

# Russell Motor Car Company, Limited

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REPORT OF THE BOARD OF DIRECTORS

## ANNUAL MEETING

MARCH 26th, 1928

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TO THE SHAREHOLDERS:

The Report herewith submitted covers the operations of the Company for the twelve months' period ending December 31st, 1927.

The Company's operations are represented by the three following Companies in which it holds stock:

CANADA CYCLE & MOTOR COMPANY, LIMITED, WESTON.

CANADIAN ACME SCREW & GEAR LIMITED, TORONTO.

WILLYS-OVERLAND LIMITED, TORONTO.

Canada Cycle & Motor Company, Limited, has shown improvement in business during the year 1927 and has declared and paid a dividend of 8% on its Capital Stock of \$1,350,000.00. All of the shares of this Company except qualifying shares are owned by Russell Motor Car Company, Limited.

Owing to one or two accidents during the past year, some public statements were made suggesting that restrictions be made upon the riding of bicycles on the public streets. While these suggestions were undoubtedly well intended, they showed a lack of acquaintance with the facts, because the number of bicycle accidents is very few compared with other accidents, and for two obvious reasons. First: the driver of a motor vehicle has his eye upon the bicycle rider and watches carefully to avoid accident, whereas in the case of children playing on the sidewalk or boulevard, he has not such opportunity of being prepared for the unexpected move which may be made by children at play. Second: the bicycle rider has his mind on traffic conditions when he is riding and is usually watching keenly to avoid accident. Quite the contrary is the case when children are playing on the side of the road because in that case their mind is on play and not upon traffic conditions. It is only fair to our Shareholders to know that the record with respect to bicycle accidents stands relatively high in the matter of safety.

The business of Canadian Acme Screw & Gear Limited for the first half of 1927 proved very satisfactory but the last six months of the year were disappointing. Owing to changes in the Ford car, our important business in Ruckstell Axles for Ford cars and trucks came to an end, without any immediate business to replace it. Business for other motor concerns was also of less volume in the last half of the year than usual. Present indications for 1928 promise a larger volume than in any previous year as we have taken on additional new contracts. Prices, however, continue on a very close competitive basis.

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Willys-Overland Limited enjoyed the largest volume of business in its history and profits were in excess of those in 1926. To enable Willys-Overland Limited to secure greater economy in manufacture, as well as increased output, an important addition has just been completed at the works at West Toronto, enabling the Company to build a large proportion of its own bodies and to secure in this way economies in cost of materials and reductions in transportation and handling costs. At the present time, the outlook for 1928 is encouraging.

The Company is the holder of bonds and securities. The reduction in the yield on Government and Municipal Bonds has led your Directors to the conclusion that they should be assured of wider latitude in the purchase of securities. The Directors therefore passed By-Law No. 18, which is submitted for ratification by the Shareholders at a Special General Meeting of the Shareholders immediately following the Annual General Meeting.

Statement of Profit and Loss is as follows:

Balance brought forward December 31st, 1926 .....		\$542,189.07
Net Gain for year ending December 31st, 1927 .....		123,274.19
Dividend on Preferred Shares for year ending December 31st, 1927	\$ 84,000.00	
Dividend on Common Shares for year ending December 31st, 1927	32,000.00	
Balance carried forward .....	549,463.26	
		<u>\$665,463.26</u>
		<u>\$665,463.26</u>

During the year, regular quarterly dividends at the rate of 7% per annum were paid upon the Preference Stock of the Company and a dividend of 4% was paid upon the Common Stock for the twelve months' period.

Statement of Assets and Liabilities as of December 31st, 1927, is herewith submitted.

The Accounts of the Company have been duly audited and certified to by Messrs. Edwards, Morgan & Company, Chartered Accountants.

All of which is respectfully submitted.

T. A. RUSSELL,  
*President.*



## RUSSELL MOTOR CAR COMPANY, LIMITED

*Balance Sheet, December 31st, 1927*

### ASSETS

Cash in Bank.....	\$ 5,012.55	
Investment in Dominion Government, Provincial and Municipal Bonds.....	315,055.06	
Investment in Bonds and Preferred Shares of Public Utilities and Industrial Companies..	230,852.34	
Accounts Receivable.....	18,707.50	\$569,627.45
Investments in Allied and Subsidiary Companies..		2,469,162.25
Real Estate.....	33,755.00	
Office Furniture and Fixtures.....	1.00	33,756.00
		<u>\$3,072,545.70</u>

### LIABILITIES

Accounts Payable.....	\$ 2,663.00	
Dividends, Declared and Unpaid.....	46,000.00	\$ 48,663.00
Contingent Account.....		216,075.50
Reserves for Investments, Etc.....		258,343.94
Capital Stock—Preferred.....	1,200,000.00	
—Common.....	800,000.00	2,000,000.00
		2,523,082.44
Profit and Loss Account.....		549,463.26
		<u>\$3,072,545.70</u>

We have audited the books of the Russell Motor Car Company, Limited, for the year ending December 31st, 1927, and we certify that our requirements as Auditors have been complied with.

We also certify that the annexed Balance Sheet is in accord with the books, and in our opinion, correctly states the position of the Company on that date.

February 22nd 1928.

(Sgd.) EDWARDS, MORGAN & CO.,  
Chartered Accountants.



1927  
ANNUAL REPORT

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RUSSELL MOTOR CAR  
COMPANY, Limited

Head Office - - - TORONTO

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DIRECTORS:

T. A. RUSSELL, Esq., President  
A. E. AMES, Esq., Vice-President  
HON. E. B. RYCKMAN, Esq.  
J. N. SHENSTONE, Esq.  
H. D. SCULLY, Esq.  
J. W. GIBSON, Esq.  
I. W. WIDDUP, Esq.

Russell Motor Car Company  
LIMITED

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NOTICE OF ANNUAL AND SPECIAL  
GENERAL MEETINGS

TORONTO, MARCH 1ST, 1928

Notice is hereby given that the Annual General Meeting of the Shareholders of Russell Motor Car Company, Limited, will be held in the Board Room, Fourth Floor, National Trust Bldg., 22 King St. East, in the City of Toronto, on Monday, the 26th day of March, 1928, at 12 o'clock noon, to receive the Report of the Directors for the year ending December 31st, 1927; to ratify and confirm By-Law No. 19 passed by the Directors amending By-Law No. 3 of the Company; to elect Directors for the ensuing year; and generally to transact any other business relating to the Company's affairs which may be brought before the Meeting.

And further take notice that at the conclusion of the said Annual General Meeting, a Special General Meeting of Shareholders will be held to consider and, if approved, ratify and confirm By-Law No. 18 passed by the Directors on the 17th day of February, 1928, which By-Law is as follows: "Be it enacted and it is hereby enacted as a By-Law of the Company, that the Company be and it is hereby authorized to petition The Honourable The Lieutenant-Governor-in-Council for the issue of Supplementary Letters Patent extending the powers of the Company so that the same shall include the following: 'To acquire, hold, lend upon and deal in securities of all kinds'".

A copy of the Annual Statement is enclosed, also a proxy which kindly sign and return to the undersigned.

T. A. RUSSELL,  
*President.*

G. W. SUGGITT,  
*Secretary.*