

ANNUAL REPORT
—
**CANADIAN GENERAL
ELECTRIC CO.**
LIMITED
1909



PURVIS HALL
LIBRARIES

JAN 9 1946

MCGILL UNIVERSITY

Canadian General Electric Company
Limited

ANNUAL REPORT *of the*
BOARD OF DIRECTORS

FOR THE YEAR ENDED
31ST DECEMBER
1909

DIRECTORS

W. R. BROCK, *President.*

H. P. DWIGHT, *First Vice-President.*

FREDERIC NICHOLLS, *Second Vice-President and General Manager.*

SIR WM. MORTIMER CLARK, LL.D., K.C.

HON. GEO. A. COX.

HON. ROBERT JAFFRAY.

A. E. DYMENT.

HON. J. K. KERR, K.C.

RODOLPHE FORGET.

WM. MACKENZIE.

HERBERT S. HOLT.

W. D. MATTHEWS.

JAMES ROSS.

SECRETARY

and Assistant-General Manager

J. J. ASHWORTH.

SOLICITORS

KERR, DAVIDSON, PATERSON & McFARLAND.

BANKERS

THE BANK OF MONTREAL.

THE CANADIAN BANK OF COMMERCE.

STOCK TRANSFER AGENTS

NATIONAL TRUST CO., TORONTO.

CANADIAN BANK OF COMMERCE, LONDON, ENGLAND.

Annual Report of the Directors

SUBMITTED TO THE SHAREHOLDERS AT THE ANNUAL
GENERAL MEETING, HELD AT THE OFFICES
OF THE COMPANY, IN TORONTO, ON
MONDAY, 28TH MARCH, 1910.

Your Directors submit herewith the Consolidated Balance Sheet of the Company as upon the 31st day of December, 1909, the combined statement of Profit and Loss for the year, and the Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

The Profit and Loss Statement, while showing that the Dividend for the year has been earned, does not reflect the actual measure of the prosperity of the Company at the end of the year. Owing to the financial and industrial depression existing in 1908 and extending well into 1909, the first half of our financial year showed discouraging results because of insufficient manufacturing orders to enable us to keep the various departments of our Works operating on an economical basis, and our desire, irrespective of profit, to find employment for as many as possible of our employees during the period of acute distress.

Fortunately, however, the latter part of the year showed such decided improvement that we almost succeeded in equalling the earnings of the previous year. At the time of closing our Books, we had more work in progress in various stages of completion than since 1907, but as the Company only inventories Work in Progress at the actual cost of labor and material, no estimated Profits have been taken into account.

Since the close of the year the marked improvement in volume of orders received has been maintained, and present trade conditions warrant the belief that this improvement will continue.

The Company, within the last two or three months, has secured some of the most important contracts for electrical apparatus ever awarded in any country, totalling nearly two hundred thousand horse-power. These include three generators of 15,000 horse-power each, three generators of 12,500 horse-power each, and two

of 11,000 horse-power each, and for size and importance have no counterpart in the world to-day, and it should be gratifying to our Shareholders that this Company is in the foremost rank as manufacturers of high-class machinery of such magnitude.

The Canada Foundry Company has just satisfactorily completed for the Canadian Government, at St. Andrew's Rapids, near Winnipeg, a movable dam of steel construction that is one of the most important engineering propositions yet undertaken in Canada, and have recently entered into a contract with the Dominion Iron and Steel Company for the construction of their new Blast Furnace Plant.

All departments of the Canada Foundry Company are now back to normal production, the Structural Steel Department being over-taxed. As we have had to forego much business for this Department, because of insufficient capacity, your Directors decided to provide for a largely increased output, and negotiations are now pending for the acquirement of a suitable location for the extension of this Department.

During the year our Bank Account was reduced below \$300,000, at which time our Accounts Receivable amounted to nearly \$2,000,000, but the rapid influx of orders necessitated the purchase of large quantities of Raw Materials, no less than \$400,000 of such materials, principally Iron, Steel and Copper, having been received during the month of December, with the result of increased borrowings to a moderate amount.

The great development of the Canadian North-West made it increasingly difficult to handle the business of that District from either our Vancouver or Winnipeg branches, and your Directors arranged to open a new Branch Office in Calgary, Alberta, which is now in operation.

W. R. BROCK,
President.

Certificate of Chartered Accountants

Price, Waterhouse & Co.
Chartered Accountants,

London (England), New York, Philadelphia, Chicago, St. Louis,
Pittsburg, San Francisco, Seattle, Mexico, and Montreal (Canada).

54 WILLIAM STREET, NEW YORK,
14th March, 1910.

*TO THE SHAREHOLDERS of the
CANADIAN GENERAL ELECTRIC COMPANY, Limited.*

We have examined the books and accounts of the Canadian General Electric Company, Limited, and of its subsidiary Companies (the Canada Foundry Company, Limited, and the Industrial Realty Company of Canada, Limited), for the year 1909, and we find that the annexed Consolidated Balance Sheet and Surplus Account are correctly prepared therefrom.

During the year there have been charged to Capital Accounts only expenditures in respect of actual additions, extensions or permanent improvements. Proper provision has been made for Depreciation of Plant and Equipment.

The Inventories of Raw Material, Supplies, Work in Progress and Manufactured Products have been taken and certified by responsible officials of the Company, and have been checked by us with the Factory records. The valuations have been accurately made at or below cost price, ample allowance being made in respect of goods that are either obsolete or not readily saleable.

Reserves have been made for Doubtful Accounts and Notes Receivable and for all ascertainable liabilities

We have verified the Cash, the Investments and the Bank Balances by actual inspection or by properly certified statements.

WE CERTIFY that the annexed Balance Sheet is properly drawn up so as to show the true position of the Company at December 31st, 1909, and that the Surplus Account shows the correct result of the operations for the year.

PRICE, WATERHOUSE & CO.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
AND SUBSIDIARY COMPANIES.

CONSOLIDATED BALANCE SHEET, 31ST DECEMBER, 1909.

ASSETS.	
CAPITAL ASSETS—	
Patents and Contracts.....	\$ 428,012.54
Real Estate, Buildings, etc., at Toronto, Peterboro, Montreal, Branches, and Power Plant at Nassau...	3,528,264.06
Machinery and Tools.....	1,687,299.56
Patterns and Drawings.....	347,220.47
	\$5,990,796.63
INVESTMENTS.....	211,630.00
CURRENT ASSETS—	
Cash.....	\$ 10,661.92
Accounts Receivable (less Reserve for doubtful debts).....	1,951,473.16
Notes Receivable.....	28,963.94
Inventory of Raw Material, Supplies, Work in Progress and Finished Materials.....	2,042,128.90
Expenditure on Contracts (less collections on account).....	47,990.39
	\$4,081,218.31
DISCOUNT AND INSURANCE UNEXPIRED.....	8,194.04
	\$10,291,838.98

LIABILITIES.	
CAPITAL LIABILITIES—	
Capital Stock, Common.....	\$4,700,000.00
Capital Stock, Preferred.....	2,000,000.00
	\$6,700,000.00
Mortgages.....	267,568.05
CURRENT LIABILITIES—	
Bank Advances.....	\$ 703,151.24
Accounts Payable.....	572,157.68
	\$1,275,308.92
RESERVE FOR DEPRECIATION.....	219,962.00
SURPLUS—	
Reserve.....	\$1,669,531.95
Profit and Loss Balance per account annexed.....	159,468.06
	\$1,829,000.01
(Contingent Liability on Notes Receivable, discounted . . .829,743.80)	
	\$10,291,838.98

We have audited the above Balance Sheet and certify that it is properly drawn up, so as to show the true financial position of the Company, on 31st December, 1909.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

CONSOLIDATED SURPLUS ACCOUNT

PROFIT FOR THE YEAR ENDED 31ST DECEMBER, 1909.		
(Before providing for Depreciation and Interest on borrowed Capital).....		\$625,990.23
LESS—		
Depreciation of Buildings, Machinery, Patterns, etc.....	\$ 91,093.00	
Interest.....	51,660.52	
	142,753.52	
LESS Dividends Paid.....		483,236.71
		469,000.00
		14,236.71
ADD—		
Undivided Profits as at 31st December, 1908*		145,231.35
Balance at Credit of Profit and Loss Account.....		159,468.06
Reserve Fund, as at 31st December, 1908.....		1,669,531.95
		\$1,829,000.01
		\$1,829,000.01

Certified to be correct,

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

LYNDHURST OGDEN,
Auditor.

14th March, 1910.

DIVIDENDS.

The following table sets forth the Dividends that have been paid on the Common Stock of the Company since 1893. For the year 1896 no Dividend was paid, owing to the revision of the contract with the General Electric Company, under which they surrendered a portion of the Common Stock at that time held by them in exchange for a lesser quantity of Preferred Stock:—

1893.....	6%.....	\$	85,641.41
1894.....	6%.....		87,768.53
1895.....	6%.....		87,982.29
1897.....	6%.....		71,330.57
1898.....	8%.....		81,000.00
1899.....	10%.....		108,000.00
1900.....	10%.....		127,623.07
1901.....	10%.....		166,750.00
1902.....	10%.....		213,739.22
1903.....	10%.....		269,277.98
1904.....	10%.....		284,890.00
1905.....	10%.....		335,499.11
1906.....	10%.....		484,690.14
1907.....	10%.....		488,000.00
1908.....	7%.....		439,042.30
1909.....	7%.....		469,000.00
Total.....			\$3,800,234.62

GREATEST OF GENERATORS.

NOW UNDER CONTRACT BY CANADIAN GENERAL ELECTRIC CO.

OVER 82,000 OF ADDITIONAL HORSE-POWER TO BE INSTALLED AT
NIAGARA, INCLUDING THE THREE GREATEST POWER
GENERATORS IN EXISTENCE.

Toronto Globe, 10th March, 1910.

There have been many signs of improvement in trade conditions during the past few months, and most manufacturers are experiencing the benefit of returning prosperity, but it is doubtful if the remarkable record of the Canadian General Electric Company, Limited, can be duplicated, not only because of their largely increased volume of business, but more particularly on account of the fact that several contracts have recently been closed for electric generators which for size and importance have no counterpart in the world to-day.

Some of the recent contracts closed by the Canadian General Electric Company are with the Electrical Development Company of Ontario, who are duplicating their output at Niagara Falls, this order calling for three enormous generators of 15,000 horse-power each, which establishes a world's record for size of individual units. Another contract of equal importance has been closed with the Ontario Power Company, who are also largely increasing their output at Niagara Falls, and have placed their order for three generators of 12,500 horse-power each. Still another contract of record-breaking magnitude has been closed with the Western Canada Power Company of Vancouver for two generators of 10,000 horse-power each, making a total of over 100,000 in these three contracts alone, in addition to about as much again made up of a multitude of smaller contracts.

All of this has been accomplished so quietly that one hardly realizes its tremendous importance, not only to the manufacturing company but to Canada as a whole. The addition of 200,000 horse-power to the output of producing electrical companies means that they must see ahead a market for the use of that amount of power, which in turn means that millions of dollars will be spent in new mills, factories and machinery, and additional employment given to thousands of workmen in our own country.

The lessons to be learned by those not directly interested in the company are as follows:—

(1) That Canada stands unrivalled in the number and magnitude of her water powers.

(2) That the rapid growth of the Dominion in population and enterprise has created an enormous demand for Hydro-electric power.

(3) That capital is being invested in vast sums in the development of Hydro-electric power undertakings.

(4) That the largest generators in the world to-day are being built by a Canadian company, which has the necessary enterprise and manufacturing facilities to take such foremost rank.

GENERAL OFFICES

COR. KING AND SIMCOE STREETS, TORONTO, ONT.

DISTRICT OFFICES

MONTREAL, QUE. HALIFAX, N.S. OTTAWA, ONT. COBALT, ONT.

WINNIPEG, MAN. CALGARY, ALTA. VANCOUVER, B.C.

ROSSLAND, B.C.

FACTORIES

CANADIAN GENERAL ELECTRIC Co., LIMITED,

PETERBORO, ONT.

CANADA FOUNDRY Co., LIMITED,

TORONTO, ONT.

ORNAMENTAL IRON DEPT.,

TORONTO, ONT.



NEW EXECUTIVE OFFICES

CANADIAN GENERAL ELECTRIC (S) LIMITED

KING & SIMCOE STS
TORONTO

CANADA FOUNDRY COMPANY LIMITED