

*H.A. Thorpe*

THE  
CONSOLIDATED  
MINING & SMELTING  
COMPANY OF CANADA  
LIMITED



THIRTY-SIXTH ANNUAL REPORT  
FOR TWELVE MONTHS ENDING  
DECEMBER 31, 1941





# THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

## HEAD OFFICE

215 St. James St., MONTREAL, CANADA

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## DIRECTORS

SIR EDWARD BEATTY, G.B.E.	ARTHUR L. BISHOP	S. G. BLAYLOCK
*HON. R. RANDOLPH BRUCE	L. A. CAMPBELL	JOHN W. HOBBS
HENRY JOSEPH	THAYER LINDSLEY	R. S. McLAUGHLIN
R. H. McMASTER	F. GORDON OSLER	R. E. STAVERT
	W. N. TILLEY, K.C.	

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## EXECUTIVE COMMITTEE

SIR EDWARD BEATTY, G.B.E.	S. G. BLAYLOCK	R. H. McMASTER
R. E. STAVERT		W. N. TILLEY, K.C.

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## OFFICERS

SIR EDWARD BEATTY, G.B.E. <small>CHAIRMAN</small>	S. G. BLAYLOCK <small>PRESIDENT</small>	R. E. STAVERT <small>VICE-PRESIDENT</small>
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H. B. FULLER <small>COMPTROLLER</small>	W. S. RUGH <small>VICE-PRESIDENT IN CHARGE OF SALES</small>	J. E. RILEY <small>SECRETARY</small>
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JAMES BUCHANAN  
GENERAL MANAGER, TRAIL, B.C.

R. W. DIAMOND  
ASSISTANT GENERAL MANAGER, TRAIL, B.C.

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## TRANSFER AGENTS

THE TORONTO GENERAL TRUSTS CORPORATION . . . . .	TORONTO
THE ROYAL TRUST COMPANY . . . . .	MONTREAL
THE ROYAL TRUST COMPANY . . . . .	VANCOUVER
BANK OF MONTREAL TRUST COMPANY . . . . .	NEW YORK

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## REGISTRARS

THE TRUSTS & GUARANTEE COMPANY, LIMITED . . . . .	TORONTO
MONTREAL TRUST COMPANY . . . . .	MONTREAL
MONTREAL TRUST COMPANY . . . . .	VANCOUVER
CHEMICAL BANK & TRUST COMPANY . . . . .	NEW YORK

\*Deceased.

# Directors' Report

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MONTREAL, P.Q., April 2, 1942.

TO THE SHAREHOLDERS OF  
THE CONSOLIDATED MINING AND SMELTING COMPANY  
OF CANADA, LIMITED.

Your Directors submit herewith the financial statements and Auditors' Report for 1941, together with the annual report of the West Kootenay Power and Light Company, Limited.

It is considered advisable in the national interest to refrain from giving tonnages produced.

## FINANCIAL

Owing to the great demands for military needs of all the Allied countries, production has again been increased, not only in the metals and chemicals formerly made, but many new products are being turned out on a commercial scale. The increase in output, the fact that in some cases better prices were received, and the selling of all metal stocks on hand at the beginning of the year, have resulted in a substantial increase in profit. It should be pointed out that the increase due to larger production is discounting future profits. The prices received for lead and zinc, particularly on British and Canadian Government contracts, are very low.

Operations for the year showed a profit of \$18,349,909.97 before making provision for Dominion Income and Provincial Mineral Taxes and addition to insurance reserve, but after all other charges, including \$2,578,647.25 for Mine Development, Exploration and Write-off for abandoned development, \$2,494,030.22 for Depreciation on Plants and \$1,312,901.41 for a reserve against book value of investments in subsidiary mining companies mentioned below. This profit represents an increase of about \$4,355,000.00 over 1940.

It was necessary to provide \$5,650,000.00 for Income and Mineral taxes which amounts to over \$1.72 per share on issued capital. An amount of \$500,000.00 was appropriated for addition to insurance reserve. After these deductions the net profit for the year carried to Unappropriated Earned Surplus Account was \$12,199,909.97.

The distribution to shareholders during the year amounted to \$1.00 per share by way of dividends and an additional \$1.50 per share as bonuses, amounting to a total of \$8,189,531.25.

An amount of \$4,000,000.00 has been transferred from "Unappropriated Surplus" to "Appropriated Surplus" to meet expenditures which the Company is committed to make after December 31, 1941.

An amount of \$2,027,626.30 was written off to Profit and Loss Account to cover abandoned mining properties.

In the past it has been our practice to make an annual provision for depletion based on the total tonnage extracted from the company's mines at a fixed rate per ton. Now that "Mines, Mineral Claims and Mining Investments," after deduction of depletion reserve, has been reduced to a nominal value it has been considered that further provision for this purpose is unnecessary at the present time. It has, however, been decided to continue making a provision at the same rate but to apply it against certain subsidiary mining companies in which present prospects do not warrant an expectation that the book value of your shares in these companies will be recovered.

By the end of the year most of the capital expenditures authorized before and during the year were well under way or completed, but increasing war demands will necessitate further extension in many of your undertakings. All of the plants under construction for the Government were in operation by the end of the year. Additions to most of these are contemplated. The great expansion of the Trail plants will necessitate further power development.

### **PENSION PLAN**

\$2,115,164.52 has been turned over to the Pension Society since its inception in 1940. This amount represents \$1,399,810.80 of housing loan assets and \$715,353.72 in cash, the latter being equal to 4% of the payroll.

### **SULLIVAN MINE AND CONCENTRATOR**

Mining costs were again slightly higher than in the previous year. This was expected and costs will increase still further until a proper proportion of ore comes from pillar extraction, after which costs should be maintained at a level somewhat higher than the present level. Part of the higher cost is due to the increase in wages, to compensate for the higher cost of living, and to increased bonuses to employees.

Concentration costs, while slightly higher, were lower than the increase in wage rates would have indicated. The concentrator treated approximately 6% more ore, with slightly higher metallurgical recoveries than those obtaining in the previous year.

The tin concentration plant commenced operation on March 1st, 1941, and functions very satisfactorily. The production of refined tin will commence in April 1942. The tin content of the ore is so small that its recovery is of more academic than commercial importance.

Backfilling for the year was 322,000 cubic yards against 246,000 in 1940. A still further increase is necessary and is expected in 1942.

Ore development has kept ahead of production. Throughout the year an attempt has been made to increase the zinc-to-lead ratio in the ore extracted, with the result that the ore mined in 1941 contained 10.07% lead and 7.24% zinc, against 10.2% lead and 6.59% zinc in 1940. These efforts have resulted in a much better balanced operation.

### **LEAD SMELTING DEPARTMENT**

Costs in this department show a slight increase but not more than can be accounted for by wage adjustments. The tonnage produced was substantially the same as in the previous year.

### **LEAD, SILVER AND GOLD REFINERIES**

Refinery tonnage was an all-time record in both silver and lead. Recoveries in gold and silver were excellent. The new silver refinery is producing a silver product which is second to none.

### **ZINC PLANT**

Zinc plant tonnage was also an all-time record. Zinc refining costs were slightly less than in the previous year. The over-all recoveries in this plant were the same as last year.

### **CADMIUM**

Owing to the demand for cadmium, stocks of low grade cadmium bearing by-products were treated, increasing the cadmium production 37%.

### **ANTIMONY PLANT**

Costs still remain very high in this plant. The antimony produced is of exceptionally fine quality but costs are high and the profit is small.

### **MAGNESIUM POWDER PLANT**

A very successful process for the manufacture of magnesium powder has been developed. This process gives a much better product than the ordinary processes at a lower cost. In all probability further extensions to this plant will be made in the near future.

### **CHEMICAL AND FERTILIZER PLANTS**

Great progress has been made in the chemical and fertilizer department. All of the new plants built have demonstrated their ability to exceed their estimated capacity, with lower costs than were expected. Construction costs on the whole have been well within the estimates.

Owing to the shortage of ammonia for war purposes, both in Canada and the United States, fertilizer production had to be curtailed. On the other hand, the prices received for the fertilizer sold were better.

## **GOLD MINES**

While returns for the year from the Big Missouri were normal, it is becoming more difficult to find ore which will return the cost of mining and milling.

Operations at the Box Mine were approximately the same as in the previous year in tonnage, grade and cost of operation.

The Caribou Mines in Nova Scotia continued to operate satisfactorily on a small tonnage. Ore development has kept ahead of extraction.

The extension of the Con plant in the Yellowknife area to a capacity of about 350 tons daily, started in 1941, was completed by March 1942. The tonnage mined was approximately the same as in 1940 with somewhat higher gold content.

The Ptarmigan plant was completed and put in operation in December.

The Thompson-Lundmark mill was completed and put in operation in August. The vein is small and high grade. Operating results were very satisfactory.

Power is supplied from your hydro-electric plant on Prosperous Lake to the Con, Ptarmigan, Thompson-Lundmark and Negus Mines.

Two or three company prospects in the Yellowknife area promise to become profitable producers. Your company is carrying out a large program of exploration work in this district.

The Red Rose tungsten property near Hazelton, B.C., has been optioned and equipped for production. Mining operations commenced early in 1942.

During the year operations were discontinued at the New Golden Rose Mine in Ontario.

## **MERCURY**

The Pinchi Lake plant has been increased twice during the year. Returns from this property have been highly satisfactory. In spite of the tonnage mined ore reserves have increased steadily. The plant has now sufficient capacity to mine and treat 450 tons of ore per day.

The total profits from the gold and mercury mines and the Prosperous Lake hydro electric plant increased from \$1,077,000.00 in 1940 to \$1,964,000.00 in 1941.

## **ENGINEERING AND RESEARCH DEPARTMENTS**

These departments have had a busy and successful year. Some very important research has been done. Some of the more important investigations were on processes for the reduction of metallic magnesium and the manufacture of magnesium powder. A process has been developed for the electric smelting of tin; the production of ammonia catalyst; and sodium fluosilicate. Research was carried on on many other problems incidental to the metallurgical and chemical work undertaken by the company.

In addition to our own construction and repair work, orders were taken for the Dominion Government. This work was well under way by the end of the year and the first complete engine was on test by the specified date, March 1, 1942.

## **SALES**

An accumulation of refined lead held at the close of last year, together with the current year's surplus over and above Canadian and British requirements, has been sold principally to the United States Government for distribution among its essential industries. There was no surplus zinc available for outside markets, all being required for Empire needs. Other metal production, as well as the output of our fertilizer plants, was satisfactorily placed, permitting us to close the year with practically no unsold stocks.

## **STAFF**

In spite of the increase in the company's operations, the technical staff has been depleted by engineers enlisting in His Majesty's Forces, by staffing industries operated for the Government and by releasing a large number of men to become Government Inspectors. As experienced technical men are not available those remaining have had to assume greater responsibilities.

The Accounting, Industrial Relations and Purchasing Department staffs have all been increased, mainly to take care of the multiplication of Government regulations. Wherever possible these positions are being filled by women.



## INDUSTRIAL RELATIONS DEPARTMENT

Industrial relations have been satisfactory. The employees are taking their work seriously and seem determined to do their utmost towards the war effort. The grade of work done has been excellent. The Workmen's Co-operative Committees deserve a great deal of credit for the friendly feeling now existing between all parties. Over seven hundred of your employees have answered the call for Overseas service.

## SAFETY DEPARTMENT

During the year a Department of Industrial Hygiene was instituted, in order to increase the scope of and improve work already done in this connection. This is considered most important; for instance, lead poisoning which at one time was very prevalent in all lead smelters is now not seen at Trail for many months at a time.

The following is a comparison of accident rates:

	Tadanac		Sullivan Mill		Sullivan Mine	
	Fatalities	Shifts lost per thousand worked	Fatalities	Shifts lost per thousand worked	Fatalities	Shifts lost per thousand worked
1940.....	1	4.6	0	0.4	1	7.7
1941.....	3	4.4	0	1.8	1	4.9

## SECURITY

Guarding the plants against sabotage continues to be a heavy expense to your company.

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During 1941 your company lost the services of the following engineers: Mr. C. T. Oughtred, General Superintendent of Concentration, and Mr. H. D. Anderson, engineer in charge of the company's air force, who were both killed in accidents while carrying on their work; and Mr. G. H. Kilburn of the Mines Exploration Department, who died on October 27, 1941.

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It is with great regret that we record the untimely death of the Right Honourable A. B. Purvis, P.C., a Director of the Company, in an aeroplane accident in England, while on war work.

Your company suffered an irreparable loss by the death of Sir Herbert Holt, a Director and the Vice-President of the company. Sir Herbert had been a Director since June 1926. He was a member of the Executive Committee of the Board and always an ardent supporter of Consolidated's activities. His great experience, his ability and his friendly co-operation will be greatly missed by all members of the Board.

Mr. R. E. Stavert was elected a Director to fill the vacancy caused by the death of Mr. Purvis, and subsequently replaced Sir Herbert Holt as Vice-President and a member of the Executive Committee. The other two vacancies on the Board will be filled at the annual meeting of the Company.

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Great credit must be given to your employees for the excellent work they have performed throughout the year.

On behalf of the Board,

E. W. BEATTY, *Chairman.*

S. G. BLAYLOCK, *President.*

# The Consolidated Mining and Smelting

BALANCE SHEET AS AT

## ASSETS

### PROPERTY, BUILDINGS AND EQUIPMENT:

Mines, mineral claims and mining investments:			
At cost, including shares in other companies \$1,360,885.20.....	\$ 8,889,647.60		
Less reserve for depletion.....	7,699,635.66		
		\$ 1,190,011.94	
Land, buildings and equipment:			
At cost, less depreciation written off and sales at realized values.	32,060,727.39		
Less reserve for depreciation.....	16,018,067.22		
		16,042,660.17	
<i>Note</i> —The company is committed to expend, at the request of the Dominion Government, approximately \$9,000,000.00.			\$17,232,672.11

### INVESTMENTS AND SUNDRY NON-CURRENT ASSETS:

Subsidiary companies:			
Shares.....	\$ 7,636,695.11		
Bonds.....	1,160,881.13		
Advances.....	4,788,486.15		
	\$13,586,062.39		
Less reserve for depreciation of investments in subsidiary mining companies.....	1,312,901.41	12,273,160.98	
Other companies:			
Shares.....	857,505.97		
Bonds.....	91,100.63		
Advances.....	54,293.27		
		1,002,899.87	
Sundry loans and non-current accounts receivable:			
Shareholders.....	18,939.33		
Others.....	321,098.62		
		340,037.95	
		13,616,098.80	

### CURRENT ASSETS:

Inventories of ores and products:			
In accordance with records and certified by company officials. Portion under sales contracts at net selling value, remainder at cost or market, whichever is lower..		6,685,867.64	
Stores and materials:			
In accordance with records periodically verified by physical inventories and certified by company officials. Valued at cost less depreciation.....		6,072,818.72	
Prepaid charges:			
On sales contracts.....	\$ 170,016.51		
Other.....	48,385.21		
		218,401.72	
Accounts and notes receivable:			
Officers.....	591.25		
Shareholders.....	72,664.55		
Notes receivable, par value \$250,000.00, at cost.....	248,715.28		
Customers and sundry and accrued revenue.....	3,682,742.29		
		4,004,713.37	
Dominion, Provincial, Municipal and industrial bonds (including securities held for the insurance reserve):			
At cost (Market value \$2,819,892.00).....		2,786,584.75	
Dominion of Canada Treasury bills:			
At cost (par value \$2,725,000.00).....		2,721,325.16	
Cash.....		9,360,735.70	
		31,850,447.06	
		\$62,699,217.97	

### STATEMENT AS TO SUBSIDIARY COMPANIES

A reserve of \$1,312,901.41 (equal to the amount which would have been provided for depletion if the directors had not considered further provision unnecessary at the present time) has been provided against the book value of subsidiary mining companies, and the investment in one company, which is in liquidation, has been written down to estimated recoverable value; no other provision has been made in the accounts of the holding company for losses of subsidiary companies, nor have profits of subsidiary companies been taken into the accounts of the holding company, except to the extent of dividends received; the excess of dividends received over the holding company's proportion of profits earned, is less than the excess of amounts charged to profit and loss over the holding company's proportion of losses of subsidiary companies. The balance of profits (less dividends) and losses, as well as development and maintenance expenses of certain subsidiary mining companies which were not in production, are carried forward in the accounts of the subsidiary companies.

VANCOUVER, B.C., March 23, 1942.

HELLIWELL, MACLACHLAN & CO.,  
Chartered Accountants.



# Company of Canada, Limited

DECEMBER 31, 1941

## LIABILITIES

### CAPITAL:

#### Authorized:

4,000,000 shares of \$5.00 each ..... \$ 20,000,000.00

#### Issued and fully paid:

As at December 31, 1940—3,275,919 shares ..... 16,379,595.00

#### Allotted as fully paid during 1941:

To employees as bonus—410 shares ..... 2,050.00

Total as at December 31, 1941—3,276,329 shares ..... \$16,381,645.00

PREMIUM ON SHARES ISSUED ..... 7,585,244.89

### RESERVES:

Insurance ..... 1,842,841.73

### CURRENT LIABILITIES:

Accounts payable—sundry ..... 3,846,123.01

Accounts payable—subsidiary companies ..... 482,006.12

Payments received in advance on sales contracts ..... 162,847.01

Reserve for taxes ..... 4,458,572.17

Dividends payable ..... 1,734,804.86

(See note under "Property, buildings and equipment") ..... 10,684,353.17

### EARNED SURPLUS:

Appropriated surplus invested in the Company's undertakings ..... \$ 20,127,131.51

Unappropriated surplus ..... 6,078,001.67

26,205,133.18

### CONTINGENT LIABILITIES:

As guarantor of West Kootenay Power and Light Company Limited bonds due March 1, 1956:

Total authorized \$20,000,000.00:

Series "A," 4 per cent.:

Outstanding \$5,687,000.00, redeemed \$813,000.00

Series "B," 3¾ per cent.:

Outstanding \$2,026,000.00, redeemed \$474,000.00

Purchase obligations guaranteed by Dominion Government \$426,895.83

Contracts, commitments and claims \$78,295.19

Sundry guarantees \$12,168.81 Canadian and \$5,000.00 U.S. funds

As guarantor of performance by Alberta Nitrogen Company Limited and Alberta Nitrogen Products Limited of their obligations under contracts with the Government of the United Kingdom.

On behalf of the Board:

E. W. BEATTY, }  
S. G. BLAYLOCK, } Directors.

\$62,699,217.97

### AUDITORS' REPORT

We have audited the accounts of The Consolidated Mining and Smelting Company of Canada Limited, for the year ended December 31, 1941, maintained at the offices at Trail, Kimberley, Warfield, Vancouver and Calgary, and during the year have made inspections of the accounts at other branch offices. We report to the shareholders that we have received all the information and explanations we have required, and that in our opinion the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs at December 31, 1941, according to the best of our information and the explanations given to us, and as shown by the books of the company audited by us, and by the accounts of the Montreal office as audited by Messrs. Edwards, Morgan & Co.

HELLIWELL, MACLACHLAN & CO.,  
Chartered Accountants.

VANCOUVER, B.C., March 23, 1942.

# The Consolidated Mining and Smelting

FOR THE YEAR ENDED

## STATEMENT OF INCOME AND EXPENDITURE

Operating profit after charging proportion of total remuneration of \$56,072.60 paid to legal advisers but before deduction of expenses shown hereunder . . . . . \$20,622,999.52

*Deduct:*

Executive officers' fees and remuneration . . . . .	\$ 134,632.63	
Directors' fees and remuneration . . . . .	47,535.00	
		<u>182,167.63</u>

Net operating profit before provision for plant depreciation, depreciation of investments in subsidiary mining companies, income taxes, or insurance reserve . . . . . \$20,440,831.89

*Add:*

Income from investments . . . . .	\$ 1,710,888.20	
Profit on bonds sold and Treasury bills redeemed . . . . .	5,121.51	
		<u>1,716,009.71</u>
		<u>\$22,156,841.60</u>

*Deduct:*

Provision for depreciation of plant and equipment . . . . .	\$ 2,494,030.22	
Provision for depreciation of investments in subsidiary mining companies . . . . .	1,312,901.41	
Provision for income taxes . . . . .	5,650,000.00	
Provision for insurance reserve . . . . .	500,000.00	
		<u>9,956,931.63</u>

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NET PROFIT CARRIED TO UNAPPROPRIATED EARNED SURPLUS ACCOUNT . . . . . \$12,199,909.97

# Company of Canada, Limited

DECEMBER 31, 1941

## STATEMENT OF EARNED SURPLUS ACCOUNT

### APPROPRIATED SURPLUS INVESTED IN THE COMPANY'S UNDERTAKINGS

Balance December 31, 1940.....	\$16,127,131.51
<i>Add</i> transfer from unappropriated surplus.....	<u>4,000,000.00</u>
BALANCE AT DECEMBER 31, 1941 PER BALANCE SHEET.....	<u>\$20,127,131.51</u>

### UNAPPROPRIATED SURPLUS

Balance December 31, 1940.....	\$ 6,067,622.95
<i>Add</i> net profit for the year ended December 31, 1941.....	<u>12,199,909.97</u>
	\$18,267,532.92
<i>Deduct</i> appropriation for dividends Nos. 72 and 73.....	<u>8,189,531.25</u>
	\$10,078,001.67
<i>Deduct</i> transfer to appropriated surplus.....	<u>4,000,000.00</u>

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BALANCE AT DECEMBER 31, 1941 PER BALANCE SHEET.....	<u><u>\$ 6,078,001.67</u></u>
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## OPERATING DEPARTMENTS

### MINES DEPARTMENT:

#### General—

W. LINDSAY - - - -	GEN. SUPT. Sullivan Operations - - - -	KIMBERLEY, B.C.
R. H. STEWART - - - -	CONSULTING ENGINEER Sullivan Mine - - - -	VANCOUVER, B.C.
M. M. O'BRIEN - - - -	CONSULTING ENGINEER North Central and Western Districts - - - -	TRAIL, B.C.
L. W. OUGHTRED - - - -	GEN. SUPT. Eastern District - - - -	MONTREAL, QUE.
W. G. JEWITT - - - -	GEN. SUPT. North Central District - - - -	GOLDFIELDS, SASK.
F. A. FORTIER - - - -	GEN. SUPT. Western District - - - -	TRAIL, B.C.
Operation - - - -	J. R. GIEGERICH, D. S. CAMPBELL, J. WIGHTMAN, P. T. BLOOMER, H. C. GIEGERICH, R. J. ARMSTRONG, R. B. SHELEDY, J. K. CRAM, E. BRONLUND, A. W. DAVIS, H. M. POWELL.	
Exploration - - - -	D. C. McKECHNIE, W. J. DEAN, W. E. AITCHISON, L. TELFER, G. H. FINLAND, A. D. HUDSON.	
GEOLOGICAL DEPARTMENT - -	DR. G. G. GILBERT, DR. L. V. BELL, DR. C. O. SWANSON, DR. A. G. PENTLAND.	
CONCENTRATION DEPARTMENT -	H. R. BANKS, Supt. Sullivan Concentrator; S. GRAY, Supt. of Mills other than the Sullivan; W. H. POOLE, P. M. ELLIOTT.	
METALLURGICAL DEPARTMENT -	R. R. McNAUGHTON, Chief Metallurgist; A. D. TURNBULL, T. H. WELDON, Assistant Metallurgists.	
SMELTING DEPARTMENT - -	W. E. NEWTON, Superintendent; J. H. HARGRAVE, Assistant Superin- tendent; L. S. PIPER, L. M. P. DAVISON.	
ZINC PLANT - - - -	B. A. STIMMEL, Superintendent; F. S. WILLIS, Assistant Superin- tendent; K. D. McBEAN, J. BRYDEN, D. S. WETMORE, J. D. HARTLEY, Divisional Superintendents.	
REFINERIES - - - -	P. F. McINTYRE, Superintendent; R. D. PERRY, Assistant Superin- tendent.	
SMOKE PLANTS - - - -	R. K. BLOIS, Superintendent; H. DOYLE, Assistant Superintendent.	
CHEMICAL AND FERTILIZER DEPARTMENT - - - -	E. A. G. COLLS, Superintendent; A. M. CHESSER, W. D. BURGESS, A. W. MOORE, Divisional Superintendents.	
RESEARCH AND DEVELOPMENT -	F. E. LEE, W. H. HANNAY, A. L. MCCALLUM, Chemical Engineer; R. LEPSOE, Electrochemical Engineer; DR. B. P. SUTHERLAND, DR. C. H. WRIGHT.	
ASSAY OFFICE AND INDUSTRIAL HYGIENE - -	KURT RAHT, Chief Chemist and Supervisor.	



### ENGINEERING DEPARTMENT

E. M. STILES	- - - -	CHIEF ENGINEER	- - - - -	TRAIL, B.C.
H. F. TIEDJE	- - - -	CONSTRUCTION ENGINEER	- - - - -	do
G. H. MCKAY	- - - -	ASST. CONSTRUCTION ENGINEER	- - - - -	do
A. G. DICKINSON	- - - -	ELECTRICAL ENGINEER	- - - - -	do
E. MASON	- - - -	ASST. TO THE CHIEF ENGINEER	- - - - -	do
H. CLARK	- - - -	MASTER MECHANIC	- - - - -	do

### INDUSTRIAL RELATIONS DEPARTMENT

C. W. GUILLAUME	- - - -	SUPERVISOR	- - - - -	TRAIL, B.C.
E. W. CAMPBELL	- - - -	ASSISTANT	- - - - -	do
G. W. WILSON	- - - -	ASSISTANT	- - - - -	KIMBERLEY, B.C.

### LEGAL DEPARTMENT

A. L. JOHANNSON	- - - -	GENERAL SOLICITOR	- - - - -	TRAIL, B.C.
C. H. B. FRERE	- - - -	SENIOR ASSISTANT SOLICITOR	- - - - -	do

### PURCHASING DEPARTMENT

W. R. BAXENDALE	- - - -	PURCHASING AGENT	- - - - -	TRAIL, B.C.
R. G. ANDERSON	- - - -	ASSISTANT PURCHASING AGENT	- - - - -	do

### GENERAL OFFICE

H. B. FULLER	- - - -	COMPTROLLER	- - - - -	TRAIL, B.C.
G. A. WALLINGER	- - - -	CHIEF ACCOUNTANT	- - - - -	TRAIL, B.C.
E. G. RANDALL	- - - -	ASST. CHIEF ACCOUNTANT	- - - - -	TRAIL, B.C.
N. G. RANDALL	- - - -	ACCOUNTANT	- - - - -	KIMBERLEY, B.C.
W. C. MACKENZIE	- - - -	PAYMASTER	- - - - -	TRAIL, B.C.

### SALES DEPARTMENT

W. S. RUGH	- - - -	VICE-PRESIDENT IN CHARGE OF SALES	- - -	MONTREAL, QUE.
M. A. WOLFKILL	- - - -	ASSISTANT MANAGER OF METAL SALES	- - -	do
H. G. McBOYLE	- - - -	ASSISTANT MANAGER OF METAL SALES	- - -	do
R. RUICKBIE	- - - -	MANAGER FERTILIZER AND CHEMICAL SALES	- - -	do
DR. T. H. MATHER	- - - -	ASSISTANT MANAGER FERTILIZER SALES	- - -	VANCOUVER, B.C.
DR. R. E. NEIDIG	- - - -	FERTILIZER RESEARCH	- - -	SAN FRANCISCO, CALIF.
BALFOUR GUTHRIE & Co. LTD.	- - - -	FERTILIZER SALES IN WASHINGTON, OREGON, CALIFORNIA AND ARIZONA	- - -	
HENRY GARDNER & Co. LTD.	- - - -	EUROPEAN REPRESENTATIVES	- - -	
		LONDON, ENGLAND		

### ON LOAN TO GOVERNMENT OWNED PLANTS AT CALGARY

E. M. STILES	- - - -	CHIEF ENGINEER	- - - - -	ALBERTA NITROGEN Co.
W. S. KIRKPATRICK	- - - -	MANAGER	- - - - -	do
L. G. TOMS	- - - -	ACCOUNTANT	- - - - -	do
R. G. ANDERSON	- - - -	PURCHASING AGENT	- - - - -	do

**PRODUCTS**  
*of*  
**THE CONSOLIDATED MINING AND SMELTING COMPANY  
OF CANADA, LIMITED**

**METALS *and* METAL PRODUCTS**

LEAD      ZINC      TIN      ANTIMONY      BISMUTH      CADMIUM  
GOLD      SILVER      INDIUM      MERCURY  
MAGNESIUM      MAGNESIUM POWDER  
ZINC DUST      ZINC OXIDE      COPPER SULPHATE  
TUNGSTEN

**FERTILIZERS *and* CHEMICALS**

AMMONIA      AMMONIUM NITRATE  
AMMONIUM PHOSPHATES      AMMONIUM SULPHATE  
SUPERPHOSPHATES  
SULPHUR      SULPHURIC ACID      OLEUM  
NITRIC ACID      HYDROFLUOSILICIC ACID

WEST KOOTENAY POWER  
*and* LIGHT COMPANY  
LIMITED

ANNUAL REPORT *and* STATEMENTS  
FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 1941

# West Kootenay Power and Light Company Limited

HEAD OFFICE: TRAIL, B.C.

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## DIRECTORS

SIR EDWARD BEATTY, G.B.E.

GEORGE F. BENSON

S. G. BLAYLOCK

LORNE A. CAMPBELL

ELWOOD B. HOSMER

ROSS H. McMASTER

## OFFICERS

SIR EDWARD BEATTY, G.B.E.  
CHAIRMAN OF THE BOARD

LORNE A. CAMPBELL  
PRESIDENT AND MANAGING DIRECTOR

ROSS H. McMASTER  
VICE-PRESIDENT

L. O. REID, SECRETARY-TREASURER  
215 ST. JAMES STREET WEST, MONTREAL

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FORTY-FOURTH ANNUAL REPORT AND STATEMENTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1941



# West Kootenay Power and Light Company Limited

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## DIRECTORS' REPORT

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TO THE SHAREHOLDERS,  
WEST KOOTENAY POWER AND LIGHT COMPANY LIMITED.

Your Directors submit herewith the Forty-fourth Annual Report, together with the usual Financial Statements for the year 1941.

After deducting amounts covering operating expenses, interest on bonds, setting up reserves for Income and Excess Profits Taxes, and also for Depreciation, there was a surplus of \$1,590,275.40; this amount has been carried to Earned Surplus Account. After payment of the regular annual dividend of 7% on the Preferred Shares, and dividend and bonus of 25% on the Common Shares, aggregating \$1,563,000.00, there remains at credit of Earned Surplus Account, as at December 31, 1941, an amount of \$4,430,365.07.

The Company's Gross Consolidated Revenue for the year ended December 31, 1941, was \$4,680,648.93, and for the year ended December 31, 1940, \$4,168,660.63, showing an increase in revenue for the year 1941 over 1940 of \$511,988.30.

In the Annual Report for the year 1940 it was mentioned that No. 2 Plant Extension was put on the line April 1, 1940, and that the power capacity of this Extension could not very well be determined until it was operated through a full storage period. The storage period as from December 1, 1940, to December 31, 1941, worked out to our entire satisfaction, and the increased capacity derived from No. 2 Plant Extension with the storage available was the means of increasing our revenue for the year 1941 over the year 1940 by \$511,988.30.

Your Directors are pleased to acknowledge their appreciation of the loyal and efficient services rendered by the Employees and Staff during the year.

On behalf of the Board,

E. W. BEATTY,  
*Chairman of the Board.*

LORNE A. CAMPBELL,  
*President and Managing Director.*

TRAIL, B.C., February 12, 1942.

# West Kootenay Power and Light

## CONSOLIDATED BALANCE SHEET

### ASSETS

**CURRENT:**

Cash on hand and in Banks . . . . . 3,874,089.63

**ACCOUNTS RECEIVABLE:**

The Consolidated Mining and Smelting Company of Canada Limited . . . . .	331,161.12	
Customers and Sundry . . . . .	151,737.38	
<i>Less, Reserve for Doubtful Accounts.</i> . . . . .	<u>6,000.00</u>	
	145,737.38	476,898.50

**INVENTORIES:**

Merchandise . . . . .	44,509.93	
Stores, Materials and Supplies . . . . .	376,832.19	
Construction Equipment . . . . .	92,251.15	
(As shown by stock records periodically verified by inventories and priced at cost less deduction for depreciation)		<u>513,593.27</u>
		4,864,581.40

**INVESTMENTS:**

Dominion of Canada Bonds—Cost . . . . .	805,156.25	
Corporation of the City of Nelson 4% Bonds, due February 1, 1960—Cost . . . . .	28,000.00	
Housing Loans to Employees . . . . .	<u>11,947.34</u>	845,103.59

**FIXED:**

Property, Plant and Equipment—Cost . . . . .	25,340,587.56	
<i>Less, Reserve for Depreciation.</i> . . . . .	<u>11,268,646.90</u>	14,071,940.66

**DEFERRED CHARGES:**

Prepaid Expenses and Deferred Charges . . . . .	5,026.02	
Debt Discount and Expense . . . . .	57,414.05	
Premium on Bonds Redeemed . . . . .	<u>287,381.50</u>	349,821.57
		<u><u>\$20,131,447.22</u></u>

### AUDITOR'S

I certify that I have audited the accounts of the West Kootenay Power and Light Company Limited, and its Subsidiary have required. I report to the shareholders that the above Balance Sheet is, in my opinion, properly drawn up so as to best of my information and the explanations given to me and as shown by the books of the several Companies at

TRAIL, B.C., February 9, 1942.

# Company Limited and Subsidiaries

AS AT DECEMBER 31, 1941

## LIABILITIES

CURRENT:

Accounts Payable—Trade.....	47,232.18	
Accrued Payrolls.....	18,220.90	
Interest.....	101,176.67	
Provision for Income and Excess Profits Taxes.....	1,187,950.08	
(Sinking Fund Instalments due March 1, 1942, \$249,269.00)		<u>1,354,579.83</u>

DEFERRED INCOME:

Deposits received for power not yet delivered.....		6,502.32
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LONG TERM DEBT:

Authorized.....		<u>\$20,000,000.00</u>	
Issued, Series "A" 4% Bonds, due March 1, 1956.....	6,500,000.00		
Less, Cancelled.....	813,000.00		
		<u>5,687,000.00</u>	
Series "B" 3¾% Bonds, due March 1, 1956....	2,500,000.00		
Less, Cancelled.....	474,000.00		
		<u>2,026,000.00</u>	
			<u>7,713,000.00</u>

RESERVE:

Fire Insurance.....		15,000.00
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CAPITAL STOCK:

Authorized:			
150,000 Shares of \$100.00 each.....		<u>\$15,000,000.00</u>	
Issued:			
5,000 Shares of \$100.00 each 7% Cumulative Preferred Stock.....	500,000.00		
61,120 Shares of \$100.00 each Common Stock.....	6,112,000.00		
			<u>6,612,000.00</u>

EARNED SURPLUS.....		4,430,365.07
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On behalf of the Board:

E. W. BEATTY	} <i>Directors.</i>	<u>\$20,131,447.22</u>
L. A. CAMPBELL		

## REPORT

Companies, for the year ended December 31, 1941, and that I have received all the information and explanations I exhibit a true and correct view of the state of the affairs of the Company, and its Subsidiary Companies, according to the December 31, 1941.

R. M. HOYLAND,  
*Chartered Accountant.*

West Kootenay Power and Light Company Limited  
and Subsidiaries

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED DECEMBER 31, 1941

OPERATING REVENUES.....		4,634,819.58
OPERATING EXPENSES:		
Power Purchased.....	11,374.42	
Power Plant and Distributing Station Expenses.....	216,440.38	
Maintenance and Repairs.....	170,228.14	
Depreciation.....	742,619.62	
Water Fees.....	129,866.21	
Taxes (Other than Income Taxes).....	55,151.85	
Rents and Royalties.....	9,592.26	
Miscellaneous.....	53,951.38	
	1,389,224.26	
GENERAL EXPENSES:		
Selling and Administrative Expenses.....	165,710.29	
Provision for Doubtful Accounts.....	2,074.68	
Other General Expenses.....	45,656.65	
	213,441.62	
		1,602,665.88
OTHER INCOME:		
		3,032,153.70
Interest on Account due by The Consolidated Mining and Smelting Company of Canada Limited.....	4,787.41	
Interest on Bonds.....	16,224.17	
Interest on Housing Loans.....	601.51	
Miscellaneous Interest.....	17,445.76	
House Rentals—Employees.....	6,770.50	
	45,829.35	
		3,077,983.05
INCOME DEDUCTIONS:		
Interest and Debt Discount and Expenses:		
Interest on Funded Debt.....	306,400.84	
Amortization of Debt Discount and Expenses.....	4,057.85	
Premium on Bonds Redeemed.....	36,933.39	
Other Interest.....	81.79	
	347,473.87	
Net Income before Provision for Income and Excess Profits Taxes....		2,730,509.18
Provision for Income and Excess Profits Taxes.....		1,140,233.78
Net Income transferred to Earned Surplus.....		\$ 1,590,275.40
<i>Carried Forward:</i>		



*Brought Forward:*

EARNED SURPLUS

Balance at December 31, 1940.....		4,453,121.03
Net Income from Profit and Loss Account.....		<u>1,590,275.40</u>
		6,043,396.43
CHARGES TO SURPLUS:		
Additional Income and Excess Profits Taxes on 1940 Income.....	47,531.36	
Shares of Dominion Agricultural Credit Company Limited.....	2,500.00	
Dividends:		
Cash—Preferred 7%.....	35,000.00	
Cash—Common 25%.....	<u>1,528,000.00</u>	
	1,563,000.00	
		<u>1,613,031.36</u>
BALANCE AT DECEMBER 31, 1941, AS PER CONSOLIDATED BALANCE SHEET.....		<u><u>\$ 4,430,365.07</u></u>







