

CANADIAN GENERAL ELECTRIC COMPANY LIMITED



ANNUAL REPORT

1921

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Annual Report
of the Board of Directors

for the Year ended
Dec. 31st, 1921



Canadian General Electric Company
Limited

**CANADIAN GENERAL ELECTRIC COMPANY
LIMITED**

AND SUBSIDIARY COMPANIES

GENERAL OFFICES

**212-218 KING STREET WEST, TORONTO, ONT.
(COR' KING AND SIMCOE STREETS)**

DISTRICT OFFICES

HALIFAX, N.S.	WINDSOR, ONT.
SYDNEY, N.S.	COBALT, ONT.
ST. JOHN, N.B.	SOUTH PORCUPINE, ONT.
MONTREAL, QUE.	WINNIPEG, MAN.
QUEBEC, QUE.	CALGARY, ALTA.
SHERBROOKE, QUE.	EDMONTON, ALTA.
OTTAWA, ONT.	NELSON, B.C.
HAMILTON, ONT.	VANCOUVER, B.C.
LONDON, ONT.	VICTORIA, B.C.

FACTORIES

CANADIAN GENERAL ELECTRIC CO., LIMITED
PETERBORO, ONT. TORONTO, ONT.

TUNGSTEN AND CARBON LAMP WORKS
TORONTO, ONT.

CANADIAN ALLIS-CHALMERS, LIMITED

TORONTO, ONT. BRIDGEBURG, ONT.
MONTREAL, QUE. STRATFORD, ONT.

ARCHITECTURAL BRONZE AND IRON WORKS
TORONTO

**CANADIAN GENERAL ELECTRIC COMPANY
LIMITED**

DIRECTORS

A. E. DYMENT, President

STEPHEN HAAS, Vice-President

J. J. ASHWORTH, General Manager

GEORGE W. BEARDMORE	SIR HERBERT HOLT
H. C. COX	SIR JAMES LOUGHEED, K.C.M.G.
COL. THE HON.	W. L. MATTHEWS
SIR J. S. HENDRIE, C.V.O.	SIR WILLIAM MACKENZIE
F. GORDON OSLER	W. G. ROSS
	W. D. ROSS

ASSISTANT GENERAL MANAGER

J. A. BREMNER

SECRETARY

W. H. NESBITT

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

A. E. DYMENT, PRESIDENT.

DIRECTOR, ROYAL BANK OF CANADA.
VICE-PRESIDENT, DOMINION SUGAR CO.

STEPHEN HAAS, VICE-PRESIDENT.

VICE-PRESIDENT, UNION BANK OF CANADA.
PRESIDENT, GEO. H. HEES, SON & CO.

J. J. ASHWORTH, GENERAL MANAGER.

DIRECTOR, CANADIAN EDISON APPLIANCE CO., LTD.
DIRECTOR, CANADIAN ALLIS-CHALMERS, LTD.

GEORGE W. BEARDMORE, DIRECTOR.

OF MESSRS. BEARDMORE & CO.
VICE-PRESIDENT, THE NATIONAL LIFE ASSURANCE CO. OF
CANADA.

H. C. COX, DIRECTOR.

PRESIDENT, CANADA LIFE ASSURANCE COMPANY.
DIRECTOR, CANADIAN BANK OF COMMERCE.

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

PRESIDENT, BANK OF HAMILTON.
PRESIDENT, HAMILTON BRIDGE WORKS COMPANY.

SIR HERBERT HOLT, DIRECTOR.

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

SIR JAMES LOUGHEED, K.C.M.G., DIRECTOR.

DIRECTOR, CANADA LIFE ASSURANCE CO.
DIRECTOR, CANADA SECURITY ASSURANCE CO.

SIR WILLIAM MACKENZIE, DIRECTOR.

CHAIRMAN, BRAZILIAN TRACTION, LIGHT AND POWER CO.
PRESIDENT, TORONTO RAILWAY COMPANY

W. L. MATTHEWS, DIRECTOR.

DIRECTOR, DOMINION BANK.
DIRECTOR, CONFEDERATION LIFE ASSOCIATION.

F. G. OSLER, DIRECTOR.

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

W. G. ROSS, DIRECTOR.

DIRECTOR, MONTREAL TRAMWAYS COMPANY.
PRESIDENT, ASBESTOS CORPORATION OF CANADA, LIMITED.

W. D. ROSS, DIRECTOR.

DIRECTOR, BANK OF NOVA SCOTIA.
VICE-PRESIDENT, NOVA SCOTIA STEEL AND COAL COMPANY,
LIMITED.



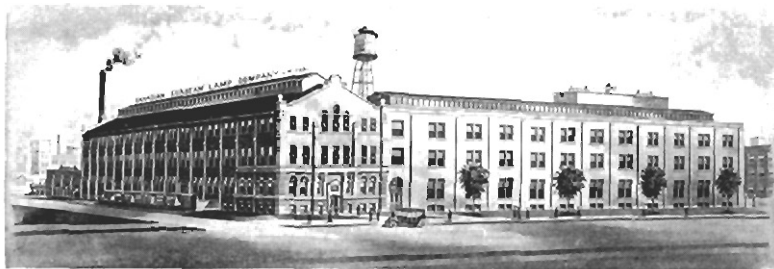
Head Office, 212 King St. W., Toronto



Warehouse and Showroom, 214-218 King St. W., Toronto



Main Electrical Works, Peterboro, Ont.



Tungsten and Carbon Lamp Works, Toronto, Ont.

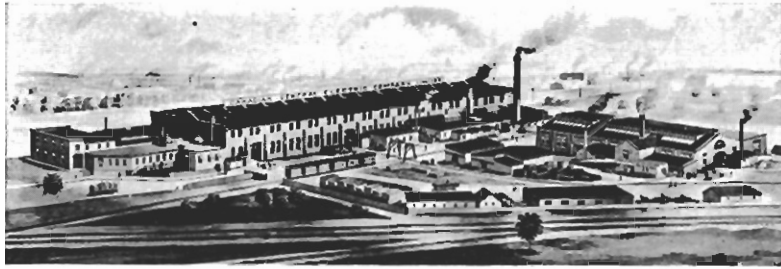
ANNUAL REPORT OF THE DIRECTORS.

TO BE SUBMITTED TO THE SHAREHOLDERS AT THE
ANNUAL GENERAL MEETING OF THE COMPANY IN TORONTO
ON TUESDAY, MARCH 28th, 1922.

On behalf of the Directors of your Company, I now submit their Annual Report for the year ending 31st of December, 1921.

While the year 1920 was one of great expansion in both volume of business and in profits for your Company, the year covered by this present Report was one for the whole country of very great shrinkage in the amount of business secured and profits made, and your Company was no exception to this general condition.

Optimistic forecasts have been made from time to time as to the future of the electrical business, and it seems to be in the public mind that no matter how unfavorable conditions may be in all other lines of business, the manufacture of electrical apparatus and supplies in Canada must continue extremely profitable, and while this may be true to a certain extent on account of Canada's water power potentialities, it is equally true that during periods of general depression your business must suffer. A large percentage of your Company's business is in incandescent lamps, wire, electrical devices and supplies used for electrical installations in houses, factories and other buildings, so that when these are not being built or extended, this department of your business must necessarily be adversely affected. The immediate result of such a condition is a lessened demand for electric power and consequently for the larger types of appar-



Vacuum Tube Division, King St. Subway, Toronto, Ont.

atus, the construction of which in normal times has kept our factories fully occupied. Therefore, until we experience a general improvement in trade conditions and greater activity in building operations and other construction work, we cannot look for any substantial increase in our volume of business.

A reference to the statement of Profit and Loss will show that a profit of \$1,707,339.66 was earned and that after deducting \$599,416.60 for interest paid on borrowed capital, and \$401,830.90 for depreciation, there remains a net profit of \$706,092.16. This, added to the undivided profits of \$778,672.28 carried over from last year, makes \$1,484,764.44 to the credit of Profit and Loss account. From this amount \$927,038.31 has been paid in dividends at the rate of 8% per annum on the Common Stock and 7% per annum on the Preferred Stock, leaving a balance of \$557,726.13 carried to the credit of this account; from this you will see that we had to draw on our undivided profits to the extent of \$220,946.15 to provide for the above dividends.

The balance sheet presented herewith has been prepared in accordance with your Company's usual conservative practice. The Inventory at each of our Works, and elsewhere, has been carefully reviewed as to quantity, quality and valuation and is carried in the Balance Sheet at or below market value. Adequate provision has been made for any anticipated losses in Accounts Receivable and all known liabilities have been taken into account.

The cash outlay on plants and equipment during the year amounted to about \$1,400,000.00, and was practically limited to carrying out and completing extensions



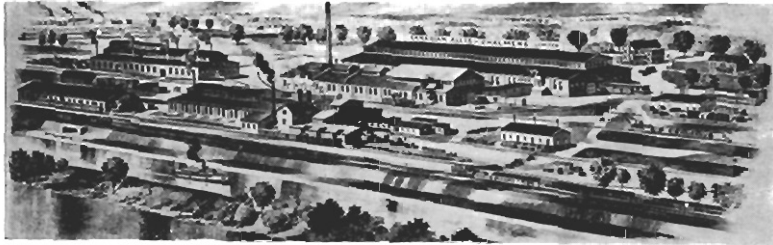
Architectural Bronze and Iron Works, Toronto, Ont.

commenced in 1920, and no new additions are contemplated in the immediate future.

As the Canadian Appraisal Company, Limited, which had been retained to make a complete itemized appraisal, submitted its report showing the net appreciated value of buildings, plants and equipment to be over \$12,000,000.00 in excess of our net book values, your Directors, with the approval of your Auditors, passed a Resolution authorizing the officers of the Company to write up the book values of the fixed assets by \$4,000,000.00, this amount being carried to the credit of the Surplus Account.

In our last Annual Report to the Shareholders, we advised that it was proposed to submit to the Shareholders at a Special General Meeting to be called for the purpose, a proposal whereby a portion of our Accumulated Surplus would be distributed to the Common Shareholders in the form of a Stock Dividend of 20%. This Special General Meeting was held on Wednesday, June 15th, 1921, when your Directors were authorized to apply for Supplementary Letters Patent, which were subsequently obtained, increasing the authorized Capital from \$12,000,000.00 to \$20,000,000.00. From this increase your Directors have distributed to Shareholders of record of July 15th, 1921, a portion of our accumulated Surplus arising from the appreciated value of the Capital Assets, in the form of a Common Stock Dividend of 20%, amounting to \$1,800,000.00.

By reference to the Balance Sheet you will observe that our Patents and Goodwill are carried at the nominal value of One Dollar, but as an indication of their actual



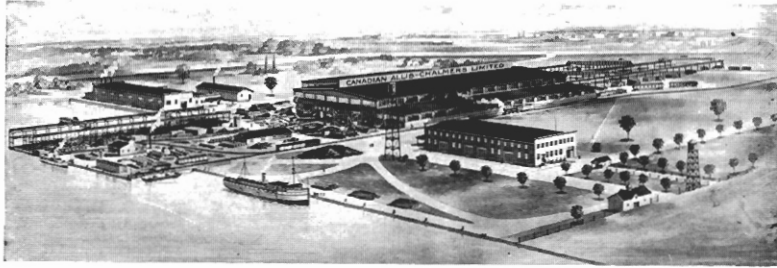
Canadian Allis-Chalmers, Limited, Montreal, Que.

value, I may say that some time ago an arrangement was concluded under which we granted a license to the Marconi Wireless Telegraph Company of Canada, Limited, to manufacture, use and sell devices in connection with wireless telegraph and telephone operations; the patents for which are the property of your Company and included in the above account. As a consideration, we have received a considerable portion of the share capital of that Company.

The Marconi Wireless Telegraph Company of Great Britain is interested with us on an equal share basis in the Canadian Company, and as it is expected that the next few years will witness a great development in the use of wireless telegraph and telephone apparatus, the outcome of this transaction should be very satisfactory.

A further arrangement was entered into under which we took a material interest in the Canadian Radio Corporation, Limited, of Toronto, controlling the Canadian Independent Telephone Company, Limited. This Company is rapidly developing the manufacture and distribution of wired wireless, standard telephone and automatic telephone apparatus under the Squier and De Forest patents which it owns for Canada.

As announced in the last Annual Report, the late Honourable Frederic Nicholls had retired from the position of President and General Manager, and accepted the position of Chairman of the Board, vacated by Mr. A. E. Dymont, Vice-President, who was elected President, and Mr. J. J. Ashworth, Assistant General Manager, was elected General Manager. Mr. Stephen Haas was elected



Canadian Allis Chalmers, Limited, Bridgeburg, Ont.

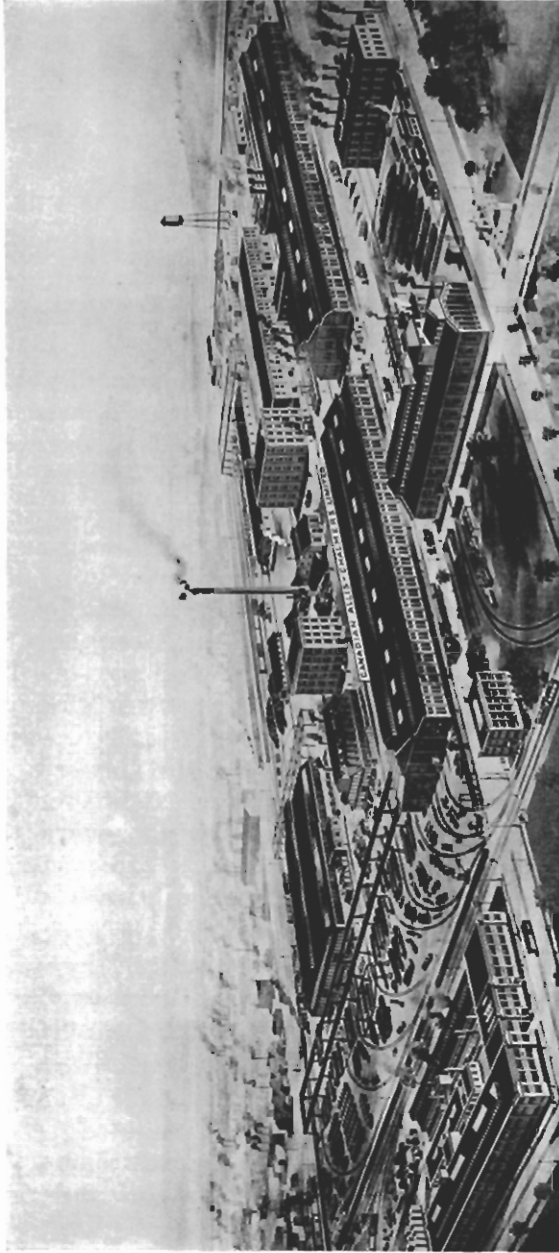
to the position of Vice-President, vacated by Mr. A. E. Dymont, and Mr. W. D. Ross, of Toronto, was elected a Director to fill the vacancy on the Board caused by the death of the late Honourable Frederic Nicholls.

About a year ago, the late Honourable Frederic Nicholls presided at the Annual Meeting of this Company, and in concluding the Directors' Report said "In signing this report I do so for the last time," referring to his intention to retire from the Presidency of the Company. No one who was in this room at that time and saw the late Honourable Frederic Nicholls in apparently his usual robust health thought for a moment that though he would not sign the Annual Report again, he would not be here to-day to take part in the proceedings of this meeting. His death was a shock to those of us who were closest to him, and a great loss to those who were accustomed to consult with him about the affairs of the Company.

It is with pleasure that I express my appreciation of the hearty co-operation of the Board of Directors and of the valuable and faithful services rendered by the Officers and employees of the Company throughout the year.

On behalf of the Directors I beg to move that the Balance Sheet as at December 31st, 1921, the Consolidated Surplus Account ended on that date, and the Report of the Directors to the Shareholders, together with the Certificate of the Auditors, be and are hereby received and adopted.

A. E. DYMENT,
President.



Canadian Alibs-Chambers, Limited, Toronto, Ont.

CERTIFICATE OF CHARTERED ACCOUNTANTS

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

BUENOS AIRES
RIO DE JANEIRO
VALPARAISO

LONDON
PARIS
ROTTERDAM

CAIRO
ALEXANDRIA

CABLE ADDRESS: "PRICEWATER," TORONTO

PRICE, WATERHOUSE & CO.

CHARTERED ACCOUNTANTS

NEW YORK
CHICAGO
PHILADELPHIA
BOSTON
ST. LOUIS
PITTSBURG
CLEVELAND
DETROIT
MILWAUKEE
SAN FRANCISCO
LOS ANGELES
SEATTLE

Royal Bank Building,
Toronto, March 14th, 1922

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 ending December 31st, 1921, and have obtained all the information and explanations which we required.

The charges during the year to the Property Accounts represent only actual additions, extensions or permanent improvements, and sufficient provision has been made for depreciation of Plant and Equipment.

The inventories of Raw Material, Supplies, Work in Progress and Manufactured Products were taken in accordance with the Company's usual custom, and have been certified to by responsible officials. The valuations have been accurately made at cost or market value, whichever was lower, and reserves are carried to provide against shrinkage in values.

Full provision has been made for Doubtful Accounts Receivable, and for all ascertainable liabilities.

The cash on hand, Investments and the Bank Balances have been verified by actual inspection or by properly certified statements.

We certify that in our opinion the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the Books of the Company.

PRICE, WATERHOUSE & COMPANY,
Auditors.

CANADIAN GENERAL ELECTRIC
AND SUBSIDIARY
CONSOLIDATED BALANCE

TRIG COMPANY, LIMITED
COMPANIES
SHEET, 31st DECEMBER, 1921

ASSETS.

Capital Assets—	
Land, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices, and Power Plant at Nassau	\$11,860,241.87
Machinery and Tools	7,505,075.93
Patterns and Drawings.....	1,012,161.60
Patents, Contracts and Goodwill.....	1.00
Total Capital Assets	\$20,377,480.40
Current Assets—	
Inventory of Raw Material, Supplies, Work in Progress and Finished Materials, including expenditures on Contracts (less collections on account) ..	\$8,677,682.46
Accounts Receivable (less Reserve for Doubtful Accounts)	3,963,518.40
Mortgages Receivable.....	79,500.00
Investments.....	822,670.69
Cash on hand and in Banks	577,697.57
Prepaid Insurance Premiums, etc.	116,284.72
Total Current Assets.....	14,237,353.84
	\$34,614,834.24

A. E. DYMENT, President.
STEPHEN HAAS, Vice-President.

LIABILITIES.

Capital Stock—	
Common—Authorized	\$18,000,000.00
Preferred “	2,000,000.00
	\$20,000,000.00
Common Issued	\$10,800,000.00
Preferred—Authorized and Issued.....	2,000,000.00
	\$12,800,000.00
Mortgage Obligations on Properties Purchased.....	61,250.00
Contingent Liabilities.....	194,458.90
Current Accounts and Bills Payable	8,380,321.18
Dividend on Common Stock Accrued paid January 1st, 1922.....	215,914.00
Reserve for Depreciation.....	5,405,161.03
SURPLUS per Account Annexed— Reserve.....	\$7,000,000.00
Profit and Loss	557,726.13
	7,557,726.13
	\$34,614,834.24

With our Report to the Shareholders dated 14th March,
1922 appended hereto.

PRICE, WATERHOUSE & CO.,
Auditors.

CONSOLIDATED SURPLUS ACCOUNT.

Profit for the year ended December 31st, 1921, before providing for Depreciation and Interest on Borrowed Capital	\$1,707,339.66
Less—	
Reserve for Depreciation of Plant and Equipment	\$401,830.90
Interest on Borrowed Capital	599,416.60
	1,001,247.50
Net Profit for the Year	\$706,092.16
Add—	
Undivided Profits as at December 31st, 1920 ..	778,672.28
	1,484,764.44
Less—	
Dividends Paid: 7% on Preferred, and 8% on Common Stock	927,038.31
Balance at credit of Profit and Loss, December 31st, 1921	\$557,726.13
Reserve	5,000,000.00
Add—	
Portion of Appraised Depreciated Values of Plants reported by Canadian Appraisal Company, Limited, in excess of Book Values, taken up in Accounts as referred to in attached Report, less unab- sorbed balance of honorarium granted to late President at Gene- ral Meeting of Shareholders on 21st March, 1921	3,800,000.00
	8,800,000.00
Less—	
Stock Dividend of 20% to Common Shareholders	1,800,000.00
Reserve Account, December 31st, 1921	7,000,000.00
Surplus per Balance Sheet	\$7,557,726.13

DIVIDENDS

The following table sets forth the Dividends paid since 1893:

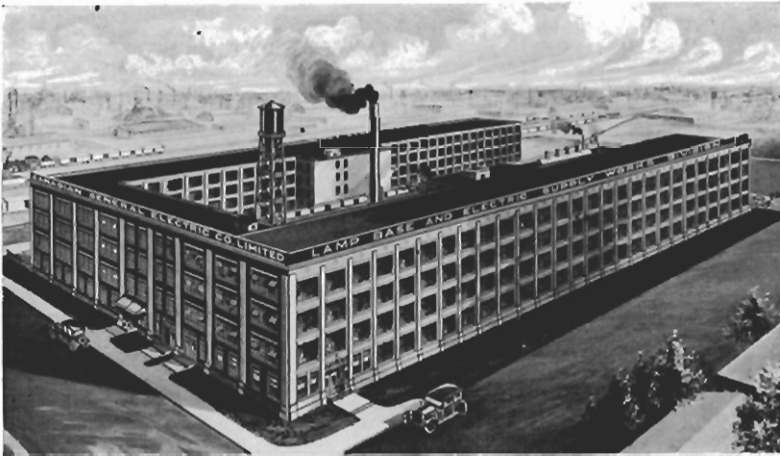
	PREFERRED STOCK DIVIDENDS		COMMON STOCK DIVIDENDS		TOTAL DIVIDENDS
	Rate	Amount	Rate	Amount	
1893	...	.....	6%	\$ 85,641.41	\$ 85,641.41
1894	...	.....	6%	87,768.53	87,768.53
1895	...	.....	6%	87,982.29	87,982.29
1897	6%	\$ 17,330.57	6%	51,000.00	71,330.57
1898	6%	18,000.00	7%	63,000.00	81,000.00
1899	6%	18,000.00	10%	90,000.00	108,000.00
1900	6%	18,000.00	10%	109,623.07	127,623.07
1901	6%	18,000.00	10%	118,750.00	166,750.00
1902	6%	18,000.00	10%	195,739.22	213,739.22
1903	6%	18,000.00	10%	251,277.98	269,277.98
1904	6%	18,000.00	10%	266,890.00	284,890.00
1905	6%	18,000.00	10%	317,499.11	335,499.11
1906	6%	18,000.00	10%	466,690.14	484,690.14
1907	6%	18,000.00	10%	470,000.00	488,000.00
1908	7%	110,042.30	7%	329,000.00	439,042.30
1909	7%	140,000.00	7%	329,000.00	469,000.00
1910	7%	140,000.00	7%	354,624.83	494,624.83
1911	7%	140,000.00	7%	385,109.37	525,109.37
1912	7%	140,000.00	* 7%	549,871.80	689,871.80
1913	7%	140,000.00	* 7%	636,634.17	776,634.17
1914	7%	140,000.00	7%	556,741.13	696,741.13
1915	7%	140,000.00	7%	558,022.32	698,022.32
1916	7%	140,000.00	8%	639,843.90	779,843.90
1917	7%	140,000.00	8%	640,000.00	780,000.00
1918	7%	140,000.00	8%	640,000.00	780,000.00
1919	7%	140,000.00	8%	640,000.00	780,000.00
1920	7%	140,000.00	† 8%	871,114.25	1,014,114.25
1921	7%	140,000.00	8%	787,038.31	927,038.31
		\$2,127,372.87		\$10,611,861.83	\$12,742,234.70
		Stock Dividend of 20%.....		1,800,000.00	1,800,000.00
				\$12,411,861.83	\$14,542,234.70

Preference Stock Dividend.....	\$ 2,127,372.87
Common Stock Dividend.....	12,414,861.83
Total Dividend.....	14,542,234.70

• And 1% Bonus † And 2% Bonus.



Canadian Allis-Chalmers, Limited, Stratford, Ont.



**Lamp Base and Electrical Supply Works Division,
Wallace Ave., Toronto, Ont.**



Electrical Porcelain Works, Peterboro, Ont.



Power House No. 1, Peterboro Ont;



Power House No. 2, Peterboro, Ont.

OFFICES & WAREHOUSES
 CANADIAN GENERAL ELECTRIC COMPANY, LIMITED.



WINNIPEG, MAN.



NELSON, B. C.



VANCOUVER, B. C.



OTTAWA, ONT.



MONTREAL, QUE.



LONDON, ONT.



WINDSOR - ONT.



TORONTO WAREHOUSE & SHOW ROOMS



SHERBROOKE, QUE.



COBALT, ONT.



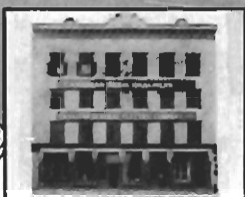
CALGARY, ALTA.



HALIFAX, N.S.



SPORCUPINE, ONT.



QUEBEC, QUE.



ST. JOHN, N.B.

