# Canadian Cottons
## Limited

MONTREAL, CANADA

# EIGHTEENTH ANNUAL REPORT

FOR YEAR ENDING 31st MARCH, 1928

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 14TH MAY, 1928.

# Canadian Cottons Limited

*Operating*

Ontario Mill, Hamilton, Ont.
Stormont Mill, Cornwall, Ont.
Dundas Mill, Cornwall, Ont.
Canada Mill, Cornwall, Ont.
St. Croix Mill, Milltown, N.B.
Gibson Mill, Marysville, N.B.

*Subsidiary*

Cornwall and York Cotton Mills Company, Limited,
Saint John, N.B.

*Operating*

Cornwall Mill York Mill

## OFFICERS

| | |
|---|---|
| A. O. Dawson, LL.D. | *President and Man. Director* |
| Hon. F. L. Beique, K.C. | *Vice-President* |
| R. G. Tolmie | *Ass't to President* |
| Hugh M. Watson | *Secretary* |
| K. L. Hamilton | *Treasurer* |

## DIRECTORS

Sir H. Montagu Allan, C.V.O.
Hon. F. L. Beique, K.C.
W. A. Black
George Caverhill
A. O. Dawson, LL.D.
A. A. Morrice
W. J. Morrice

# Canadian Cottons
## Limited

*To the Shareholders:*

THE Directors herewith present the Eighteenth Annual Report for the year ended March 31st, 1928.

The raw cotton market had many and wide fluctuations during the period under review—futures showing a swing of from 14c to 25c, the price at the end of the fiscal year being about 5c a pound higher than at the opening of the year. In addition to the advance in futures just indicated, an exceptionally high premium had to be paid for the grades of cotton needed for the goods your mills produce.

At no time in the year were the prices of finished goods on a parity with the price of raw cotton, due to the extraordinary competition from English and American mills, in which countries the textile trade has been in anything but a satisfactory state.

The results of the year's operations would have been poor indeed were it not that the Company fortunately owned a fair supply of cotton purchased well below the average price of the year.

After making provision for depreciation, the manufacturing profits and interest on investments amount to $601,119.86, and have been disposed of as follows:

| | |
|---|---|
| Bond Interest | $145,651.59 |
| Dividends on Preferred and Common Stocks | 436,930.00 |
| Bad debts written off | 6,155.66 |
| Carried to Profit and Loss | 12,382.61 |
| | $601,119.86 |

Keeping in mind existing conditions it is hoped that the statement now presented will be found satisfactory to the shareholders.

It is more difficult than usual to forecast the results of next year's operations, due to the changes in the Tariff on cotton yarns and cotton piece goods, as announced by the Finance Minister when he recently brought down his Budget. Your Directors are making every possible effort to lower costs through increased economies believing that only as a last resort should wages be disturbed, as it is very desirable that the standard of living of our operatives may be fully maintained.

Should the textile business improve in England and in the United States, enabling mills in those countries to

market their production at a profit, the situation here would immediately show a change for the better, overcoming to some extent the loss suffered through recent tariff reductions. If the competition we are having at present continues unabated a lean year must be anticipated.

In the last few years both in England and in the United States, and more particularly in the latter country, experts in a variety of industries have been at work devising ways and means of lowering the cost of production by standardizing methods. In sympathy with this movement your Directors for months back have been studying methods of lowering costs in the mills of your Company, and to achieve the best possible results the Management is having a complete survey of the plants made by a group of American textile experts.

Through the death in September last of Mr. C. R. Hosmer, the Company's President, not only did your organization suffer a serious loss, but Canada as a whole is the poorer because of his passing. His genial disposition, his business acumen, his unbounded optimism, his unfailing and practical sympathy with every institution organized for the uplift or for the relief of suffering humanity, together with his loyalty to those with whom he was associated in business or otherwise, made him a much beloved, as well as an outstanding figure in the community. Mr. Hosmer was one of the great men of his day and generation, enjoying the unique experience of holding the respect and affection of rich and poor alike.

Mr. A. O. Dawson who held the position of Vice-President of the Company for many years was appointed to the Presidency, and the Hon. F. L. Beique, K.C., who has been a Director of the Company since its formation, accepted the position of Vice-President.

The vacancy on the Board has been filled by the election of Mr. W. A. Black, Mr. Hosmer's most intimate friend and business associate during his life-time. Mr. Black's long business record, together with his marked success in every field of endeavour, makes him a valuable asset to the Board.

The fine record of faithful services rendered by the staff and employees has been continued throughout the year, and acknowledgment of same is given herewith.

The books and accounts of the Company have been duly audited, and the Auditor's report is submitted herewith.

Respectfully submitted,
A. O. DAWSON,
President.

# Canadian Cottons Limited

## MANUFACTURING ACCOUNT

FOR YEAR ENDIND 31ST MARCH, 1928

| DR. | | CR. | |
|---|---|---|---|
| To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation, and Government Taxes to date | $9,185,568.92 | By Sales | $9,071,969.97 |
| | | Add Inventory of Cloth and Cotton in process of Manufacture, 31st March, 1928 | 1,283,848.84 |
| | | | 10,355,818.81 |
| To Balance Net Profits to Profit and Loss Account | 426,879.59 | Less Inventory of Cloth and Process on hand 31st March, 1927 | 743,370.30 |
| | $9,612,448.51 | | $9,612,448.51 |

## PROFIT AND LOSS ACCOUNT

31ST MARCH, 1928

| | | | |
|---|---|---|---|
| To Bond Interest on net amount outstanding | $145,651.59 | By Net Manufacturing Profits | $426,879.59 |
| Dividends on Preferred Shares $219,690.00 | | Interest on Bonds (A/c Sale Mount Royal Mill), etc. | 174,240.27 |
| Dividends on Common Shares 217,240.00 | | | |
| | $436,930.00 | | |
| Bad Debts | 6,155.66 | | |
| Balance forward | 12,382.61 | | |
| | $601,119.86 | | $601,119.86 |

# Canadian Cot tons Limited

## GENERAL STATEMENT

YEAR ENDING 31ST MARCH, 1928

### ASSETS

| | | |
|---|---|---|
| Cash | $ 200,450.78 | |
| Open Accounts (net cash basis), Bills Receivable and Call Loans | 2,654,040.04 | $ 2,854,490.82 |
| ***INVENTORY OF*** | | |
| Raw Cotton | 306,571.50 | |
| Cloth, Process and Yarn | 1,344,914.54 | |
| Supplies | 204,604.63 | |
| Insurance Unearned | 56,000.00 | 1,912,090.67 |
| Investment Bonds | | 1,649,939.51 |
| Total Current Assets | | 6,416,521.00 |
| Bonds in Treasury and for Sinking Fund | | 1,032,215.34 |
| Stocks in other Companies | | 125,206.00 |
| ***CAPITAL ASSETS*** | | |
| Mills, Plants, Properties, etc. | | 9,892,170.08 |
| | | $17,466.112,42 |

### LIABILITIES

| | | |
|---|---|---|
| Open Accounts including Tax Reserve | $1,274,714.03 | |
| Bond Interest and Dividends accrued | 149,212.50 | |
| Total Current Liability | | $1,423,926.53 |
| ***BONDS*** | | |
| Bonds | $5,000,000.00 | |
| Less Redeemed | 884,759.99 | 4,115,240.01 |
| ***CAPITAL*** | | |
| Preferred Authorized $4,500,000.00 | Issued | 3,661,500.00 |
| Common Authorized $3,500,000.00 | Issued | 2,715,500.00 |
| ***RESERVES*** | | |
| Depreciation | 2,100,000.00 | |
| Bad Debts | 100,000.00 | |
| Special Replacements | 600,000.00 | 2,800,000.00 |
| Surplus at Credit of Profit and Loss Account | | 2,749,945.88 |
| | | $17,466,112.42 |

Montreal, 24th April, 1928.
Audited and verified, C. W. BAKER (of Baker, Birnie & Co., Chartered Accountants)

A. O. DAWSON, F. L. BEIQUE } *Directors*

HUGH M. WATSON, *Secretary*

*To the Shareholders,*
*Canadian Cottons, Limited:*

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending 31st March, 1928.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet, based upon the certified inventories presented, are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

C. W. BAKER,
(of Baker, Birnie and Co., Chartered Accountants.)

Montreal, Que., April 24th, 1928.

# Canadian Cottons Limited

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*Manufacture*

DENIMS
COTTONADES
CASSIMERES
AUTOMOBILE FABRICS
COTTON TWEEDS
COTTON SUITINGS
PANTINGS
TICKINGS
AWNING FABRICS

SHIRTINGS
GALATEAS
DRESS GINGHAMS
CHAMBRAYS
NURSES CLOTHS
RIPPLETTES
ARTIFICIAL SILK FABRICS
DRESS GOODS
APRON GINGHAMS

FLANNELS
BLEACHED FLANNELETTES
NAPPED SHAKERS
TIE LININGS
COLOURED FLANNELETTES
NAPPED DOMETS
EIDERDOWNS
SILENCE CLOTHS
NAPPED SHEETINGS

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COTTON BLANKETS

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YARNS—UNBLEACHED, BLEACHED AND COLOURED
HOSIERY YARNS
WARP YARNS
TWINES