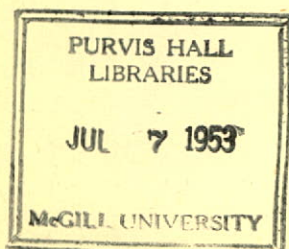


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**CANADIAN**  
**GENERAL**  **ELECTRIC**  
**COMPANY**  
**LIMITED**

**ANNUAL**  
**REPORT**  
**1948**



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**CANADIAN GENERAL ELECTRIC COMPANY  
LIMITED**

**STATEMENT OF INCOME AND EARNED SURPLUS**

FOR THE YEAR ENDED DECEMBER 31, 1948

Income from operations, after deducting depreciation of \$2,960,894.35, salaries of officials and legal expenses of \$162,253.87 and directors' fees of \$7,125.00.....	\$ 8,549,736.07
Income from investments.....	<u>250,342.84</u>
Net income for the year before providing for taxes on income.....	\$ 8,800,078.91
Provision for estimated taxes on income...	<u>3,500,000.00</u>
Net income for the year.....	\$ 5,300,078.91
Earned surplus as of January 1, 1948.....	14,958,993.69
Estimated reduction of liability for excess profits taxes of prior years.....	<u>2,289,954.16</u>
Earned surplus available for dividends.....	\$22,549,026.76
Dividends on preferred stock...\$ 108,973.61	
Dividends on common stock... 1,510,760.00	<u>1,619,733.61</u>
Earned surplus as of December 31, 1948.....	<u><u>\$20,929,293.15</u></u>

**NOTE:**

Under the provisions of section 61 of the Companies Act (Dominion) \$123,700.00 of the earned surplus as of December 31, 1948, is classified as capital surplus from redemption of preferred stock, pending formal reduction of capital.

CANADIAN GENERAL ELE  
BALANCE SHEET AS O

ASSETS

**Current assets:**

Cash on hand and in banks.....	\$ 2,284,893.26
Dominion Government bonds (market value \$45,618.75).....	45,000.00
Accounts receivable, less reserve.....	13,076,381.88
Inventories at not exceeding the lower of cost or market value as determined and certified to by the management, less reserves.....	29,822,195.67
	\$45,228,470.81
Less: Progress collections on contracts...	11,311,906.52
<b>Total current assets</b> .....	\$33,916,564.29

**Other assets:**

Investment securities, less reserve (market value \$512,268.50).....	\$ 512,268.50
Securities of subsidiary companies.....	626,082.31
Refundable portion of excess profits tax, estimated.....	879,219.10
Prepaid expenses.....	301,968.37
<b>Total other assets</b> .....	\$ 2,319,538.28

**Fixed assets:**

Manufacturing plant, including land, buildings and machinery; head office and branch office properties; at cost...	\$40,204,830.83
Less: Depreciation reserves.....	18,731,603.40
	\$21,473,227.43
Patents and franchise.....	1.00
<b>Total fixed assets</b> .....	\$21,473,228.43
	\$57,709,331.00

Signed on behalf of the Board:

H. M. TURNER, DIRECTOR  
J. C. MACFARLANE, DIRECTOR.

**CTRIC COMPANY, LIMITED**

F DECEMBER 31, 1948

**LIABILITIES****Current liabilities:**

Accounts payable.....	\$ 5,924,398.10
Taxes payable, including provision for estimated taxes on income.....	2,995,386.17
Sundry accrued charges.....	2,188,110.88
Mortgages payable in 1949.....	1,119,008.59
Dividend declared on preferred stock.....	27,208.78
Dividend declared on common stock.....	377,690.00
<b>Total current liabilities</b> .....	<u>\$12,631,802.52</u>

**Due to War Assets Corporation (secured by re-  
fundable portion of excess profits tax).....** \$ 981,971.59

**General reserve.....** \$11,547,713.74

**Capital stock:****Special Employees' Preferred:**

Authorized—50,000 shares, par value \$50.00 each (callable at par)	
Issued—46,000 shares.....	\$ 2,300,000.00
Less: 2,474 shares redeemed.....	123,700.00
	<u>2,176,300.00</u>

**Common:**

Authorized and issued—188,845 shares,  
par value \$50.00 each..... 9,442,250.00

**Total capital stock** .....

	<u>\$11,618,550.00</u>
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**Earned surplus as of December 31, 1948 (under  
the provisions of section 61 of the Com-  
panies Act (Dominion) \$123,700.00 is  
classified as capital surplus arising from  
redemption of preferred stock, pending  
formal reduction of capital).....** \$20,929,293.15

\$57,709,331.00

The Auditor's report to the Shareholders appears on  
the following page.

**PEAT, MARWICK, MITCHELL & CO.**

Chartered Accountants

25 King Street West,  
Toronto  
March 17, 1949.

To the Shareholders,  
Canadian General Electric Company, Limited,  
Toronto, Ont.

We have examined the Balance Sheet of the Canadian General Electric Company, Limited as of December 31, 1948 and the related statement of Income and Earned Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In accordance with Section 114 of the Companies Act (Dominion) we report that the earnings of subsidiary companies for 1948 are included in income from investments in the attached income statement only to the extent of dividends received; such dividends were not in excess of the Company's share of the aggregate of the profits of all subsidiaries.

We report that, in our opinion, based upon such examination, the accompanying Balance Sheet and related statement of Income and Earned Surplus are properly drawn up so as to exhibit, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, a true and correct view of the state of the Company's affairs as of December 31, 1948, and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PEAT, MARWICK, MITCHELL & CO.,  
Auditors.

**ANNUAL REPORT OF THE DIRECTORS**  
**TO THE SHAREHOLDERS OF**  
**CANADIAN GENERAL ELECTRIC COMPANY, LIMITED**

TORONTO, CANADA

MARCH 31, 1949

The Directors submit herewith the Balance Sheet of your Company as of December 31, 1948, and Statement of Income and Earned Surplus, certified by the Company's auditors, Peat, Marwick, Mitchell & Co., Chartered Accountants.

The volume of orders received and sales billed were the highest in the history of the Company, orders received being 31% and sales billed 26% higher than in 1947. Our greatly expanded manufacturing facilities were not sufficient to keep pace with business booked, with the result unfilled orders at December 31, 1948, were in excess of those at the close of the previous year.

Net income for the year, after deduction of all charges, including depreciation and taxes on income amounted to \$5,300,079, an increase of \$2,155,698. Earnings available for the common stock were equivalent to \$27.48 per share, compared with \$16.04 per share in 1947. The increase in net income was due principally to the larger volume of sales.

Dividends on the Special Employees' Preferred shares, at the rate of 5% per annum, amounted to \$108,974. Dividends on the common stock at \$8.00 per share totaled \$1,510,760, the same as in the previous year. Total dividends paid in 1948 were \$1,619,734, and the sum of \$3,680,345 was added to earned surplus. An amount of \$2,289,954, representing estimated reduction of liability for excess profits taxes for prior years was also added to earned surplus, making the balance in that account \$20,929,293 at December 31, 1948.

Current assets amounted to \$33,916,564 while current liabilities totaled \$12,631,802, the excess of current assets over current liabilities, or working capital, being \$21,284,762, an increase of \$1,714,594.

Cash amounted to \$2,284,893. Government bonds and investment securities totaled \$557,269. These items aggregated \$2,842,162, an increase of \$2,157,724. Investment Securities are carried in the Balance Sheet at market value, and securities of subsidiary companies are conservatively valued at \$626,082.

Accounts and notes receivable totaled \$13,076,382, an increase of \$2,978,116. Adequate reserves are provided for possible losses in receivables. Inventories amounted to \$29,822,196, an increase of \$3,614,664, and are carried at an amount not exceeding the lower of cost or market value, with appropriate provision for obsolescence and shrinkage in value.

The issued capital stock shows a decrease of \$123,700 due to the redemption of 2,474 special employees' preferred shares surrendered by employees.

Capital expenditures in 1948 for expansion and improvements in manufacturing plants and distribution facilities amounted to \$7,722,423, compared with \$4,828,600 in 1947. A plant in Montreal has been purchased from the War Assets Corporation and will be utilized for the manufacture of large electrical household appliances such as refrigerators, ranges, and washing machines, and air conditioning equipment. Manufacturing operations were commenced in 1948 and will be extended in the current year. A new machine shop containing 80,000 square feet of floor space is being erected in Peterborough for the manufacture of large motors and generators, and will come into operation in 1949.

The increase in volume of business again resulted in a higher level of employment. The number of employees in 1948 averaged 12,000 compared with 10,800 in the previous year, and was higher than at any previous time in the Company's history.

At the end of 1948 there were 9,457 employees insured under the group life insurance plan for a total of \$25,797,050. Benefits paid during 1948 amounted to \$155,340. Since the inauguration of the plan benefits to



the total of \$741,020, have been paid to 337 beneficiaries of deceased employees.

The sum of \$1,200,000 was paid by the Company in 1948 into the Pension Trust, making a total of \$6,030,000 paid into the Trust by the Company. As at December 31, 1948, there were 187 individuals receiving pensions and disability allowances. During 1948 payments amounted to \$180,036 and the total of such payments to December 31, 1948, amounted to \$1,468,608.

Your Directors record with profound sorrow the death of Mr. D. C. Durland on October 19, 1948. Mr. Durland had been a Director of the Company for over 24 years, and rendered valuable service in the administration of the affairs of the Company as President and as Chairman of the Board.

Your Directors also sincerely regret to record the death of Mr. G. Harrison Smith on February 17, 1949. Mr. Smith had served as a Director of the Company for fifteen years.

The Directors and officers again take pleasure in expressing their appreciation of the loyal and co-operative services rendered by the employees of the Company.

By order of the Board of Directors.

H. M. TURNER, President.

CANADIAN GENERAL ELECTRIC COMPANY  
LIMITED

BOARD OF DIRECTORS

L. L. LANG - - - - - Kitchener, Ont.  
G. C. LEITCH - - - - - Toronto, Ont.  
J. C. MACFARLANE, K.C. - - - - - Toronto, Ont.  
HON. F. B. McCURDY - - - - - Halifax, N.S.  
R. S. McLAUGHLIN - - - - - Oshawa, Ont.  
PHILIP D. REED - - - - - New York, N.Y.  
G. HARRISON SMITH - - - - - (Deceased)  
H. M. TURNER - - - - - Toronto, Ont.  
CHARLES E. WILSON - - - - - New York, N.Y.

EXECUTIVE OFFICERS

H. M. TURNER, President

Vice-Presidents

J. C. MACFARLANE, K.C.                      K. J. CORKERY

Comptroller

Treasurer

C. E. HIPPIE

B. Y. HADDY

Secretary

W. H. NESBITT

CANADIAN GENERAL ELECTRIC COMPANY  
LIMITED

HEAD OFFICE

212-218 KING STREET WEST, TORONTO, ONT.

SALES OFFICES

ST. JOHN'S, NFLD.	NEW LISKEARD, ONT.
HALIFAX, N.S.	TIMMINS, ONT.
SYDNEY, N.S.	SUDBURY, ONT.
SAINT JOHN, N.B.	FORT WILLIAM, ONT.
CHICOUTIMI, QUE.	WINNIPEG, MAN.
QUEBEC, QUE.	BRANDON, MAN.
TROIS RIVIERES, QUE.	REGINA, SASK.
MONTREAL, QUE.	SASKATOON, SASK.
SHERBROOKE, QUE.	CALGARY, ALTA.
OTTAWA, ONT.	EDMONTON, ALTA.
TORONTO, ONT.	LETHBRIDGE, ALTA.
HAMILTON, ONT.	TRAIL, B.C.
ST. CATHARINES, ONT.	KELOWNA, B.C.
LONDON, ONT.	VANCOUVER, B.C.
WINDSOR, ONT.	VICTORIA, B.C.

MANUFACTURING PLANTS

PETERBOROUGH WORKS	PETERBOROUGH, ONT.
DAVENPORT WORKS	TORONTO, ONT.
WARD STREET WORKS	TORONTO, ONT.
LAMP WORKS	TORONTO, ONT.
VACUUM TUBE WORKS	TORONTO, ONT.
ROYCE WORKS	TORONTO, ONT.
CARBOLOY WORKS	TORONTO, ONT.
BARRIE WORKS	BARRIE, ONT.
OAKVILLE WORKS	OAKVILLE, ONT.
COBOURG WORKS	COBOURG, ONT.
MONTREAL WORKS	MONTREAL, QUE.
QUEBEC WORKS	QUEBEC, QUE.

