

to Tokyo to Brazil. The most significant of these was Foreign Power Securities Corporation, incorporated in 1927, itself a holding company with large electric and gas interests throughout France.

By the year ended June 1930, Power Corporation's affiliated companies were operating 40 power plants across Canada, which represented more than \$250 million in plant and property investment and served over 1.5 million Canadians. Power's annual net earnings had soared above \$5 million. Its market capitalization, the number of its shareholders, and the value of its stock and bond holdings had also risen sharply, while its own common shares, issued at \$5.00 a share in 1925, climbed to a high of \$139.75 in 1929. Within a very short time A.J. Nesbitt and P.A. Thomson had built one of the most successful enterprises in Canadian business, and proven themselves creative entrepreneurs as well as astute financiers.

The Great Crash and the Depression years took their toll, of course. For more than a decade the Company's earnings either fell or remained flat. Its security holdings plunged in value, some were written off as absolutely worthless, and many more were liquidated to help pay down bank loans or cancel debentures. No dividend was paid on the common shares from 1932 to 1936. Yet, by concentrating its attention and resources on its Canadian affiliates, Power Corporation was able to stay profitable through the depths of the Depression and the upheavals of the Second World War. Consequently it emerged in a strong position to benefit from the post-war industrial expansion that took place across Canada.

By the time of Power Corporation's 25th anniversary in 1950, its earnings, investments, and dividends were on the rise once more. The market capitalization of its common shares stood at \$8 million. About 60 per cent of its investments, which then had a total estimated fair market value of around \$32 million, still remained in its six core hydro-electric companies. Together they had an installed capacity of more than one million horsepower, produced more than 4 million kilowatt hours a year, and supplied electricity or gas to more than 2 million Canadians. They also operated 761 motor buses along 924 miles of route, 689 streetcars along 342 miles of line, and 33 electrical merchandise stores.

By that anniversary, however, Power Corporation had already experienced at least two portentous indications of what lay ahead. In December 1944 Canada Northern Power's Ontario subsidiary, Northern Ontario Power, was expropriated by the Ontario government's Hydro-Electric Power Commission for \$12.5 million, paid in provincial bonds. And in June 1946 the government of France nationalized the public utility companies in which Foreign Power Securities Corporation was heavily invested. Privately owned power companies had become vulnerable to political pressures around the world, and Canada would prove no exception.