

The following is taken from a letter received from Messrs Nesbitt, Thomson and Company:-

WESTERN POWER CO. OF CANADA - 5s due 1949 *enough due.*  
and  
BRITISH COLUMBIA POWER CORP. - 5½s due 1960

WESTERN POWER COMPANY OF CANADA

The Company has two issues of securities outstanding as follows:-

5% First Mortgage Bonds due 1949	.....	\$ 4,109,900.
5½% Debentures due 1960	.....	4,000,000.

The debentures are all pledged as security for British Columbia Power Corporation 5s and 5½s and are a first floating charge on the Ruskin development. Apart from being a first floating charge on the Ruskin development, these debentures are a floating charge on the Stave Falls power development and all other assets of Western Power Company of Canada subject to the 5% First Mortgage bonds closed at \$4,746,240.

The 5% First Mortgage Bonds are secured by a first charge on the Stave Falls power development and all other real property of the Company except the Ruskin development.

BRITISH COLUMBIA POWER CORPORATION

The Corporation's funded debt is well secured by pledge of subsidiary issues which have first charge on operating properties. The following securities are pledged behind the Corporation's outstanding bonds.

\$2,000,000. Burrard Power Company, 5½% Debentures.  
(first floating charge on all assets including Allouette Lake Plant).  
\$4,000,000. Western Power Company of Canada, 5½% Debentures.  
(first floating charge on Ruskin development and floating charge on all other assets subject to First Mortgage bonds).  
\$4,000,000. Bridge River Power Company, 5½% Debentures.  
(first floating charge on all assets).

also

99.95% of issued Preferred Ordinary Stock of British Columbia Electric Railway Company.  
99.95% of issued Deferred Ordinary Stock of British Columbia Electric Railway Company.

INVESTMENT POSITION OF THE TWO ISSUES

In reviewing the investment merit of British Columbia Power Corporation 5½s and Western Power Company of Canada 5s, it must be pointed out that Western Power 5s have only assets represented by the Stave Falls development behind them, whereas the British Columbia Power bonds are secured by debentures having first charge on three hydro-electric power plans (The Allouette, The Ruskin and Bridge River) capable of developing over 500,000 h.p. They are also secured by stocks which give control of the British Columbia Electric Railway System to the Obligor. The bonds are additionally secured by first floating charge covering all of the Company's assets not covered by specific charge, including assets hereafter acquired.

The Corporation has covenanted that it will neither authorize nor permit the creation or issue (except to the Corporation or to a subsidiary company) of any bonds, mortgages, debentures, notes or shares of any subsidiary company (including the subsidiary companies which have issued the above mentioned Debentures) except an additional \$5,000,000. par value of 6% Preference Shares of British Columbia Electric Power and Gas Company, Limited, of which \$5,000,000. par value is presently outstanding and was sold to customers of the System. This exception is to make possible beneficial customer ownership campaigns.