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**CANADIAN GENERAL INVESTMENTS
LIMITED**

1955

Annual Report

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CANADIAN GENERAL INVESTMENTS LIMITED

Board of Directors _____

THE RT. HON. ARTHUR MEIGHEN, P.C., Q.C.

ALEX E. BARRON

HON. RAY LAWSON, O.B.E., LL.D.

F. R. BENNETTO, M.B.

W. F. McLEAN

COL. HUGH CLARK

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

R. R. CORSON

T. R. O. MEIGHEN, Q.C.

THOMAS H. HOGG, D.Eng.

COLIN W. WEBSTER

RONALD T. RILEY

Officers _____

THE RT. HON. ARTHUR MEIGHEN, P.C., Q.C. *Chairman of the Board*

M. C. G. MEIGHEN, O.B.E. *President*

HON. RAY LAWSON, O.B.E., LL.D. *Vice-President*

Auditors _____

A. D. DOWNIE & CO. Toronto

Registrar and Transfer Agent _____

THE CANADA TRUST COMPANY Toronto

Office of Company _____

360 BAY STREET (Telephone EM. 6-2932) Toronto

CANADIAN GENERAL INVESTMENTS LIMITED

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting the Annual Report of your Company for the year ending December 31, 1955, consisting of the Balance Sheet, Statement of Profit and Loss, Surplus Account, and Capital Surplus Distributable Account, all as certified by your Company's auditors.

The Balance Sheet discloses that the total assets of the Company, as at December 31, 1955, amounted to \$23,133,713. Marketable securities held by your Company were carried at cost, namely, \$22,809,679. The indicated market value of these securities, as at December 31, 1955, was \$33,033,880. The indicated market value, therefore, exceeded the cost value by \$10,224,201. If this amount is added to the assets, the total assets of the Company amount to \$33,357,914. From this amount should be deducted the total liabilities of the Company, namely, \$222,196, which leaves a net value of \$33,135,718. Based on the 720,706 Common shares outstanding, as at December 31, 1955, each Common share had an apparent equity of approximately \$45.98.

The Statement of Profit and Loss discloses that your Company had income from investments, during the year 1955, of \$1,265,277. The expenses involved in running your Company amounted to \$78,290 plus income taxes of \$2,000 or total costs of \$80,290. It cost, therefore, 6.3% of the income from investments to run your Company (or .242% of the net assets). The balance of the money, namely, \$1,184,987, amounting to 93.7% of the income from investments, was available for the payment of dividends (\$922,498), increasing the surplus account (\$232,460), and increasing the reserve carried for mining securities (\$30,029).

After providing for expenses of \$78,290, income taxes of \$2,000, and after transferring \$30,029 to reserve for mining investments, the resulting net profit of \$1,154,958 was equivalent to \$1.60 for each of the outstanding 720,706 Common shares.

During the year 1955, shareholders received four quarterly dividends of twenty-seven and one-half cents per share plus a bonus dividend of eighteen cents per share, paid on April 15, 1955, or a total of \$1.28 for each of the outstanding 720,706 Common shares.

The Capital Surplus Distributable Account was increased by the net profit of \$660,568 made on securities sold or redeemed and by dividends of \$9,066 received under Section 105 of the Income Tax Act.

To shareholders of record December 30, 1955, Rights were issued on the basis of one Right for each Common share. Three Rights entitled the holder to purchase one new Common share at \$25.00 per share. The Rights expired on February 10, 1956. Of the 720,706 Rights issued, 720,705 Rights were exercised and as a result an additional 240,235 Common shares were issued by the Company for cash totalling \$6,005,875.

CANADIAN GENERAL INVESTMENTS LIMITED

Based on the figures, as at December 31, 1955, the net worth of the Company has therefore increased from \$33,135,718, by the addition of \$6,005,875 cash, to a total value of \$39,141,593. The number of shares outstanding has increased from 720,706 to 960,941 and therefore the indicated equity per share was \$40.73 for each of the outstanding 960,941 Common shares.

The additional cash is now being invested and will produce income for a portion of the year 1956.

The Directors have declared, on the outstanding 960,941 Common shares, the regular quarterly dividend of twenty-seven and one-half cents per share plus a bonus dividend of eighteen cents per share, both payable on April 14th to shareholders of record as of the close of business March 30th.

The portfolio of investments, as at December 31, 1955, is to be found commencing on page 6 of this report. You will note that this year we have endeavoured to classify the various companies by the type of enterprise in which they are engaged. It is difficult to be completely accurate in this classification as frequently a company may engage in more than one type of business. Where this conflict exists we have endeavoured to classify the company in the class in which it is doing the major portion of its business.

At the Directors' Meeting held on September 20, 1955, it was decided to terminate, effective December 31, 1955, the management contract between your Company and Canadian General Securities Limited. At the same meeting the Directors authorized a management contract, effective January 1, 1956, between your Company and Maxwell Meighen & Associates Limited. Under this new contract, the cost to the shareholders for management is the same in relation to the assets of your Company as under the previous contract, with the exception that as your Directors considered it was in the best interests of your Company that the functions of registrar, transfer agent and dividend disbursing agent be carried on by a Trust Company, The Canada Trust Company was appointed registrar, transfer agent and dividend disbursing agent, effective January 1, 1956.

We regret to announce the resignations as Directors of Mr. A. E. Naylor and Mr. D. E. Stewart, both having been Directors for six years. Mr. T. R. O. Meighen, Q.C., was elected a Director in December, 1955. Mr. Ronald T. Riley was elected a Director in February, 1956.

Submitted on behalf of the Board.

Mr. C. G. Meighen

President.

TORONTO, February 14, 1956.

Balance Sheet

DECEMBER 31, 1955

Assets

Cash on hand and in bank - - - - -	\$	99,698.99
Securities sold - - - - -		1,573.75
Marketable securities - - - - -		\$22,809,679.35
The indicated value of these securities on the basis of market quotations at December 31, 1955, was \$33,033,880.00		
Add: Accrued interest and dividends thereon to December 31, 1955 - - - - -		222,760.93
		23,032,440.28
		\$23,133,713.02

Liabilities

Securities purchased - - - - -	\$	22,376.35
Dividends payable - - - - -		199,319.56
Provision for taxes on income - - - - -		500.00
Reserve for investments (mines) - - - - -		272,337.56
Share capital		
Authorized:		
1,000,000 shares of no par value		
Issued and outstanding:		
720,706 shares at \$25.00 each - - - - -		\$18,017,650.00
Capital surplus distributable - - - - -		2,219,119.89
Surplus account - - - - -		2,402,409.66
Total capital and surplus - - - - -		22,639,179.55

Approved on behalf of the Board

ARTHUR MEIGHEN, *Director*

F. R. BENNETTO, *Director*

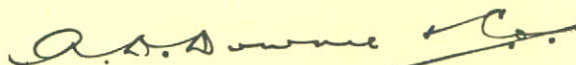
\$23,133,713.02

Auditors' Report to the Shareholders

We have examined the books and accounts of Canadian General Investments Limited for the year ended December 31, 1955, and have obtained all the information and explanations we have required.

The Company's securities were verified by inspection and book stocks were confirmed by certificate.

We report that, in our opinion, the above balance sheet and accompanying statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1955 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.



Chartered Accountants.

Toronto, Ontario,
January 18, 1956.

N V E S T M E N T S L I M I T E D

Statement of Profit and Loss

FOR THE YEAR ENDED DECEMBER 31, 1955

Income from investments - - - - -	-\$1,265,277.04	
Less: Transferred to reserve for investments (mines) - - - -	30,029.00	\$1,235,248.04
Expenses:		
Management fee - - - - -	-\$ 71,000.00	
Directors' fees - - - - -	800.00	
Legal fees - - - - -	600.00	
Miscellaneous - - - - -	5,890.16	78,290.16
Net profit before income tax - - - - -		\$1,156,957.88
Provision for taxes on income - - - - -		2,000.00
Net profit for year - - - - -		<u>\$1,154,957.88</u>

Surplus Account

DECEMBER 31, 1955

Balance January 1, 1955 - - - - -		\$2,169,550.59
Net profit for year - - - - -	-\$1,154,957.88	
Overprovision for income taxes of prior years - - - - -	399.42	1,155,357.30
		\$3,324,907.89
Dividends paid or declared - - - - -		922,498.23
Balance December 31, 1955 - - - - -		<u>\$2,402,409.66</u>

Capital Surplus Distributable

DECEMBER 31, 1955

Balance January 1, 1955 - - - - -		\$1,549,485.21
Net profit on securities sold and redeemed - - - - -	-\$ 660,568.68	
Stock dividends received under Section 105 of the Income Tax Act - - - - -	9,066.00	669,634.68
Balance December 31, 1955 - - - - -		<u>\$2,219,119.89</u>

CANADIAN GENERAL INVESTMENTS LIMITED

Summary by Industry

Industry	Value as of December 31, 1955	Per Cent of Total Assets
Metals -	\$ 4,848,882	14.7%
Forest Products -	4,745,648	14.4
Metal Products -	3,313,288	10.0
Utilities -	2,893,054	8.8
Miscellaneous -	2,400,305	7.3
Investment Trusts -	2,067,106	6.3
Packing -	1,897,782	5.7
Steel -	1,638,315	5.0
Finance -	1,420,838	4.3
Merchandising -	1,374,160	4.1
Beverages -	1,325,510	4.0
Oils -	867,500	2.6
Gold Mining -	751,960	2.3
Construction -	695,550	2.1
Textiles -	687,216	2.1
Banks and Trust Co's. -	679,605	2.0
Pipelines -	349,767	1.1
Foodstuffs -	265,388	.8
Containers and Packaging -	102,356	.3
Farm Equipment -	34,650	.1
	<hr/>	<hr/>
	\$32,358,880	98.0
Short Term Notes -	675,000	2.0
	<hr/>	<hr/>
	\$33,033,880	100.0%

Summary of Type of Security

Short Term Notes -	\$ 675,000	2.0%
Preferred Stocks -	4,252,969	12.9
Common Stocks -	28,105,911	85.1
	<hr/>	<hr/>
	\$33,033,880	100.0%

CANADIAN GENERAL INVESTMENTS LIMITED

Portfolio of Investments

AS AT DECEMBER 31, 1955

Short Term Notes

No. of Shares		Price	Value
600,000	Traders Finance 2% 3 Jan./56	- 100	\$600,000
75,000	Traders Finance 2% 23 Jan./56	- 100	75,000
			<u>\$675,000</u>

Preferred and Common Shares

No. of Shares		Total Market Value \$	% of Assets	No. of Shares		Total Market Value \$	% of Assets
	Banks and Trust Companies	679,605	2.0	2,784	Traders Finance "B"	119,712	.4
3,200	Canadian Bank of Commerce	141,200	.4	2,364	Traders Finance Rts. "A"	41,666	.1
2,737	Chartered Trust	147,114	.5	1,667	Traders Finance Rts. "B"	31,465	.1
2,620	Huron-Erie Mortgage Corporation	101,525	.3		Foodstuffs	265,388	.8
2,500	Imperial Bank of Canada	131,250	.4	1,100	Blue Ribbon Corporation Pfd.	35,200	.1
825	Royal Bank of Canada	47,953	.1	1,000	Shirriff's \$1.00 Pfd.	20,000	.1
3,050	Toronto General Trusts	110,563	.3	2,950	Geo. Weston "A"	103,988	.3
				2,950	Geo. Weston "B"	106,200	.3
	Beverages	1,325,510	4.0		Forest Products	4,745,648	14.4
10,375	Canadian Breweries	322,922	1.0	12,600	Anglo-Newfoundland Dev.	155,925	.5
14,950	Distillers Seagram	571,838	1.7	650	Bathurst Power & Paper "A"	41,275	.1
4,000	John Labatt	93,000	.3	1,350	Bathurst Power & Paper "B"	54,000	.1
4,825	Hiram Walker— Gooderham & Worts	337,750	1.0	5,600	Consolidated Paper	200,200	.6
	Construction	695,550	2.1	52,700	Fraser Co's.	1,686,400	5.1
10,000	Canada Cement 6½% Pfd.	300,000	.9	14,500	Great Lakes Paper	634,375	1.9
1,700	Canada Cement	58,650	.2	16,000	MacMillan & Bloedel "B"	676,000	2.1
1,000	Disher Steel Construction "A" Pfd.	25,000	.1	5,100	Powell River	291,338	.9
2,300	Dom. Tar and Chemical Pfd.	52,900	.1	309	Price Bros. 4% Pfd.	29,700	.1
7,400	Standard Paving & Materials	259,000	.8	14,650	Price Bros.	783,775	2.4
	Containers and Packaging	102,356	.3	4,560	Howard Smith Paper	192,660	.6
3,100	Canada Foils "A" Pfd.	48,438	.14		Gold Mining	751,960	2.3
1,300	Canada Foils	19,500	.06	5,000	Anglo-Huronian	66,875	.2
1,350	Modern Containers "A" Pfd.	22,950	.07	5,600	Dome Mines	79,100	.2
695	Modern Containers	11,468	.03	19,900	Kerr-Addison	343,275	1.1
	Farm Equipment	34,650	.1	4,500	Lake Shore Mines	19,350	.1
4,200	Cockshutt Farm	34,650	.1	10,100	Macassa Mines	21,210	.1
	Finance	1,420,838	4.3	17,900	Malartic Gold	40,275	.1
100	Industrial Acceptance	5,250	—	575	McIntyre-Porcupine	46,575	.1
6,520	Traders Finance 4½% Pfd.	665,040	2.0	55,000	Teck-Hughes	135,300	.4
1,150	Traders Finance 5% Pfd.	51,750	.2		Investment Trusts	2,067,106	6.3
11,434	Traders Finance "A"	505,955	1.5	1,600	Power Corporation of Canada	90,000	.3
				307,004	Third Cdn. Gen. Investment	1,842,024	5.6
				307,004	Third Cdn. Gen. Investment Rights	135,082	.4

CANADIAN GENERAL INVESTMENTS LIMITED

No. of Shares		Total Market Value \$	% of Assets	No. of Shares		Total Market Value \$	% of Assets
	Merchandising	1,374,160	4.1	2,000	Gunnar Warrants - - - - -	22,000	.1
6,100	J. H. Ashdowne "B" - - - - -	79,300	.2	4,750	Hollinger Cons. - - - - -	112,813	.3
1,320	Canadian Tire - - - - -	120,120	.3	6,725	International Nickel - - - - -	551,450	1.7
1,635	Cochrane-Dunlop "A" Pfd. - - - - -	36,788	.1	18,000	Steep Rock - - - - -	301,500	.9
4,030	Cochrane-Dunlop - - - - -	88,660	.3		Oils	867,500	2.6
9,500	Dominion Stores - - - - -	318,250	.9	3,000	British American Oil - - - - -	113,250	.3
200	A. J. Freiman 4½% Pfd. - - - - -	18,650	.1	16,800	Cdn. Superior Oil of Calif. - - - - -	197,400	.6
1,000	Hughes-Owens 6.4% Pfd. - - - - -	26,125	.1	30,000	Great Cdn. Oil Sands - - - - -	45,000	.1
2,000	Hughes-Owens "A" - - - - -	36,000	.1	8,000	Home Oil - - - - -	99,000	.3
2,240	J. S. Mitchell - - - - -	67,200	.2	4,700	Imperial Oil - - - - -	183,300	.6
5,800	National Drug and Chemical - - - - -	69,600	.2	8,000	D.A. Stuart Oil - - - - -	108,000	.3
3,850	National Grocers Pfd. - - - - -	107,800	.3	5,200	Supertest Petroleum Ord. - - - - -	121,550	.4
400	Ontario Beauty Supply Pfd. - - - - -	1,200	—		Packing	1,897,782	5.7
200	Ontario Beauty Supply - - - - -	42	—	22,500	B.C. Packers "A" Pfd. - - - - -	371,250	1.1
13,000	Simpsons, Limited - - - - -	222,625	.7	16,875	B.C. Packers "B" - - - - -	240,469	.7
600	Stedman Bros. - - - - -	13,800	.1	9,500	Canada Packers "A" Pfd. - - - - -	370,500	1.1
4,000	G. Tamblin - - - - -	168,000	.5	25,700	Canada Packers "B" - - - - -	915,563	2.8
	Metal Products	3,313,288	10.0		Pipelines	349,767	1.1
1,350	Beatty Bros. - - - - -	9,788	.1	11,025	Interprovincial - - - - -	314,213	1.0
4,485	Canada Wire & Cable "B" - - - - -	338,618	1.1	815	Trans Mountain - - - - -	35,554	.1
4,600	Canadian Bronze - - - - -	128,800	.4		Steel	1,638,315	5.0
14,500	Dominion Bridge - - - - -	315,375	1.0	44,200	Dominion Foundries - - - - -	1,320,475	4.0
818	Dom. Wire, Rope & Cable - - - - -	42,536	.1	5,480	Steel Company of Canada - - - - -	317,840	1.0
1,200	Fittings Limited "A" Pfd. - - - - -	11,400	.1		Textiles	687,216	2.1
1,250	General Steel Wares 5% Pfd. - - - - -	123,750	.4	7,850	Cdn. Celanese \$1.75 Pfd. - - - - -	266,900	.8
12,500	General Steel Wares - - - - -	131,250	.4	14,000	Cdn. Celanese - - - - -	287,000	.9
9,935	Hayes Steel Products - - - - -	332,823	1.0	925	Circle Bar Knitting "A" Pfd. - - - - -	3,978	—
4,150	Ingersoll Machine & Tool "A" Pfd. - - - - -	35,275	.1	8,000	Dominion Textile - - - - -	67,000	.2
820	International Metal 4½% Pfd. - - - - -	83,538	.2	20,000	Dom. Woollens & Worsteds 5% 1964 Bonds - - - - -	7,000	—
3,775	International Metal - - - - -	134,013	.4	6,100	Harding Carpets - - - - -	51,088	.2
1,200	Robert Mitchell \$1.00 "A" Pfd. - - - - -	16,800	.1	1,000	Holden Manuf. "A" Pfd. - - - - -	4,250	—
1,200	Robert Mitchell "B" - - - - -	3,300	—		Utilities	2,893,054	8.8
10,925	Page-Hersey Tubes - - - - -	863,075	2.6	600	Anglo-Cdn. Telephone 4½% Pfd. - - - - -	27,600	.1
280	P. L. Robertson 6% Pfd. - - - - -	6,020	.1	1,250	Gatineau Power 5% Pfd. - - - - -	139,063	.4
2,495	P. L. Robertson \$1.00 Pfd. - - - - -	53,019	.1	2,275	Gatineau Power - - - - -	65,975	.2
2,855	P. L. Robertson - - - - -	39,970	.1	17,905	MacLaren Power & Paper - - - - -	1,683,070	5.1
19,700	Russell Industries - - - - -	273,338	.8	4,335	Shawinigan Water & Power - - - - -	293,696	.9
5,300	Toronto Iron Works "A" Pfd. - - - - -	116,600	.3	11,300	United Fuel Invest. "A" 6% Pfd. - - - - -	683,650	2.1
12,700	Westeel Products - - - - -	254,000	.6		Miscellaneous	2,400,305	7.3
	Metals	4,848,882	14.7	38,000	Canada Steamships 5% Pfd. - - - - -	494,000	1.5
	(a) <i>Base Metals:</i>	2,135,615	6.5	2,235	Dominion Square Corporation - - - - -	203,385	.6
2,700	Coniagas Mines - - - - -	9,315	.1	3,835	Gen. Products Mfg. "A" - - - - -	149,565	.4
32,575	Cons. Mining & Smelting - - - - -	1,172,700	3.6	3,835	Gen. Products Mfg. 2nd Pfd. - - - - -	3,835	—
800	Hudson Bay M. & S. - - - - -	52,600	.1	24,800	Moore Corp. - - - - -	1,010,600	3.1
8,800	Mining Corp. - - - - -	202,400	.6	4,050	Southam Co. - - - - -	190,350	.6
9,100	Noranda - - - - -	509,600	1.5	1,450	Toronto Elevators - - - - -	23,925	.1
7,000	Quemont - - - - -	189,000	.6	6,765	Traders Building Assoc. - - - - -	223,245	.7
	(b) <i>Other Metals:</i>	2,713,267	8.2	5,070	United Cdn. Shares - - - - -	101,400	.3
12,625	Aluminium - - - - -	1,358,766	4.1				
110,000	Am. Nepheline - - - - -	173,800	.5				
10,500	Gunnar - - - - -	192,938	.6				

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