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# ANNUAL REPORT

TO THE SHAREHOLDERS

DECEMBER 31st  
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CANADIAN GENERAL INVESTMENTS LIMITED  
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TORONTO

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# CANADIAN GENERAL INVESTMENTS LIMITED

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R. R. CORSON, ESQ.

JOHN S. DICKSON, ESQ.

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THE RT. HON. LORD QUEENBOROUGH, G.B.E.

G. HARRISON SMITH, ESQ.

COL. M. C. G. MEIGHEN, O.B.E.

COLIN W. WEBSTER, ESQ.

## OFFICERS

THE RT. HON. ARTHUR MEIGHEN, K.C., P.C. - - - - - *President*

COL. M. C. G. MEIGHEN, O.B.E. - - - - - *Vice-President*

MISS E. M. STRAIN - - - - - *Secretary*

D. E. STEWART - - - - - *Treasurer*

## AUDITOR

A. D. DOWNIE, C.A. - - - - - *Toronto*

# CANADIAN GENERAL INVESTMENTS LIMITED



## TO THE SHAREHOLDERS:

Herewith is submitted the Annual Report of your Company for the year ending December 31, 1946, and Balance Sheet, Profit and Loss and Surplus Account, and Capital Surplus Distributable Account, as certified by your Company's auditor.

The Investments of your Company as at December 31, 1946, are shown on the Balance Sheet as \$8,752,257, consisting entirely of Marketable Securities for which quotations were available. The present worth of these securities was estimated on a conservative basis at \$13,421,512. This indicates an excess in the value of your total holdings over book value of \$4,669,255. After deducting liabilities, including provision for the dividend of fifteen cents a share paid to shareholders on January 15, 1947, the net assets of your Company (including cash and accrued interest and dividends) had a value of \$13,606,772 as at December 31, 1946. This compares with \$13,377,217 as at December 31, 1945.

On a per share basis, net apparent liquidating value was \$22.65 at December 31, 1946, which compares with \$22.27 as at December 31, 1945, \$18.26 as at December 31, 1944 and \$15.41 as at December 31, 1943.

An amount of \$14,473 was appropriated from dividends earned during the year on stocks of producing mines, such appropriation being allowed by the Dominion Department of Income Tax as depletion against decline of equity in mining investments. This, together with that set aside in previous years, now totals (after a \$1,400 write-off during the year) \$72,632. Net income derived from interest and dividends received amounted, after this appropriation and after deducting all expenses except taxes, to \$569,175.

The total expenses of your Company, other than taxes, in 1946, amounted to \$32,584, or less than one-quarter of one per cent. of the net assets at the end of the year.

After provision for Dominion Income Tax amounting to \$6,276, net profit for 1946 was \$562,899 compared with \$591,243 in 1945. The reduction in premiums earned on the redemption of preferred shares, and compulsorily included in Income, largely accounts for this reduction in net profit.

Quarterly dividends were declared during the year, payable as follows: April 15, 1946, at the rate of fifteen cents per share plus a bonus of twenty-four cents per share; July 15, October 15, 1946 and January 15, 1947, at the rate of fifteen cents per share. These dividends required \$504,495. After deducting this amount from the net income a balance of \$58,404 remained, which was added to Surplus Account. This on December 31, 1946, stood at \$1,158,242.

A regular dividend of seventeen and one-half cents a share plus a bonus of twenty cents a share has been declared, payable April 15, 1947.

As a result of changes in the portfolio of investments, profits amounting to \$391,536 were realized on securities sold and redeemed. This amount has been added to Capital Surplus Distributable Account which now stands at \$4,703,698.

Below is found a comparison of common and preferred stock average price indexes for the months of December 1933 and 1946, as given by the Dominion Bureau of Statistics, and the apparent liquidation value of your shares as of December 31, 1933 and 1946:

	Common Stocks	Preferred Stocks	Per share liquidation value of your Company
1933 .....	68.6	72.6	\$ 7.36
1946 .....	106.4	153.5	22.65
Increase .....	55%	111%	208%

There is again presented on page 6 of this report a Classification of Investments according to Type of Investment and Geographical Distribution. The Company's security portfolio consists of 187 individual issues and gives a broad diversification.

Submitted on behalf of the Board.

President.

February 12, 1947.

# CANADIAN GENERAL INVESTMENTS LIMITED

## BALANCE SHEET — DECEMBER 31 1946

ASSETS	LIABILITIES
CASH IN BANK ..... \$ 172,179.60	SECURITIES PURCHASED ..... \$ 11,760.00
INVESTMENTS IN STOCKS AND BONDS:	RESERVE FOR INCOME TAX ..... 2,259.62
Marketable securities—book value ..... \$8,752,257.72	ACCOUNTS AND DIVIDENDS PAYABLE ..... 93,477.70
NOTE: The indicated value of the above investments on the basis of market quotations at December 31 1946 was \$13,421,512.00.	\$ 107,497.32
Add—Accrued interest and dividends thereon to December 31 1946 ..... 120,577.60	RESERVE FOR INVESTMENTS (Mines) ..... 72,632.00
8,872,835.32	SHARE CAPITAL:
	Authorized—
	1,000,000 shares of no par value.
	Issued and outstanding—
	600,589 shares at \$5.00 each ..... \$3,002,945.00
	CAPITAL SURPLUS DISTRIBUTABLE, as per statement attached ..... 4,703,698.53
Approved on behalf of the Board:	SURPLUS ACCOUNT, as per statement attached ..... 1,158,242.07
ARTHUR MEIGHEN, <i>Director</i>	TOTAL CAPITAL AND SURPLUS ..... 8,864,885.60
M. A. MacKENZIE, <i>Director</i>	\$9,045,014.92
<u>\$9,045,014.92</u>	<u>\$9,045,014.92</u>

### AUDITOR'S REPORT TO THE SHAREHOLDERS:

I have examined the books and accounts of Canadian General Investments Limited for the year ended December 31 1946 and all my requirements as auditor have been complied with.

I verified the Company's securities either by actual inspection or by certificates. The cash in bank was confirmed by certificates.

I report that, in my opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31 1946 according to the best of my information and the explanations received and as shown by the books of the Company.

A. DOUGLAS DOWNIE,  
*Chartered Accountant.*

Toronto, February 4, 1947.

# CANADIAN GENERAL INVESTMENTS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the Year Ended December 31 1946

Income from investments .....	\$ 616,232.42	
Less—Transferred to reserve for investments (Mines) .....	14,473.00	
		<u>\$ 601,759.42</u>
<b>EXPENSES:</b>		
Management fee .....	\$ 30,000.00	
Directors' fees .....	140.00	
Miscellaneous .....	2,444.14	
		<u>32,584.14</u>
PROFIT FOR YEAR BEFORE PROVISION FOR INCOME TAX .....	\$ 569,175.28	
Provision for Dominion Income Tax .....	6,275.90	
		<u>\$ 562,899.38</u>

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## SURPLUS ACCOUNT

For the Year Ended December 31 1946

Balance, January 1 1946 .....	\$1,099,837.45	
Add—Profit for year as above .....	\$ 562,899.38	
Less—		
Quarterly dividends paid or declared, amounting to eighty-four cents per share on the Company's capital stock issued and outstanding .....	504,494.76	
		<u>58,404.62</u>
BALANCE, DECEMBER 31 1946 .....		<u>\$1,158,242.07</u>

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## CAPITAL SURPLUS DISTRIBUTABLE

For the Year Ended December 31 1946

Balance, January 1 1946 .....	\$4,312,161.87	
Add—Net profit realized on securities sold and redeemed .....	391,536.66	
		<u>\$4,703,698.53</u>

# CANADIAN GENERAL INVESTMENTS LIMITED

## SUMMARY OF INVESTMENTS

(On the Basis of Market Values as at December 31)

### CLASSIFICATION OF SECURITIES ACCORDING TO TYPE OF INVESTMENT:

	1943	1944	1945	1946
	%	%	%	%
Cash .....	0.4	0.6	3.1	1.93
Bonds and Debentures .....	6.3	6.4	6.8	6.0
Preferred Stocks .....	45.1	44.6	43.9	44.14
Banks and Trust Companies .....	2.8	3.2	3.2	3.36
Common Shares .....	45.4	45.2	43.0	44.57
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.00</u>

### CLASSIFICATION ACCORDING TO GEOGRAPHICAL DISTRIBUTION:

	1943	1944	1945	1946
	%	%	%	%
Canada .....	96.9*	98.41*	99.23*	98.53*
Great Britain .....	0.1	.02	.02	.02
South and Central America .....	0.6	.52	.41	.47
United States of America .....	2.4	1.05	.34	.98
	<u>100.0</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

\* Investment in International Petroleum is included in Canada.



