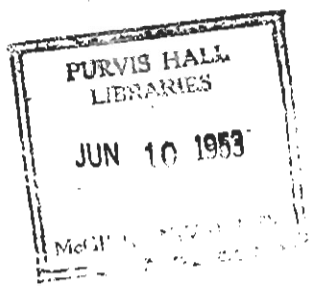


**THE  
CONSOLIDATED  
MINING & SMELTING  
COMPANY OF CANADA  
LIMITED**



**FORTIETH ANNUAL REPORT  
FOR THE TWELVE MONTHS ENDING  
DECEMBER 31, 1945**





# THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

## HEAD OFFICE

215 ST. JAMES ST., MONTREAL, CANADA

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## DIRECTORS

ARTHUR L. BISHOP	L. A. CAMPBELL	D. C. COLEMAN
R. W. DIAMOND	HON. C. A. DUNNING, P.C.	JOHN W. HOBBS
HENRY JOSEPH	THAYER LINDSLEY	R. S. McLAUGHLIN
R. H. McMASTER	W. S. RUGH	G. W. SPINNEY, C.M.G.
R. E. STAVERT	MORRIS W. WILSON, C.M.G.	

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## EXECUTIVE COMMITTEE

D. C. COLEMAN	R. H. McMASTER	
G. W. SPINNEY, C.M.G.	R. E. STAVERT	MORRIS W. WILSON, C.M.G.

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## OFFICERS

D. C. COLEMAN CHAIRMAN	R. E. STAVERT PRESIDENT	R. H. McMASTER VICE-PRESIDENT
G. A. WALLINGER COMPTROLLER	W. S. RUGH VICE-PRESIDENT IN CHARGE OF SALES	J. E. RILEY SECRETARY
R. W. DIAMOND VICE-PRESIDENT AND GENERAL MANAGER, TRAIL, B.C.		W. S. KIRKPATRICK 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

# Directors' Report

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MONTREAL, P.Q., 5th April, 1946.

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

Your directors submit herewith the financial statements and Auditors' Report for 1945, with the Annual Report of the West Kootenay Power & Light Company Limited.

## FINANCIAL

After providing for Income, Excess Profits and Provincial Mineral Taxes, Depreciation of Plants and Investments in subsidiary mining companies the net profit for the year was \$11,517,758.40, which was carried to Unappropriated Surplus Account. This net profit was equal to \$3.52 per share, compared with \$2.99 per share in 1944. Dividends declared during the year, amounting to \$8,189,652.50, were at the rate of \$1.00 per share as regular dividends and \$1.50 per share as bonuses, being the same as for the year 1944.

During 1945 provision for normal and special war depreciation and for depreciation of investments in subsidiary mining companies exceeded new investments in such assets, therefore following the policy adopted in previous years the sum of \$2,500,000.00 has been transferred from Appropriated Surplus to Unappropriated Surplus.

An amount of \$386,175.36 was written off to Reserves to cover abandoned mining properties.

A further increase in the working capital of the Company was effected.

## GENERAL

During 1945 the supply of labour continued to decrease and reached a low point in the autumn. In spite of this situation, and in consequence of development work carried out in 1944, the rate of operation at the Sullivan Mine was increased. This resulted in increased output of our main products which, together with some improvement in efficiency, reduced costs at Kimberley and Trail. These results were realized in the face of a substantial increase in wages. The higher rate of development work at the Sullivan Mine, commenced in 1944, was continued, and this work will receive special attention in the next few years, particularly on the lower levels. It will also be necessary to make some important alterations in preparation for the filling of empty stopes below the 3,900 level. By the end of the year a considerable improvement had taken place in the labour supply, partly due to the return of men from the armed forces. This trend has continued.

The end of the war caused no reduction in the demand for our products but there were important increases in selling prices.

## SULLIVAN MINE AND CONCENTRATOR

Ore mined during the year increased to 2,435,877 tons, and compares with 2,141,397 tons in 1944. There was some improvement in the grade of ore. About one million yards of backfill were placed—equivalent to about 3,650,000 tons of ore. During the years 1944 and 1945, the yardage of backfill placed was equivalent to about 220% of the ore mined in the same period. If that rate is maintained until the end of 1947 as planned, backfilling will then be in step with extraction. Development work in 1945 broke all previous records, and a still more extensive program is planned for 1946. However, it is expected that at least two years will be required to put the mine in satisfactory shape from a development standpoint. Two large pillars within filled areas were developed and partially mined during the year. At the year end both had about 50% of the ore drawn with very little dilution. Mining from pillars generally will continue on an increasing scale. The search for new ore continued throughout the year with encouraging results. This work, plus the inclusion of low-grade ore now found to be mineable, resulted in a

net increase of about 1½ million tons in ore reserves at the end of 1945 compared with those at the end of 1944. Sinking on the 3,360 (Number 1) shaft below the 3,350 level was commenced and will be continued through 1946. The 3,000 foot level should be reached by the year end and present plans are to continue sinking in 1947 to the 2,700 foot level. In that year lateral work on the new levels should be well under way.

The Sullivan Mill performance in 1945 deserves special mention because of the remarkable increase in capacity per operating day to 8,457 tons in 1945 from 7,165 in 1944 and 7,496 in 1942, the previous high year. This was accomplished with but little new equipment and metallurgical results were well maintained.

#### TRAIL PLANTS

The tonnage of refined lead was increased to 163,142 in 1945 from 143,556 in 1944, and bar zinc output was 134,873 tons compared to 117,365 in 1944. Silver production remained practically unchanged. Efficiencies of our metallurgical operations were generally maintained.

The output of chemicals and fertilizers continued to increase, and exceeded all previous figures. Pressure for maximum output continues. The fertilizer tonnage of 369,666 for 1945 compares with 327,232 in 1944, and 272,503 in 1943. Once more these operations deserve special mention for their performance.

#### SUNDRY MINES

Development work was continued at our Con Mine in the Yellowknife District, N.W.T. Other gold mines owned by, or in which the Company has a substantial interest, were idle throughout the year except for a very small operation in Nova Scotia. The Pinchi Lake mercury property remained closed. The Montana Phosphate Products Company, a subsidiary in Montana, continued supplying phosphate rock for our fertilizer plants.

#### SALES

Our lead and zinc contracts with the British Government, which were entered into in September, 1939, terminated in August of 1945—three months after the end of the fighting in Europe. After a short interval, lead shipments to the United Kingdom were resumed and continued over the remainder of the year under a new contract at a higher price than those which had applied during the war. After supplying the Canadian demand, the remainder of our lead production was sold in the United States and certain European liberated countries. No further zinc shipments were made to the United Kingdom after the termination of the war contract. Sales were made in the United States and Europe. Late in 1945, the demand for zinc was not as strong as for lead, but no difficulty was experienced in marketing our production at prices considerably higher than those obtainable during the war. Since the end of the year arrangements have been completed with the British Government for sales of zinc to the United Kingdom on satisfactory terms.

Prior to the 31st August, 1942, the ceiling price of silver in Canada was in line with the world market. When the price of imported silver in the United States advanced on that date from 35 cents to 45 cents per ounce, Canadian price ceiling regulations prevented any price increase in Canada. In September, 1945, the ceiling price in the United States was further increased to 71.111 cents per ounce, but the Canadian price continued unchanged until the end of the year. On the 1st February, 1946, the Canadian Government removed the ceiling on silver prices, and the Canadian price of silver will now be comparable to the price in the United States.

Ready markets continue to exist for our other metals, such as tin, cadmium, bismuth and mercury. No mercury was produced during 1945, and sales were made from stocks accumulated in former years. Mercury prices continued the downward trend which commenced late in 1943, but a firmer tone was evident towards the end of the year.

Our entire production of fertilizers continued under allocation by the Combined Food Board. A very strong demand for all these products existed throughout the year. Exports went principally to the United States, Hawaii, Great Britain, Africa, India and Australia. In the near future, shipments will be made to the Netherlands East Indies, China and Formosa.

With the exception of gold and silver, the sales prices in Canada of all our products still remain fixed under the price ceilings imposed by the Canadian Government in November, 1941. World prices, at which we sell our exportable surplus, are considerably

higher. The differences are particularly marked in the cases of lead and zinc, but they apply generally in respect of the other metals and the fertilizers.

#### EXPLORATION

While there was some reorganization of our exploration work, it was, in general, on about the same scale as in recent years in all areas of interest across Canada. There were some promising results.

#### CONSTRUCTION AND CAPITAL EXPENDITURES

Due to the serious labour shortage, construction projects were postponed as much as possible. However, contracts were let for surface buildings and installation of underground equipment for the 3,360 (Number 1) shaft which is necessary for development of the Sullivan Mine below the 3,350 level.

Larger expenditures on "Land, Buildings and Equipment" during 1945 were as follows:

Equipment of Number 1 Shaft at the Sullivan Mine.....	\$286,829.53
Brilliant Hydro-electric Development.....	157,592.06

#### INDUSTRIAL RELATIONS

The labour shortage during 1945 was more acute than in any of the former war years. The situation was dealt with by giving preference to productive operations, by continuing to use women extensively, and by retaining old employees after normal pensionable age. The splendid services of the women and these older men are gratefully acknowledged.

Labour turnover continued at a very high rate as shown by the following figures:

	1941	1942	1943	1944	1945
Trail.....	30.0%	55.2%	55.0%	41.9%	50.9%
Kimberley.....	19.4%	40.1%	38.2%	55.2%	60.8%

The average prewar normal labour turnover was about 10%. The total number of Company employees on the active roll at year ends for recent years were as follows:

	1941	1942	1943	1944	1945
	7,647	8,059	7,554	6,437	6,362

At the beginning of 1945 there were 2,359 men and women on the military roll. Before the year end, 1,098 had returned to work. Their re-establishment was very satisfactorily effected. In this connection, each case is given special consideration, and care is taken to give every man the benefit of progress that he would normally have enjoyed had he continued working. We cannot speak too highly of the spirit and work of these veterans and we welcome them back to our ranks. A total of 74 of our employees gave their lives on active service, and 5 are reported as still missing. The directors extend their sincere sympathy to those who are bereaved.

The Company's contribution to the Pension Fund Society during the year was \$711,699.20. This brought the Society's fund as at the 31st December, 1945, to \$5,160,336.40. Pensions paid by the Society in 1945 amounted to \$127,997.18. The Company bears the entire cost of employees' pensions. During the year 89 pensions were granted and at the year end there were 318 being paid.

In 1920 the Company instituted a plan of group life insurance for all employees, including those of subsidiary companies. A policy of \$500 is carried for each employee who has completed 3 months of service; this increases \$100 every six months thereafter until it reaches a maximum of \$1,500. The cost of this insurance is borne entirely by the Company. In addition each employee has the right to take out a further policy of \$1,000 at the same low rate which applies to the group policy carried by the Company. Both policies include total disability features. Group assurance claims paid during 1945 amounted to a total of \$150,600.00, of which \$84,600 resulted from the plan paid for by the Company and \$66,000 came under the plan paid for by the employees.

Under our holiday scheme, day wage employees at Trail and Kimberley received a total of 44,841 paid holidays at a cost to the Company of \$243,892.23, an increase of \$29,119.12 over 1944.

Due to the labour and supply situation, only 20 houses were built in 1945 under the financing arrangement afforded by The Pension Fund Society. At the present time an acute housing shortage exists in both Trail and Kimberley.

On the 16th January, 1945, an agreement covering our Trail operations was reached with Local 480, International Union of Mine, Mill & Smelter Workers (C.I.O.), and satisfactory relations existed throughout the year. On the 29th November, 1945, the Union gave notice of termination of this agreement, effective 29th January, 1946. Negotiations for a new agreement are now in progress. At Kimberley the 1943 agreement with Local 651, International Union of Mine, Mill, and Smelter Workers (C.I.O.) continued in effect throughout the year. Satisfactory relations were maintained.

The safety record for the year was somewhat better than for the previous year but the number of accidents was still abnormally high.

#### RESEARCH AND DEVELOPMENT

Arising out of the retirement of a number of senior research men during the year, there was a major re-orientation of personnel and of methods of procedure. The year was a very active one throughout for research and development studies. The importance of this phase of our work is fully recognized and will be given increasing prominence in our considerations.

#### STAFF CHANGES

Following the Annual Meeting in April, 1945, Mr. R. E. Stavert was elected President of the Company to replace Mr. S. G. Blaylock, formerly Chairman and President. Mr. Blaylock continued as Chairman. Mr. D. C. Coleman was elected Vice-President of the Company.

In June, Dr. C. O. Swanson, formerly Consulting Geologist, was appointed Chief Geologist of the Company, and Mr. W. G. Jewitt was appointed General Superintendent of Exploration. In August, Mr. William Lindsay, General Superintendent of the Sullivan Mine, retired on pension. Mr. Lindsay had been in the employ of the Company for forty years and had been in charge of Sullivan Mine operations since 1938. Mr. H. B. Fuller, Comptroller, retired at the end of the year. Mr. Fuller had been with the Company for 31 years and had occupied the position of Comptroller since 1934. Mr. G. A. Wallinger, formerly Assistant Comptroller, was appointed Comptroller to succeed Mr. Fuller.

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In November, 1945, the Company sustained a great loss in the death of its Chairman. Mr. S. G. Blaylock. Mr. Blaylock had been connected with the Company for over forty-six years. In 1899 he joined the Canadian Smelting Works at Trail. These works formed part of The Consolidated Mining and Smelting Company at its incorporation in 1906. An outstanding mining and metallurgical engineer, Mr. Blaylock was directly responsible for the growth and successful development of the Company over a long period of years. He was elected a director in 1922, and President in 1939. Following the death of the late Sir Edward Beatty in 1943, he became Chairman and President. He retired from the presidency in April, 1945, on account of ill health.

Mr. R. W. Diamond, Vice-President and General Manager, was appointed to the Board to fill the vacancy caused by the death of Mr. Blaylock.

At a Meeting of the Directors held on the 11th March, 1946, Mr. D. C. Coleman was elected Chairman of the Company to succeed the late Mr. S. G. Blaylock, Mr. R. H. McMaster was elected Vice-President and Mr. Morris W. Wilson, C.M.G., was elected a member of the Executive Committee.

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On behalf of the shareholders, the directors wish to express their thanks and appreciation to the staff and all other employees of the Company for the improved efficiency and faithful service displayed under adverse conditions.

On behalf of the Board,

R. E. STAVERT,  
*President.*

# The Consolidated Mining and Smelting Company of Canada, Limited

BALANCE SHEET AS AT DECEMBER 31, 1945

## ASSETS

<b>PROPERTY, BUILDINGS AND EQUIPMENT:</b>			
Mines, mineral claims and mining investments:			
At cost, including shares in other companies \$1,512,603.39	\$ 8,755,217.96		
Less reserve	7,184,811.34		
		\$ 1,570,406.62	
Land, buildings and equipment:			
At cost, less depreciation written off and sales at realized values	30,876,593.35		
Less reserve	17,143,791.04		
		13,732,802.31	
			\$15,303,208.93
<b>OTHER NON-CURRENT ASSETS:</b>			
Subsidiary companies:			
Shares	7,519,184.90		
Bonds	730,131.47		
Advances	3,654,929.02		
	11,904,245.39		
Less reserve for depreciation of investments in subsidiary mining companies	4,035,556.69		
		7,868,688.70	
Shares in other companies		857,499.97	
Deferred charges		366,605.36	
Sundry loans and accounts receivable:			
Estimated future refunds of excess profits taxes	781,000.00		
Shareholders	3,469.39		
Others	74,490.47		
		858,959.86	
			9,951,753.89
<b>CURRENT ASSETS:</b>			
Inventories of raw materials and products:			
In accordance with records and certified by company officials.			
Valued at cost or market, whichever is lower		5,290,282.26	
Stores and materials:			
In accordance with records periodically verified by physical inventories and certified by company officials.			
Valued at cost less depreciation		6,348,854.16	
Prepaid charges:			
On sales contracts	54,723.51		
Other	29,685.93		
		84,409.44	
Accounts receivable:			
Officers	349.00		
Employees' Victory loan subscriptions (including shareholders)	866,644.68		
Customers and sundry and accrued revenue (including balances receivable in the normal course of business from persons who may be shareholders)	5,967,997.55		
		6,834,991.23	
Dominion and Municipal bonds (including securities held for the insurance reserve):			
At cost (market value \$22,789,679.07)		22,700,144.12	
Cash		8,598,329.10	
		49,857,010.31	
			<u>\$75,111,973.13</u>

### STATEMENT AS TO SUBSIDIARY COMPANIES

A provision of \$979,180.57 (calculated on the same basis as last year) has been charged to income and expenditure and credited to the reserve for depreciation of investments in subsidiary mining companies. No other provision has been made for losses of subsidiary companies, and development and maintenance expenses of certain subsidiary mining companies which were not in production are carried forward in their accounts. Profits of subsidiary companies have been credited to income to the extent of dividends received. The provision for depreciation of investments in subsidiary mining companies, together with the excess of the holding company's proportion of profits over the dividends received, exceeds its proportion of losses of subsidiary companies.

HELLIWELL, MACLACHLAN & CO.,  
Chartered Accountants.

VANCOUVER, B.C., March 1, 1946.

## LIABILITIES

<b>CAPITAL:</b>	
Authorized:	
4,000,000 shares of \$5.00 each	\$20,000,000.00
Issued and fully paid:	
3,276,329 shares	\$16,381,645.00
PREMIUM ON SHARES ISSUED	7,585,244.89
RESERVES:	
Insurance	2,415,211.95
Post-war contingencies	8,000,000.00
	10,415,211.95
DEFERRED CREDITS:	
Unexpended portion of operating and maintenance reserves	656,202.20
CURRENT LIABILITIES:	
Accounts payable—sundry	2,575,607.25
Accounts payable—subsidiary companies	545,518.72
Payments received in advance on sales contracts	2,000.00
Reserve for taxes	4,256,801.24
Dividends payable	4,110,981.34
	11,490,908.55
EARNED SURPLUS:	
Appropriated surplus invested in the Company's undertakings	10,500,000.00
Deferred surplus: estimated future refunds of excess profits taxes	781,000.00
Unappropriated surplus	17,301,760.54
	28,582,760.54
CONTINGENT LIABILITIES:	
As guarantor of West Kootenay Power and Light Company Limited bond due March 1, 1956:	
Total authorized \$20,000,000.00:	
Series "B", 3¾ per cent.:	
Outstanding \$1,747,000.00, redeemed \$753,000.00.	
Contracts, commitments and claims \$216,523.38	
Sundry guarantees \$2,000.00 Canadian and \$5,000.00 U.S. funds	
Contracts to sell \$3,845,773.08 U.S. funds and £189,600:0:0 Sterling	
As guarantor of payments to be made by a subsidiary company—\$250,000.00 U.S. funds (estimated)	
As guarantor of any unfulfilled obligations of Alberta Nitrogen Company Limited and of the obligations of Alberta Nitrogen Products Limited under contracts with the Governments of the Dominion of Canada and of the United Kingdom.	
On behalf of the Board:	<u>\$75,111,973.13</u>
D. C. COLEMAN, } R. E. STAVERT, } <i>Directors.</i>	

### AUDITORS' REPORT

We have audited the accounts of The Consolidated Mining and Smelting Company of Canada Limited, for the year ended December 31, 1945, 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, 1945, 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 1, 1946.



# The Consolidated Mining and Smelting Company of Canada, Limited

FOR THE YEAR ENDED DECEMBER 31, 1945

## STATEMENT OF INCOME AND EXPENDITURE

Sales of smelter, chemical and fertilizer products, etc.....	\$51,034,216.42	
Sales of electrical energy by Con hydro power plant.....	46,493.41	
Royalties, rents and sundry revenue.....	527,181.61	
	51,607,891.44	
Raw materials and products on hand at December 31, 1944.....	\$ 4,545,608.32	
Mining, smelting, chemical and fertilizer and general expenses (including proportion of total remuneration of \$41,160.14 paid to legal advisers)....	23,894,725.81	
Exploration expense.....	385,058.95	
Freight on company ores.....	947,338.34	
Customs ore, bullion and fertilizer materials purchased.....	5,122,290.60	
Payment to Dominion Government in respect of their interest in plants used for production of fertilizer materials.....	391,891.74	
Executive officers' fees and remuneration.....	153,750.08	
Directors' fees and remuneration.....	29,490.00	
Interest and exchange.....	3,855.06	
Sundry debits and credits written off or adjusted.....	388,161.39	
	35,862,170.29	
<i>Deduct</i> raw materials and products on hand at December 31, 1945.....	5,290,282.26	
	30,571,888.03	
Net operating profit before the following items.....	21,036,003.41	
<i>Deduct:</i>		
Provisions for operating and maintenance costs in excess of actual expenditures.....	514,395.13	
	20,521,608.28	
<i>Add:</i>		
Income from investments.....	1,607,587.72	
Profit on Treasury bills redeemed and bonds and stocks sold.....	233,291.10	
	1,840,878.82	
	22,362,487.10	
<i>Deduct:</i>		
Provision for depreciation of plant and equipment:		
Normal.....	\$2,403,466.43	
Accelerated.....	62,081.70	
	2,465,548.13	
Provision for depreciation of investments in subsidiary mining companies.....	979,180.57	
Provision for income and excess profits taxes:		
Refundable portion of excess profits taxes (credited to deferred surplus).....	550,000.00	
Not refundable.....	6,850,000.00	
	7,400,000.00	
	10,844,728.70	
NET PROFIT CARRIED TO UNAPPROPRIATED EARNED SURPLUS ACCOUNT.....	\$11,517,758.40	

## STATEMENT OF EARNED SURPLUS

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

Balance December 31, 1944.....	\$13,000,000.00
<i>Deduct</i> transfer to unappropriated surplus.....	2,500,000.00
	\$10,500,000.00
BALANCE AT DECEMBER 31, 1945 PER BALANCE SHEET.....	\$10,500,000.00

### DEFERRED SURPLUS

Estimated future refunds of excess profits taxes.....	\$ 781,000.00
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### UNAPPROPRIATED SURPLUS

Balance December 31, 1944.....	\$11,473,654.64
<i>Add</i> transfer from appropriated surplus.....	2,500,000.00
	13,973,654.64
<i>Add</i> net profit per statement of income and expenditure.....	11,517,758.40
	25,491,413.04
<i>Deduct</i> appropriation for dividends Nos. 80 and 81.....	8,189,652.50
	17,301,760.54
BALANCE AT DECEMBER 31, 1945 PER BALANCE SHEET.....	\$17,301,760.54

## SENIOR STAFF

### SULLIVAN MINE

R. H. STEWART, Vancouver, B.C., Consulting Engineer; J. R. GIEGERICH, Kimberley, B.C., Mine Superintendent; D. S. CAMPBELL, P. T. BLOOMER, C. D. M. CHISHOLM, Kimberley, B.C., Assistant Superintendents.

### CONCENTRATION

H. R. BANKS, Kimberley, B.C., Superintendent Sullivan Concentrator; H. W. POOLE, Kimberley, B.C., Assistant Superintendent; S. GRAY, Trail, B.C., Superintendent of Mills other than Sullivan; P. M. ELLIOTT, Trail, B.C., Assistant Superintendent.

### METALLURGICAL OPERATIONS

R. R. McNAUGHTON, Manager; A. D. TURNBULL, Chief Metallurgist; J. BRYDEN, D. S. WETMORE, K. D. McBEAN, L. M. DELONG, R. E. G. HAYWARD, Metallurgical Engineers; R. K. BLOIS, Superintendent Smoke Plants; H. DOYLE, Assistant Superintendent; J. MORRIS, Supervisor of Analytical Laboratories.

ZINC DEPARTMENT—F. S. WILLIS, Superintendent; T. H. WELDON, Assistant Superintendent; J. D. HARTLEY, E. L. JONES, L. S. PIPER, Plant Superintendents.

LEAD SMELTER—J. H. HARGRAVE, Acting Superintendent; L. M. P. DAVISON, R. BAINBRIDGE, Plant Superintendents.

LEAD REFINERY—F. C. RANSOM, Superintendent; A. G. ROBERTSON, Assistant Superintendent; R. H. VARCOE, Plant Superintendent.

### CHEMICAL AND FERTILIZER OPERATIONS

E. A. G. COLLS, Manager; A. M. CHESSEY, Superintendent of Ammonia and Fertilizer Department; W. D. BURGESS, Superintendent of SO<sub>2</sub> Recovery Department; A. W. MOORE, J. ATWELL, J. B. THOMPSON, Plant Superintendents.

### EXPLORATION

W. G. JEWITT, Trail, B.C., General Superintendent; F. A. FORTIER, Trail, B.C., Resident Mining Engineer; L. TELFER, Trail, B.C., Exploration Superintendent Western District; B. E. HURDLE, Trail, B.C., Assistant to General Superintendent; H. C. GIEGERICH, Yellowknife, N.W.T., District General Superintendent, North Central District; L. W. OUGHTRED, Montreal, Quebec, Consulting Engineer; J. M. POWELSON, Haileybury, Ontario, Exploration Superintendent Eastern District; R. B. SHELEDY, Spokane, Washington, Superintendent of U.S. Operations; J. WIGHTMAN, Operating Superintendent, Caribou Mines, Nova Scotia; C. E. WHITE, Operating Superintendent, Con Mine, N.W.T.; G. N. MOORE, Flin Flon, Manitoba; H. B. DENIS, Yellowknife, N.W.T.; E. BRONLUND, Fort St. James, B.C.; R. JURE, Trail, B.C., Exploration Engineers.

### GEOLOGY

DR. C. O. SWANSON, Vancouver, B.C., Chief Geologist; DR. G. GILBERT, Trail, B.C.; DR. N. CAMPBELL, Yellowknife, N.W.T., DR. L. V. BELL, Montreal, Quebec, DR. A. FREEZE, Kimberley, B.C., Senior Geologists.

### RESEARCH AND DEVELOPMENT

W. H. HANNAY, DR. B. P. SUTHERLAND, DR. C. H. WRIGHT, F. H. CHAPMAN, A. H. W. BUSBY, J. H. SALTER, Senior Research Engineers.

### ENGINEERING

E. M. STILES, Chief Engineer; E. MASON, Chief Design Engineer; J. V. ROGERS, Superintendent of Construction and Maintenance Trail Operations; G. H. MACKAY, Kimberley, B.C., Superintendent of Construction and Maintenance, Kimberley Operations; A. G. DICKINSON, Electrical Engineer; H. CLARK, Master Mechanic.

### PERSONNEL

P. F. McINTYRE, MANAGER; R. D. PERRY, Labour Relations Officer; C. W. GUILLAUME, Supervisor of Industrial Relations; C. E. MARLATT.

## PURCHASING

A. L. IRWIN, Purchasing Agent; R. E. WALTON, Assistant Purchasing Agent.

## COMPTROLLER'S DEPARTMENT

G. A. WALLINGER, Comptroller; F. L. HALLAM, Assistant to the Comptroller; E. G. RANDALL, Chief Accountant; L. G. TOMS, Auditor; W. C. MACKENZIE, Chief Paymaster; N. G. RANDALL, Kimberley, B.C., E. JANDRELL, Trail, B.C., W. H. CARRUTHERS, Yellowknife, N.W.T., J. F. DEANE, Vancouver, B.C., Branch Accountants; D. S. DEWAR, Calgary, Alberta, Prairie Sales Accountant.

## LEGAL DEPARTMENT

A. L. JOHANNSON, General Solicitor; C. H. B. FRERE, Senior Assistant Solicitor; R. M. B. ROOME, Patent Solicitor; M. H. MASON, P. C. STEWART, Assistant Solicitors.

## 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. G. ANDERSON	- - - -	SALES ENGINEER	- - - -	do
R. RUICKBIE	- - - -	MANAGER FERTILIZER AND CHEMICAL SALES	- - -	do
DR. T. H. MATHER	- - - -	ASSISTANT MANAGER FERTILIZER SALES	- - -	VANCOUVER, B.C.
A. WILKINSON	- - - -	ASSISTANT MANAGER FERTILIZER SALES	- - -	MONTREAL, QUE.
DR. R. E. NEIDIG	- - - -	FERTILIZER RESEARCH	- - - -	SAN FRANCISCO, CALIF.

BALFOUR GUTHRIE & CO. LTD.

SAN FRANCISCO, CALIF. - - FERTILIZER SALES IN WASHINGTON, OREGON, CALIFORNIA AND ARIZONA.

HENRY GARDNER & CO. LTD.

LONDON, ENGLAND - - - EUROPEAN REPRESENTATIVES.

## ON LOAN TO CANADIAN GOVERNMENT

Alberta Nitrogen Products Limited, Calgary, Alberta

D. D. MORRIS, General Superintendent; L. WILLIAMS, Plant Engineer; P. L. BARRON, Branch Accountant.

# PRODUCTS

*of*

## THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA, LIMITED

↑

### REFINED METALS

#### Tadanac Brand

LEAD	ZINC	GOLD	SILVER
CADMIUM	TIN	BISMUTH	MERCURY

### CHEMICAL FERTILIZERS

#### Elephant Brand

AMMONIUM SULPHATE	AMMONIUM PHOSPHATES
SUPERPHOSPHATES	

### HEAVY CHEMICALS

ANHYDROUS AMMONIA	SULPHURIC ACID (CONTACT)
OLEUM	

### SUNDRY PRODUCTS

MONO CALCIUM PHOSPHATE	SODIUM FLUOSILICATE
ANTIMONIAL LEAD	

### PRODUCTION OF PRINCIPAL PRODUCTS

YEAR	(1) Lead Tons	(1) Zinc Tons	(1) Gold Ozs.	(1) Silver Ozs.	Mercury 76-lb. Flasks	Cadmium Tons	Sulphuric Acid (2) Tons	Sulphur and Fertilizers Tons
1894 to 1935	2,062,890	1,130,128	2,447,448	121,545,459	—	1,601	400,672	317,298
1936	182,541	125,693	70,337	8,615,973	—	263	126,578	100,955
1937	206,579	142,650	55,034	9,846,964	—	218	132,194	115,586
1938	201,574	149,071	70,113	9,817,102	—	255	134,469	170,108
1939	191,439	139,520	89,758	9,877,487	—	400	130,445	178,399
1940	220,602	146,259	98,516	9,894,169	2,019	389	148,478	188,478
1941	229,203	168,541	96,578	10,887,995	7,054	532	189,082	176,379
1942	245,800	176,443	83,029	9,482,283	13,621	479	193,341	205,315
1943	224,845	154,555	32,463	8,784,645	22,133	299	269,394	283,572
1944	144,267	122,518	9,201	5,152,950	8,052	182	331,718	327,232
1945	163,266	135,887	5,890	5,126,472	—	255	376,459	369,666
1894 to date	4,073,006	2,591,265	3,058,367	209,031,499	52,879	4,873	2,432,830	2,432,988

(1) Includes metal sold in unrefined products.

(2) Includes acid sold and acid used in production of fertilizers.

WEST KOOTENAY POWER  
*and* LIGHT COMPANY  
LIMITED

ANNUAL REPORT *and* STATEMENTS  
FOR THE TWELVE MONTHS ENDED  
DECEMBER 31, 1945

# West Kootenay Power and Light Company Limited

HEAD OFFICE: TRAIL, B.C.

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## DIRECTORS

GEORGE F. BENSON

LORNE A. CAMPBELL

D. C. COLEMAN

R. W. DIAMOND

ROSS H. McMASTER

R. E. STAVERT

E. M. STILES

## OFFICERS

LORNE A. CAMPBELL  
PRESIDENT AND MANAGING DIRECTOR

ROSS H. McMASTER  
VICE-PRESIDENT

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

W. EVANS, ASSISTANT SECRETARY-TREASURER  
TRAIL, B.C.

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FORTY-EIGHTH ANNUAL REPORT AND STATEMENTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1945

# 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-eighth Annual Report, together with the usual Financial Statements for the year 1945.

After deducting amounts covering Operating Expenses, Interest on Bonds, setting up reserves for Income and Excess Profits Taxes, and also for depreciation, there is a surplus for the year of \$1,439,474.57. This amount has been carried to Earned Surplus Account. After the payment of dividends on the Preferred and Common Shares, adjusting for taxes and writing off expenditures made in 1929 and 1930 on the investigation of a possible power site, there remains at credit of Earned Surplus Account as at December 31st, 1945, an amount of \$6,947,951.45.

The Company's Gross Consolidated Revenue for the year ended December 31, 1945 was \$4,565,784.21 and for the year ended December 31, 1944, \$4,131,152.35, showing an increase in revenue for the year 1945 over 1944 of \$434,631.86. This increase is mainly accounted for by the increased power consumption of the Zinc and Fertilizer Plants of The Consolidated Mining and Smelting Company of Canada, Limited.

The Kilowatt Hours generated for the year were 1,660,478,460 and for the year 1944, 1,512,003,010, showing an increase for the year 1945 of 148,475,450.

Operating and General Expenses show an increase of \$270,089.68. This is largely accounted for by the rental of the Brilliant Plant from The Consolidated Mining and Smelting Company of Canada, Limited, and the extensive overhaul of No. 2 Plant Extension, Upper Bonnington, and No. 1 Plant, Lower Bonnington, as well as the overhaul of the switchgear of all Plants.

In connection with our Transmission System, including stepdown stations, on account of shortage of labour we were only able to maintain this in the usual good operating condition.

It is with deep regret that your directors are called upon to record the death of Mr. S. G. Blaylock, who had been a director of our Company from September 15, 1941, to the time of his death on November 19, 1945. His loss will be keenly felt by your directors.

Your directors wish to acknowledge the loyalty and efficiency of the staff and the employees throughout the Company's entire organization.

On behalf of the Board,

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

TRAIL, B.C., February 25th, 1946.

# West Kootenay Power and Light Company Limited and Subsidiaries

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1945

## ASSETS

CURRENT:		
Cash on hand and in banks.....	\$ 1,967,171.40	
Dominion of Canada Bonds—Cost (Market Value \$2,554,906.25).....	2,525,000.00	
ACCOUNTS RECEIVABLE:		
The Consolidated Mining and Smelting Company of Canada Limited..	\$ 295,535.43	
Customers and Sundry.....	\$128,475.33	
Less: Reserve for Doubtful Accounts.....	6,000.00	
	122,475.33	418,010.76
INVENTORIES:		
Merchandise (In accordance with records and certified by company officials. Valued at cost).....	20,706.78	
Stores and Materials (In accordance with records periodically verified by physical inventories and certified by company officials. Valued at cost less depreciation).....	437,247.11	
	457,953.89	5,368,136.05
SUNDRY NON-CURRENT ASSETS:		
Housing Loans—Employees.....	4,514.79	
Refundable portion of Excess Profits Taxes.....	38,543.68	
	43,058.47	
FIXED:		
Property, Plant and Equipment—Cost.....	24,604,500.40	
Less: Reserve for Depreciation.....	13,951,616.01	
	10,652,884.39	
DEFERRED CHARGES:		
Prepaid Expenses.....	566.25	
Debt Discount and Expense.....	4,334.10	
	4,900.35	
	\$16,068,979.26	

## LIABILITIES

CURRENT:		
Accounts Payable—Trade.....	\$ 72,582.79	
Accrued Payrolls.....	10,648.62	
Interest.....	21,837.50	
Provision for Income and Excess Profits Taxes.....	500,034.62	
(Sinking Fund Instalment due March 1, 1946, \$76,649.00)	-----	\$ 605,103.53
DEFERRED INCOME:		
Deposits received for power not yet delivered.....		3,380.60
LONG TERM DEBT:		
Authorized.....	\$20,000,000.00	
Issued, Series "B" 3¾% Bonds, due March 1, 1956.....	2,500,000.00	
Less: Cancelled.....	753,000.00	
	-----	1,747,000.00
RESERVES:		
Fire Insurance.....	15,000.00	
Pensions.....	100,000.00	
		115,000.00
CAPITAL STOCK:		
Authorized:		
150,000 Shares of \$100.00 each.....	\$15,000,000.00	
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	
		6,612,000.00
EARNED SURPLUS.....		6,947,951.45
DEFERRED SURPLUS:		
Refundable portion of Excess Profits Taxes.....		38,543.68
On behalf of the Board:		
L. A. CAMPBELL	}	<i>Directors.</i>
R. H. McMASTER		
		\$16,068,979.26

## AUDITOR'S REPORT

I have audited the accounts of the West Kootenay Power and Light Company, Limited, and its Subsidiary and explanations I have required, and that in my opinion the above balance sheet is properly drawn up so as to exhibit according to the best of my information and the explanations given to me, and as shown by the books of the several

Companies, for the year ended December 31, 1945. I report to the shareholders that I have received all the information a true and correct view of the state of the affairs of the Company, and its Subsidiary Companies, at December 31, 1945.

TRAIL, B.C., February 21, 1946.

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, 1945

OPERATING REVENUES.....		\$4,476,947.50
OPERATING EXPENSES:		
Power Purchased.....	\$ 72,894.16	
Power Plant and Distributing Station Expenses.....	270,254.29	
Maintenance and Repairs.....	230,776.03	
Depreciation.....	670,270.45	
Water Fees.....	131,956.36	
Taxes (Other than Income Taxes).....	54,537.67	
Rentals.....	393,470.76	
Miscellaneous.....	44,949.02	
	\$1,869,108.74	
GENERAL EXPENSES:		
Selling and Administrative Expenses.....	154,831.63	
Provision for Doubtful Accounts.....	428.51	
Other General Expenses.....	52,714.10	
	207,974.24	
		2,077,082.98
OTHER INCOME:		
Interest on Bonds.....	58,991.66	
Other Interest.....	9,656.93	
Profit on Bonds sold.....	2,118.75	
Profit on Fixed Assets sold.....	582.98	
Rentals.....	17,486.39	
	88,836.71	
		2,488,701.23
INCOME DEDUCTIONS:		
Interest and Debt Discount and Expenses:		
Interest on Funded Debt.....	65,975.00	
Amortization of Debt Discount and Expenses.....	433.40	
Premium on Bonds redeemed.....	814.00	
	67,222.40	
Net Income before Provision for Income and Excess Profits Taxes.....		2,421,478.83
Provision for Income and Excess Profits Taxes.....		982,004.26
Net Income transferred to Earned Surplus.....		\$1,439,474.57

EARNED SURPLUS

Balance at December 31, 1944.....		\$6,793,610.06
Net Income from Profit and Loss Account.....		1,439,474.57
ADDITION TO SURPLUS:		
Refund Overpayment of Income and Excess Profits Taxes 1942.....		5,436.14
		8,238,520.77
CHARGES TO SURPLUS:		
Investigation of possible power site.....	\$ 33,169.32	
Dividends:		
Preferred.....	\$ 35,000.00	
Common.....	1,222,400.00	
	1,257,400.00	
		1,290,569.32
BALANCE AT DECEMBER 31, 1945, AS PER CONSOLIDATED BALANCE SHEET.....		\$6,947,951.45





