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INCORPORATED  
56 SPARKS STREET  
OTTAWA

INVESTMENT BANKERS  
ESTABLISHED 1883  
TEL. QUEEN 8123

C 108724

April 4th, 1934.

TO OUR CLIENTS:

BEAUHARNOIS LIGHT, HEAT & POWER COMPANY  
5½% First Mortgage Sinking Fund Bonds, Series "A"  
due 1st January, 1937.

carry our strong recommendation as a sound and conservative investment.  
We base our opinion on the following reasons:

1. POWER CONTRACTS. The Company has entered into contracts with the Hydro-Electric Power Commission of Ontario for 250,000 h.p. expiring in 1972 and the Montreal Light, Heat & Power Consolidated for 150,000 h.p. expiring in 2003. At the present time the installed capacity of the Company is 200,000 h.p. of which 75,000 h.p. is being delivered to the Hydro-Electric Power Commission of Ontario and 50,000 h.p. to the Montreal Light, Heat & Power Consolidated. By the 1st October, 1934, 129,000 h.p. and 75,000 h.p. will be delivered to these two purchasers respectively. These deliveries increase annually until the stipulated amount of power under the contracts is being delivered on 1st October, 1937.

2. EARNINGS. The Company's present annual net operating revenue is \$1,607,000 from the delivery of 125,000 h.p. For the year ending 31st December, 1935, net operating revenue from the delivery of 204,000 h.p. will amount to \$2,737,000 against First Mortgage Series "A" bond interest requirements of \$2,200,000 leaving a substantial surplus revenue. As the delivery of power under the two contracts is stepped up to 400,000 h.p. in October 1937, net revenue thereafter will amount to \$5,000,000, or substantially over twice interest requirements on the First Mortgage Bonds.

3. MANAGEMENT. In the process of the recent Beauharnois reorganization, the Montreal Light, Heat & Power Consolidated acquired a substantial financial interest in Beauharnois, and the management and direction of its affairs are now in the hands of that Company, one of the most successful operators of power enterprises in the country.

W.L.M. King Papers, Memoranda and Notes, 1933-1939 (M.G. 26  
J 4, volume 149, pages C108088-C108740)

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