

CANADIAN GENERAL ELECTRIC COMPANY LIMITED



ANNUAL REPORT

1926

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MCGILL UNIVERSITY

Annual Report
of the Board of Directors

for the Year ended
December 31, 1926



Canadian General Electric Company
Limited

**CANADIAN GENERAL ELECTRIC COMPANY
LIMITED**

AND SUBSIDIARY COMPANIES

HEAD OFFICES

212-218 KING STREET WEST, TORONTO, ONT.

BRANCH OFFICES

HALIFAX, N.S.

SYDNEY, N.S.

ST. JOHN, N.B.

MONTREAL, QUE.

QUEBEC, QUE.

OTTAWA, ONT.

HAMILTON, ONT.

LONDON, ONT.

WINDSOR, ONT.

COBALT, ONT.

SOUTH PORCUPINE, ONT.

WINNIPEG, MAN.

CALGARY, ALTA.

EDMONTON, ALTA.

NELSON, B.C.

VANCOUVER, B.C.

VICTORIA, B.C.

WORKS

CANADIAN GENERAL ELECTRIC CO., LIMITED

PETERBORO, 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

J. J. ASHWORTH	STEPHEN HAAS
GEORGE W. BEARDMORE	SIR HERBERT HOLT
HON. R. B. BENNETT, K.C., M.P.	W. L. MATTHEWS
J. H. BLACK	E. G. PATTERSON
H. C. COX	W. D. ROSS
D. C. DURLAND	W. G. ROSS
A. E. DYMENT	JULIAN C. SMITH

A. M. STEWART, K.C.

EXECUTIVE OFFICERS

A. E. DYMENT, Chairman of the Board
D. C. DURLAND, President
STEPHEN HAAS, Vice-President
J. J. ASHWORTH, General Manager
J. A. BREMNER, Assistant General Manager and
Comptroller
E. I. JENKING, Treasurer
W. H. NESBITT, Secretary

BANKERS

THE BANK OF MONTREAL
THE CANADIAN BANK OF COMMERCE
THE DOMINION BANK
THE 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, CHAIRMAN OF THE BOARD.
DIRECTOR, ROYAL BANK OF CANADA.
VICE-PRESIDENT, DOMINION SUGAR CO.
- D. C. DURLAND, PRESIDENT.
- STEPHEN HAAS, VICE-PRESIDENT.
PRESIDENT, GEO. H. HEES, SON & CO.
DIRECTOR, ROYAL BANK OF CANADA.
- J. J. ASHWORTH, GENERAL MANAGER.
- GEORGE W. BEARDMORE.
PRESIDENT, BEARDMORE BELTING CO.
PRESIDENT, ACTON TANNING CO.
- HON. R. B. BENNETT, K.C., M.P.
DIRECTOR, E. B. EDDY COMPANY, LIMITED.
DIRECTOR, IMPERIAL OIL LIMITED.
- J. H. BLACK.
VICE-PRESIDENT, NORTHERN CANADA POWER LIMITED.
VICE-PRESIDENT AND GENERAL MANAGER, SPRUCE FALLS
POWER AND PAPER COMPANY, LIMITED.
- H. C. COX.
PRESIDENT, CANADA LIFE ASSURANCE COMPANY.
DIRECTOR, CANADIAN BANK OF COMMERCE.
- SIR HERBERT HOLT.
PRESIDENT, MONTREAL LIGHT, HEAT AND POWER
CONSOLIDATED.
PRESIDENT, ROYAL BANK OF CANADA.
- W. L. MATTHEWS.
DIRECTOR, DOMINION BANK.
DIRECTOR, CONFEDERATION LIFE ASSOCIATION.
- E. G. PATTERSON.
- HON. W. D. ROSS.
LIEUTENANT-GOVERNOR OF ONTARIO.
DIRECTOR, BANK OF NOVA SCOTIA.
- W. G. ROSS.
PRESIDENT AND GENERAL MANAGER, ASBESTOS
CORPORATION, LIMITED.
- JULIAN C. SMITH.
PRESIDENT, MONTREAL TRAMWAYS COMPANY.
VICE-PRESIDENT AND GENERAL MANAGER, THE SHAWINIGAN
WATER AND POWER 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
CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
TORONTO, CANADA MARCH 29, 1927.

Your Directors submit herewith the Consolidated Balance Sheet of your Company and its subsidiaries as of the 31st day of December, 1926, the Consolidated Statement of Profit and Loss for the year, and Certificate of the Company's Auditors, Messrs. Price, Waterhouse and Company, Chartered Accountants.

The results of your Company's operations during 1926 compare favorably with those of the previous year. The new business booked, shipments, sales billed and unfilled orders show moderate increases over the 1925 figures. The Statement of Profit and Loss shows that the profits for the year 1926, after reserves and taxes, but before providing for depreciation, were \$1,870,618.43, an increase of \$253,525.59, as compared with the year 1925. An amount of \$700,000 has been written off to meet accruing depreciation on buildings and equipment, as compared with \$600,000 in 1925. After depreciation there remains a net profit for 1926 of \$1,170,618.43, which exceeds the profit for 1925 by \$236,867.15.

The Balance Sheet discloses total Current Assets amounting to \$9,285,871.75, compared with Current Liabilities of \$1,668,180.59, leaving net Current Assets or Working Capital of \$7,617,691.16. Working Capital, after providing for all Capital Expenditures, Dividends and accrued charges of every nature, shows an increase of



Architectural Bronze and Iron Works, Toronto, Ont.

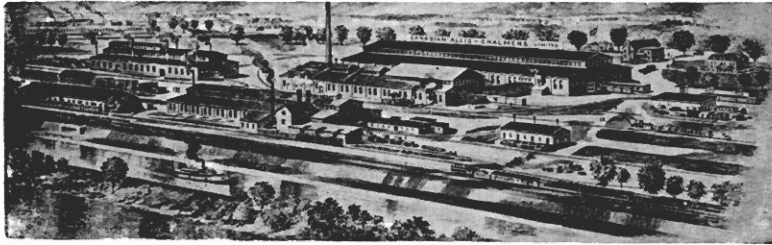
\$819,437.80 as compared with the position at December 31, 1925. Cash and Dominion Government Bonds on hand aggregate \$1,437,244.77, an increase of \$345,125.53.

The Company has no outstanding interest-bearing obligations, with the result that the Profit and Loss Account is relieved of any charge for interest. Quarterly dividends on the Preference Shares at the rate of 7% per annum were distributed, which amounted in the aggregate to \$599,042.52.

As the result of a careful survey of our manufacturing plants and equipment we have eliminated from our fixed assets, as set forth in the accompanying Balance Sheet, certain inactive and discontinued equipment, and have applied the reserves for depreciation accumulated in past years in respect thereto. These reserves, however, fell short of providing for the gross book value of the equipment in question by \$618,057.46, which amount has been disposed of by writing off \$120,918.00, and making a special appropriation of \$497,139.46 for the balance from the Profit and Loss Account.

The reduction in the Company's fixed assets, as set forth on the Company's Balance Sheet, is also to some extent accounted for by the sale of the Shipyard Property at Bridgeburg and the old Electrical Supply Factory at Toronto.

The policy of concentrating manufacturing operations to secure the advantage of quantity production and increased efficiency, as referred to in our last year's report, has been pursued throughout 1926. In that connection the Hopton Electrical Appliance Factory was removed



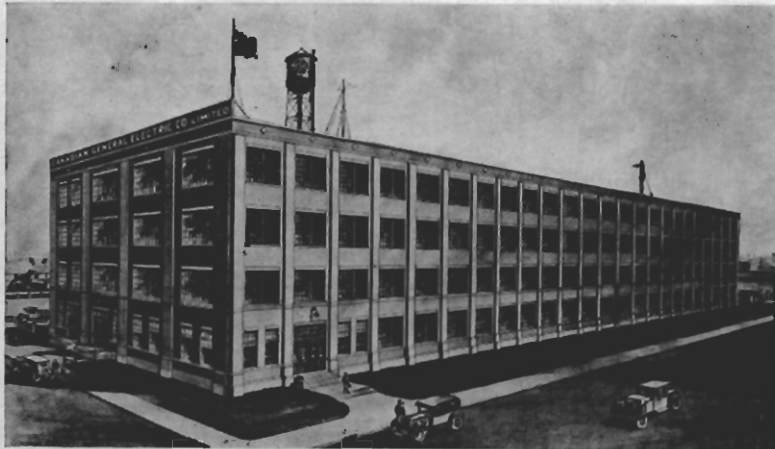
Canadian Allis-Chalmers, Limited, Montreal, Que.

from Stratford and consolidated with the Ward Street Works in Toronto.

Capital Expenditures amounting to \$635,733.63 have been made, principally at the Peterboro Works, for new machinery and other manufacturing facilities to improve quality, reduce costs, and increase productive capacity.

The improvement in general business conditions in Canada experienced during the latter part of 1925 was sustained throughout the year 1926. The electrical industry has participated to a considerable extent in the increased prosperity. The expanding use of electrical equipment in the industries of Canada, the increased construction of new houses and buildings electrically wired and equipped, the more extensive use of electrical devices and appliances, the larger production of manufacturing establishments, and the building of new manufacturing plants, particularly in the pulp and paper industry, have not only augmented the purchases of electrical equipment and supplies, but have also led to the enlargement of existing power plants and the construction of several new ones, resulting in an increased demand for large generating and distributing apparatus.

The outlook for 1927 is encouraging. New business already booked is larger than during the same period of 1926. Projected power plants and industrial developments will require a large amount of electrical machinery and supplies, and as all indices at present point to a well sustained purchasing power of the public we expect to maintain and possibly enlarge the sale of electrical merchandise, such as household appliances, lamps, wiring supplies, radio receiving sets, radio tubes and accessories, etc.



Ward Street Works, Toronto, Ont.
Wiring Devices—"Hotpoint" Appliances—"Radiolas"

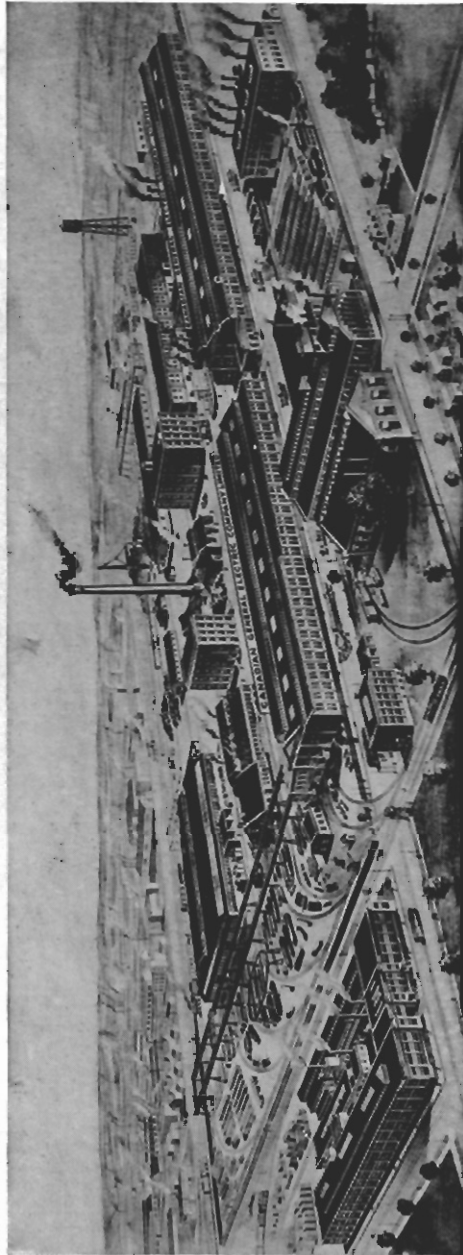
Your Directors regret to report that Mr. F. G. Osler, who has been one of your Directors for many years, resigned from the Board. The vacancy created has been filled by the election of Mr. Julian C. Smith of Montreal, who has long been prominently identified with electric power and public utility enterprises in Canada.

Your Directors and Officers again take pleasure in expressing their appreciation of the faithful and co-operative services rendered by the employees of the Company during the year.

By Order of the Board of Directors,

A. E. DYMENT, Chairman of the Board.

D. C. DURLAND, President.



Davenport Electrical Works, Toronto, Ont.

CANADIAN GENERAL ELEC
AND SUBSIDIARY

CONSOLIDATED BALANCE

TRIG COMPANY, LIMITED
COMPANIES

SHEET, DECEMBER 31, 1926.

ASSETS

Capital Assets—

Manufacturing Plants, including Land, Buildings, Machinery and Tools, Pat- terns and Drawings, Head Office and Branch Office Properties.....	\$18,328,323.68
Patents and Franchises.....	1.00
Total Capital Assets.....	<u>\$18,328,324.68</u>

Investments..... 1,076,069.93

Current Assets—

Inventory of Raw Materials,
Supplies, Work in Progress,
and Finished Materials,
including expenditures on
Contracts (less collections
on account and inventory
reserves).....\$1,942,307.94

Accounts and Notes Receiv-
able (less Reserve for
doubtful accounts)..... 2,906,319.04

Dominion Government Secu-
rities..... 776,097.50

Cash..... 661,147.27

Total Current Assets..... 9,285,871.75

Deferred Charges..... 42,248.15

\$28,732,514.51

A. E. DYMENT, Chairman of the Board.
D. C. DURLAND, President.

LIABILITIES

Capital Stock—

Authorized.....\$18,000,000.00

Issued:

Common..... \$9,442,250.00

Preference..... 8,557,750.00

\$18,000,000.00

Deferred and Contingent Liabilities..... 159,679.03

Current Liabilities—

Current Accounts Payable.. \$1,518,423.40

Dividend on Preference Stock

Accrued..... 149,757.19

Total Current Liabilities..... 1,668,180.59

Reserve for Depreciation..... 4,080,903.43

General Reserve..... 2,000,000.00

Surplus per Account Annexed..... 2,823,751.46

\$28,732,514.51

With our Report to the Shareholders dated March 11,
1927, appended hereto.

PRICE, WATERHOUSE & CO.,
Auditors.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit for the year ended December 31, 1926, before providing for Deprecia- tion.....	\$1,870,618.43
Less--	
Depreciation.....	700,000.00
Net Profit for the Year.....	<u>\$1,170,618.43</u>
Deduct--	
Appropriation for Adjustment of Plant Values.....	497,139.46
	<u>\$ 673,478.97</u>
Add--	
Surplus as at January 1, 1926.....	2,749,315.01
	<u>\$3,422,793.98</u>
Deduct--	
Dividend on Preference Stock.....	599,042.52
Surplus at December 31, 1926.....	<u><u>\$2,823,751.46</u></u>

CERTIFICATE OF CHARTERED ACCOUNTANTS

CABLE ADDRESS: "PRICEWATER," TORONTO

PRICE, WATERHOUSE & CO.

CHARTERED ACCOUNTANTS

Royal Bank Building,
Toronto, March 11, 1927.

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 31, 1926, 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 \$700,000.00 has been made from the operations of the year for depreciation of Plants.

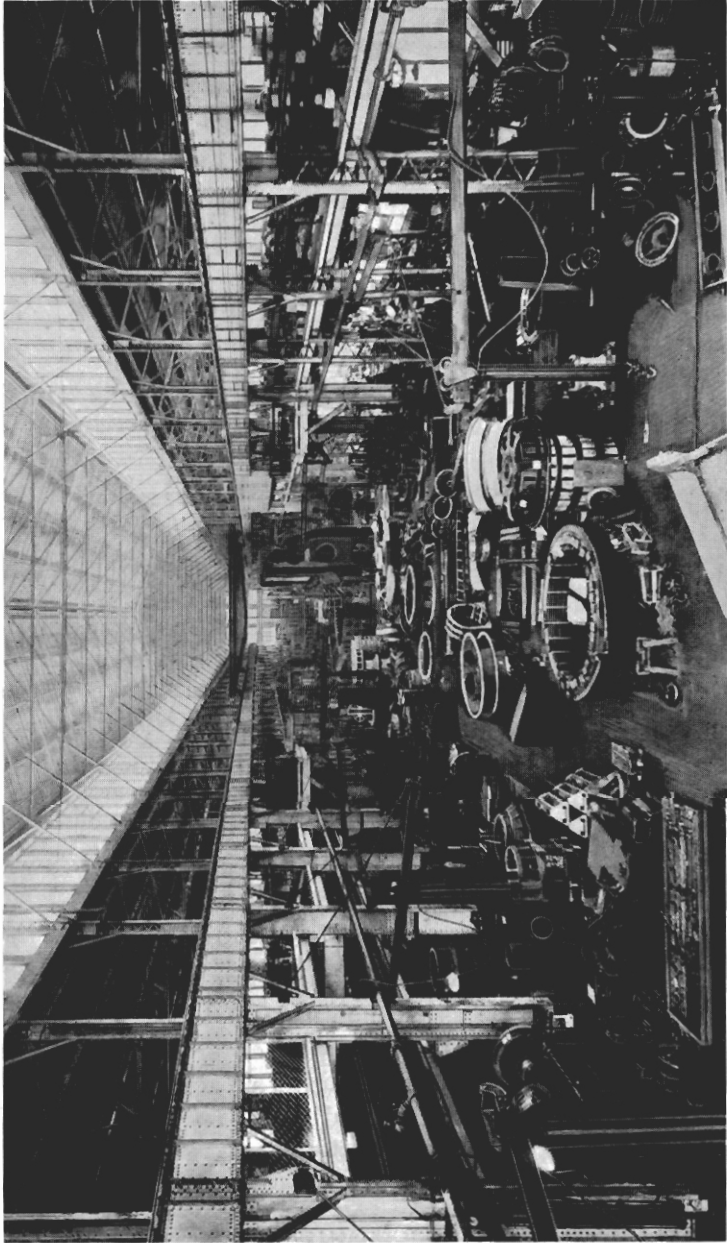
The inventories of Raw Material, Supplies, Work in Progress and Manufactured Products were taken in accordance with the Company's usual custom, and have been certified to by responsible officials. The valuations have been accurately made at cost or market value, whichever was lower.

Adequate provision has been made for doubtful Accounts Receivable, and for all ascertainable liabilities.

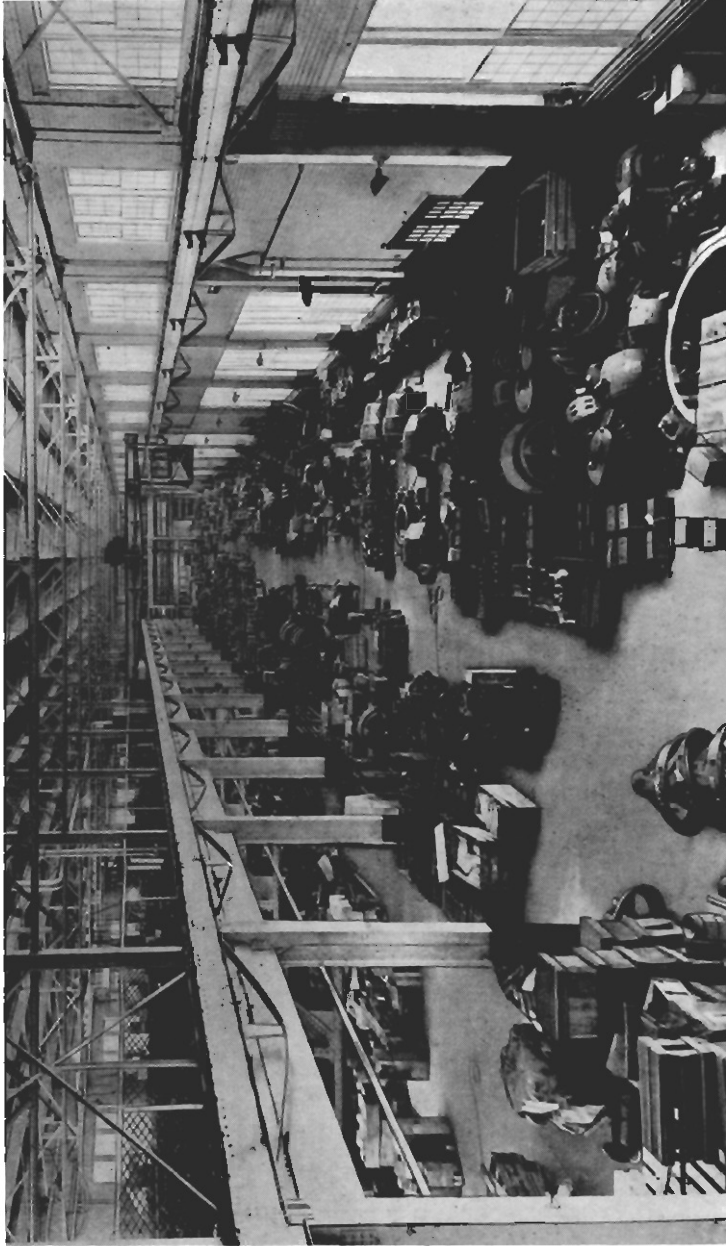
The Cash on hand, Investments and the Bank Balances have been verified by actual inspection or by properly certified statements.

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.

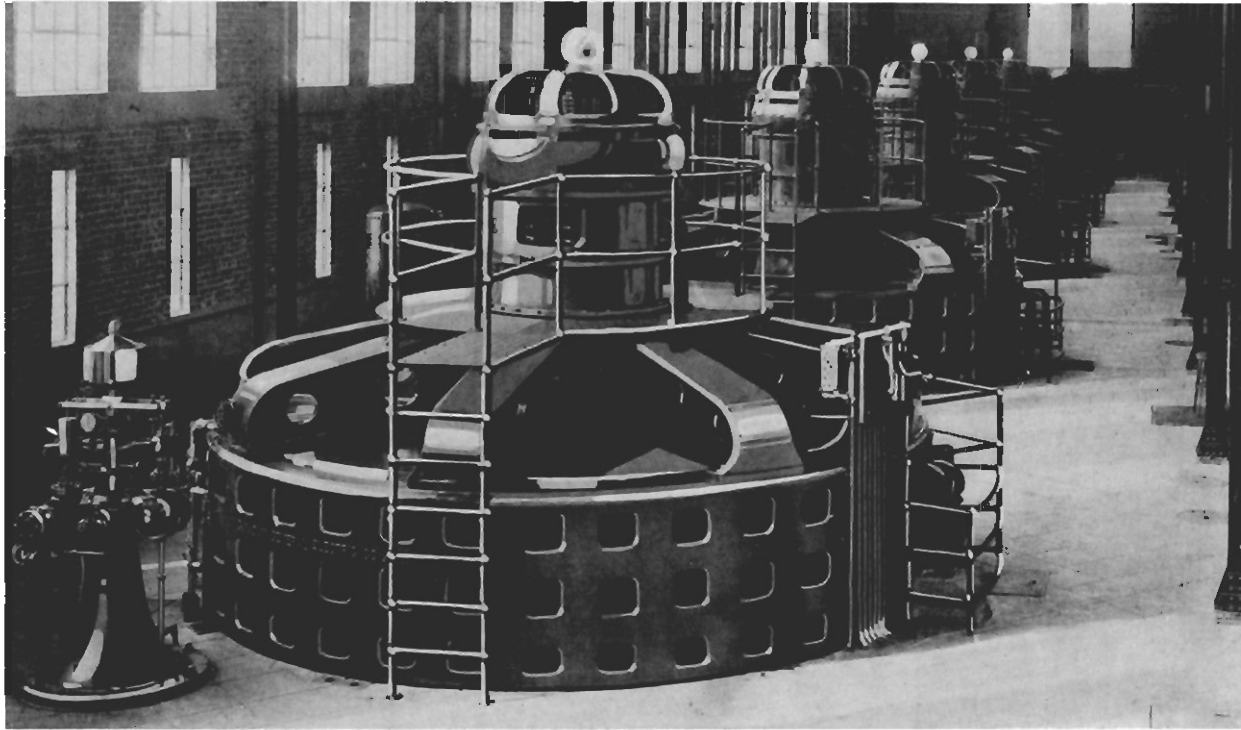
PRICE, WATERHOUSE & COMPANY,
Auditors.



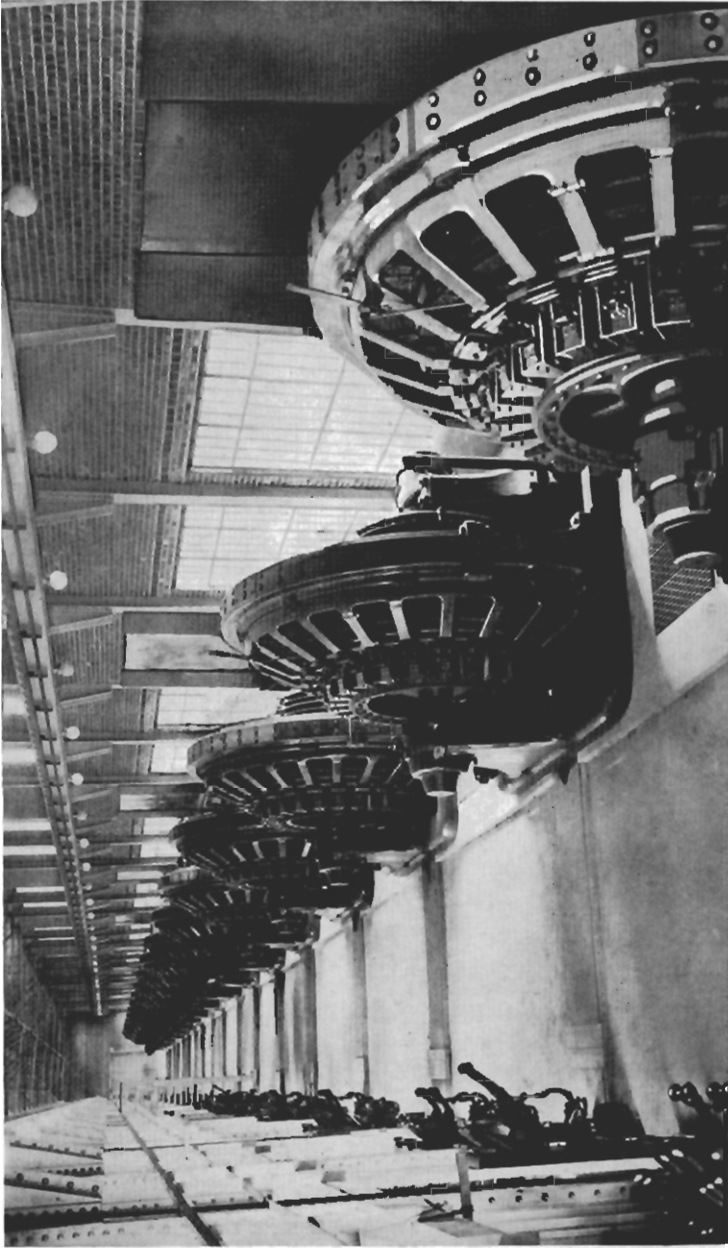
Main Machine Shop—Peterboro Works



Induction Motor Department—Peterboro Works



**An Installation of 6,000 Kv-n. Turbo-Generators
Manufactured at the Peterboro Works**



**An Installation of 18—3,600 Kw. Rotary Converters—
Manufactured at the Peterboro Works**



Lamp Assembly Department
Edison Mazda Lamp Works, Toronto, 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.

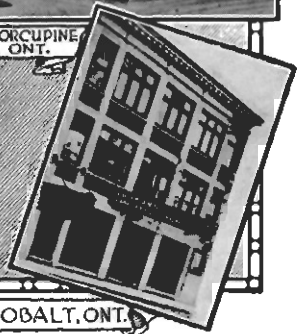


PORCUPINE, ONT.



HALIFAX, N.S.

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



COBALT, ONT.

