

CANADIAN GENERAL ELECTRIC COMPANY LIMITED



ANNUAL REPORT

1924

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Annual Report
of the Board of Directors

for the Year ended
December 31st, 1924



Canadian General Electric Company
Limited

**CANADIAN GENERAL ELECTRIC COMPANY
LIMITED**

AND SUBSIDIARY COMPANIES

HEAD OFFICES

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

BRANCH OFFICES

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

WORKS

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

EDISON MAZDA LAMP WORKS
TORONTO, ONT.

CANADIAN ALLIS-CHALMERS, LIMITED
TORONTO, ONT. MONTREAL, QUE.

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

F. GORDON OSLER

H. C. COX

E. G. PATTERSON

D. C. DURLAND

W. G. ROSS

SIR HERBERT HOLT

W. D. ROSS

HON. SIR JAMES LOUGHIEED, K.C.M.G.

A. M. STEWART, K.C.

W. L. MATTHEWS

Assistant General Manager

J. A. BREMNER

Treasurer

A. E. GUEST

Secretary

W. H. NESBITT

Bankers

THE BANK OF MONTREAL

THE CANADIAN BANK OF COMMERCE

THE DOMINION BANK

ROYAL BANK OF CANADA

GUARANTY TRUST CO. OF NEW YORK

Stock Transfer Agents

NATIONAL TRUST CO., LIMITED, TORONTO AND MONTREAL

THE CANADIAN BANK OF COMMERCE, LONDON, ENGLAND

Registrars

MONTREAL TRUST CO., TORONTO AND MONTREAL

THE 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.

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

J. J. ASHWORTH, GENERAL MANAGER.

DIRECTOR, CANADIAN ALLIS-CHALMERS, LTD.

GEORGE W. BEARDMORE.

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

H. C. COX.

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

D. C. DURLAND.

OF GENERAL ELECTRIC COMPANY.

SIR HERBERT HOLT.

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

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

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

W. L. MATTHEWS.

DIRECTOR, DOMINION BANK.
DIRECTOR, CONFEDERATION LIFE ASSOCIATION.

F. G. OSLER.

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

E. G. PATTERSON.

W. D. ROSS.

VICE-PRESIDENT, WM. A. ROGERS LTD.
DIRECTOR, BANK OF NOVA SCOTIA.

W. G. ROSS.

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

A. M. STEWART, K.C.



Head Office, 212 King St. W., Toronto



Warehouse and Show Rooms, 214-218 King St. W., Toronto



Main Electrical Works, Peterboro, Ont.



Edison Mazda Lamp Works, Toronto, Ont.

ANNUAL REPORT OF THE DIRECTORS
TO THE SHAREHOLDERS OF THE
CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
TORONTO, ONT. APRIL 30th, 1925.

Your Directors submit herewith the Balance Sheet of the Company as upon the 31st day of December, 1924, Statement of Profit and Loss for the year, and Certificate of Messrs. Price, Waterhouse and Company, Chartered Accountants.

The operating profit for the year amounted to \$1,593,-631.79, from which has been deducted the sum of \$600,-000.00 for depreciation and \$415,158.06 for interest and exchange, leaving \$578,473.73 as the net profit for the year. From this amount dividends aggregating \$512,227.46 have been paid.

By reference to the attached Balance Sheet of the Company it will be seen that the investment in inventories at December 31st, 1924, was \$5,002,739.21, as compared with \$7,148,390.95 on January 1st, a reduction of \$2,145,651.74; the Accounts and Notes Receivable amounted to \$4,255,-470.28, and the Cash on hand and in Banks \$816,420.37 on December 31st, 1924. Total current assets aggregated \$10,074,629.86, as against current liabilities of \$2,948,856.03. The depreciation written off was \$600,000.00 compared with \$400,000.00 in the year 1923.



Architectural Bronze and Iron Works, Toronto, Ont.

In accordance with established practice the inventories have been taken into the Balance Sheet on a basis of cost or market value, whichever was the lower. Accounts and Notes Receivable are in a satisfactory condition and ample reserves are carried to care for possible losses.

Conditions in our industry, as in practically all industries, were not as satisfactory in 1924 as they were in the preceding year. The improvement experienced in 1923, which was somewhat accentuated during the closing months of that year, unfortunately, only extended into the opening months of 1924, so that the volume of business secured during the year now under review was considerably less than for 1923.

An important feature of the Balance Sheet this year is the special appropriation of \$3,951,909.75 from Surplus Account, of which appropriation an amount of \$1,951,909.75 has been applied in reducing to a realizable basis the book values of certain plants which have been closed down, writing off losses in factory and warehouse stocks, absorbing the balance of the discount on the debenture issue, and in establishing a provision against unforeseen contingencies. After deducting the amount of \$1,951,909.75 referred to there remains a balance of \$2,000,000.00 in the General Reserve. Your Directors are of the opinion that in view of the large investment in plants and the highly technical character of the business, it is desirable to carry this additional reserve.



Electrical Porcelain Works, Peterboro, Ont.

In their report of last year your Directors intimated that they considered it prudent to conserve the cash resources of the Company and to reserve the surplus earnings, after payment of dividends on Preference Shares, to provide for future requirements rather than for payment of dividends on Common Shares. This policy has been carried out, and the dividend of April 1st, 1924, was the last one paid on the Common Shares.

Our report for the year 1923 referred to the offer made to the holders of our Common Shares by the General Electric Company, and as a result that Company now holds all but a small percentage of the outstanding Common Shares of your Company. The result of the discontinuance of the Common dividend, therefore, is that the General Electric Company are foregoing any return on their large investment in the Common Shares in order that the Company may be in a position to provide the necessary facilities and improved manufacturing equipment to care for the demand for the products of your Company.

While the results of our operations during the past three or four years have not been entirely satisfactory, your Directors consider that the prospects are encouraging. The position of our agricultural industry has been improved by the rise in prices. The money market is in a healthy condition. The world political situation has been considerably clarified by the result of the recent elections in England and the United States, which, coupled with the



Canadian Allis-Chalmers, Limited, Montreal, Que.

acceptance of the Dawes plan by Eastern European nations, offers assurances of an improved world condition, in which Canada should share. The announcement of the Prime Minister of Canada that further tariff reductions were not contemplated, and confirmed in the budget for 1925, should relieve some of the industrial uncertainty which has exercised a deterrent influence on the expansion of business.

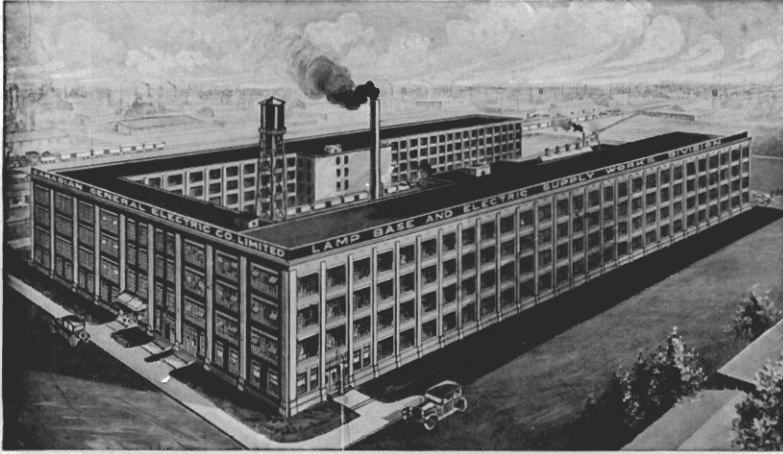
Canada is, however, still confronted with many vexatious problems, one of the most outstanding being the present heavy burden of taxation which is to no small extent retarding the progress of the country.

While not reflected in the Balance Sheet, I would make reference to the recent issue of Capital Stock and the retirement of all the outstanding Debenture Bonds of the Company. As a result of these transactions our total authorized capital of \$18,000,000.00 has been issued, and the redemption of Debenture Bonds, which ranked ahead of both classes of Capital Stock, has improved the position of the Shareholders. The replacement of the Debenture Bonds by additional Capital Stock, half of which consisted of Common Shares carrying no dividend obligation, means a considerable saving to the Company each year in interest charges.

The Board of Directors desires to record its appreciation of the efficient co-operation and valuable services rendered by the Officers and employees of the Company during the year.

By Order of the Board of Directors,

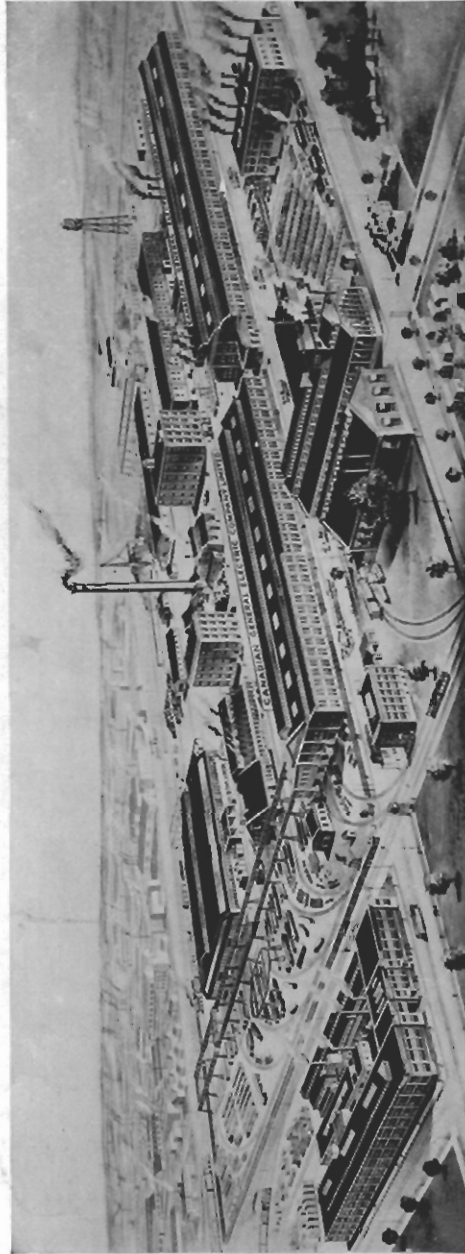
A. E. DYMENT,
President.



Ward Street Works, Toronto, Ont.
(Electrical Wiring Devices and Radio Appliances)



Hotpoint Works, Stratford, Ont.
(Electric Household Appliances)



Davenport Electrical Works, Toronto, Ont.

CERTIFICATE OF CHARTERED ACCOUNTANTS

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

BUENOS AIRES
RIO DE JANEIRO
VALPARAISO

LONDON
PARIS
ROTTERDAM

CAIRO
ALEXANDRIA

CABLE ADDRESS: "PRICWATER," 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 30th, 1925.

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, 1924, 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 a provision of \$600,000.00 has been made from the operations of the year for depreciation of Plants.

The inventories of Raw Material, Supplies, Work in Progress and Manufactured Products at the Plants 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.

Adequate 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 COMPANY, LIMITED
AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET, 31st DECEMBER, 1924.

ASSETS	
Capital Assets—	
Manufacturing Plants, including Land, Buildings, Machinery and Tools, Patterns and Drawings, Head Office and Branch Office Properties	\$21,248,226.39
Patents and Franchises	1.00
Total Capital Assets	<u>\$21,248,227.39</u>
Investments	325,152.19
Current Assets—	
Inventory of Raw Materials, Supplies, Work in Progress, and Finished Materials, including expenditures on Contracts (less collections on account and inventory reserves)	\$5,002,739.21
Accounts and Notes Receivable (less Reserve for Doubtful Accounts)	4,255,470.28
Cash	816,420.37
Total Current Assets	<u>10,074,629.86</u>
Deferred Charges	68,519.91
	<u><u>\$31,716,529.35</u></u>

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

LIABILITIES	
Capital Stock—	
Authorized	<u>\$18,000,000.00</u>
Common Issued	\$6,842,250.00
Preferred Issued	5,957,750.00
	<u>\$12,800,000.00</u>
Twenty Year 6% Gold Debentures—	
Authorized ..	<u>\$10,000,000.00</u>
Issued	5,000,000.00
Deferred and Contingent Liabilities	470,490.94
Current Liabilities—	
Notes Payable	\$1,200,000.00
Current Accounts Payable	1,644,597.76
Dividend on Preferred Stock Accrued	104,258.27
Total Current Liabilities	<u>2,948,856.03</u>
Reserve for Depreciation	5,753,077.00
General Reserve—	
Amount appropriated from Surplus Account as referred to in this Report	\$3,951,909.75
Deduct—	
Amounts Written Off	1,951,909.75
	<u>2,000,000.00</u>
SURPLUS per Account Annexed	2,744,105.38
	<u><u>\$31,716,529.35</u></u>

With our Report to the Shareholders dated 30th March, 1925, appended hereto.

PRICE, WATERHOUSE & CO.,
Auditors.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit for the year ended December 31st, 1924, before providing for Depreciation, Interest and Exchange Charges	\$1,593,631.79
Less—	
Depreciation	\$600,000.00
Interest and Exchange	415,158.06
	1,015,158.06
Net Profit for year	\$ 578,473.73
Add—	
Surplus as at December 31st, 1923	6,629,768.86
	6,629,768.86
	\$7,208,242.59
DEDUCT—	
Dividends on Preferred Stock. \$364,911.99	
Dividends on Common Stock. 147,315.47	512,227.46
	512,227.46
	\$6,696,015.13
Less—	
Appropriation transferred to General Reserve	3,951,909.75
Surplus per Balance Sheet	\$2,744,105.38



Power House No. 1, Peterboro, Ont.



Power House No. 2, Peterboro, Ont.



VANCOUVER, B.C.



HAMILTON, ONT.



WINNIPEG, MAN.



LONDON, ONT.



TORONTO OFFICE, WAREHOUSE & SHOWROOMS



OTTAWA, ONT.



MONTREAL, QUE.



CALGARY, ALTA.



ST. JOHN, N.B.



WINDSOR, ONT.



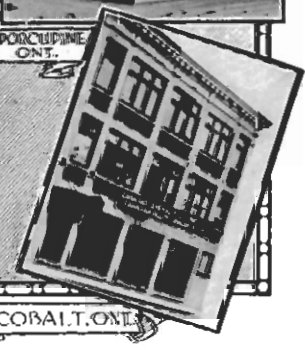
EDMONTON, ALTA.



PORCUPINE, ONT.



HALIFAX, N.S.



COBALT, ONT.

Offices & Warehouses
**CANADIAN GENERAL
ELECTRIC COMPANY
LIMITED**