

CANADIAN GENERAL ELECTRIC COMPANY LIMITED



ANNUAL REPORT

1929

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Annual Report
of the Board of Directors

for the Year ended
December 31, 1929



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.	SOUTH PORCUPINE, ONT.
SYDNEY, N.S.	FORT WILLIAM, ONT.
ST. JOHN, N.B.	WINNIPEG, MAN.
MONTREAL, QUE.	CALGARY, ALTA.
QUEBEC, QUE.	EDMONTON, ALTA.
OTTAWA, ONT.	REGINA, SASK.
HAMILTON, ONT.	SASKATOON, SASK.
LONDON, ONT.	NELSON, B.C.
WINDSOR, ONT.	VANCOUVER, B.C.
COBALT, ONT.	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, ONT.

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

DIRECTORS

J. J. ASHWORTH	SIR HERBERT HOLT
GEORGE W. BEARDMORE	W. L. MATTHEWS
J. H. BLACK	E. G. PATTERSON
H. C. COX	J. A. RICHARDSON
D. C. DURLAND	HIS HON. W. D. ROSS
A. E. DYMENT	JULIAN C. SMITH
STEPHEN HAAS	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
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.

J. H. BLACK.
VICE-PRESIDENT, SOUTHERN CANADA POWER LIMITED.
VICE-PRESIDENT AND GENERAL MANAGER, SPRUCE FALLS
POWER AND PAPER COMPANY, LIMITED.

H. C. COX.
CHAIRMAN OF BOARD, 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.

JAMES A. RICHARDSON.
DIRECTOR, CANADIAN PACIFIC RAILWAY.
PRESIDENT, JAMES RICHARDSON & SONS, LIMITED.

HIS HON. W. D. ROSS.
LIEUTENANT-GOVERNOR OF ONTARIO.
DIRECTOR, BANK OF NOVA SCOTIA.

JULIAN C. SMITH.
PRESIDENT, MONTREAL TRAMWAYS COMPANY.
VICE-PRESIDENT AND GENERAL MANAGER, THE SHAWINIGAN
WATER AND POWER COMPANY.

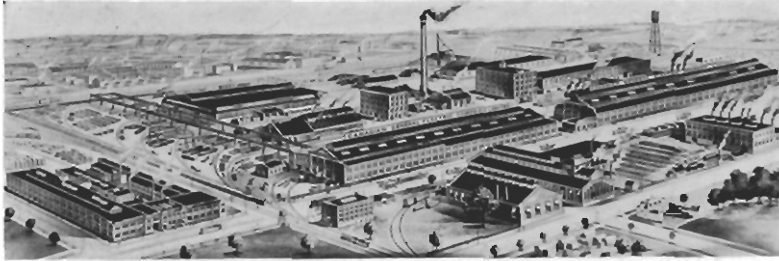
A. M. STEWART, K.C.



Head Office, 212 King St. W., Toronto



Warehouse and Show Rooms, 211-218 King St. W., Toronto



Davenport Electrical Works Toronto, Ont

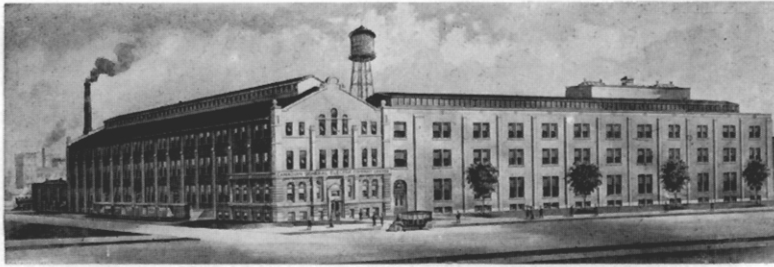
**ANNUAL REPORT OF THE DIRECTORS
TO THE SHAREHOLDERS OF
CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
TORONTO, CANADA. MARCH 26, 1930.**

The Board of Directors submit herewith the Consolidated Balance Sheet of your Company as of December 31, 1929, and statement of Profit and Loss for the year, certified by the Company's auditors, Messrs. Price, Waterhouse and Co., Chartered Accountants.

The operating results of the year 1929 compare favorably with the previous year. New business booked, shipments and sales billed show increases over the year 1928. Unfilled orders on December 31, 1929, were 25% greater than at the end of 1928.

The profits for the year, after deducting all expenses of manufacture, distribution and administration, together with adequate reserves and taxes, but before providing for depreciation, amounted to \$5,337,028.84, as compared with \$4,494,665.56 for 1928, an increase of \$842,363.28. From these profits an amount of \$908,143.90 has been written off for current or normal depreciation, as compared with \$800,000.00 in 1928, leaving net profits for the year of \$4,428,884.94, an increase of \$734,219.38 over the net profits for 1928.

The Balance Sheet shows Current Assets amounting to \$16,881,259.45 while Current Liabilities total \$1,941,026.01, a ratio of 8.7 to 1. The excess of Current Assets over Current Liabilities or working capital, amounting to \$14,940,233.44 is an increase of \$3,581,456.95 over the working capital as at December 31, 1928.



Edison Mazda Lamp Works, Toronto, Ont.

The Current Assets include Dominion Government Securities amounting to \$5,250,000.00, as compared with \$4,206,572.93 on December 31, 1928, an increase of \$1,043,427.07. Cash on Hand and Loans fully secured by collateral total \$4,030,930.71, as against \$1,498,726.21 at the end of the previous year, an increase of \$2,532,204.50. The increase in these two items aggregates \$3,575,631.57.

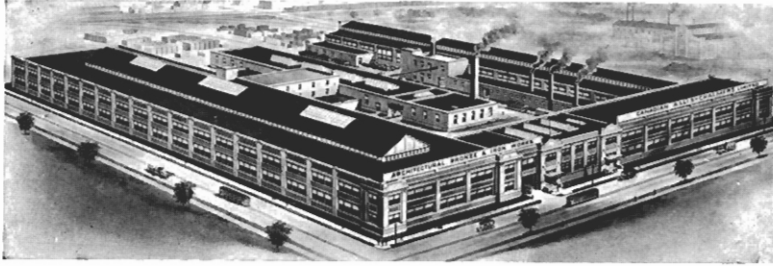
Investments, other than Dominion Government Securities, are \$1,638,653.54 as compared with \$2,098,784.65 on December 31, 1928, a decrease of \$460,131.11. This decrease was due to the sale of some securities, and revaluation of other holdings.

Accounts and notes receivable have been carefully examined and reserves are carried to provide for possible losses.

The Company has no funded debt, notes payable or other interest bearing obligations of any kind.

In accordance with the established practice of the Company the inventories in factories and warehouses have been taken into the Balance Sheet on a basis of cost or market value, whichever was the lower, and adequate reserves have been established for possible obsolescence and shrinkage in values.

A sum of \$3,446,393.94 has been appropriated from the year's profits for the further reduction of the book value of the Company's manufacturing plants, Head Office, District Offices, Warehouses and other properties. With this special appropriation the Depreciation and General Reserve now amounts to \$9,574,695.98. Deducting this sum from the first cost of \$14,484,120.44 as shown on the Balance Sheet leaves a net book value of \$4,909,424.46.



Architectural Bronze and Iron Works, Toronto, Ont.

Salaries and wages distributed during 1929 amounted to approximately \$6,800,000.00, while purchases of raw materials, supplies, equipment, etc., totalled over \$19,000,000.00.

The Company made marked progress during the year in advancing its standards of engineering and manufacture. Production facilities were enlarged by additional buildings and equipment to provide for the increasing volume of business, as well as still further improving the quality of product and service to customers. The sum of \$1,779,674.00 was expended for this purpose in 1929, while such expenditures during the past five years amount to \$4,743,854.00.

During 1929 the Company completed many important contracts for electrical apparatus including generators, motors, transformers, switching equipment, electric steam generators, synchronous condensers, and mercury arc rectifiers. The business of the two principal subsidiaries, the Canadian Allis-Chalmers Limited and the Architectural Bronze and Iron Works, also showed considerable improvement.

The large amount of building construction in Canada during 1929, together with the constantly increasing use of electricity in industry and in dwellings, has expanded the market for electrical merchandise, such as wire, conduit, wiring devices, meters, electric refrigerators, ranges and heating appliances, lamps and lighting fixtures, radio receiving sets and radio tubes.

In 1927 the Company introduced an Employees' Savings and Investment Plan under which employees may purchase Preference Shares of the Company upon favorable terms and with liberal returns. Employees' holdings



Canadian Allis-Chalmers, Limited, Montreal, Que.

acquired under this plan now total over \$850,000, which is approximately 10% of the outstanding Preference Stock. The fourth annual stock offering to the employees will be made early in the year 1930.

During the past few years your Directors have pursued the policy of using surplus earnings to reduce the book value of the Company's plants to a conservative basis of valuation, having in view the highly technical and rapidly developing nature of the electrical manufacturing industry, which requires special facilities and equipment.

The appropriation from 1929 earnings for this purpose has so reduced the net book value of the plants and properties that your Directors consider it feasible to commence the payment of dividends on the Common Stock of the Company, and an initial payment of 75 cents per share for the first quarter of 1930 has been declared, which is at the annual rate of \$3.00 per share, or 6% upon the par value of the Common Stock.

Your Directors and Officers take pleasure in recording their appreciation of the loyal service and effective co-operation rendered during the year by the employees of the Company.

By Order of the Board of Directors,

A. E. DYMENT, Chairman.
D. G. DURLAND, President.

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1929.

ASSETS

Capital Assets—	
Manufacturing Plants, including Land, Buildings, Machinery, Head Office and Branch Office Properties at cost.....	\$14,484,120.44
Patents and Franchises.....	1.00
Total Capital Assets.....	\$14,484,121.44
Investments	1,638,653.54
Current Assets —	
Inventory of Raw Materials, Supplies, Work in Progress, and Finished Materials, including expenditures on Contracts (less inventory reserves)	\$ 7,345,313.16
Accounts and Notes Receivable (less reserve for doubtful accounts)	3,865,707.13
Dominion Government Securities.....	5,250,000.00
Cash and Loans Secured by Collateral.....	4,030,930.71
	\$ 20,491,951.00
Less Advance Payments on Contracts.....	3,610,691.55
Total Current Assets	16,881,259.45
Deferred Charges	99,761.42
	\$33,103,795.85

LIABILITIES

Capital Stock—	
Authorized.....	\$18,000,000.00
Issued:	
Common, 188,845 Shares par value \$50.00	\$ 9,442,250.00
Preference, 171,155 Shares par value \$50.00	8,557,750.00
	\$18,000,000.00
Current Liabilities—	
Accounts Payable.....	\$ 1,791,268.66
Dividend on Preference Stock Accrued	149,757.35
Total Current Liabilities	1,941,026.01
Depreciation and General Reserve	9,574,695.98
Surplus December 31, 1929	3,588,073.86
	\$33,103,795.85

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

With our Report to the Shareholders dated March 14, 1930, appended hereto.

PRICE, WATERHOUSE & CO.,
Auditors.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit for the year ended December 31,
1929, before providing for Depreciation .. \$5,337,028.84

Less—

Depreciation 908,143.90

Net Profit for the Year \$4,428,884.94

Deduct—

Appropriation for Reduction of Plant
and Property Values 3,446,393.94

\$ 982,491.00

Add—

Surplus as at January 1, 1929 3,204,625.45

\$4,187,116.45

Deduct—

Dividend on Preference Stock 599,042.59

Surplus at December 31, 1929 \$3,588,073.86



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

PRICE, WATERHOUSE & CO.

CHARTERED ACCOUNTANTS

Royal Bank Building,
Toronto, March 14, 1930.

To the Shareholders

of the Canadian General Electric Company, Limited.

We have examined the books and accounts of the Canadian General Electric Company, Limited, for the year ending December 31, 1929, 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 \$908,143.90 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.

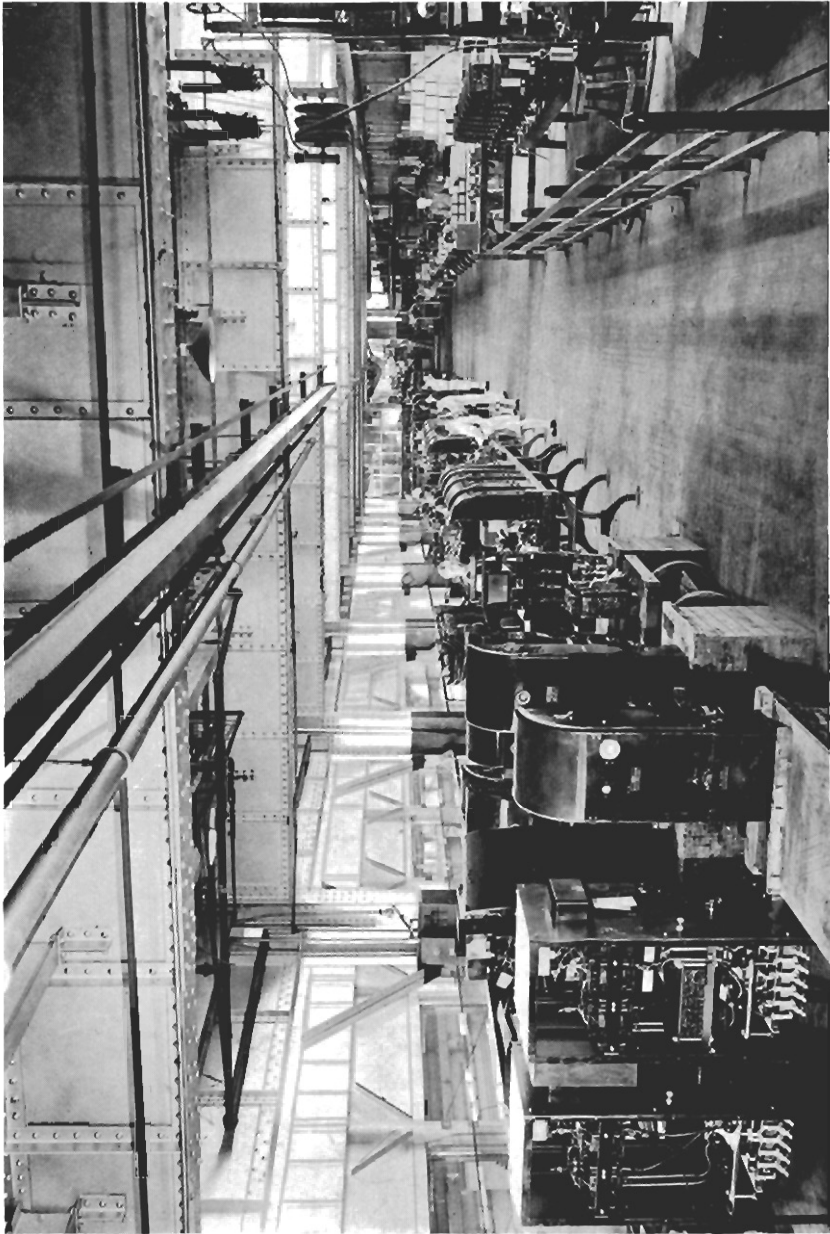
The Cash on Hand, Investments and the Bank Balances have been verified by actual inspection or by properly certified statements.

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.

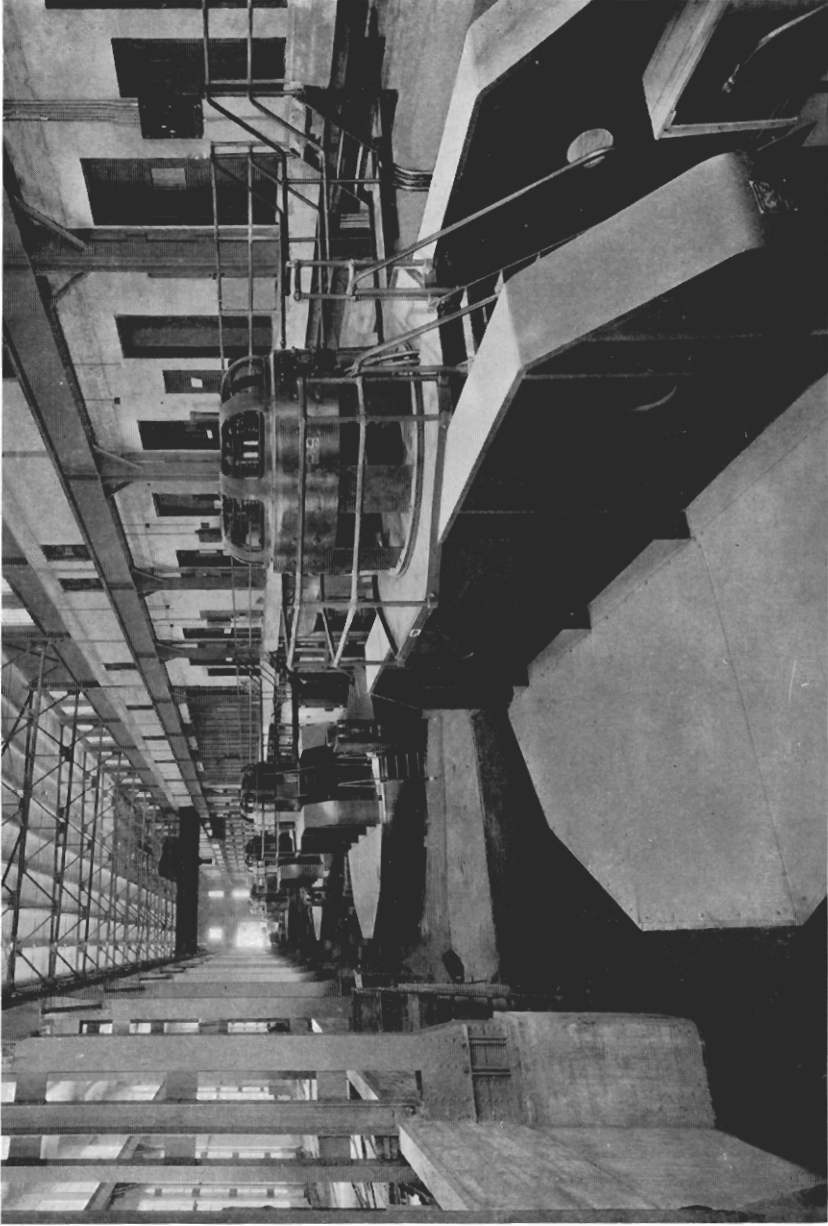
PRICE, WATERHOUSE & CO.,
Auditors.



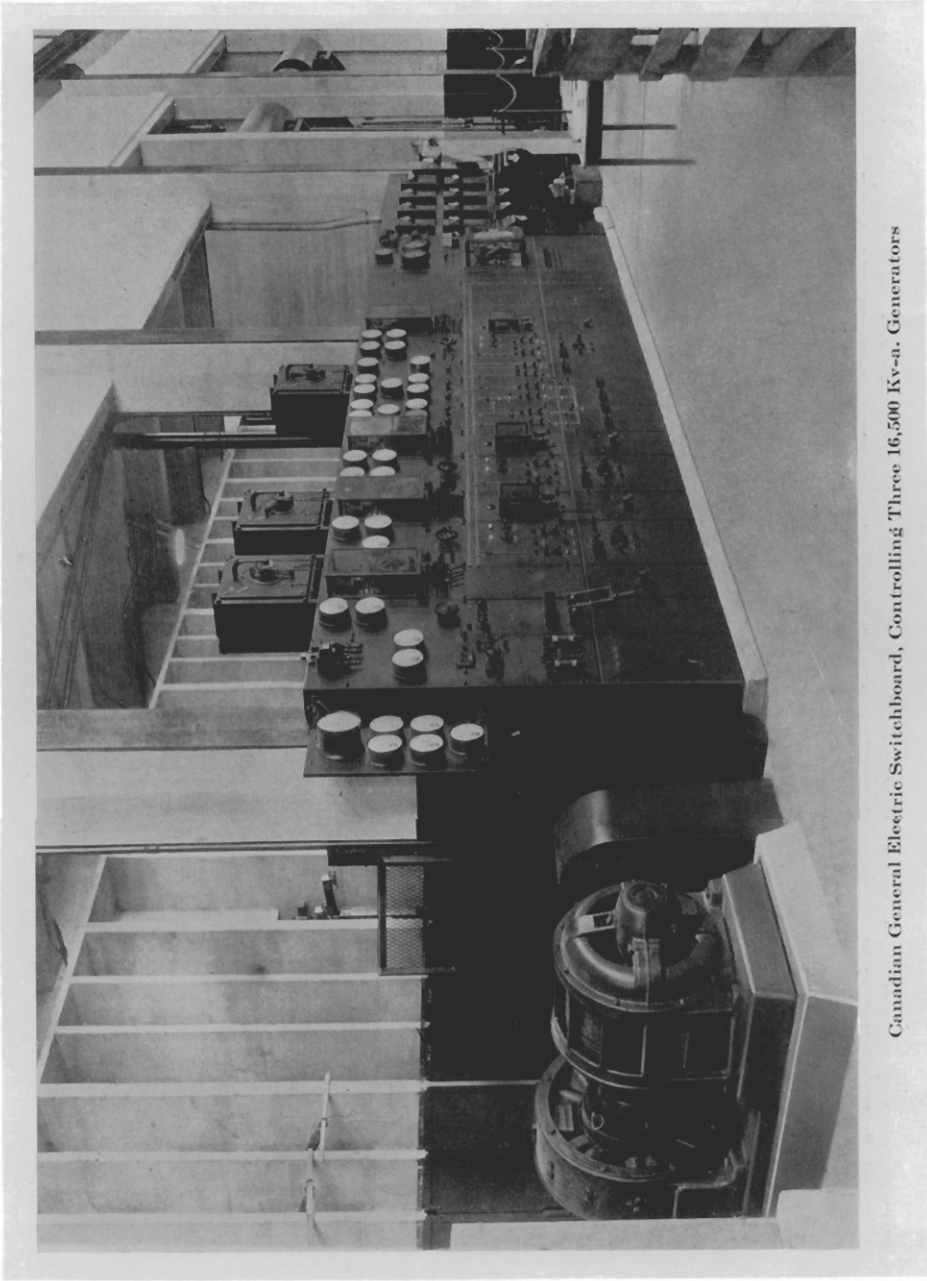
Main Electrical Works, Peterboro, Ont.



Section of Industrial Control Department at the Peterboro Works of the Company



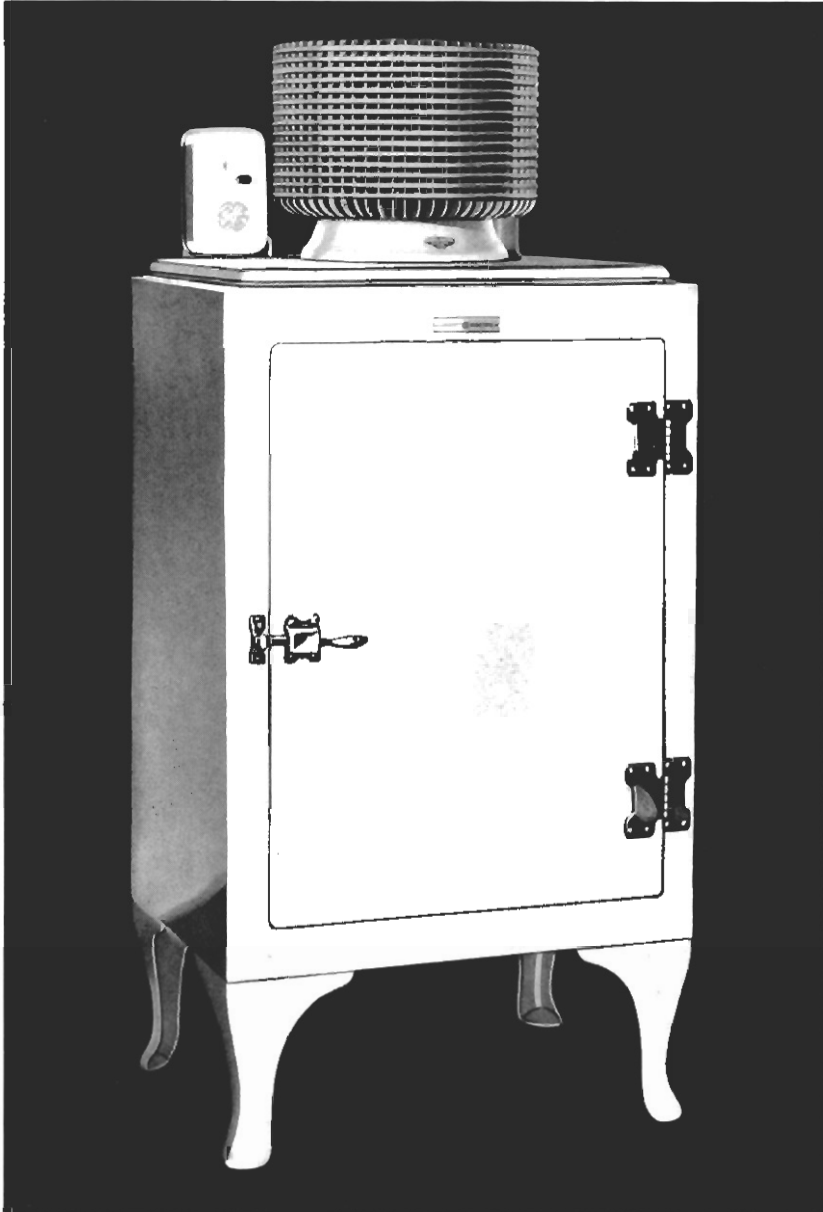
An Installation of Six 10,000 Kv-a., 12,000 Volt, Canadian General Electric Generators



Canadian General Electric Switchboard, Controlling Three 16,500 Kv-a. Generators



Canadian General Electric "Radiola" Screen Grid Electric Radio Receiving Set



"General Electric" Domestic Electric Refrigerator



Canadian General Electric "Hotpoint" Automatic Electric Range



Canadian General Electric "Hotpoint" Household Appliances

