### CANADIAN POWER AND PAPER INVESTMENTS, LIMITED

355 St. James Street West MONTREAL CANADA

Montreal, October 26th, 1944.

#### To the Shareholders:

Your Directors submit herewith the Annual Report of your Company for the year ended July 31st, 1944, including Balance Sheet and Statements of Profit and Loss and Surplus Accounts, which have been certified to by the Company's auditors, Messrs. P. S. Ross & Sons.

Debentures to the principal amount of \$31,700 were purchased by the Company during the year and cancelled.

Interest on Debentures for the year under review was paid as it became due.

In accordance with Supplementary Trust Agreement made between the Company and the Montreal Trust Company, as Trustee, under date of October 24th, 1934, the Auditors deposited a Certificate with the Trustee to the effect that there were insufficient earnings accumulated to July 31st, 1944, to make a payment on arrears of interest on the 5% Thirty-Year Debentures, Series "A", of this Company.

Respectfully submitted on behalf of the Board,

J. ALDERIC RAYMOND,

President.

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#### DIVERSIFICATION OF INVESTMENTS

Based on Current Values as at 31st July, 1944

	Bonds	Preferred Stocks	Common Stocks	Total
Government	4.81			4.81
Public Utilities	. 44	26.20	22.80	49.44 (A)
Pulp and Paper	. 46		21.43	21.89 (B)
Foodstuffs and Beverages	7.05	4.59	1.90	13.54
Mining and Smelting			3.97	3.97
Oil			2.31	2.31
Textile, Iron, Steel, Coal, etc	. 40	••••	3.64	4.04
	13.16%	30.79%	56.05%	100.00%
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PURVIS HALL LIBRARIES

(A) Consisting largely of Power Corporation of Canada, Limited.

APR (B) Consisting largely of Bathurst Power & Paper Co., Limited.

McGILL UNIVERSITY

# CANADIAN POWER AND PAPER INVESTMENTS, LIMITED

# STATEMENT OF PROFIT AND LOSS ACCOUNT

for the year ended 31st July, 1944

## REVENUE

102 / 21 ( )2						
Revenue from Investments \$4 Profit on Exchange Bank Interest	49,207.39 164.00 6.15 \$49,377.54					
EXPENDITURE	1 /					
Audit Fees General Expense Insurance Legal Expense Rent Salaries—Clerical and Secretarial Trustee's, Transfer Agent's, Registrar's and Paying Agent's Fees Directors' Fees	300.00 583.02 204.11 50.00 110.00 1,200.00 1,445.25 1,500.00 36,679.23 4,108.94 90.19					
	46,270.74					
Profit from operations for the year ended 31st July, 1944	\$ 3,106.80					
STATEMENT OF EARNED SURPLUS ACCOUNTS as at 31st July, 1944  Balance at Credit 31st July, 1943 Add: Reduction of Liability for Debenture Interest accrued to 31st July, resulting from purchase and cancellation of 5% Debentures 31st July, 1944 Profit from operations for the year ended 31st July, 1944  Balance at Credit 31st July, 1944	\$ 56,100.35 1938, as at 7,207.50 3,106.80					
STATEMENT OF CAPITAL DEFICIT ACCOUNT						
as at 31st July, 1944						
Balance at Debit 31st July, 1943  Deduct:  Discount on Debentures purchased and cancelled	5,748.50					
Add:	100,677.13					
Loss resulting from sale and redemption of investment securities						
Balance at Debit 31st July, 1944	\$184,562.41					

## CANADIAN POWER AND PAPER INVESTMENTS, LIMITED

#### BALANCE SHEET

as at 31st July, 1944

#### ASSETS

Investments at cost:   Bonds	Maria de la line	ASSETS		li.	Section Wild Contractor
Bonds				\$	21,196.20
Bonds	Investme	ents at cost:			
Preferred Stocks	Bonds		\$ 145 961 50		
Common Stocks	Drofor	and Stooles			
CThe aggregate value of these Investments at quoted market prices at 31st July, 1944, was \$1,144,037.00     Accrued interest on investments   1,712.50     Prepaid Insurance   103.46     Capital Deficit—as per statement attached   184,562.41     Deduct: Earned Surplus—as per statement attached   66,414.65     Earned Surplus—as per statement attached   66,414.65     LIABILITIES   44,433,867.91     Accounts Payable and Accrued Liabilities   \$2,200.26     Accounts Payable and Accrued Liabilities   \$2,200.26     Accounts Payable and Satist July, 1938   \$161,257.50     Ist February, 1934, to 31st July, 1948   17,917.50     Ist February, 1944 to 31st July, 1944   17,917.50     Investment Reserve   \$5,792.65     Thirty Year Debentures, Series "A", due 1st February, 1958;   0utstanding 31st July, 1943   748,400.00     Deduct: Purchased and Cancelled during the year ended 31st July, 1944   31,700.00     Cumulative Preferred Shares (Redeemable at \$52.50 per share):—   Authorized and Issued: 50,000 Shares (Redeemable at \$50,000 Shares of No Par Value   2,500,000.00     Common Stock:   Authorized—96,000 shares were in hands of transfer agent for distribution on share for share basis to holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).   2,500,000.00					
Market prices at 31st July, 1944, was \$1,144,037.00)   Accrued interest on investments   1,712.50     Prepaid Insurance   103.46     Capital Deficit—as per statement attached   184,562.41     Deduct:   Earned Surplus—as per statement attached   66,414.65     Earned Surplus—as per statement attached   66,414.65     LIABILITIES   \$4,433,867.91     Accounts Payable and Accrued Liabilities   \$2,200.26     Accrued Interest on Debentures for the periods:   1st February, 1934, to 31st July, 1938   \$161,257.50     1st February, 1944, to 31st July, 1944   17,917.50     Investment Reserve   85,792.65     5% Thirty Year Debentures, Series "A", due 1st February, 1958:   Outstanding 31st July, 1943   748,400.00     Deduct: Purchased and Cancelled during the year ended 31st July, 1944   31,700.00   716,700.00     Cumulative Preferred Shares (Redeemable at \$52.50 per share):—   Authorized and Issued:   50,000 Shares of No Par Value   2,500,000.00     Common Stock:   Authorized—96,000 shares were in hands of transfer agent for distribution on share for share basis to holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).   Common Stock:   Authorized—96,000 shares of No Par Value:   158.60   158.60   159.000.00			3,451,813.49		
Market prices at 31st July, 1944, was \$1,144,037.00     Accrued interest on investments   1,712.50     Prepaid Insurance   103.46     Capital Deficit—as per statement attached   184,562.41     Deduct:   Earned Surplus—as per statement attached   66,414.65     Earned Surplus—as per statement attached   66,414.65     Earned Surplus—as per statement attached   66,414.65     LIABILITIES   \$4,433,867.91     Accounts Payable and Accrued Liabilities   \$2,200.26     Accrued Interest on Debentures for the periods:	(The	aggregate value of these Investments at quoted		4,	,292,707.99
Accrued interest on investments					
Prepaid Insurance	Accrued	interest on investments			1 719 50
Capital Deficit—as per statement attached   184,562.41					
Deduct: Earned Surplus—as per statement attached			401 500 14		103.46
LIABILITIES		Deficit—as per statement attached	184,562.41		
LIABILITIES	Deduct:				
LIABILITIES	Earned	Surplus—as per statement attached	66.414.65		
LIABILITIES		a surprise the per sentence detection in the contract of the c	00,111.00		118 147 76
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Accounts Payable and Accrued Liabilities \$ 2,200.26  Accrued Interest on Debentures for the periods:  1st February, 1934, to 31st July, 1938 \$161,257.50  1st February, 1944, to 31st July, 1944 \$17,917.50  Investment Reserve \$85,792.65\$  5% Thirty Year Debentures, Series "A", due 1st February, 1958:  Outstanding 31st July, 1943 \$748,400.00  Deduct: Purchased and Cancelled during the year ended 31st July, 1944 \$31,700.00\$  Cumulative Preferred Shares (Redeemable at \$52.50 per share):  Authorized and Issued:  50,000 Shares of No Par Value \$2,500,000.00\$  (of which 4,379 shares were in hands of transfer agent for distribution on share for share basis to holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).  Common Stock:  Authorized—96,000 shares of No Par Value:  Issued —94,000 shares of No Par Value:  Issued —94,000 shares of No Par Value:  (of which 11,603-2/50 shares were outstanding in excess of present requirements for distribution under terms of Supplementary Letters Patent dated 6th September, 1934).  Approved on behalf of the Board:  \$4,433,867.91					100 005 01
Accounts Payable and Accrued Liabilities \$ 2,200.26 Accrued Interest on Debentures for the periods: 1st February, 1934, to 31st July, 1938 \$161,257.50 1st February, 1944, to 31st July, 1944 \$17,917.50  Investment Reserve \$17,917.50  Investment Reserve \$5% Thirty Year Debentures, Series "A", due 1st February, 1958: Outstanding 31st July, 1943 \$748,400.00  Deduct: Purchased and Cancelled during the year ended 31st July, 1944 \$31,700.00  Cumulative Preferred Shares (Redeemable at \$52.50 per share):— Authorized and Issued: 50,000 Shares of No Par Value \$2,500,000.00  (of which 4,379 shares were in hands of transfer agent for distribution on share for share basis to holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).  Common Stock: Authorized—96,000 shares of No Par Value: Issued —94,000 shares \$1,000 shares of No Par Value: Issued —94,000 shares of No Par Value: 1ssued —94,000 shares of No Par Value: 1ssued —94,000 shares of Mo Par Value: 1ssued —94,000 shares of Mo Par Value: 1ssued —94,000 shares of Mo Par Value: 1ssued —94,000 shares were outstanding in excess of present requirements for distribution under terms of Supplementary Letters Patent dated 6th September, 1934).  Approved on behalf of the Board:  \$4,433,867.91				\$4,	433,867.91
Accrued Interest on Debentures for the periods: 1st February, 1934, to 31st July, 1938				_	
Accrued Interest on Debentures for the periods: 1st February, 1934, to 31st July, 1938	Accounts	Payable and Accrued Liabilities		\$	2,200.26
1st February, 1934, to 31st July, 1938	Accrued	Interest on Debentures for the periods:			
Investment Reserve			\$161 257 50		
Investment Reserve	124 17-1	ordary, 1004, to 91st July, 1000			
Investment Reserve  5% Thirty Year Debentures, Series "A", due 1st February, 1958: Outstanding 31st July, 1943 Deduct: Purchased and Cancelled during the year ended 31st July, 1944  Cumulative Preferred Shares (Redeemable at \$52.50 per share):— Authorized and Issued: 50,000 Shares of No Par Value (of which 4,379 shares were in hands of transfer agent for distribution on share for share basis to holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).  Common Stock: Authorized—96,000 shares of No Par Value: Issued —94,000 shares (of which 11,603-2/50 shares were outstanding in excess of present requirements for distribution under terms of Supplementary Letters Patent dated 6th September, 1934).  Approved on behalf of the Board:  \$4,433,867.91	1st red	oruary, 1944, to 31st July, 1944	17,917.50		
5% Thirty Year Debentures, Series "A", due 1st February, 1958:  Outstanding 31st July, 1943					179,175.00
5% Thirty Year Debentures, Series "A", due 1st February, 1958:  Outstanding 31st July, 1943	Investmen	nt December			05 500 65
Outstanding 31st July, 1943	Investme	nt Reserve			85,792.65
Outstanding 31st July, 1943	5% Thir	ty Year Debentures, Series "A", due 1st February,			
Deduct: Purchased and Cancelled during the year ended 31st July, 1944	19	058:			
Deduct: Purchased and Cancelled during the year ended 31st July, 1944	Outsta	nding 31st July, 1943	748,400.00		
31st July, 1944					
Cumulative Preferred Shares (Redeemable at \$52.50 per share):— Authorized and Issued: 50,000 Shares of No Par Value	Deader		21 700 00		
Cumulative Preferred Shares (Redeemable at \$52.50 per share):— Authorized and Issued: 50,000 Shares of No Par Value		515t 5tily, 1544	31,100.00		F16 F00 00
\$52.50 per share):— Authorized and Issued:  50,000 Shares of No Par Value	a !	D 4 101 (D 1 11 1			716,700.00
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50,000 Shares of No Par Value					
50,000 Shares of No Par Value	Auth	norized and Issued:			
(of which 4,379 shares were in hands of transfer agent for distribution on share for share basis to holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).  Common Stock: Authorized—96,000 shares of No Par Value: Issued —94,000 shares	50	000 Shares of No Par Value		9	500 000 00
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holders of 5% Cumulative Convertible Preferred Shares upon surrender thereof).  Common Stock: Authorized—96,000 shares of No Par Value: Issued —94,000 shares					
Shares upon surrender thereof).  Common Stock: Authorized—96,000 shares of No Par Value: Issued —94,000 shares					
Common Stock: Authorized—96,000 shares of No Par Value: Issued —94,000 shares					
Authorized—96,000 shares of No Par Value:  Issued —94,000 shares		Shares upon surrender thereof).			
Authorized—96,000 shares of No Par Value:  Issued —94,000 shares	Commen	Ctacks			
Issued —94,000 shares					
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terms of Supplementary Letters Patent dated 6th September, 1934).  Approved on behalf of the Board:  \$4,433,867.91					
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G. W. Mitchell C. W. G. Gibson

Directors.

### AUDITORS' REPORT

To the Shareholders:
Canadian Power & Paper Investments Limited,
Montreal:

We have audited the accounts of Canadian Power & Paper Investments Limited for the year ended 31st July, 1944, and have obtained all the information and explanations required by us.

We certify that, in our opinion, the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the financial position of the Company as at 31st July, 1944, and that the Profit and Loss and Surplus Accounts show the results from operations for the year ended the same date, according to the best of our information, the explanations given to us and as shown by the books of account of the Company.

(Signed) P. S. Ross & Sons,

Montreal, 6th October, 1944.

(Signed) P. S. Ross & Sons, Chartered Accountants.

# CANADIAN POWER AND PAPER INVESTMENTS, LIMITED

Annual Report

as at 31st July, 1944

Head Office:
355 St. James Street West
Montreal
Canada