

ANNUAL REPORT

CANADIAN GENERAL
ELECTRIC Co.
LIMITED
1914



*Annual Report
of the Board of Directors*

*for the Year ended
Dec. 31st, 1914*



*Canadian General Electric Company
Limited*

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

GENERAL OFFICES

COR. KING AND SIMCOE STREETS, TORONTO, ONT.

DISTRICT OFFICES

MONTREAL, QUE.

HALIFAX, N.S.

OTTAWA, ONT.

COBALT, ONT.

SOUTH PORCUPINE, ONT.

FORT WILLIAM, ONT.

WINNIPEG, MAN.

REGINA, SASK.

SASKATOON, SASK.

CALGARY, ALTA.

EDMONTON, ALTA.

NELSON, B.C.

VANCOUVER, B.C.

VICTORIA, B.C.

PRINCE RUPERT, B.C.

FACTORIES

CANADIAN GENERAL ELECTRIC CO., LIMITED

PETERBORO, ONT.

TORONTO, ONT.

TUNGSTEN AND CARBON LAMP WORKS

TORONTO, ONT.

PETERBORO, ONT.

MONTREAL, QUE.

CANADIAN ALLIS-CHALMERS, LIMITED

TORONTO, ONT.

MONTREAL, QUE.

BRIDGEBURG, ONT.

STRATFORD, ONT.

ARCHITECTURAL BRONZE AND IRON WORKS

TORONTO

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

DIRECTORS

W. R. BROCK, Hon. President and Chairman of the Board.
LT.-COL. FREDERIC NICHOLLS, President.
W. D. MATTHEWS, Vice-President.
HON. J. K. KERR, K.C., Vice-President.

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

H. C. COX.

A. E. DYMENT.

SIR RODOLPHE FORGET.

SIR HERBERT HOLT.

HON. J. S. HENDRIE, C.V.O.

SIR WILLIAM MACKENZIE.

F. GORDON OSLER.

J. K. L. ROSS.

SECRETARY

AND ASSISTANT GENERAL MANAGER

J. J. ASHWORTH.

SOLICITORS

KERR, DAVIDSON, PATERSON & McFARLAND.

BANKERS

THE BANK OF MONTREAL.
THE CANADIAN BANK OF COMMERCE.
THE DOMINION BANK.

STOCK TRANSFER AGENTS

NATIONAL TRUST CO., LIMITED, TORONTO.
NATIONAL TRUST CO., LIMITED, MONTREAL.
CANADIAN BANK OF COMMERCE, LONDON, ENGLAND.

DIRECTORS

W. R. BROCK, HON. PRESIDENT AND CHAIRMAN OF THE BOARD.

PRESIDENT, WESTERN ASSURANCE CO.
DIRECTOR, TORONTO GENERAL TRUSTS CORPORATION.

LT.-COL. FREDERIC NICHOLLS, PRESIDENT.

VICE-PRESIDENT, TORONTO RAILWAY COMPANY.
VICE-PRESIDENT, DOMINION STEEL CORPORATION, LTD.

W. D. MATTHEWS, VICE-PRESIDENT.

VICE-PRESIDENT, DOMINION BANK.
DIRECTOR, CANADIAN PACIFIC RAILWAY.

HON. J. K. KERR, K.C., VICE-PRESIDENT.

DIRECTOR, GREAT NORTH WESTERN TELEGRAPH CO.
DIRECTOR, LONDON ELECTRIC CO., LIMITED.

SIR WILLIAM MORTIMER CLARK, LL.D., K.C., DIRECTOR.

DIRECTOR, CONSUMERS' GAS COMPANY.
DIRECTOR, TORONTO GENERAL TRUSTS CORPORATION.

H. C. COX, DIRECTOR.

PRESIDENT, CANADA LIFE ASSURANCE COMPANY.
PRESIDENT, TORONTO SAVINGS AND LOAN COMPANY.

A. E. DYMENT, DIRECTOR.

DIRECTOR, ROYAL BANK.
PRESIDENT, DYMENT SECURITIES, LOAN AND SAVINGS CO.

SIR RODOLPHE FORGET, DIRECTOR.

VICE-PRESIDENT, MONTREAL LIGHT, HEAT AND POWER CO.
DIRECTOR, TORONTO RAILWAY COMPANY.

COL. THE HON. J. S. HENDRIE, C.V.O., DIRECTOR.

LIEUT.-GOVERNOR OF ONTARIO.
PRESIDENT, BANK OF HAMILTON.

SIR HERBERT HOLT, DIRECTOR.

PRESIDENT, ROYAL BANK OF CANADA.
PRESIDENT, MONTREAL LIGHT, HEAT AND POWER CO.

SIR WILLIAM MACKENZIE, DIRECTOR.

PRESIDENT, CANADIAN NORTHERN RAILWAY.
PRESIDENT, TORONTO RAILWAY COMPANY.

F. G. OSLER, DIRECTOR.

DIRECTOR, CANADA PERMANENT MORTGAGE CORPORATION.
DIRECTOR, MANUFACTURERS LIFE INSURANCE COMPANY.

J. K. L. ROSS, DIRECTOR.

DIRECTOR, LAKE OF THE WOODS MILLING CO., LIMITED.
DIRECTOR, DOMINION BRIDGE CO., LIMITED.



Main Electrical Works, Peterboro, Ont.

ANNUAL REPORT OF THE DIRECTORS

TO BE SUBMITTED TO THE SHAREHOLDERS AT THE
ANNUAL GENERAL MEETING OF THE COMPANY IN TORONTO,
ON WEDNESDAY, MARCH 3rd, 1915.

Your Directors submit herewith the Balance Sheet of the Company as upon the 31st day of December, 1914, also Statement of Profit and Loss for the year, and Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

In view of unsatisfactory trade conditions which have obtained since the presentation of our last Annual Report, and which during the last five months of the year were much accentuated as a result of the European War, your Directors believe that the Statement now presented to the Shareholders is cause for congratulation. Fortunately the conservative policy, that has been pursued during prosperous years, of accumulating large Reserves, and of writing down in our books of account of



Canadian Allis-Chalmers, Limited, Works, Toronto, Ont.

both Capital and Current Assets to a minimum value, has placed the Company in an exceptionally strong financial position.

It will be seen from an examination of our Balance Sheet that Liabilities have been reduced by over \$4,200,000.00. We have, out of this sum, paid off all loans to Bankers, and have reduced Accounts Payable to a minimum.

You will note that at the close of the year Current Assets aggregated \$7,999,022.22.

Since the end of our fiscal year we have further reduced our Liabilities by re-payment of the loan of \$100,000.00 obtained in connection with the construction of the Sunbeam Plant, and have also paid the Dividend of \$140,000.00 carried as a liability at December 31st, 1914.

The last Annual Report of your Directors contained the following paragraph:—

“The policy of the Company has always been to borrow funds to finance large contracts during progress so as to avoid a fixed dividend charge in the event of any serious recession in trade.”



Architectural Bronze and Iron Works, Toronto, Ont.

The wisdom of this policy has been fully vindicated by present results. We have experienced a serious recession in trade; have liquidated sufficient of our Current Assets to pay off our loans, and are therefore under no interest charges for borrowed capital. On the other hand, had we depended on Share Capital for carrying large contracts our Share Capital would have been \$4,000,000.00 in excess of its present total, which, in view of reduced earnings, would have meant a reduction in the rate of Dividend paid. Happily, with a minimum of Share Capital, and by a policy of rigid economy, we have earned sufficient to continue payment of Dividends at the same rate as heretofore, without invading our Reserves, or the balance at the credit of Profit and Loss, which latter has been accumulated, and can be used if necessary, to maintain Dividends.

Our present Surplus amounts to \$3,640,762.38, and as in addition we still retain intact our Inactive Reserve of \$1,517,068.39, it will be seen that our total Reserve available amounts to over \$5,000,000.00, equal to 50 per cent. of our paid up Capital, and in this connection it may also be noted that our Patents, Contracts, and other manufacturing rights, for the



Carbon and Tungsten Lamp Works, Toronto, Ont.

acquisition of which large sums have been distributed from time to time, are carried in our books at the nominal value of \$1.00.

Our Balance Sheet for the year ended December 31st, 1913, showed a Reserve for Depreciation of \$1,537,605.42, which Reserve has been set up during the last six years only, as previous to that time it had been the custom to write the yearly allowance for depreciation off the Assets, instead of carrying it forward as a Reserve for Depreciation account as at present. During prosperous years we have written off more than was necessary, so as to provide for conditions like those with which we are now met, so that this year your Directors have not considered it necessary to augment this account, but all repairs and replacements have been charged direct to Expense Account.

Following the usual policy of the Company, the Inventory has been taken at or below cost, and sufficient allowance has been made in respect of any goods considered to be either obsolete or not readily saleable.



Bridge Works, Bridgeburg, Ont.

Since the outbreak of war Canadians have had to grapple with many problems of Nationhood for the first time. We not only have been confronted with a serious industrial and financial situation, previously existent and aggravated by war conditions, but in addition thereto have had, individually and collectively, to assist to the measure of our ability in the maintenance of our freedom and that of the Empire of which we form a not inconsiderable part. Your Directors, after having ascertained from the authorities that such action would be helpful, have enlisted and are maintaining a detachment of twenty-five electrical and mechanical Engineers for service during the continuance of the war, and for this purpose, in addition to contributions to the Canadian Patriotic Fund, the Red Cross Society, and other benevolent objects, have set aside the sum of \$50,000.00, which action of your Directors the Shareholders are now asked to confirm.

Your Directors desire to express their great regret at the death of two Directors of the Company since the last Annual Meeting. The late Mr. E. W. Cox had only been recently elected a Director of the Company in succession to his father, the late Hon. Geo. A. Cox.



Tungsten Lamp Works, Montreal, Que.

The late Hon. Robert Jaffray was a charter member of the Company, having been one of its original Directors, and had given his valuable services to the Company for a quarter of a century. The vacancy created by the death of the late Mr. E. W. Cox has been filled by the election of his brother, Mr. H. C. Cox, President of the Canada Life Assurance Company, and the vacancy created by the death of the late Senator Jaffray has been filled by the election of Col. the Hon. John S. Hendrie, C.V.O., Lieutenant-Governor of the Province of Ontario.

FREDERIC NICHOLLS,
President.

CERTIFICATE OF CHARTERED ACCOUNTANTS

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

LONDON
MEXICO
BUENOS AYRES

CABLE ADDRESS: "PRICEWATER," TORONTO
PRICE, WATERHOUSE & CO.

CHARTERED ACCOUNTANTS IN
ENGLAND AND WALES

NEW YORK
CHICAGO
PHILADELPHIA
BOSTON
ST. LOUIS
PITTSBURGH
SAN FRANCISCO
LOS ANGELES
SEATTLE

Jarvis Building,
Toronto, February 15th, 1915.

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, for the year 1914, and 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.

The Inventories of Raw Material, Supplies, Work in Progress and Manufactured Products have been taken in accordance with the Company's usual custom, and have been certified to by responsible officials. The valuations have been accurately made at or below cost, and sufficient allowance has been made in respect of any goods considered to be 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 at 31st December, 1914, is properly drawn up so as to show the true financial position of the Company at that date. In view of the abnormal conditions resulting from the war, and for the further reasons given in the President's Report, no charge has been made against the past year's Profits for Depreciation of Plant and Equipment.

PRICE, WATERHOUSE & CO.

**CANADIAN GENERAL ELEC
AND SUBSIDIARY
CONSOLIDATED BALANCE**

ASSETS.

CAPITAL ASSETS—

Real Estate, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices, Power Plant at Nassau, Canadian Sunbeam Lamp Company, Limited, and Canadian Allis-Chalmers, Limited.....	\$ 6,244,636.35
Machinery and Tools.....	3,228,028.18
Patterns and Drawings.....	708,913.22
Patents, Contracts and Goodwill.....	1.00
Total Capital Assets.....	\$10,181,578.75

CURRENT ASSETS—

Inventory of Raw Material, Supplies, Work in Progress and Finished Materials, including expenditures on Contracts (less collections on account)	\$4,226,392.93
Accounts Receivable (less reserve for doubtful debts).....	3,316,317.15
Bills Receivable.....	140,005.17
Investments.....	233,422.24
Cash.....	82,884.73
	7,999,022.22

DEFERRED CHARGES.....	42,302.65
	\$18,222,903.62

**TRIC COMPANY, LIMITED
COMPANIES
SHEET, 31st DECEMBER, 1914**

LIABILITIES.

CAPITAL STOCK—

Common—Authorized	\$10,000,000.00
Issued	\$ 8,000,000.00
Preferred—Authorized and Issued.....	2,000,000.00
	\$10,000,000.00

BONDED AND OTHER INDEBTEDNESS—

Mortgage Obligations on properties purchased....	\$514,643.96
Bonded Indebtedness on properties purchased....	701,500.00
Deferred liability on purchase of Allis-Chalmers-Bullock, Limited, secured by bonds of the Canadian Allis-Chalmers, Limited, over the Rockfield plant, of a par value of \$700,000.	600,000.00
	1,816,143.96
Balance of Loan re New Plant, Canadian Sunbeam Lamp Co., Limited, paid February, 1915	100,000.00
Deposits with Tenders, etc.....	77,629.94
CURRENT ACCOUNTS PAYABLE.....	930,978.35
DIVIDEND ON COMMON STOCK, paid 2nd January, 1915	140,320.60
RESERVE FOR DEPRECIATION	1,517,068.39
SURPLUS, per Account Annexed—	
Reserve	\$2,700,000.00
Profit and Loss Balance....	940,762.38
	3,640,762.38
(Contingent Liability on Bills Receivable Discounted \$613,171.68)	\$18,222,903.62

We have audited the above Balance Sheet, and certify that it is properly drawn up, and in our opinion shows the true financial position of the Company, on 31st December, 1914.

PRICE, WATERHOUSE & CO., Chartered Accountants.	LYNDHURST OGDEN, Auditor.
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Electrical Supply Works, Toronto, Ont.



Electric Porcelain Works, Peterboro, Ont.

CONSOLIDATED SURPLUS ACCOUNT

Profit for the year ended 31st December, 1914, before providing for Depreciation and Interest on borrowed capital.....	\$ 914,527.82
Less—	
Interest.....	190,956.65
Net Profit for the Year before providing for Depreciation.....	\$ 723,571.17
Less—Dividends Paid.....	696,741.13
Surplus for the Year.....	\$ 26,830.04
Add—	
Undivided Profits as at 31st December, 1913.....	913,932.34
Balance at Credit of Profit and Loss Account.....	\$ 940,762.38
Reserve.....	2,700,000.00
Surplus per Balance Sheet.....	<u>\$3,640,762.38</u>

DIVIDENDS

The following table sets forth the Dividends that have been paid since 1893:

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
1910.....	7%	494,624.83
1911.....	7%	525,109.37
1912.....	7% and 1% Bonus.	689,871.80
1913.....	7% and 1% Bonus.	776,634.17
1914.....	7%	696,741.13
Total.....		<u>\$6,983,215.92</u>



Canadian Allis-Chalmers, Limited, Montreal, Que.



Canadian Allis-Chalmers, Limited, Stratford, Ont.



