which came into effect as of January 1, 1946.

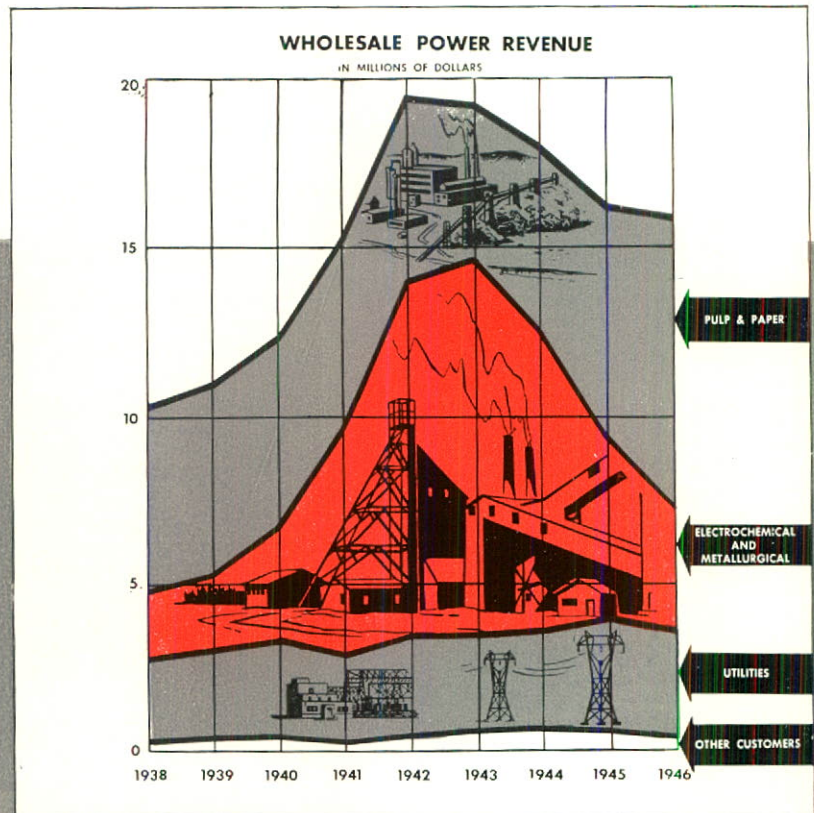
An amount of \$3,150,000 has been provided for depreciation, an increase of \$150,000 over the previous year. Provision for Income and Excess Profits Taxes has been made in amount of \$1,849,000 as compared with \$2,592,000 in 1945.

After deduction of all expenses for the year, Net Income transferred to Earned Surplus was \$3,192,126. Dividends were paid during the year at the rate of 25c per share for the first three quarters, and a dividend of 30c per share was declared for the final quarter, making a total of \$1.05 per share for the year.

### LOW COST of SHAWINIGAN POWER

Revenue in cents per kwh consumed in 1944  
(The latest year for which complete figures are available)

PRINCE EDWARD ISLAND	3.41
SASKATCHEWAN	2.77
ALBERTA	1.57
NOVA SCOTIA	1.45
NEW BRUNSWICK	0.99
BRITISH COLUMBIA	0.69
ONTARIO	0.53
MANITOBA	0.49
QUEBEC	0.37
S.W. & P. CO.	0.33
U.S.A.	1.64



In the preceding review of the Company's revenues, it has been indicated that sales of power fall into two main divisions, namely—wholesale and retail.

**SALES AT WHOLESALE:** Sales of power at wholesale cover large blocks of power transmitted at high voltages to larger industries, and to various utility companies for distribution over their own systems. Kilowatthour sales in this division constitute approximately 95% of all power sold. Of these sales, 4,152,021,222 kilowatthours were sold under firm power contracts and 2,054,696,240 kilowatthours as secondary power for the production of steam in electric boilers. The disposal of such secondary power provides a valuable outlet for surplus power available in varying amounts during the year. The accompanying chart indicates the distribution of revenues from wholesale power sales. The Company's largest customers are the Pulp and Paper Industry, and the Chemical, Electro-Metallurgical, and Asbestos Industries.

Contracts covering 150,600 horse-power, and which expired during the year, were renewed. Additional power contracted for by existing customers amounted to 46,500 horse-power and contracts for 10,000 horse-power were entered into with new customers.

The Company's Industrial Development Department is active in maintaining contact with, and supplying information to manufacturers both in Canada and elsewhere. These activities have assisted in the establishment of new plants for the manufacture of textiles, furniture and other products, and an increasing diversification of industry is taking place throughout the territory served by the Company.

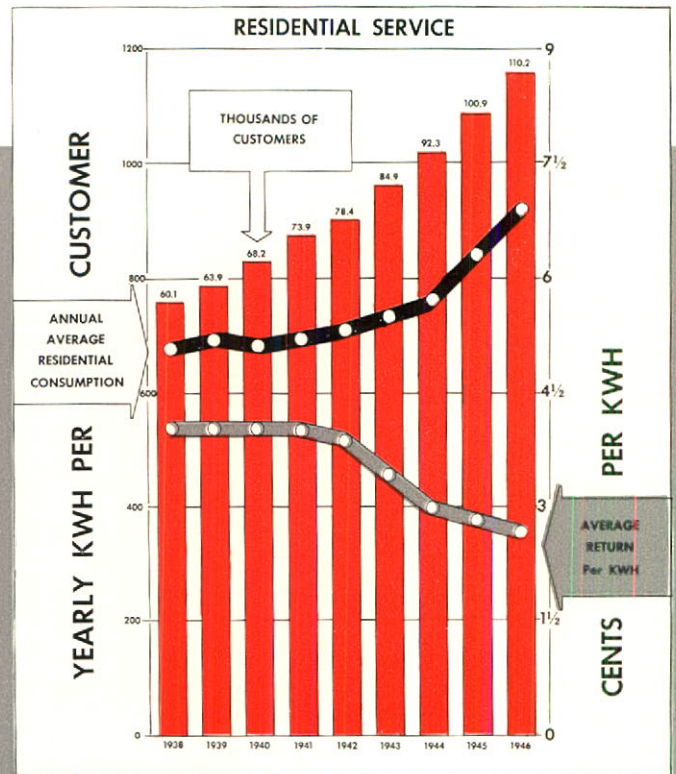
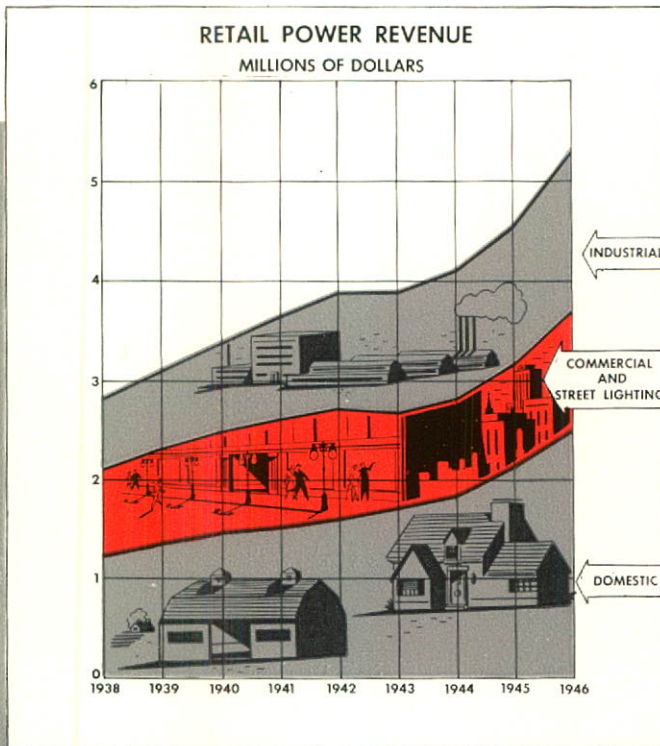
The Company's Research Department includes a number of metallurgical and chemical engineers. The responsibility of this Department is to study and develop

industrial processes, particularly for use in industries requiring important amounts of electrical power. A new building is being erected at Shawinigan Falls to contain the necessary laboratory and electric furnace equipment of this Department.

It is believed that these efforts to bring new industry to the Province will result in important benefits not only to your Company, but to the Province as a whole.

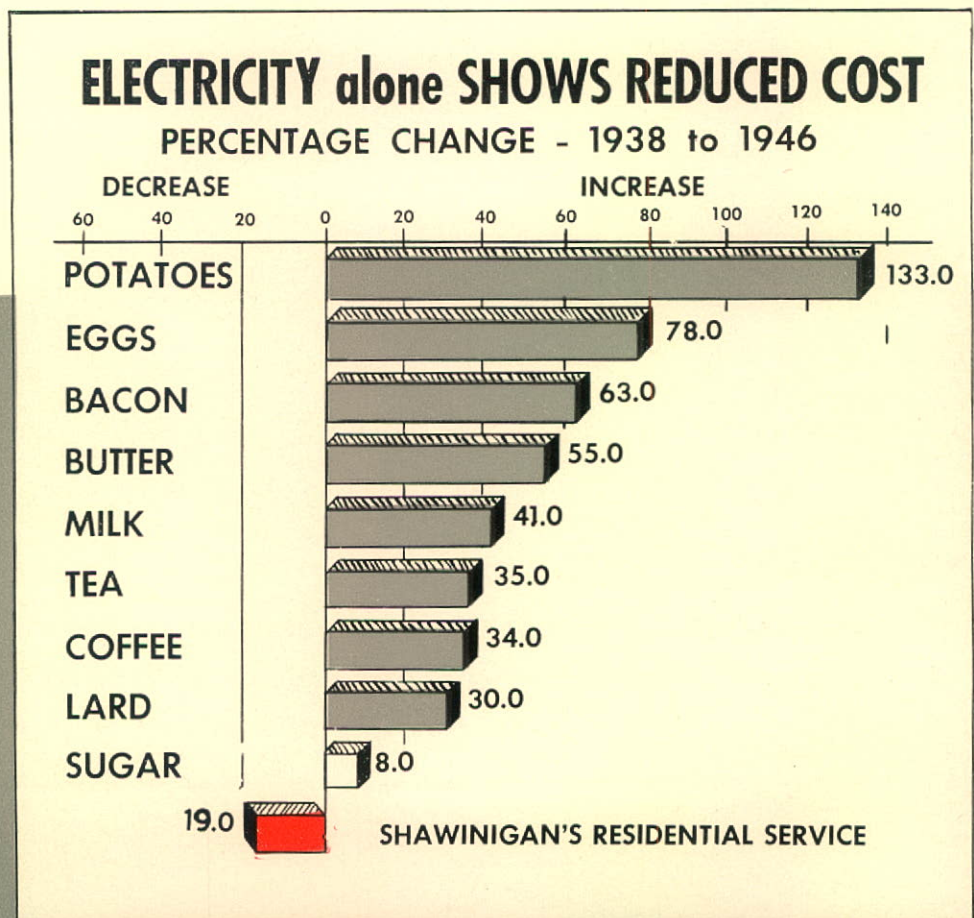
**SALES AT RETAIL:** The Commercial and Distribution Department deals with all sales of power for commercial and domestic use, as well as for farms and small industrial plants. At the end of 1946, 124,805 customers were receiving service, an increase of 10,856 in the number of customers as compared with the previous year. The number of municipalities now served is 515.

The Company has made every effort to extend its services to the rural areas of the Province. In this field, progress has been delayed as the result of continuing difficulty in obtaining adequate equipment and materials. The Company has, however, put into service during the year approximately 600 miles of new lines, including lines partially completed in 1945. Poles have also been erected over an additional



500 miles, and, as soon as conductors and other equipment are available, these lines will be completed.

To carry out extensions to the retail distribution system, the Company has spent \$3,165,000 during the year, and further expenditures are planned for 1947. The accompanying charts indicate the growth in retail sales, and the reduction in the cost of electricity. It will be noted that the average return per kilowatt-hour from farm and domestic customers has shown a consistent and important reduction over the years, as compared with increases in the cost of other necessities of life.

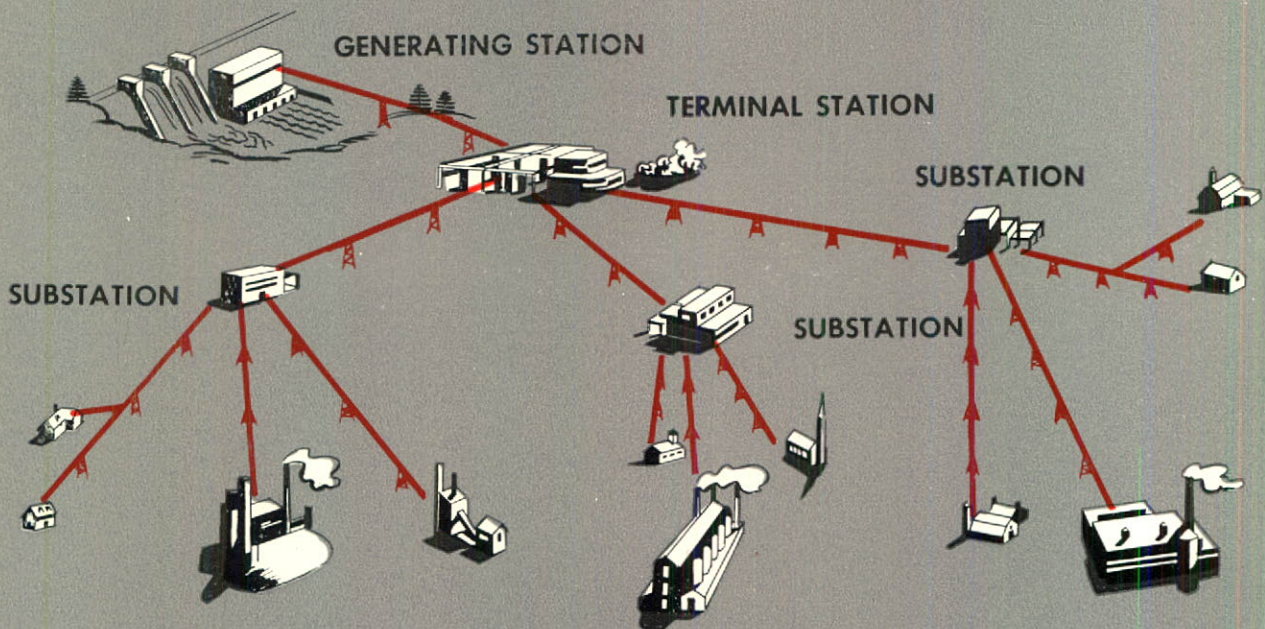


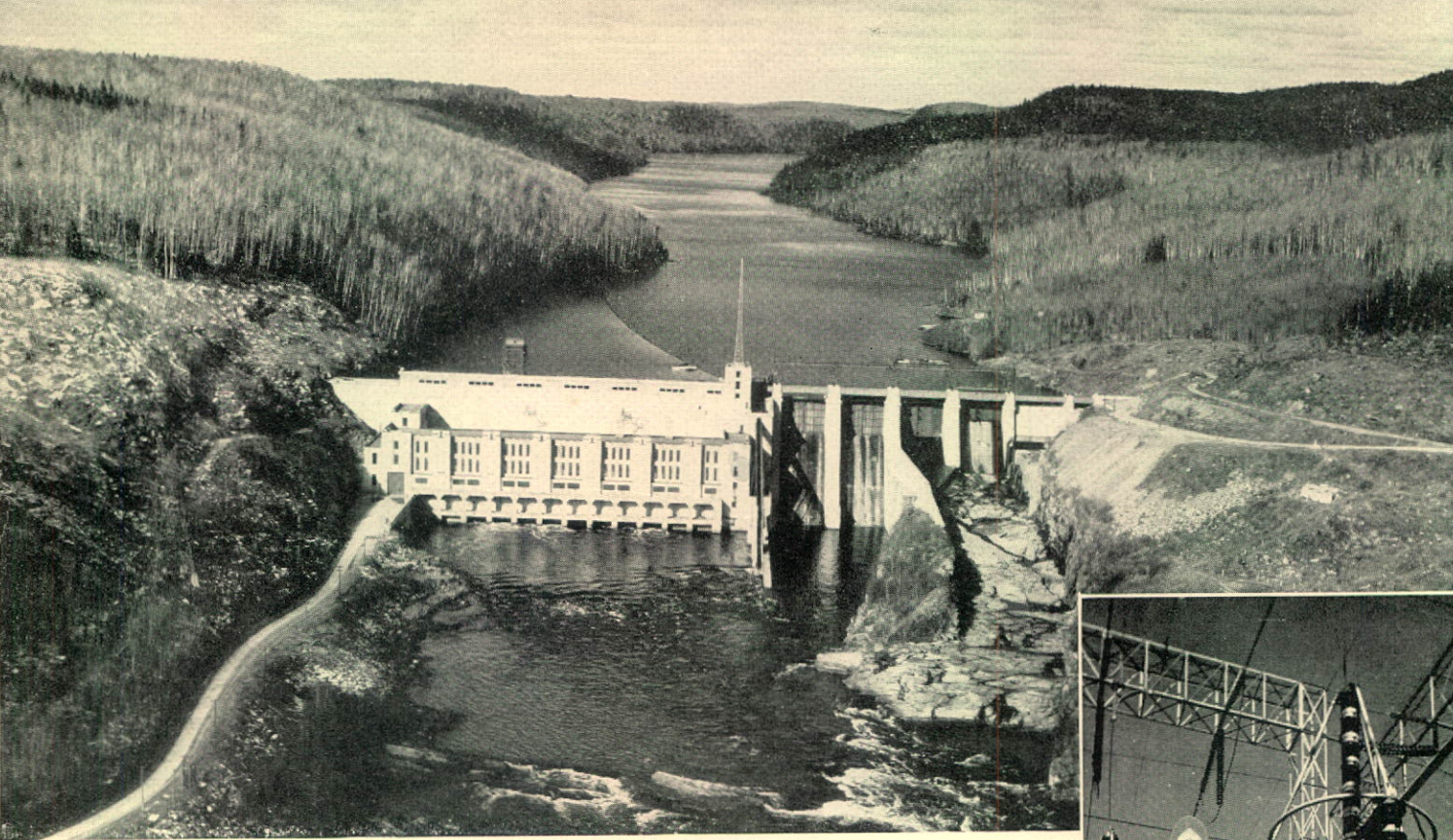
# POWER OPERATIONS

The production of power in the Company's generating stations involves the efficient utilization of the water available in the St. Maurice and other rivers on which the Company's stations are located. Delivery of power is made over a vast network of high-voltage transmission lines. The responsibility for production and delivery of power rests with the Company's Operating Department.

It is essential that power be available when and where the demand arises, and that no interruption in its delivery shall occur. Power plants, transmission lines, substations and all necessary equipment must therefore be maintained in a high state of efficiency, and it can be fairly stated that these requirements have been fully met.

## THE DISTRIBUTION OF ELECTRICITY





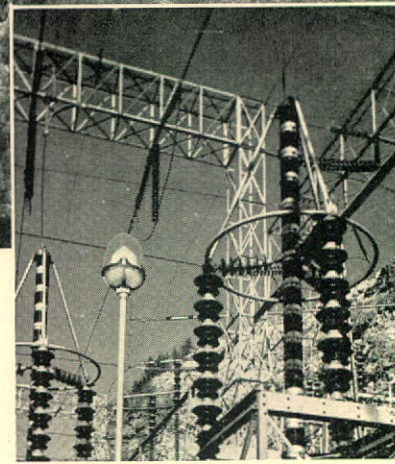
*Aerial view of the Company's 200,000 horse-power generating station at Rapide Blanc on the Upper St. Maurice River.*

Power produced and purchased amounted to a total of 7,187,324,000 kilowatthours, as compared with 7,033,043,000 kilowatthours in 1945. In the latter part of the year purchases of surplus power from companies operating in the Saguenay area were greatly reduced, as such power was required for the manufacture of aluminum. It accordingly became necessary for the Company to curtail its own deliveries of secondary power to various customers.

The firm power peak load on the Company's system was 1,037,359 horse-power compared with 1,041,935 horse-power in 1945.

It is confidently expected that the entire capacity of the Company's own generating stations, together with such power as may be purchased by it from other companies under firm contracts, will be fully utilized in the near future.

Water conditions during the year were very satisfactory, precipitation being above normal. Total storage reserves available to the Company amount to 304 billion cubic feet as compared with 256 billion cubic feet at the end of 1945.



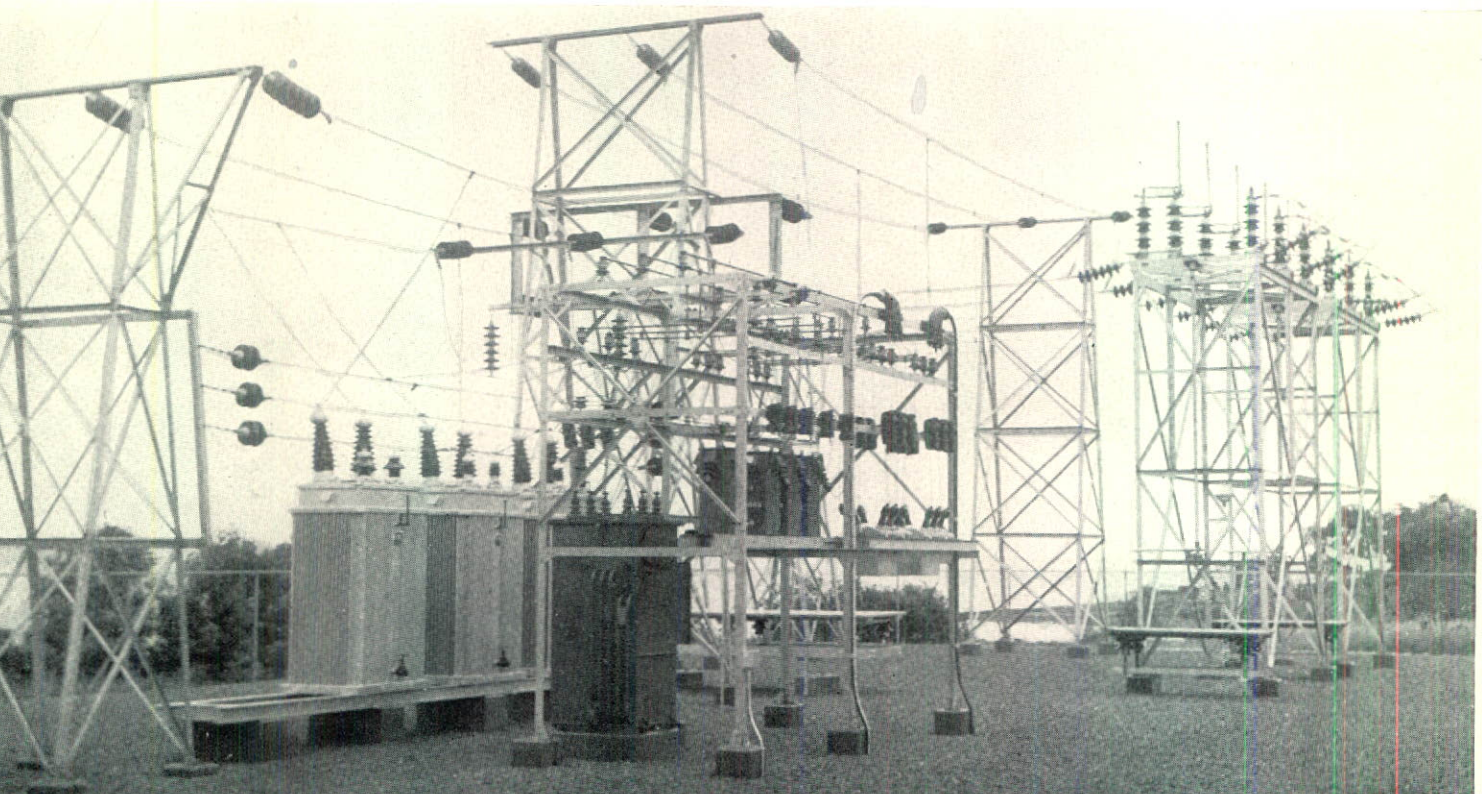
*Part of the high-voltage bus at La Tuque.*

## CAPITAL EXPENDITURES

Expenditures on Capital Account amounted to \$4,368,000. A major portion of this amount was spent in connection with the construction of new distribution lines in areas not previously served. The remaining portion was employed in the improvement of the Company's existing distribution system and to provide additions to transformer capacity. An important capital expenditure is involved in connection with the construction of the new development and power house at Shawinigan Falls which will eventually have an installed capacity of 195,000 horse-power; the total cost of the work is estimated at \$12,500,000. Work has already commenced on the project and completion is expected before the end of 1948.

The proceeds of the sale of \$10,000,000 of the Company's Bonds previously referred to will be applied to meet the costs of this new development.

*The new substation at Newville.*





# SHAWINIGAN CHEMICALS LIMITED

This wholly owned subsidiary of your Company has made considerable progress during the year. Development work has continued in connection with various new products, some of which were mentioned in last year's Annual Report, and new uses have been found for existing products, particularly Vinyl Acetal resins and Acetylene Black. In 1945 technical experts were sent to Germany to investigate various aspects of the German chemical industry, and particularly industries employing acetylene as a primary raw material. Important information was obtained as to products and processes which may be of value for manufacture and use in Canada.

*Aerial view of the plants of Shawinigan Chemicals Limited at Shawinigan Falls.*



The Chemicals Company has continued its activities in connection with licensing of manufacturers in various parts of the world in respect of patents covering certain of its processes, and it is expected that additional revenues in the form of royalties will eventually be derived from this source.

Sales in 1946 were somewhat lower than those of 1945—one reason was the termination of important war contracts; another was that products under order could not be shipped because of a shortage of containers, the materials for which were not available in sufficient quantities, resulting largely from a series of strikes in the United States and Canada. Towards the end of the year no new orders were taken, as unfilled orders then on the Company's books, had reached a point where there was no prospect of shipment until a satisfactory supply of containers could be assured.

**FINANCIAL POSITION:** With Net Current Assets of approximately \$7,000,000, it is considered that the Chemicals Company will be able to finance any contemplated programme of capital expenditure for several years to come.

*Interior view of one of the Chemicals Company's manufacturing plants.*



*Making steel drums for shipment of Shawinigan carbide.*



Renegotiation of the Company's war business, and audit of direct war contracts with Government agencies, have now been completed.

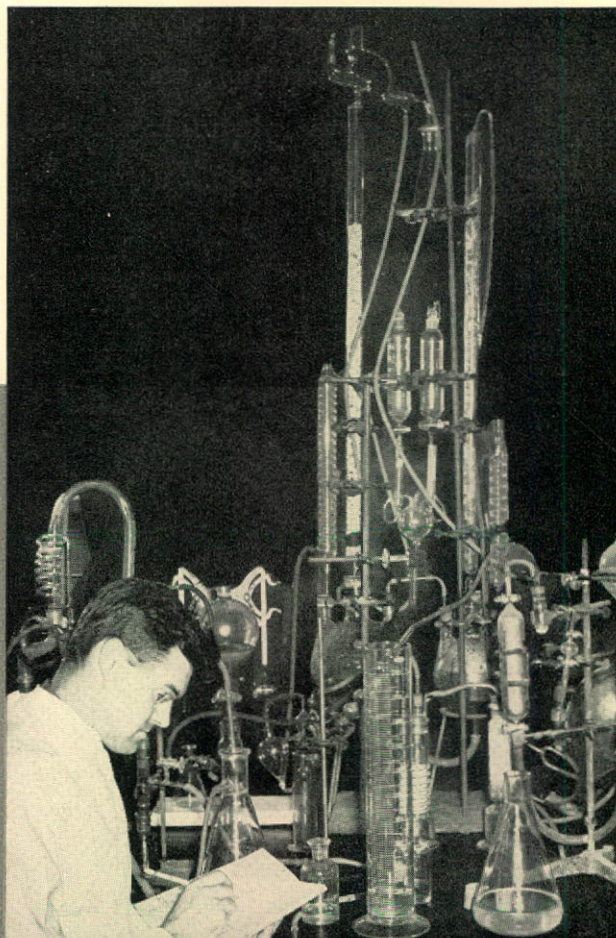
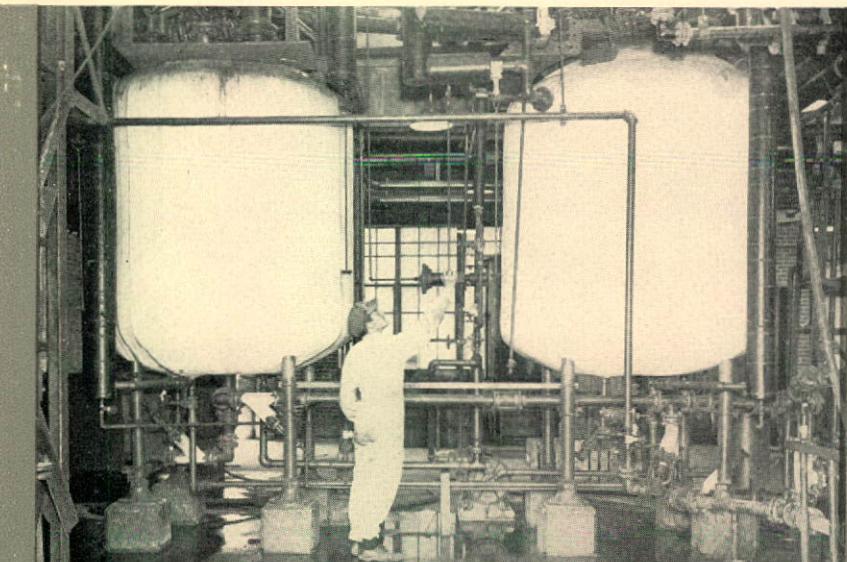
The refundable portion of Excess Profits Tax now stands at \$1,045,002.

Earnings for the year after provision for depreciation amounted to \$2,019,349, as compared with \$2,513,124 in 1945. After providing \$981,000 for Income and Excess Profits Taxes, Earned Surplus was \$1,038,349, as compared with \$529,124 in the previous year. From these earnings, the Chemicals Company has paid a dividend to the parent Company of \$562,550, or at the rate of \$2 per share, as compared with \$1.25 for 1945.

**CAPITAL EXPENDITURES:** An amount of \$583,000 was expended on new plants, improvements and additions to existing plants, and general facilities. A programme is in contemplation involving other capital expenditures amounting to several million dollars over a period of the next three years. Work has been commenced on an additional unit for the manufacture of Acetaldehyde, which is the basic chemical necessary for the manufacture of many of the Company's other products.

*Research work in one of the Laboratories at Shawinigan Falls.*

*Interior view of part of the new chloral plant.*



Additional plant capacity has been planned for the manufacture of resins and other products.

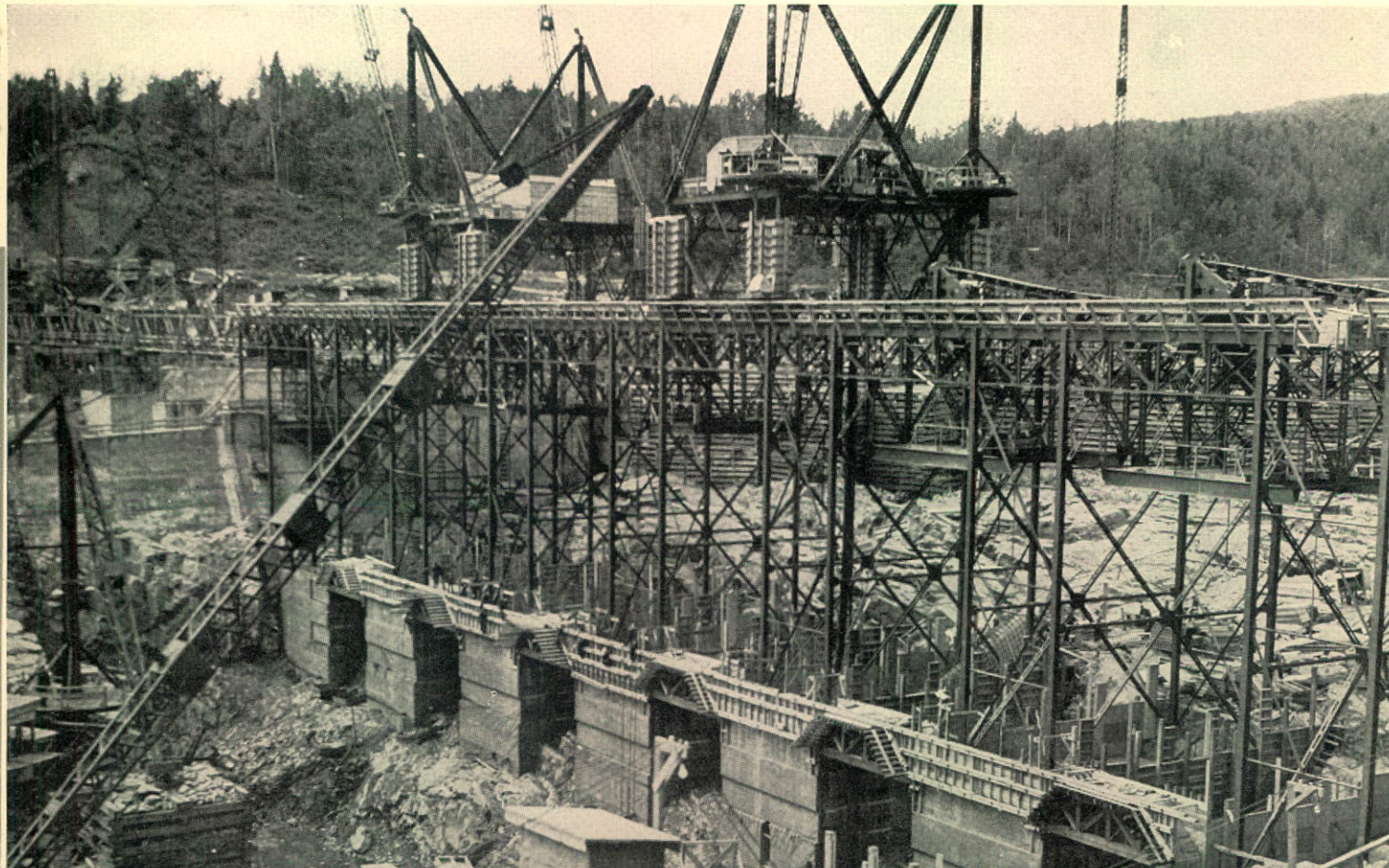
SUBSIDIARY AND ASSOCIATED COMPANIES: During the year the products of Canadian Resins and Chemicals Limited, which is jointly owned by the Chemicals Company and Union Carbide and Carbon Corporation, have been diverted to peacetime uses. The new compounding plant, mentioned in last year's Report, was completed by the middle of the year, and is now producing "Vinylite" film and sheet in various colours and thicknesses and a number of moulding compounds. Owing to shortages of raw materials, the Company's plants could not be operated at full capacity, and the demands of customers could not be fully met. It is considered that present plant capacity will not be sufficient to supply prospective demands, and work has already commenced on an expansion of the plant. It is also proposed to construct a new plant for the manufacture of plasticizer, which is an important raw material used in the manufacture of "Vinylite" plastics.

Shawinigan Resins Corporation, located in Springfield, Mass., has made important progress during the year. This Company is owned jointly by Shawinigan Products Corporation (a subsidiary of the Chemicals Company) and Monsanto Chemical Company. New uses have been developed for its products and prospective demands are such that the present plant is now being enlarged.

## SHAWINIGAN ENGINEERING COMPANY LIMITED

This wholly owned subsidiary of your Company provides a general service in mechanical, electrical, hydraulic, and industrial engineering. Although organized originally for service to The Shawinigan Water and Power Company and its subsidiaries, the Engineering Company has from time to time carried out important work for other organizations. At the present time it is engaged in the design and construction of a large hydro-electric development for the Bridge River Power Company in British Columbia. It has carried out investigations and made reports on a wide variety of projects connected with the Shawinigan System, and is presently designing and constructing the new power development at Shawinigan Falls.

*Work during the construction of the St. Maurice Power Corporation's 222,500 horse-power development at La Tuque.*



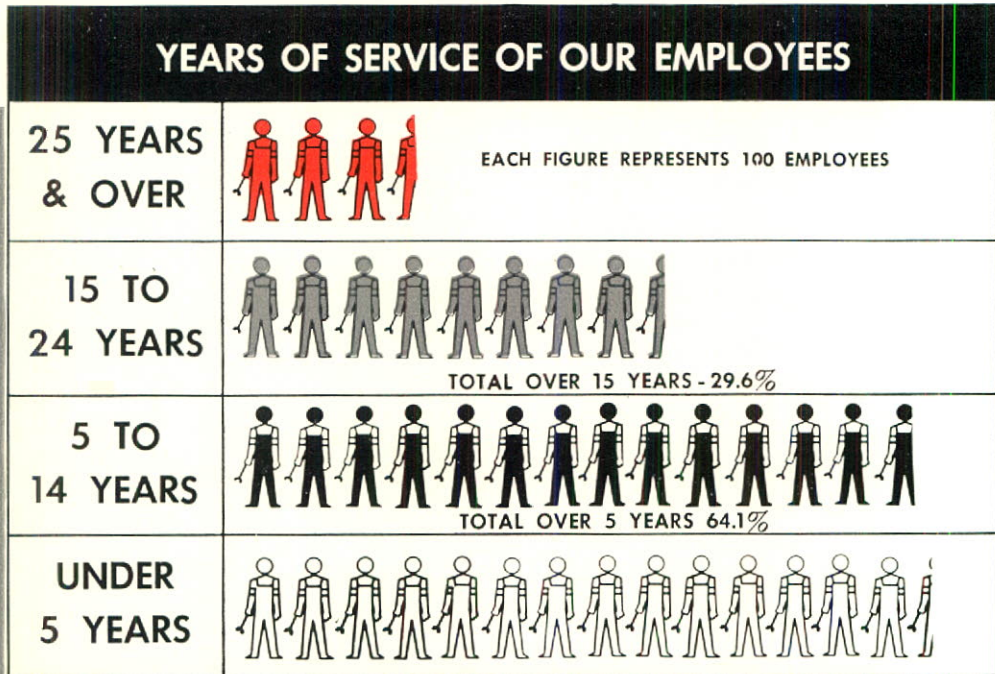
# RELATIONS WITH EMPLOYEES

The Directors record with satisfaction and some pride the friendly relations which continue to exist between the management and the employees of all the Shawinigan Companies.

The Company recognizes that it is called upon to provide satisfactory remuneration and working conditions for all employees. As to remuneration, it is the Company's policy to pay wages that compare favourably with the level of wages prevailing for comparable occupations in the same areas, and as to working conditions no effort is being spared to provide for the safety and comfort of all employees while on duty.

While wages may be a primary concern of employees, they are also vitally interested in provisions for their security and welfare. Many years ago the Company initiated sound, progressive, and generous policies to attain this end. Vacations with pay, liberal sick leave without loss of earnings, group insurance, and other benefits have long been part of established Shawinigan policy.

After long and careful study, the Company has recently decided to offer to



employees a new form of Retirement Income Plan, based on contributions by the Company and by employees. If this Plan is put into operation, the participating companies will pay, out of their own funds, the amounts necessary to provide certain past service benefits for employees.

The Company has for many years maintained a Health and Safety Division, which has been of great service in connection with the prevention of accident and the maintenance of health. It has established Training Courses for graduate engineers and a Job Training Division. Encouragement is given to employees who wish to take these and other special courses which will be of benefit to them in their various occupations.

The Company and its subsidiaries, excluding Quebec Power Company, have 343 employees with more than 25 years service, and 2,566 employees with more than 5 years service.

The employees' record of subscriptions to Government Bonds in the various Victory Loan campaigns is something in which the Company takes great pride. Total subscriptions amounted to \$4,807,150, with over 85% of the employees subscribing.

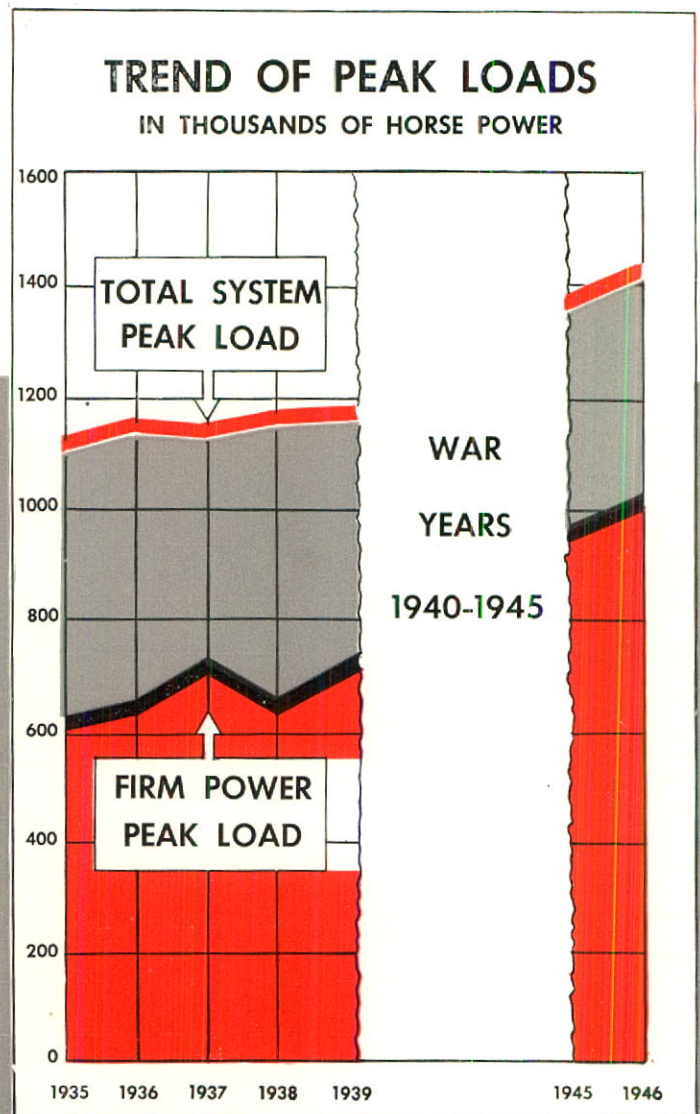


## DISTRIBUTION OF THE COMPANY'S SHARES

The shares of the Company are held by 16,794 shareholders, of whom 82% reside in the Dominion of Canada, and 60% in the Province of Quebec.

Canadian shareholders own 1,555,137 of the 2,178,250 shares presently issued, and of these, 1,250,660 shares are held by residents of the Province of Quebec.

Of approximately 14,000 Canadian shareholders, 12,000 own 100 shares or less, 8,000 of whom are holders of 25 shares or less.





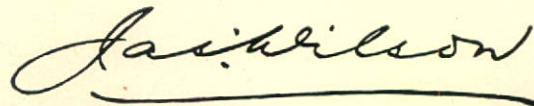
There is reproduced on the opposite page, a chart which shows the Total Peak Load and the Firm Power Peak Load on the Company's system from 1935 to 1946, omitting the war years. A comparison of the year 1939 and the year 1946 indicates the growth which has occurred in the interval, and it can be reasonably anticipated that, over the next few years, a further increase in demand will take up all power to be generated in the new plant now being constructed at Shawinigan Falls.

## DIRECTORS AND OFFICERS

The Directors record with deep regret the death of Mr. Morris W. Wilson, C.M.G., a Director of this Company since October 15, 1941, and whose services were of outstanding value to your Company.

Mr. Howard Murray, O.B.E., Vice-President, and Mr. W. S. Hart, Vice-President and Treasurer, have retired on pension and resigned from the Board. Mr. Murray had 46 years of service with the Company, and Mr. Hart 43 years. During their years of service, they have seen the Company grow from small beginnings to a position among the largest hydro-electric companies in the world. Their untiring efforts on the Company's behalf have contributed greatly to its success, and their retirement is accepted with regret.

Submitted on behalf of the Board of Directors.



*President.*

# THE SHAWINIGAN WATER

Balance Sheet as at

## ASSETS

Fixed Assets:

Power Development .....	\$ 55,246,548.18	
<small>(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.)</small>		
Properties .....	25,691,640.44	
<small>(Cost of land for power developments at Shawinigan Falls, La Gabelle, Grand'Mere, Rapide Blanc and other plants, including road and shore protection, together with 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.)</small>		
Machinery .....	24,454,309.66	
<small>(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.)</small>		
Distribution Systems .....	54,661,980.71	
<small>(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, distribution lines, right-of-way, terminal stations, sub-stations, transformers and installations of electric steam boilers.)</small>		
Total Fixed Assets .....		\$160,054,478.99
<u>Mattawin River and Other Storage Dams</u> .....	4,062,884.94	
Less: Amortization to Date .....	811,045.73	
		3,251,839.21
<u>Securities of Subsidiary and Other Companies (Book Value)</u> .....		16,810,111.18
<u>Deposit with Quebec Government</u> .....		250,000.00
<small>(\$250,000 Province of Quebec Bonds, deposited with the Quebec Government as provided in the Water Power Lease.)</small>		
<u>Refundable Portion of Dominion of Canada Excess Profits Tax</u> .....		1,532,774.08
<u>Stores and Moveable Plant</u> .....		2,405,928.01
<small>(Cost of spare equipment, also materials, supplies and miscellaneous items carried in stores.)</small>		
<u>Current Assets:</u>		
Cash in Banks and on Hand .....	2,143,624.02	
Government Bonds and Call Loans .....	8,167,600.00	
Accounts and Bills Receivable .....	2,712,616.32	
Total Current Assets .....		13,023,840.34
<u>Prepaid Charges</u> .....		445,744.22
<small>(Insurance, taxes, rentals, etc., paid in advance.)</small>		
<u>Unamortized Bond Premium, Discount and Expense</u> .....		5,566,568.65
Total Assets .....		\$203,341,284.68

Approved on behalf of the Directors,

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

# AND POWER COMPANY

December 31, 1946

## LIABILITIES

Capital Stock .....		\$ 67,562,996.75
<small>(Represented by 2,178,250 shares of no par value.)</small>		
<b>Funded Debt:</b>		
First Mortgage and Collateral Trust Sinking Fund Bonds:		
Series "G" 4% maturing June 1, 1969 .....	\$ 15,746,000.00	
Less: Redeemed under Sinking Fund Provisions .....	1,939,500.00	
		\$ 13,806,500.00
Series "H" 3½% maturing January 1, 1970 .....	18,761,000.00	
Less: Redeemed under Sinking Fund Provisions .....	1,194,000.00	
		17,567,000.00
Series "J" 3½% maturing February 1, 1970 .....	9,164,000.00	
Less: Redeemed under Sinking Fund Provisions .....	63,000.00	
		9,101,000.00
Series "L" 3% maturing March 1, 1961 .....		12,828,000.00
Series "M" 3% maturing April 15, 1971 .....		25,000,000.00
Series "N" 3% maturing May 15, 1971 .....	10,996,500.00	
Less: Bonds unsold .....	996,500.00	
		10,000,000.00
Less: Redeemed under Sinking Fund Provisions .....	500,000.00	
		9,500,000.00
Total Funded Debt .....		87,802,500.00
<b>Current Liabilities:</b>		
Accounts Payable (including Provision for Income and Excess Profits Taxes) .....	2,545,124.11	
Accrued Bond Interest, and Dividends Payable .....	1,480,692.57	
Total Current Liabilities .....		4,025,816.68
<b>Reserves:</b>		
Contingent and Insurance Reserves .....	1,160,032.35	
<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 .....	36,721,576.72	
<small>(Amounts representing provision for depreciation and renewals.)</small>		
Total Reserves .....		37,881,609.07
<b>Surplus:</b>		
Earned Surplus .....	4,535,588.10	
Deferred Surplus .....	1,532,774.08	
<small>(Refundable Portion of Dominion of Canada Excess Profits Tax.)</small>		
		6,068,362.18
Total Liabilities .....		<u>\$203,341,284.68</u>

The Company jointly with Montreal 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,  
per our Report attached,

SHARP, MILNE & CO.,  
Chartered Accountants.

Montreal, January 16, 1947.

# THE SHAWINIGAN WATER AND POWER COMPANY

## COMPARATIVE STATEMENT OF PROFIT AND LOSS ACCOUNT

*For the years ended December 31, 1946 and 1945*

	1946	1945
Revenue from Power Sales.....	\$21,168,786.30	\$20,805,954.50
Other Revenue, including Income from Investments in Subsidiary and other Companies and Rentals.....	1,577,429.27	1,180,244.42
<b>Gross Revenue.....</b>	<b>22,746,215.57</b>	<b>21,986,198.92</b>
<b>Deduct:</b>		
Operating Expenses.....	2,086,953.94	1,868,763.47
Power Purchased.....	3,593,802.57	3,465,720.02
Maintenance and Repairs.....	1,729,420.34	2,042,721.47
Taxes, other than Income and Excess Profits Taxes.....	1,245,362.99	913,599.15
General Expenses.....	2,324,690.32	2,058,853.75
Water Storage Rentals.....	616,199.75	575,004.50
<b>Total Operating Expenses.....</b>	<b>11,596,429.91</b>	<b>10,924,662.36</b>
<b>Operating Profit.....</b>	<b>11,149,785.66</b>	<b>11,061,536.56</b>
<b>Deduct:</b>		
Interest paid and accrued on Bonds (including U.S. Exchange \$40,453.00).....	2,958,659.61	3,163,561.90
<b>Net Income before Depreciation and Income and Excess Profits Taxes.....</b>	<b>8,191,126.05</b>	<b>7,897,974.66</b>
<b>Deduct:</b>		
Provision for—Depreciation.....	3,150,000.00	3,000,000.00
Income and Excess Profits Taxes.....	1,849,000.00	2,592,000.00
<b>Total Depreciation and Income and Excess Profits Taxes.....</b>	<b>4,999,000.00</b>	<b>5,592,000.00</b>
<b>Net Income transferred to Earned Surplus Account.....</b>	<b>\$3,192,126.05</b>	<b>\$2,305,974.66</b>

## COMPARATIVE STATEMENT OF EARNED SURPLUS ACCOUNT

*For the years ended December 31, 1946 and 1945*

	1946	1945
Surplus carried forward from previous year, after adjustments.....	\$ 3,958,696.54	\$ 3,875,810.95
Net Income transferred from Profit and Loss Account.....	3,192,126.05	2,305,974.66
	7,150,822.59	6,181,785.61
<b>Deduct:</b>		
Amortization of Bond Premium, Discount and Expense.....	254,871.99	211,144.27
One tenth of estimated additional cost for past service, Employees' Retirement Income Plan.....	73,200.00	—
Dividends for the year.....	2,287,162.50	2,003,990.00
	2,615,234.49	2,215,134.27
<b>Earned Surplus as per Balance Sheet.....</b>	<b>\$ 4,535,588.10</b>	<b>\$ 3,966,651.34</b>

Audited and Verified,  
per our Report attached.  
SHARP, MILNE & CO.,  
Chartered Accountants.

SHARP, MILNE & CO.,  
CHARTERED ACCOUNTANTS

ALDRED BUILDING  
507 Place d'Armes

Montreal, January 16th, 1947.

*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, 1946. 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.

Stores, Moveable Plant, Cash Funds and Customers' Accounts have been verified periodically by your Internal Audit Department which has furnished us with 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 related Statements of Profit and Loss and Surplus set forth correctly the financial position of The Shawinigan Water and Power Company as at December 31st, 1946, and the result of operations for the year ended on that date, according to the best of our information, the explanations given to us and as shown by the books and records of the Company.

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



*Aerial view of the City of Shawinigan Falls.*

## SHAWINIGAN CHEMICALS LIMITED

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### EXECUTIVE OFFICERS:

JAMES WILSON, O.B.E..... *Chairman of the Board*  
V. G. BARTRAM..... *President*  
H. S. REID..... *Vice-President*  
J. A. FULLER..... *Vice-President*  
R. S. JANE..... *Vice-President, Research and Patents*  
C. M. CARMICHAEL..... *Vice-President, Stainless Steel & Alloys*  
P. W. WRIGHT..... *Secretary and Treasurer*

HEAD OFFICE: Montreal, Canada      WORKS: Shawinigan Falls, Que.

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### SHAWINIGAN LIMITED LONDON, ENGLAND

A. W. SCOTT..... *Director and Sales Manager*

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

L. F. LOUTREL..... *President*

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## THE SHAWINIGAN ENGINEERING COMPANY LIMITED

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### EXECUTIVE OFFICERS:

JAMES WILSON, O.B.E..... *Chairman of the Board*  
J. A. McCrory..... *President*  
R. E. HEARTZ..... *Vice-President and Chief Engineer*  
C. R. LINDSEY..... *Vice-President*  
E. V. LEIPOLDT..... *Vice-President*  
H. G. BUDDEN..... *Secretary*  
N. P. WOODS..... *Treasurer*

HEAD OFFICE: Montreal, Canada







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THE SHAWINIGAN  
WATER and POWER  
COMPANY

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Annual Report of Directors  
and  
General Statements

December 31, 1946

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