

**1951  
ANNUAL  
REPORT**

**INTERNATIONAL  
METAL INDUSTRIES, LIMITED**

and its subsidiaries

**JOHN WOOD COMPANY  
•  
JOHN WOOD COMPANY  
LIMITED**

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● JOHN WOOD COMPANY

★ JOHN WOOD COMPANY LIMITED

INTERNATIONAL METAL INDUSTRIES, LIMITED

**Annual Report**

*for the Year Ended December 31*

**1951**



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## CORPORATE HIGHLIGHTS

	1951	1950	1949
Net Sales.....	\$33,717,131	\$34,390,869	\$25,524,958
Income before taxes.....	\$ 3,099,902	\$ 4,895,031	\$ 2,336,914
Income and excess profits taxes.....	\$ 1,625,000	\$ 2,700,000	\$ 915,000
Net income.....	\$ 1,474,902	\$ 2,195,031	\$ 1,421,914
Earnings per share on the preferred stock.....	\$ 49.48	\$ 68.92	\$ 40.03
Earnings per share on the Class "A" and "B" common stocks after allowing for preferred dividends.....	\$ 5.62	\$ 8.58	\$ 5.30
Total dividends paid.....	\$ 755,574	\$ 745,814	\$ 567,612
Preferred stock.....	\$ 135,963	\$ 150,034	\$ 162,482
Class "A" common stock.....	\$ 489,611	\$ 470,780	\$ 320,130
Class "B" common stock.....	\$ 130,000	\$ 125,000	\$ 85,000
Number of stockholders.....	2,548	2,520	2,619
Earnings for year reinvested in the business.....	\$ 719,328	\$ 1,449,217	\$ 854,302
Accumulated earnings reinvested in the business (earned surplus)	\$ 7,359,438	\$ 6,640,110	\$ 5,190,893
Preferred shares redeemed during the year.....	2,037	3,681	998
Cost of preferred shares redeemed during the year.....	\$ 210,919	\$ 380,745	\$ 101,424
Current assets.....	\$14,696,944	\$17,025,848	\$12,906,470
Current liabilities.....	\$ 4,052,933	\$ 6,341,952	\$ 2,940,840
Working capital.....	\$10,644,011	\$10,683,896	\$ 9,965,630
Wages, salaries, and pension plan payments.....	\$ 8,431,065	\$ 8,288,227	\$ 6,761,039
Number of employees.....	2,350	2,450	2,142



# REPORT TO STOCKHOLDERS

## TO OUR STOCKHOLDERS:

On behalf of the Board of Directors, I submit herewith the Annual Report on the operations of the Company and its subsidiaries, John Wood Company in the United States and John Wood Company Limited in Canada, for the year ended December 31, 1951.

Net sales for the year amounted to \$33,717,131 as compared with \$34,390,869 for the prior year. Sales for the Company during 1951, as was generally experienced in industry, were affected by widespread scare buying subsequent to the Korean incident in June of 1950. From that date until the spring of 1951, there was a period of unprecedented purchasing. Shortages, however, did not develop and buying became more moderate later in the year.

Income before taxes but after depreciation and all other charges amounted to \$3,099,902 which is \$1,795,129 less than for the previous year. The 1951 provision for income and excess profits taxes aggregated \$1,625,000 which deducted from operating profit leaves a net income for the year in the amount of \$1,474,902. This is a decrease of \$720,129 from the previous year. The tax accrual for 1951 was 52% of income and is equivalent to \$6.06 per share for all classes of stock outstanding. Taxes, including income, real estate, payroll and franchise accrued for the year amounted to \$2,318,000 which equals \$8.65 per share for all classes of stock outstanding.

Net income of \$1,474,902 represents earnings of \$49.48 per share on the preferred stock and after allowing for preferred dividends, earnings of \$5.62 per share on the combined class "A" and "B" common stocks.

Regular quarterly dividends were paid during the year on the 4½% first preferred stock and dividends aggregating \$2.60 per share were paid on both classes of common stock. Total dividends paid during 1951 amounted to \$755,574 as compared with \$745,814 for 1950. There was added to earned surplus \$719,328 which brings this to a total of \$7,359,438.

Materials, particularly steel, continued in short supply during 1951. Governmental regulations controlling the purchase of steel, copper, aluminum and other critical metals for civilian use restricted

the marketing activities of the company. Notwithstanding rising costs for materials and labor, the company realized a profit margin to sales before taxes of 9.19% and after income and excess profits taxes of 4.37%.

Current assets amounted to \$14,696,944 and current liabilities \$4,052,933. U.S. Treasury Savings Notes in the amount of \$500,000 were purchased during the year for 1952 tax payments. The notes are shown on the balance sheet as a deduction from the reserve for taxes. Net working capital which amounted to \$10,644,011 decreased by \$39,885 as follows:

### FUNDS MADE AVAILABLE—

From operations		
Consolidated net profit for the year.....	\$1,474,902	
Depreciation charges not requiring a cash outlay.....	282,068	
		<u>\$1,756,970</u>

### FUNDS APPLIED

Expenditures on fixed assets less depreciated book value of assets disposed of.....	\$ 861,763	
Dividends—		
On first preferred shares	\$135,963	
On common class "A" shares.....	489,611	
On common class "B" shares.....	130,000	
		<u>755,574</u>
Increase in other assets.....	11,737	
Sinking Fund—		
Cash allocated to sinking fund for redemption of first preferred shares.	\$ 50,000	
Less premium on stock redeemed.....	7,219	
		<u>42,781</u>
3½% Note Payable — (\$125,000 payment due October 1, 1952)...	125,000	<u>1,796,855</u>

### EXCESS OF FUNDS APPLIED OVER FUNDS MADE AVAILABLE

—representing decrease in working capital. \$ 39,885



# REPORT TO STOCKHOLDERS

The ratio of current assets to current liabilities was 3.6 to 1.

The balance in the sinking fund for the redemption of preferred stock at January 1, 1951 amounted to \$169,255. During the year, \$50,000 was transferred to the sinking fund and 2,037 shares of preferred stock were redeemed and cancelled at a cost of \$210,919. The balance in the sinking fund at the end of the year was \$8,336. Since 1945, 10,191 shares have been purchased for redemption and cancellation which leaves a balance of 29,809 shares of preferred stock outstanding.

Inventories amounted to \$8,255,787 and accounts and notes receivable (less reserves of \$265,000) aggregated \$3,055,846.

Fixed assets increased by \$780,987. This was principally represented by the completion of the new plant at Winnipeg and the purchase of plant sites for future expansion at Sarnia and Scarborough, Ontario. There was an official opening of the new plant at Winnipeg on September 11, 1951. Early in the current year, negotiations were concluded covering the acquisition of property for additional expansion at Aurora, adjacent to Chicago, Illinois.

The Engineering and Research Division continues actively on the development of new products and the improvement of standard product lines, and also collaborates with the Engineering Departments at all plants.

Marketing research will continue to be a necessary part of the Company's expansion program. A study of the midwestern market for the Heater and Tank Division in the United States was completed during the year. Further sales penetration of this market is planned for 1952.

All plants are actively engaged in the solicitation of defense contracts. The volume of government orders currently on hand is below expectations due principally to highly competitive conditions. Procurement of defense supplies which are within the scope of our manufacturing facilities is increasing, and additional contract awards are anticipated during 1952.

Operations will be dealt with in further detail at the Annual Meeting to be held on April 22, 1952.

Several changes have been recently effected in the executive personnel of John Wood Company. Mr. L. A. Prescott, formerly Vice-President and Manager, Muskegon plant, was retired due to ill health. Mr. A. F. Jordan, formerly Vice-President and Director of Sales, Bennett Pump Division, was appointed Vice-President and General Manager of the Division. Mr. P. S. Lyon was appointed Vice-President in charge of Engineering. Mr. S. K. Makemson, formerly General Sales Manager, Bennett Pump Division, was appointed Vice-President and General Sales Manager of the Division. Mr. W. T. Briggs, formerly Eastern Sales Manager, Heater and Tank Division, was appointed Vice-President and Eastern Sales Manager of the Division.

Other changes in officers of the operating subsidiaries were the recent appointments of Mr. H. J. Wesley as Vice-President and Controller and Mr. R. S. Owens as Treasurer.

The volume of both sales and income thus far in 1952 is lower than during the early part of 1951. Material, labor and other expenses continue to increase while selling prices of the Company's products in the United States are controlled by existing government regulations. Due principally to these factors, it is unlikely that the profit margin reported in 1951 can be maintained, notwithstanding substantial economies which are presently being effected by cost reduction and other budget programs.

The Directors wish to express their appreciation of the efforts and contributions made by the officers and operating personnel of the company during a period of generally adverse conditions and of the continued loyalty and co-operation of the entire organization.



March 17, 1952

President.



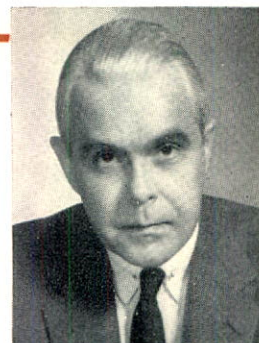
# OFFICERS AND DIRECTORS



*Victor Mauck*  
CHAIRMAN OF THE BOARD



*Guy George Gabrielson*  
PRESIDENT



*J. B. Balmer*  
VICE-PRESIDENT  
AND CHAIRMAN OF THE  
EXECUTIVE COMMITTEE

## INTERNATIONAL METAL INDUSTRIES, LIMITED

### Officers

GUY GEORGE GABRIELSON, *President*

VICTOR MAUCK

*Chairman of the Board*

J. B. BALMER

*Vice-President and General Manager*

H. J. WESLEY

*Treasurer*

R. S. OWENS

*Secretary*

R. I. PRIDDLE

*Assistant Secretary*

### Board of Directors

VICTOR MAUCK, *Chairman*

J. B. BALMER

T. F. RAHILLY

GUY GEORGE GABRIELSON

H. R. TUDHOPE

H. W. KNIGHT

C. J. YOUNGER

### Executive Committee

J. B. BALMER, *Chairman*

GUY GEORGE GABRIELSON

VICTOR MAUCK

JOHN WOOD COMPANY • JOHN WOOD COMPANY LIMITED

### Board of Directors

J. B. BALMER, *President*

GUY GEORGE GABRIELSON

VICTOR MAUCK

### Management Committee

J. B. BALMER, *Chairman*

A. M. AIKMAN

S. K. MAKEMSON

V. G. BARNES

M. N. McILWAIN

C. F. T. HOOPER

R. S. OWENS

A. F. JORDAN

R. W. SIMPSON

A. L. KRESS

J. N. WELSCHER

P. S. LYON

H. J. WESLEY



# CONSOLIDATED INCOME AND EARNED SURPLUS

## CONSOLIDATED INCOME

	<i>Years Ended December 31</i>	
	1951	1950
Net Sales.....	\$33,717,131	\$34,390,869
Cost of sales, selling, general and administrative expenses and all other charges and provisions except those set out below.....	30,360,036	29,326,846
Depreciation charges.....	282,068	293,221
Interest on long-term debt.....	86,406	87,500
	\$30,728,510	\$29,707,567
	\$ 2,988,621	\$ 4,683,302
Exchange profits, including exchange premium on dividends from United States subsidiary.....	55,812	205,731
Profit on disposal of fixed assets (net).....	55,469	5,998
Income before taxes.....	\$ 3,099,902	\$ 4,895,031
Provision for income and excess profits taxes.....	1,625,000	2,700,000
Net income.....	\$ 1,474,902	\$ 2,195,031

*NOTE:* Payments by the company or its subsidiaries during the year ended December 31, 1951 include fees of \$36,000 paid to directors and members of the executive committee and remuneration of \$114,215 to the executive officers and solicitors of the parent company.

## CONSOLIDATED EARNED SURPLUS

Balance at beginning of year.....	\$ 6,640,110	\$ 5,190,893
Net income from income statement.....	1,474,902	2,195,031
	\$ 8,115,012	\$ 7,385,924
Dividends:		
On first preferred stock—		
1951 and 1950—\$4.50 per share.....	\$ 135,963	\$ 150,034
On class "A" common stock—		
1951—\$2.60 per share; 1950—\$2.50 per share.....	489,611	470,780
On class "B" common stock—		
1951—\$2.60 per share; 1950—\$2.50 per share.....	130,000	125,000
	\$ 755,574	\$ 745,814
Balance at end of year.....	\$ 7,359,438	\$ 6,640,110



# CONSOLIDATED BALANCE SHEET

## ASSETS

	<i>December 31</i>	
	1951	1950
<b>CURRENT:</b>		
Cash on hand and in banks.....	\$ 3,385,311	\$ 5,736,830
Accounts and notes receivable (less reserves of \$265,000).....	3,055,846	3,765,485
Inventories as determined and certified by company officials, and valued at the lower of cost or market value.....	8,255,787	7,523,533
	<u>\$14,696,944</u>	<u>\$17,025,848</u>
 <b>SINKING FUND:</b>		
Cash held for redemption of first preferred shares.....	\$ 8,336	\$ 169,255
 <b>FIXED:</b>		
Land, buildings and equipment as written down to less than cost at January 1, 1933, with subsequent additions at cost.....	\$ 6,645,990	\$ 5,865,003
Less reserves for depreciation.....	3,218,351	3,017,059
	<u>\$ 3,427,639</u>	<u>\$ 2,847,944</u>
<b>PATENTS, rights and licenses.....</b>	<u>\$ 1</u>	<u>\$ 1</u>
 <b>OTHER ASSETS:</b>		
Prepaid insurance and other expenses.....	\$ 180,590	\$ 163,674
Sundry receivables, etc.....	44,697	49,876
	<u>\$ 225,287</u>	<u>\$ 213,550</u>
	<u>\$18,358,207</u>	<u>\$20,256,598</u>

*See financial notes on page 10.*



# CONSOLIDATED BALANCE SHEET

## LIABILITIES

	<i>December 31</i>	
	1951	1950
<b>CURRENT:</b>		
Accounts payable and accrued charges.....	\$ 2,405,425	\$ 3,206,598
Reserve for taxes (less \$500,000 U.S. Treasury Savings Notes in 1951)..	1,334,071	2,736,206
Dividends payable.....	188,437	274,148
Principal instalments of U.S. subsidiary's 3½% notes maturing within one year.....	125,000	125,000
	<u>\$ 4,052,933</u>	<u>\$ 6,341,952</u>
<b>DEFERRED:</b>		
3½% notes of United States subsidiary, due \$125,000 annually 1952-1962, balance 1963 (payable in U.S. dollars).....	\$ 2,375,000	\$ 2,500,000
Less instalments maturing within one year included under current liabilities.....	125,000	125,000
	<u>\$ 2,250,000</u>	<u>\$ 2,375,000</u>
<b>RESERVE FOR CONTINGENCIES.....</b>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
<b>CAPITAL:</b>		
Authorized—		
50,000 shares preferred stock, par value \$100 each		
less 10,191 shares redeemed		
300,000 shares class "A" common stock of no par value		
50,000 shares class "B" common stock of no par value		
Outstanding—		
29,809 shares 4½% cumulative redeemable sinking fund first preferred stock, par value \$100 each—redeemable at \$103 (1950—31,846 shares outstanding).....	\$ 2,980,900	\$ 3,184,600
188,312 shares class "A" common stock of no par value } .....	714,936	714,936
50,000 shares class "B" common stock of no par value }		
	<u>\$ 3,695,836</u>	<u>\$ 3,899,536</u>
<b>EARNED SURPLUS.....</b>	<u>7,359,438</u>	<u>6,640,110</u>
	<u>\$11,055,274</u>	<u>\$10,539,646</u>
	<u>\$18,358,207</u>	<u>\$20,256,598</u>

Approved on behalf of the Board

GUY GEORGE GABRIELSON, Director

H. R. TUDHOPE, Director



# FINANCIAL NOTES AND AUDITORS' REPORT

## FINANCIAL NOTES

(1) At both December 31, 1951 and December 31, 1950 the United States dollar was at a premium in terms of the Canadian dollar; the assets, liabilities and earnings of the United States subsidiary are nevertheless included in the consolidated balance sheet and the related statement of consolidated income on the basis of U.S. \$1=Can. \$1. The net current assets of the subsidiary so included in the balance sheet at December 31, 1951 amounted to approximately U.S. \$7,800,000.

(2) Under a stock option plan adopted in 1950, stock options have been granted to certain executive employees of the company and its subsidiaries to purchase 11,200 shares of Class "A" common stock at a price of \$35 per share, exercisable at any time up to December 9, 1953.

## AUDITORS' REPORT

### TO THE STOCKHOLDERS:

We have examined the consolidated balance sheet of International Metal Industries, Limited and its subsidiaries as at December 31, 1951 and the related statements of consolidated income and earned surplus for the year then ended, and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of International Metal Industries, Limited and its subsidiaries at December 31, 1951, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, according to the best of our information, and the explanations given to us, and as shown by the books of the companies.

CLARKSON, GORDON & Co.  
*Chartered Accountants.*

March 17, 1952.



# SUBSIDIARIES AND OPERATING DIVISIONS

## JOHN WOOD COMPANY

Est. 1867

*Executive Office*

70 Pine Street, New York

### Heater and Tank Division

*Plants:*

Conshohocken, Pennsylvania

Chicago, Illinois

*Principal Warehouses:*

New York, N.Y., Boston, Mass.

Washington, D.C., St. Louis, Mo.

### Bennett Pump Division

*Plant:*

Muskegon, Michigan

*Principal Warehouses:*

New York, N.Y., Atlanta, Ga.

Dallas, Texas, Los Angeles, Calif.

### Superior Metalware Division

*Plant:*

St. Paul, Minnesota

*Principal Warehouses:*

Philadelphia, Pennsylvania

San Francisco, California

## JOHN WOOD COMPANY

LIMITED

*Executive Office*

101 Hanson Street, Toronto

### Heater and Tank Division

*Plants:*

Toronto, Ont., Montreal, Que.

Winnipeg, Man., Vancouver, B.C.

*Warehouse:*

Calgary, Alberta

### Bennett Pump Division

*Plant:*

Toronto, Ontario

*Warehouses:*

Montreal, Que., Winnipeg, Man.

Calgary, Alta., Vancouver, B.C.

### Fess Burner Division

*Plant:*

Toronto, Ontario

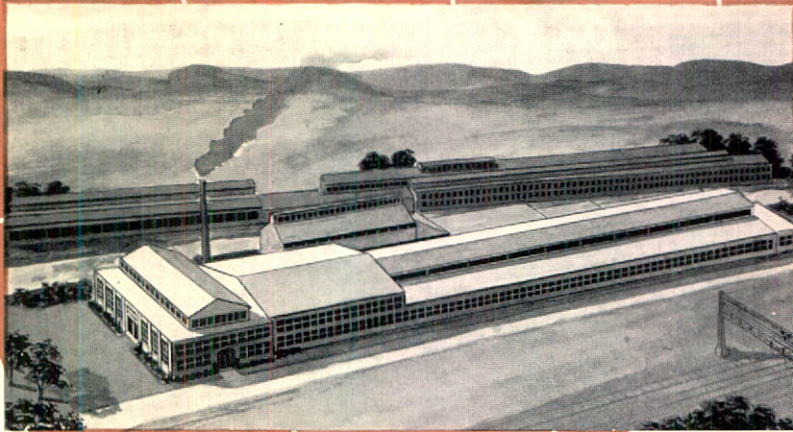
*Warehouses:*

Montreal, Que., Winnipeg, Man.

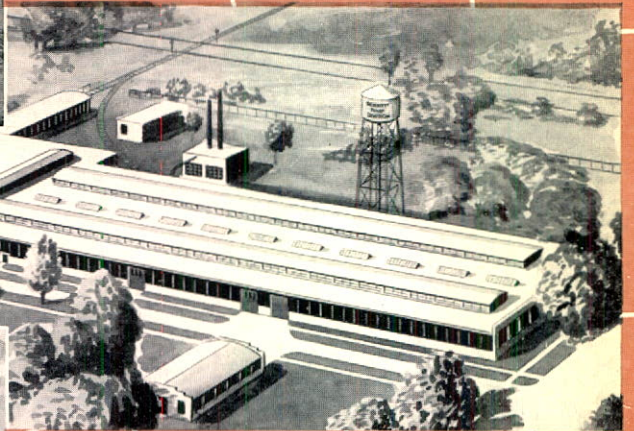
Calgary, Alta., Vancouver, B.C.



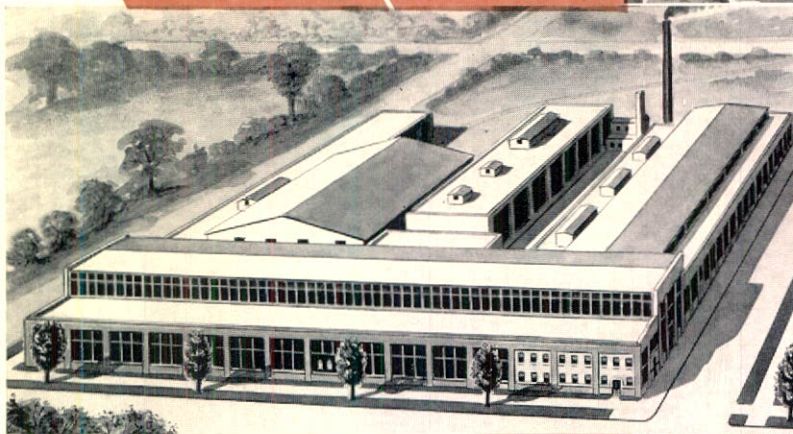
# JOHN WOOD COMPANY



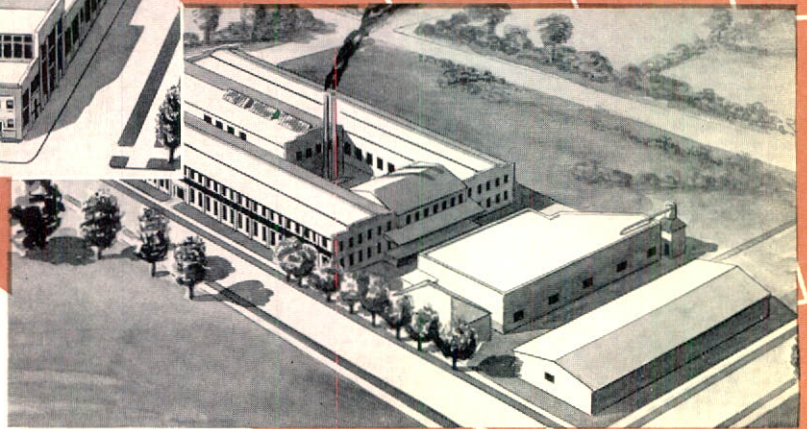
JOHN WOOD COMPANY  
*Heater and Tank Division*  
Conshohocken, Pennsylvania



JOHN WOOD COMPANY  
*Bennett Pump Division*  
Muskegon, Michigan



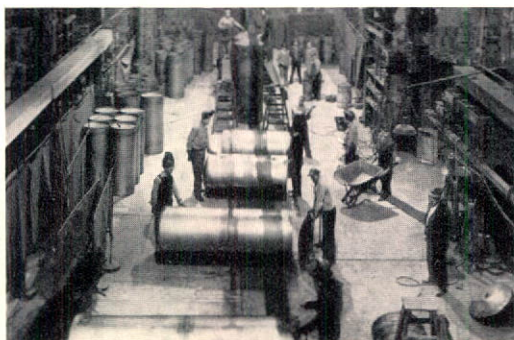
JOHN WOOD COMPANY  
*Heater and Tank Division*  
Chicago, Illinois



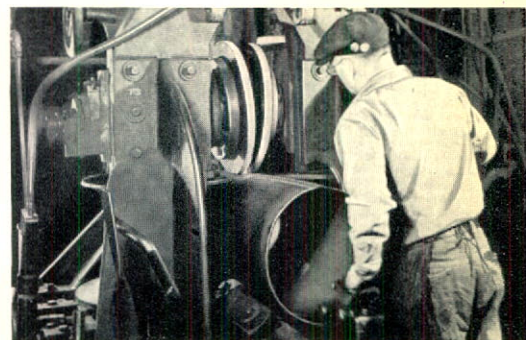
JOHN WOOD COMPANY  
*Superior Metalware Division*  
St. Paul, Minnesota



Gasoline Pump Final Assembly Line



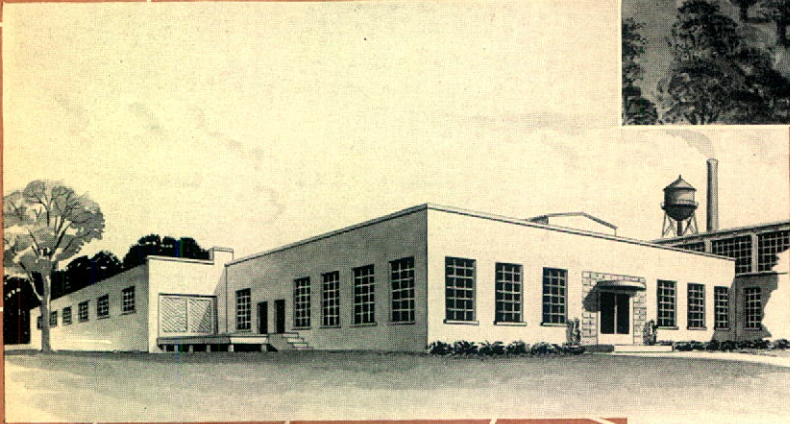
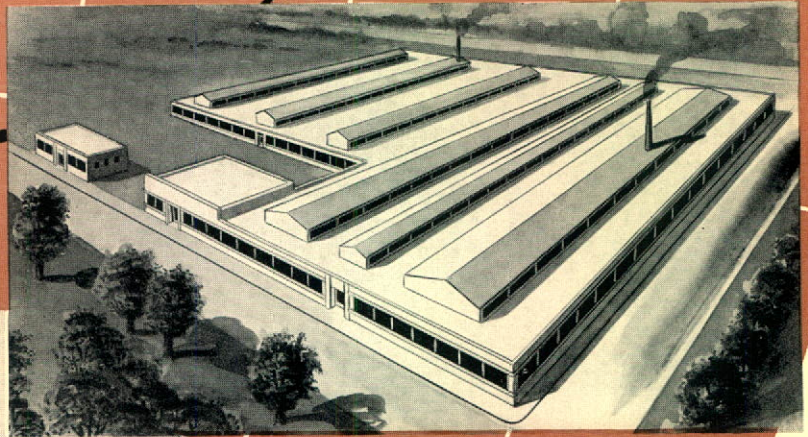
Large Tank Shop



Automatic Induction Welding

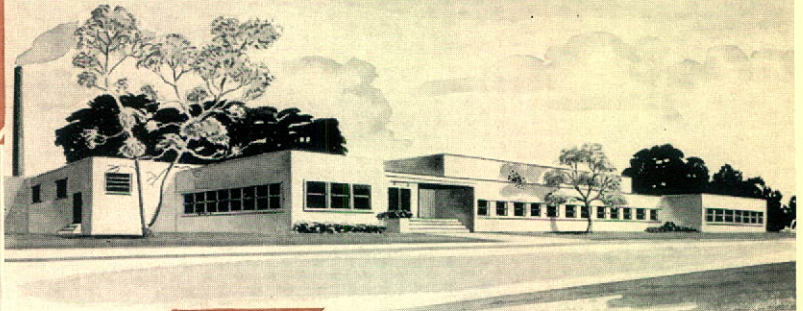


# 86 Years of Progress

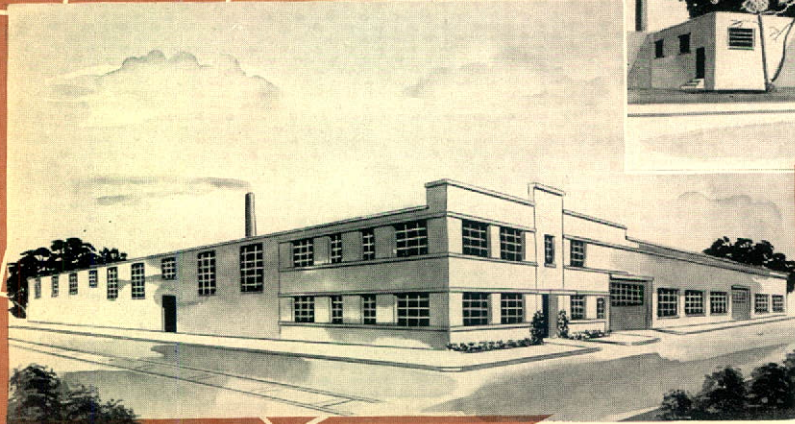


JOHN WOOD COMPANY LIMITED  
*Heater and Tank Division*  
*Bennett Pump Division*  
*Fess Burner Division*  
Toronto, Ontario

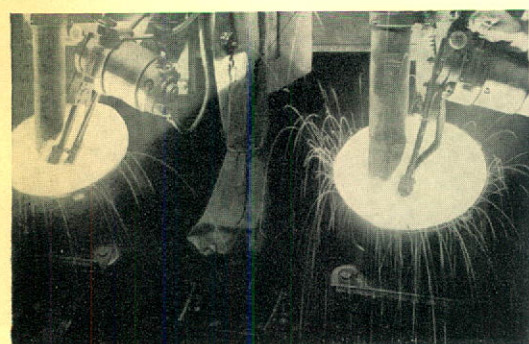
JOHN WOOD COMPANY LIMITED  
*Heater and Tank Division*  
Montreal, Quebec



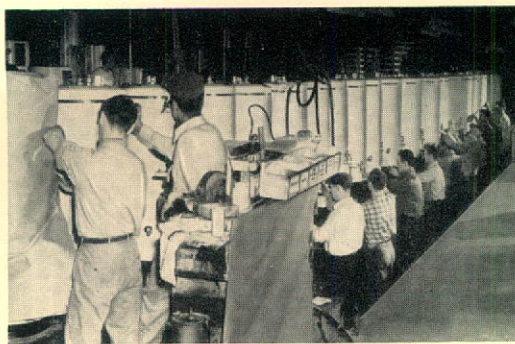
JOHN WOOD COMPANY LIMITED  
*Heater and Tank Division*  
Winnipeg, Manitoba



JOHN WOOD COMPANY LIMITED  
*Heater and Tank Division*  
Vancouver, British Columbia



Machines welding bottoms into Tanks



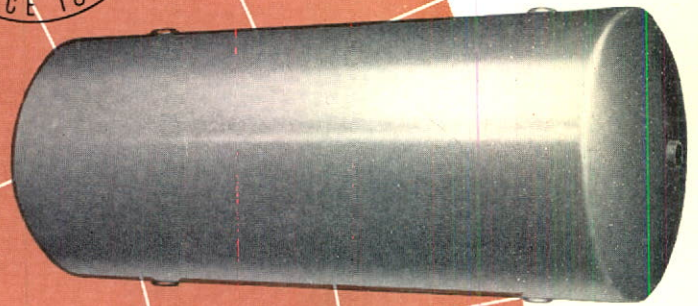
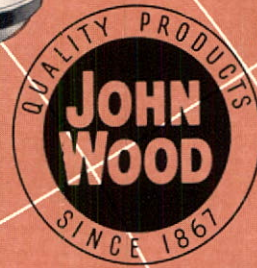
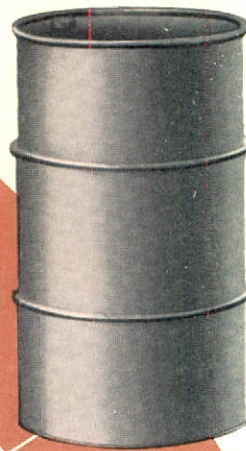
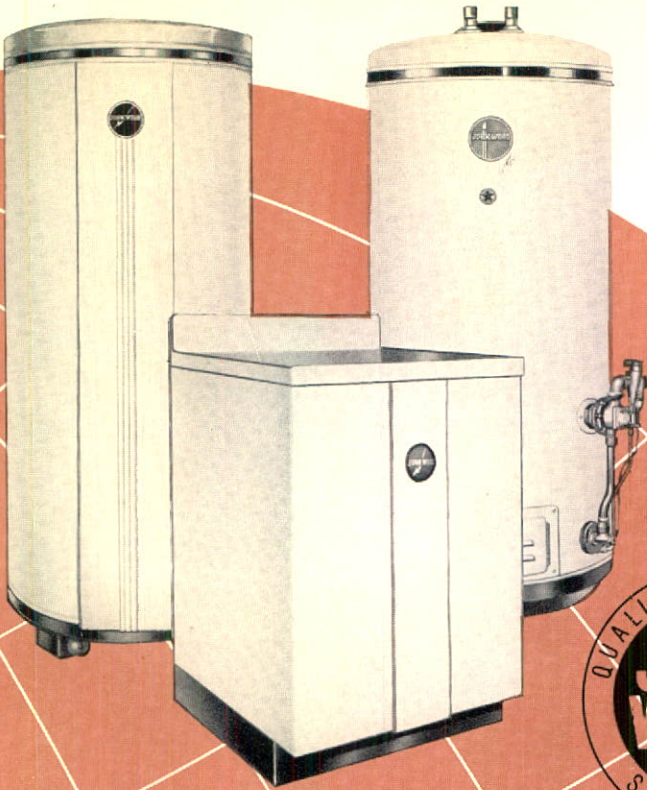
Automatic Water Heater Assembly Line



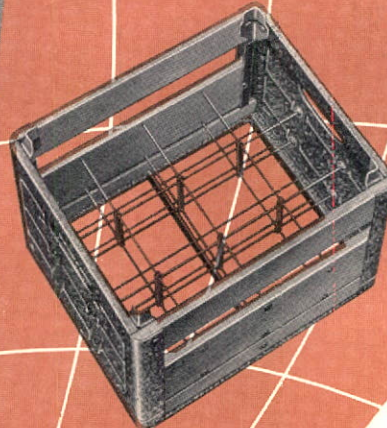
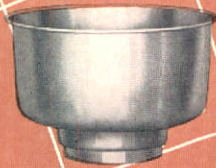
Resistance Welding Milk Can Seams



WATER HEATERS AND TANKS



DAIRY INDUSTRY METALWARE

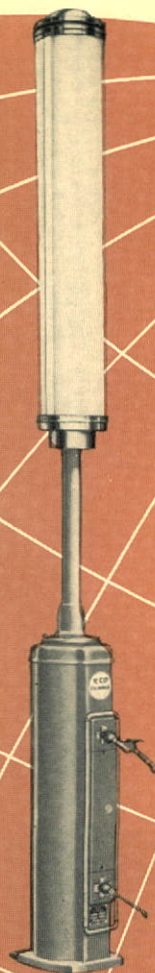
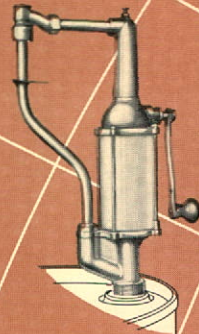
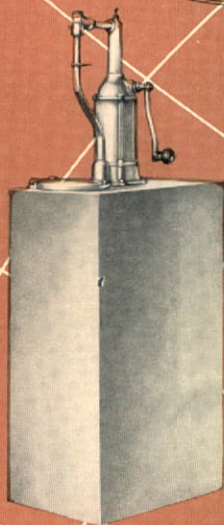
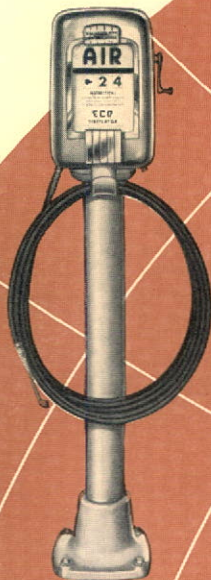
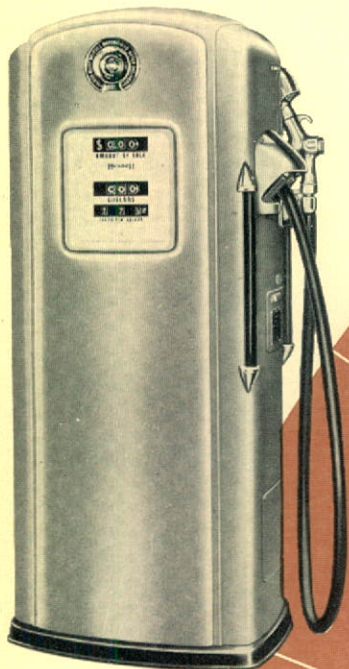




QUALITY BUILT  
**Bennett**  
TRADE MARK REG. U.S. PAT. OFFICE

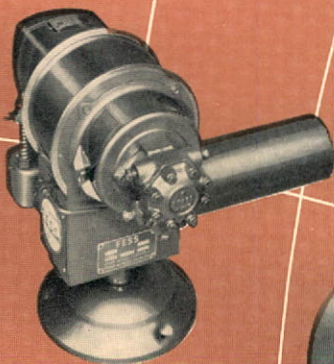
OIL TRADE EQUIPMENT

Precision Made  
**ECO**  
Automotive  
Servicing Equipment



**FESS**

HOME HEATING PRODUCTS





# FOREIGN MARKETING SUBSIDIARIES

## JOHN WOOD INTERNATIONAL CORPORATION

*Executive Office*

70 Pine Street, New York

John Wood International Corporation distributes through its sales agents in principal foreign countries the products of its parent, John Wood Company. The marketing activities of this subsidiary during the past few years have been generally restricted to the Latin American Republics in the Western Hemisphere due to adverse exchange conditions in other parts of the world.

Mexico . . . . .	Mexico City Guadalajara Monterrey
Costa Rica . . . . .	San Jose
Guatemala . . . . .	Guatemala City
Panama . . . . .	Panama City
Cuba . . . . .	Havana
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Argentina . . . . .	Buenos Aires
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Columbia . . . . .	Bogota Barranquilla
Ecuador . . . . .	Quito Guayaquil
Peru . . . . .	Lima
Uruguay . . . . .	Montevideo
Venezuela . . . . .	Caracas Maracaibo

## BENNETT DO BRASIL LIMITADA

*Executive Office*

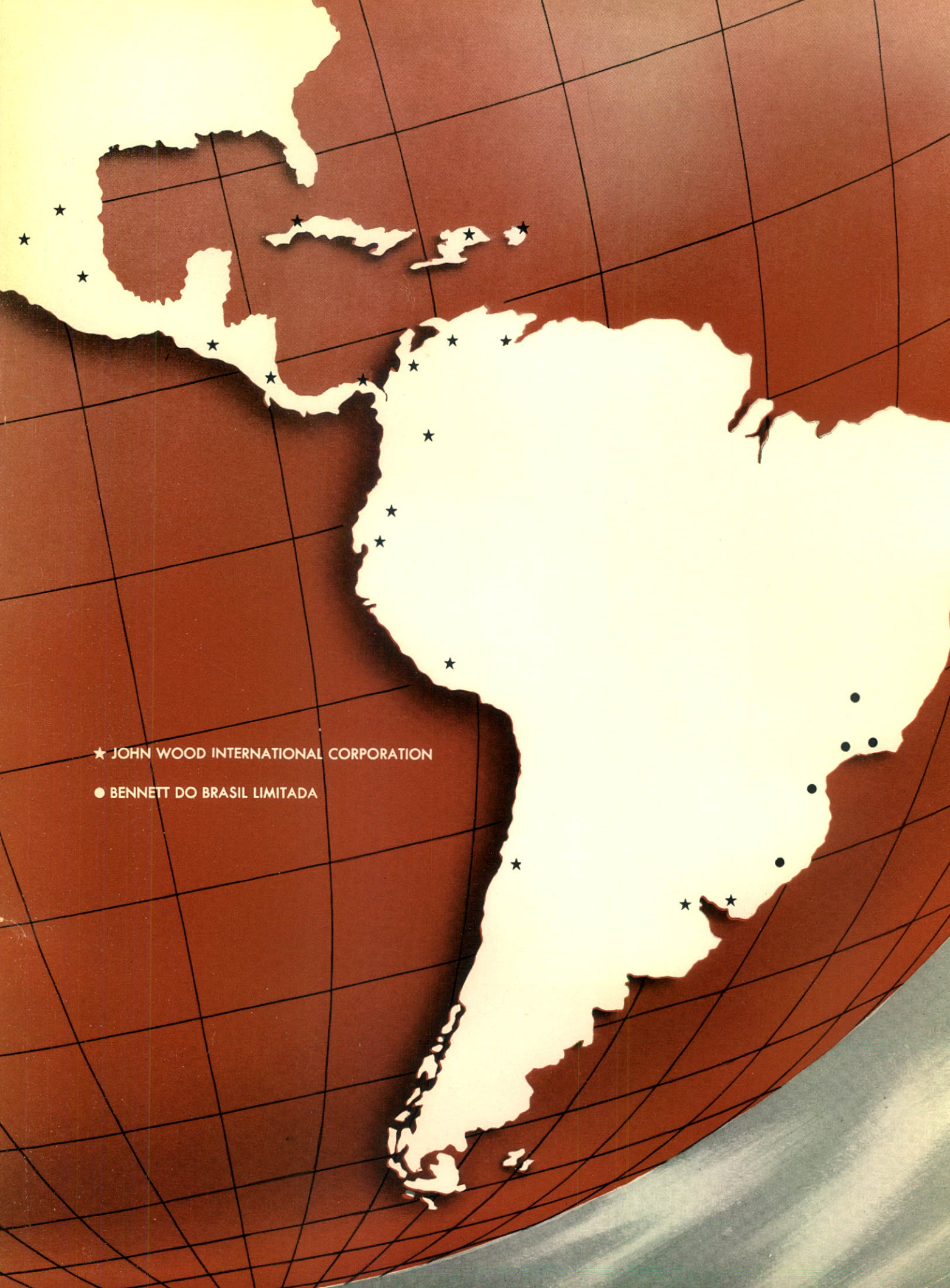
70 Pine Street, New York

Bennett Do Brasil Limitada, an operating subsidiary of John Wood Company, with branch office and warehouse in Rio de Janeiro, distributes directly and through its sales agents in the Republic of Brazil the products of the Bennett Pump Division, Muskegon, Michigan, and a wide range of oil trade equipment of other manufacture.

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