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Annual Report of Ford of Canada

for the year
ended
December 31st, 1949

Ford Motor Company of Canada, Limited

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FORD MOTOR COMPANY OF CANADA,

LIMITED

WINDSOR

ONTARIO

NOTICE OF SPECIAL GENERAL
AND ANNUAL MEETING

TO THE SHAREHOLDERS:

Notice is hereby given that a special general and annual meeting of shareholders of Ford Motor Company of Canada, Limited will be held at the head office of the Company at Windsor, Ontario, on the twenty-fourth day of April, 1950, at four o'clock P.M., eastern standard time, to (a) consider, and if deemed advisable, sanction and confirm by-law No. 7 enacted by the directors of the Company March 28, 1950, increasing the number of directors from seven to eight, (b) receive the annual reports, (c) elect directors, and (d) transact such other business as may properly come before the meeting.

The close of business April 10, 1950, has been fixed as a record date for the determination of the shareholders entitled to vote at the meeting.

Only registered owners of class "B" shares are entitled to vote. Any such shareholder, unable to attend the meeting in person, is requested to complete and return the form of "Appointment of Proxy".

"Appointment of Proxy" forms should be deposited at the head office of the Company not later than forty-eight (48) hours before the time of holding the meeting.

F. G. BATTERS,

Secretary

Windsor, Ontario
April 10, 1950

Annual Report *of Ford of Canada*

for the year
ended
December 31st, 1949

Ford Motor Company of Canada, Limited
Windsor, Ontario

Board of Directors

E. R. Breech

R. S. Bridge

J. M. Cochrane

Henry Ford II

G. G. Kew

R. M. Sale

Officers

R. M. Sale

PRESIDENT

R. S. Bridge

VICE-PRESIDENT—MANUFACTURING

J. M. Cochrane

VICE-PRESIDENT—PURCHASING

H. H. Greenfield

VICE-PRESIDENT—SALES AND ADVERTISING

G. G. Kew

VICE-PRESIDENT AND TREASURER

F. G. Batters

SECRETARY AND ASSISTANT TREASURER

G. G. Dewar

ASSISTANT SECRETARY

Auditors

Clarkson, Gordon & Co.

Highlights of 1949

The year was the most successful since the inception of the company.

Sales volume reached an all-time record of \$212,036,601, which was 26 per cent greater than that for 1948.

The increase came wholly from unprecedented sales in the Canadian market, in which Ford of Canada sold 35.7 per cent of all vehicles of Canadian or United States origin wholesaled during the year.

Volume of sales in Canada was \$182,077,638, or 85.8 per cent of total sales volume, as compared with \$122,118,522 in 1948.

More Ford cars were purchased by Canadians in 1949 than any other make. The Meteor passenger car was in third place among all makes, and both Mercury and Monarch cars outsold all competing makes in their price group. Ford and Mercury trucks together accounted for 33.9 per cent of all trucks of Canadian or United States origin sold in the Dominion in 1949.

Sales of agricultural tractors and implements, imported by the company for sale in Canada, were greater than ever before.

Net profit of \$17,256,762 was equal to \$10.40 a share, and to 8.13 per cent of sales.

Total assets of \$138,753,042 exceeded all previous totals and were \$18,386,568 greater than at the end of 1948.

Employment of an average of 14,257 was slightly below the 1948 average of 14,298. Total wages and salaries reached the record figure of \$40,735,348.

Production of 112,130 passenger cars and trucks exceeded the output for any preceding year in the company's history and compared with 97,015 units in 1948. The company was again the largest manufacturer of motor vehicles in the Dominion.

Prices of cars and trucks produced by the company were not increased in 1949, in spite of increased costs resulting from devaluation of the Canadian dollar, and from many styling and mechanical improvements in the 1950 passenger models introduced in December.

Directors' Report

To the Shareholders of Ford Motor Company of Canada, Limited:

The Board of Directors submits herewith the annual report of your company for the year ended December 31st, 1949, together with the report of your auditors.

Sales

The year 1949 was the most successful in the history of the company.

Total sales of \$212,036,601 in 1949 set an all-time record. The figure represents an increase of 26 per cent over that for 1948; 42 per cent over the total for 1947, and far exceeds the average annual sales volume of \$83,173,018 for the 20-year period 1929-1948.

The increase was wholly attributable to improved sales in the Canadian market, which exceeded those of the previous year by \$59,959,116, or 49.1 per cent. The dollar value of sales in Canada was \$182,077,638, or 85.8 per cent of total sales volume, as compared with \$122,118,522, or 72.6 per cent in 1948. The dollar value of export shipments decreased from \$46,170,366 in 1948 to \$29,958,963 in 1949.

The number of Canadian-built passenger cars and trucks sold by the company in 1949 exceeded that for any preceding year. The total of 112,207 units compares with 96,747 in 1948.

The Canadian market absorbed 84.5 per cent of the Canadian-made cars and trucks sold by your company in 1949, as against 64 per cent in 1948 and 59.6 per cent in 1947. The combined total of 94,796 passenger cars and trucks

sold by the company represented 35.7 per cent of all vehicles of Canadian and United States origin wholesaled in the Dominion during 1949, as against a comparable percentage of 28.8 in 1948 and 26.2 in 1947.

Ford of Canada established undisputed leadership in sales of motor vehicles in the Canadian market in 1949. More Canadians bought Ford passenger cars than any other make in any price class, and although the company's Meteor passenger car had been introduced as recently as June, 1948, it moved into third place among all makes. Both Mercury and Monarch passenger cars outsold all competing cars in their price group. The company's two lines of trucks, Ford and Mercury, with a combined total of 29,314, accounted for 33.9 per cent of all trucks of Canadian or United States origin sold in the Dominion.

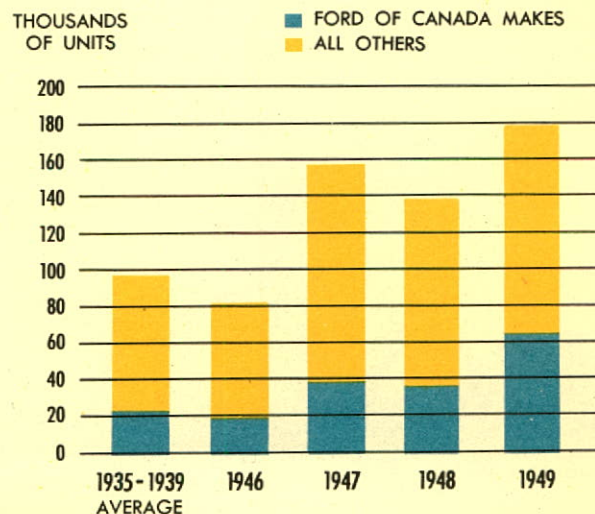
Passenger car sales by the company in Canada in 1949, totalling 65,484 units, compared with 36,544 in 1948 and 39,737 in 1947. This total was 36.6 per cent of all passenger cars of Canadian or United States origin wholesaled in Canada, as against 26.3 per cent in 1948.

The foregoing sales statistics do not include vehicles imported from Great Britain or Europe. Your company sold in Canada 3,920 passenger cars and 989 light commercial vehicles imported from Ford Motor Company Limited, Dagenham, England, as compared with 1,295 cars and 730 commercial vehicles in 1948.

There was a substantial increase in 1949 in the number of agricultural tractors and the volume of implements sold in Canada by your company. Tractor sales totalled 11,051, as against 8,597 in 1948. Of the 1949 total, 10,585 were Ford tractors imported from the United States, but in the latter part of the year 466 Fordson Major tractors were imported from England, as a market for this type is being developed in Canada.

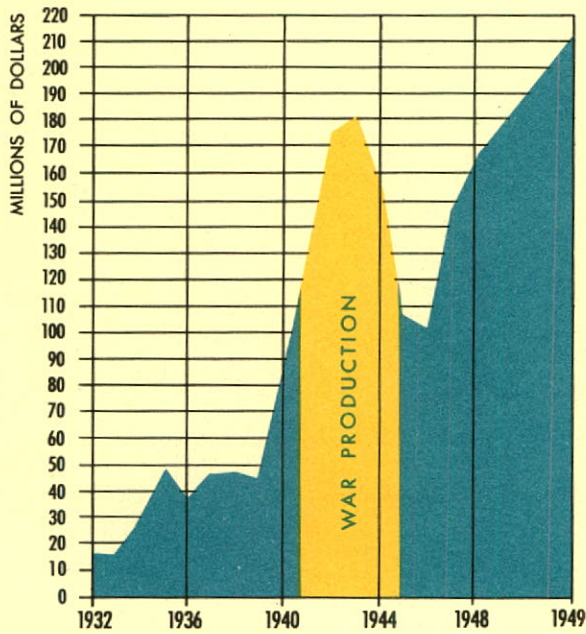
Ford's Share of Passenger Car Sales in Canada

(Comparison Based Upon Canadian and United States Makes Only)



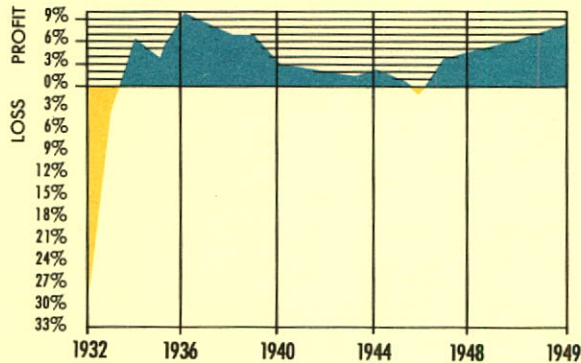
Although the number of vehicles shipped overseas in 1949, totalling 17,415 units, was the smallest since 1933, the company continued to be the largest exporter of cars and trucks among Canadian manufacturers. The 1949 figure compares with 34,845 in 1948; 41,141 in 1947, and a 1935-1939 average of 38,619.

Trend of Ford of Canada Sales Income



Trend of Ford of Canada Profit and Loss

Based on Percentage of Sales Income

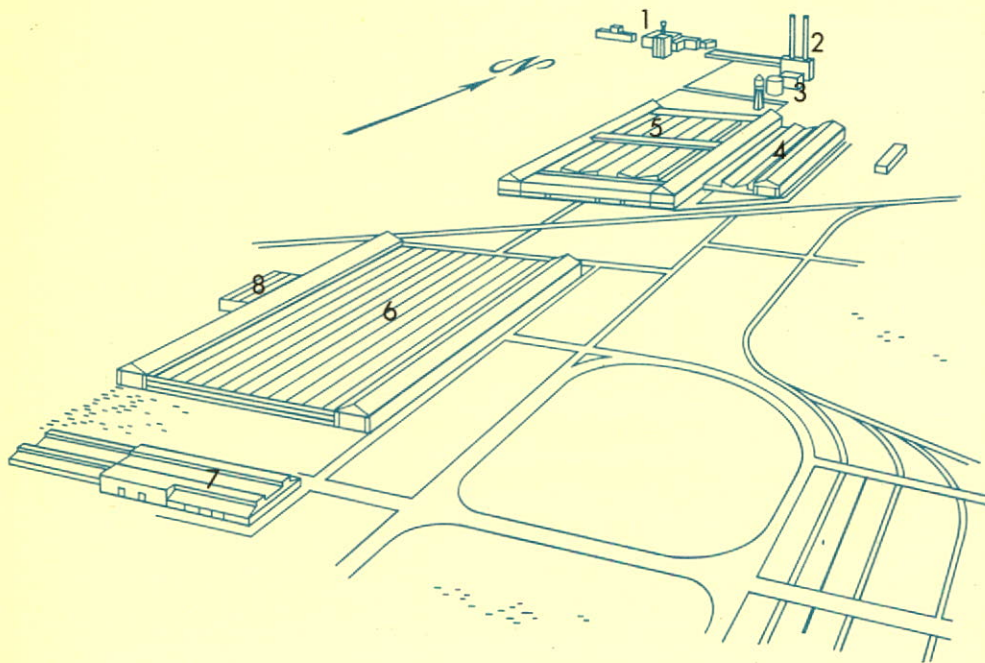
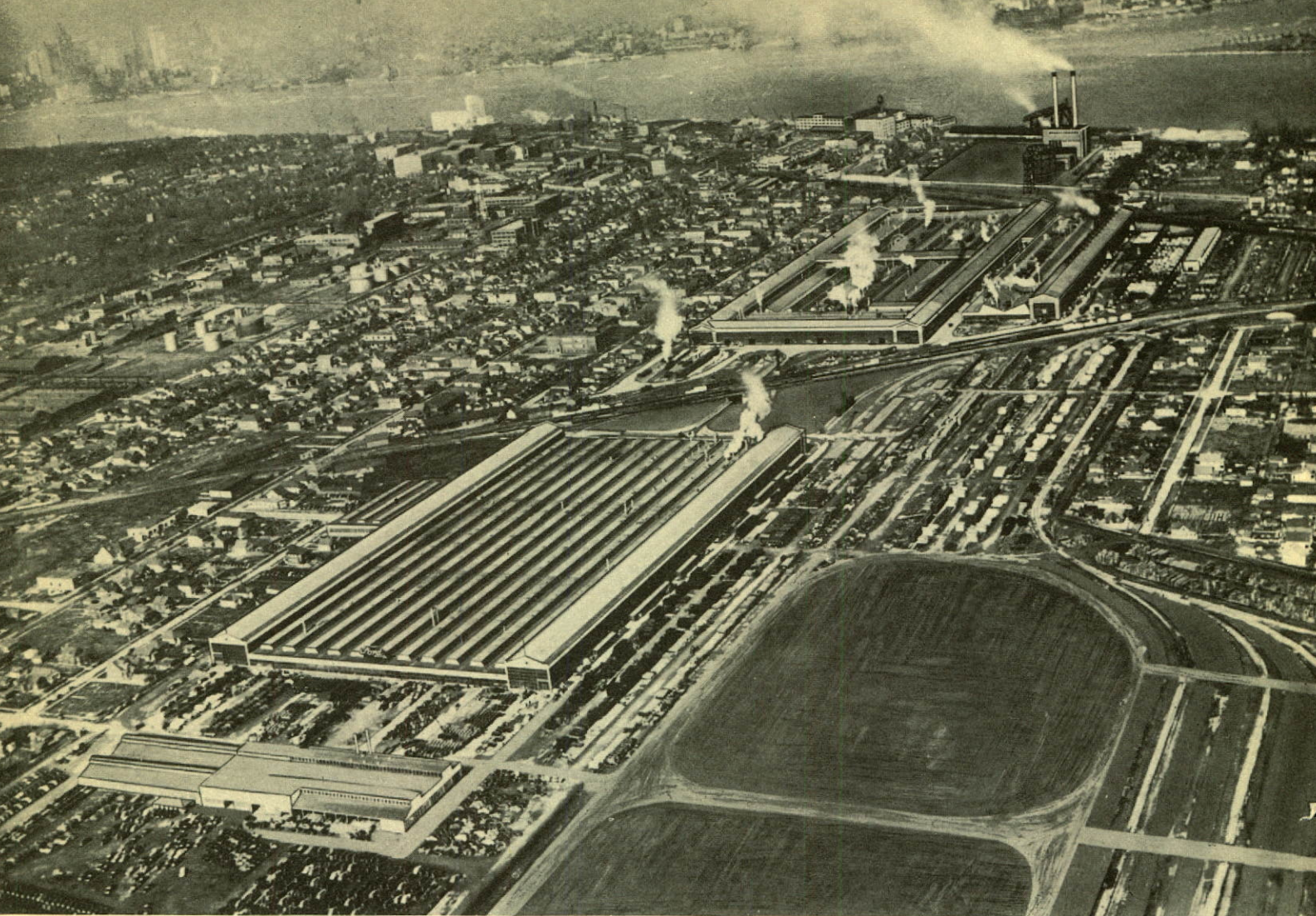


Profit

Net profit for 1949 was \$17,256,762, equal to \$10.40 a share. This compares with a net profit of \$7,969,534 in 1948, which was equal to \$4.80 a share. Average profit per share for the four-year period 1946-1949 was \$4.66.

The substantial increase in profit in 1949 resulted from a \$43,747,713 increase in volume of sales, and from more favourable operating conditions which permitted almost uninterrupted production throughout the year. Net profit was equal to 8.13 per cent of sales, as compared with 4.73 per cent in 1948. The average for the four post-war years 1946-1949 was 4.90 per cent, and for the pre-war years 1935-1939 it was 6.94 per cent.

Included in the profit for 1949 was \$1,500,811 of dividends from subsidiary companies. This was \$861,911 less than the amount received in 1948, as the



Ford of Canada's factory in Windsor, Ontario, occupying a 240-acre site and with almost 59 acres under roof, is the Dominion's largest automotive plant. It is situated on the shore of the Detroit River and is only a few miles from the heart of the United States automobile industry in Detroit. In 1949 the plant produced more than 112,000 passenger cars and trucks.

1. Plant 1, overlooking the Detroit River, houses administrative offices, parts warehouses, and laboratories.
2. The power house has a nominal capacity of 28,000 kilowatts (37,500 h.p.), consumes more than 300 tons of coal daily.
3. The Ford of Canada Trade School.
4. The foundry has the largest electric furnace installation in Canada.
5. Plant 2, with 18 acres of floor space, has more than 4,500 individually-powered machines. Its output of assembled motors, axles and other parts is fed by underground conveyor to Plant 4.
6. Plant 4, which houses the body-build, trim, paint, and final assembly lines.
7. Final inspection and preparation for shipment.
8. Receiving building, a recent addition.

temporary need for more working capital by one of the subsidiary companies reduced the funds it had available for dividends.

Current Assets

There was an increase of \$33,232,662 in cash and bonds at the end of the year, over the comparable 1948 figure. Accounts receivable at the close of 1949 were \$11,181,209 less than at the end of 1948. Of this reduction \$9,126,313 was in the accounts of subsidiary companies. These had been abnormally high at December 31st, 1948, owing to heavy shipments of new model passenger cars in the latter months of that year. In contrast, accounts receivable from subsidiary companies at the end of 1949 were abnormally low, owing to curtailment of shipments from Canada because of restrictions on imports in overseas territories. Inventories of Ford of Canada were \$2,332,627 less at December 31st, 1949, than at the same date in 1948. The reductions in accounts receivable and in inventories, coupled with the profit for 1949, were largely responsible for the increase in cash and bonds.

Other Assets

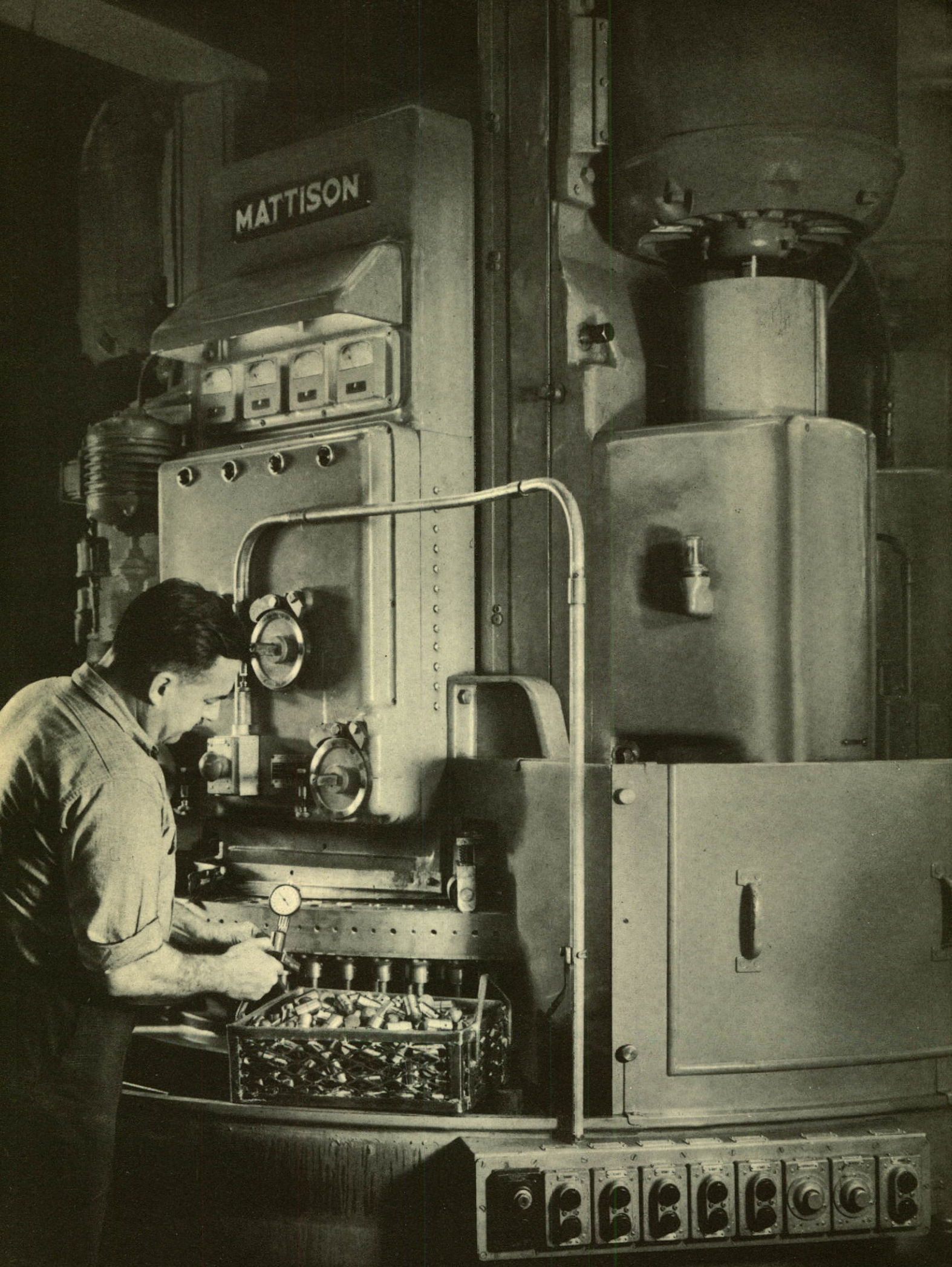
Prepaid expenses and deferred charges show a reduction from the previous year of \$2,117,126, principally because of absorption into costs during the year of deferred charges for tooling of new models.

The portion of taxes on income refundable under The Excess Profits Tax Act was reduced in 1949 by a refund of \$770,301. It is expected that the final refund of \$416,363 still owing to the company will be received in 1950.

Fixed Assets

The total value of fixed assets, at cost, at the end of 1949 was \$51,612,518, or \$1,555,169 greater than at the end of 1948. Fixed assets valued at \$2,447,403

Among many up-to-the-minute machines installed in the Ford of Canada plant last year to improve productive efficiency and lower costs, was this 15-ton fully automatic, high precision grinder. Push rods for car and truck engines emerge from this machine with the flat ends ground to a mirror-like finish and to tolerances finer than 1/10,000th of an inch.



were added during the year, consisting principally of machinery and equipment, while disposals of obsolete and worn-out equipment amounted to \$892,234.

In 1919



In 1919 Ford of Canada had 2,869 employees, the average hourly rate was 71½¢, and the company's average investment per employee in land, buildings, machinery and equipment, at cost, was \$2,674.

In 1949



In 1949 Ford of Canada had 14,257 employees, the average hourly rate was \$1.29, and the company's average investment per employee in land, buildings, machinery and equipment, at cost, was \$3,589.

Liabilities

Accounts payable and accrued charges show a reduction from the previous year of \$1,111,037, while taxes payable show an increase of \$3,719,877. Income taxes account for almost all of this increase. About half of the income tax on 1949 profit was paid during the year and the remainder will be paid in the first six months of 1950.

The reserve for supplemental remuneration, amounting to \$577,244, is the unawarded portion of the 1949 appropriation carried forward to future years.

Earned Surplus

Earned surplus at the end of 1949 amounted to \$53,261,275, comparing with \$39,322,433 at the end of 1948. There were no surplus adjustments during the year and the increase of \$13,938,842 is the net change after transferring profits of \$17,256,762 to Earned Surplus and charging dividends of \$3,317,920. Dividend payments in 1949 totalled \$2.00 a share, the same as in 1948.

Please turn to page 14

Statement of Income and Expenditure

For the year ended December 31st, 1949

(With a comparative statement for the year ended December 31st, 1948)

	1949	1948
Operating profit after all charges (1).....	\$ 26,990,593	\$ 10,419,940
Dividends (less tax withheld at source) received from subsidiary companies.....	1,500,811	2,362,722
Profit on sale of fixed assets and investments.....	47,956	59,728
Interest on bonds.....	173,646	84,145
	28,713,006	12,926,535
Profit before taxes on income and appropriations noted below.....	10,879,000	3,957,000
Provision for taxes on income.....	—	1,000,000
Provision against the contingency of decline in inventory values.....	—	—
Portion of appropriation for supplemental remuneration to be awarded in future years.....	577,244	—
	11,456,244	4,957,000
Net profit after appropriations and provision for taxes on income....	\$ 17,256,762	\$ 7,969,535

(1) Included in operating charges for 1949 are the following items: Provision for depreciation \$1,754,283; Executive officers' remuneration \$579,546; Solicitors' fees \$23,764; Directors' fees \$2,000.

Corresponding items charged in 1948 were: Provision for depreciation \$1,700,373; Executive officers' remuneration \$275,470; Solicitors' fees \$30,138; Directors' fees \$2,000.

Statement of Earned Surplus

For the year ended December 31st, 1949

(With a comparative statement for the year ended December 31st, 1948)

	1949	1948
Earned surplus at beginning of year.....	\$ 39,322,433	\$ 34,670,818
Net profit as per statement of income and expenditure.....	17,256,762	7,969,535
	56,579,195	42,640,353
Less:		
Dividends paid on—		
Class "A" shares.....	3,177,920	3,177,920
Class "B" shares.....	140,000	140,000
	3,317,920	3,317,920
Earned surplus at end of year.....	\$ 53,261,275	\$ 39,322,433

Balance

December

(With comparative balances)

Assets	1949	1948
CURRENT ASSETS		
Cash on hand and in banks.....	\$ 12,431,831	\$ 5,371,518
Bonds of (or guaranteed by) the Government of Canada and a provincial government—at cost less amortization of premium.. <small>(Market value December 31st, 1949—\$29,395,055)</small>	29,472,355	3,300,006
Accounts Receivable		
Trade accounts.....	6,804,832	8,347,067
Subsidiary companies.....	1,307,273	10,433,586
Drawback and refund of customs duties.....	435,378	948,039
Inventories..... <small>(As determined and certified by company officials based on physical count at July 31st, adjusted to December 31st, and priced at not more than the lower of cost or market value).</small>	22,504,815	24,837,442
	<u>72,956,484</u>	<u>53,237,658</u>
OTHER ASSETS		
Prepaid expenses and deferred charges.....	2,143,943	4,261,069
Portion of taxes on income, refundable under The Excess Profits Tax Act.....	416,363	1,186,664
Shares of subsidiary companies, at cost.....	11,623,733	11,623,733
	<u>14,184,039</u>	<u>17,071,466</u>
FIXED ASSETS		
Land, buildings, machinery and equipment, at cost.....	51,612,518	50,057,349
Patents.....	1	1
	<u>\$138,753,042</u>	<u>\$120,366,474</u>

Auditors' Report

We have examined the balance sheet of Ford Motor Company of Canada, Limited, and the earned surplus for the year ended that date. In connection therewith we made a general examination of the transactions, examined or tested the accounting records of the company. We received

We report that in our opinion the above balance sheet and related statements of financial position give a true and correct view of the state of the company's affairs at December 31st, 1949, and that the information and the explanations given us and as shown by the books.

As required by Section 114 of The Companies Act, 1934 (Canada), we report that the above balance sheet has been taken into account only to the extent of the dividends received. The combined balance sheet of the aggregate in excess of such dividends.

Toronto, Canada, January 30th, 1950.

Sheet

31st, 1949

as at December 31st, 1948)

Liabilities

	1949	1948
CURRENT LIABILITIES		
Accounts payable and accrued charges.....	\$ 17,082,536	\$ 18,193,573
Due to a subsidiary company.....	21,583	—
Sales, excise and income taxes in Canada.....	7,511,499	3,791,622
	<u>24,615,618</u>	<u>21,985,195</u>
RESERVES		
For depreciation of buildings, machinery and equipment.....	38,419,805	37,179,746
For contingency of decline in inventory values.....	3,000,000	3,000,000
For supplemental remuneration.....	577,244	—
General reserve.....	5,500,000	5,500,000
	<u>47,497,049</u>	<u>45,679,746</u>
CAPITAL		
Authorized—		
1,900,000 shares class "A" no par value		
100,000 shares class "B" no par value		
Issued—		
1,588,960 shares class "A" no par value }	13,379,100	13,379,100
70,000 shares class "B" no par value }		
EARNED SURPLUS.....	53,261,275	39,322,433
	<u><u>\$138,753,042</u></u>	<u><u>\$120,366,474</u></u>

Approved on behalf of the Board,

R. M. SALE, Director

G. G. KEW, Director

to Shareholders

ed as at December 31st, 1949 and the statements of income and expenditure and
 general review of the accounting methods and, without making a detailed audit of the
 ed all the information and explanations we required from its officers and employees.
 f income and expenditure and earned surplus have been drawn up so as to exhibit
 1949 and of the results of its operations for the year, according to the best of our

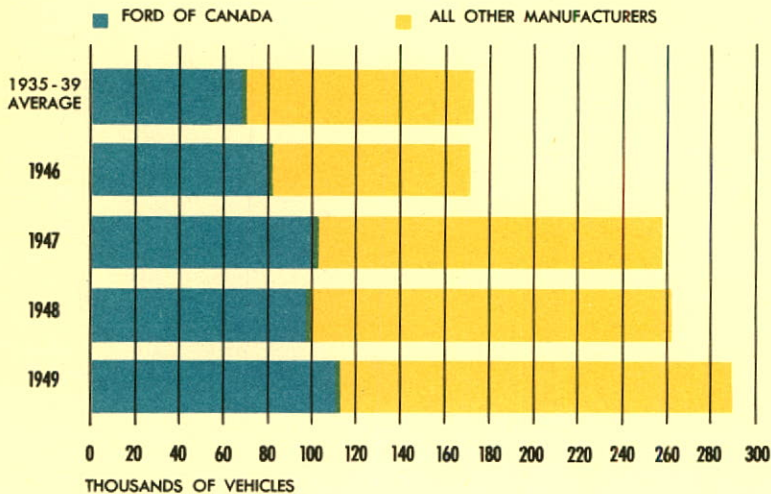
net profits of subsidiary companies for the year ended December 31st, 1949 have
 ed profits of the subsidiary companies, as reported to us by their auditors, were in

Production

Consistent operation throughout the greater part of the year contributed not only to a record output of 112,130 passenger cars and trucks in 1949, but made possible

Ford's Share of Canadian Automotive Production

(Statistics Include all Passenger Cars and Trucks Produced in Canada for Domestic and Export Markets)



greater efficiency and consequent manufacturing economies. The total of 112,130 units compared with 97,015 in 1948; 101,185 in 1947, the previous peacetime record year; and an annual average output of 68,435 in the five pre-war years 1935-1939.

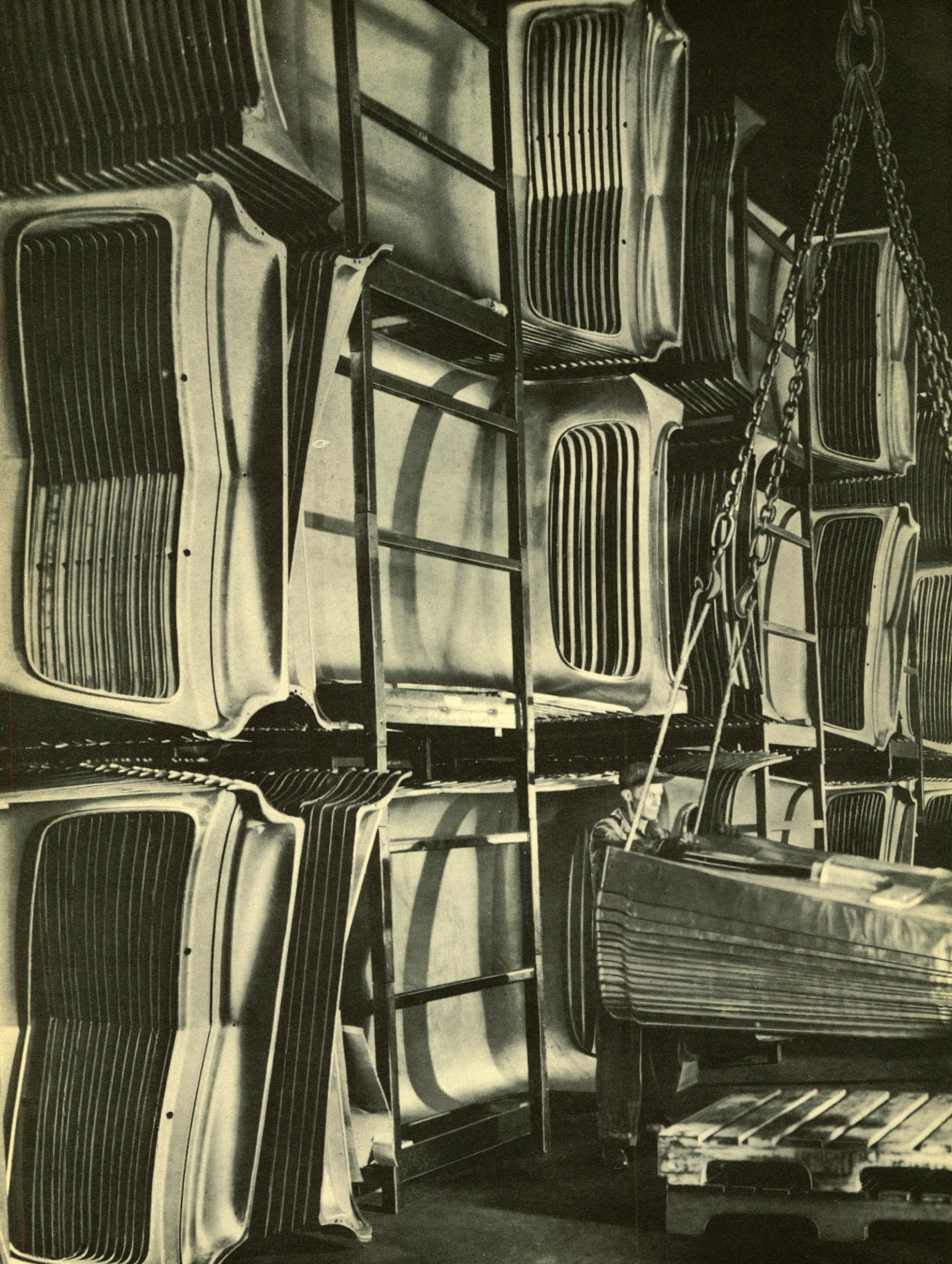
Again in 1949 the company was Canada's largest automotive manufacturer, having produced 38.6 per cent of all cars and trucks made in the Dominion during the year.

Employment

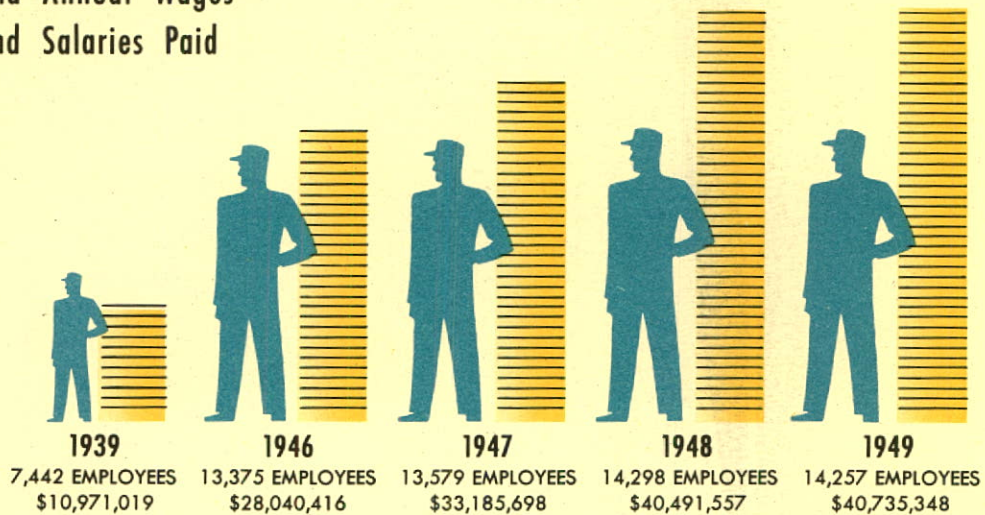
The average number of employees on the company's rolls over the year 1949 was 14,257, only slightly below the figure for 1948 of 14,298, which was the highest for any peacetime year in the company's history. The total amount paid by the company in wages and salaries in 1949 was \$40,735,348.

The basic average wage for hourly-rated employees in Windsor at the end of 1949 was \$1.30. Taking into account wage rates, overtime and off-shift premiums, vacations with pay and paid statutory holidays, the average cost of one hour of labour in the Windsor plant at the end of 1949 was \$1.41.

Large inventories of everything from cotter pins to truck frames must be carried in the Ford of Canada plant to maintain uninterrupted production of more than 500 passenger cars and trucks daily. This photographic study shows part of the stock of roof panels for passenger cars in Plant 4, awaiting transfer to the body assembly line.



Ford of Canada Employment and Annual Wages and Salaries Paid



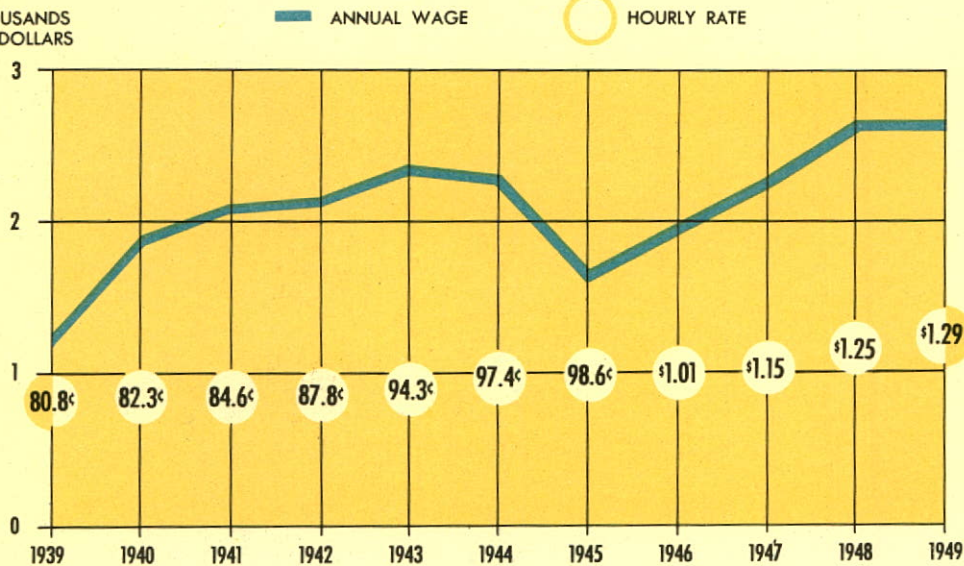
Relations between the employees and the company continued to be notably good in 1949 and there was clear evidence of better understanding.

Negotiations were carried on between the company and the UAW-CIO on pension, insurance, and contract amendment demands of the union. The union pension demand, in brief, was for a benefit of \$100 per month payable at age 65 to employees with 25 or more years of service with the company. This demand was unacceptable to the company, which offered to institute a plan providing a monthly benefit of \$55, payable at age 65 to employees with 30 or more years of service. It is to be noted that there is no government-sponsored social security plan in Canada paralleling that in the United States.

The union asked the Minister of Labour for Ontario to set up a conciliation board which held hearings in Windsor in December and assembled extensive data from both parties in relation to the pension and other demands. (Majority and minority reports of the Conciliation Board were received by the company and the union on February 23rd, 1950.)

Trend of Ford of Canada Average Annual Wage of Hourly-Rated Employees, and Average Hourly Wage, Covering 1939 to 1949 Inclusive

THOUSANDS OF DOLLARS



Average annual wage of hourly-rated employees includes overtime and off-shift premiums and holiday and vacation pay, but these elements are not included in the average hourly rates. The sharp dip in the annual wage curve, in 1945, was attributable to a strike of 99 days duration. The chart covers all hourly-rated employees of the company in Canada.

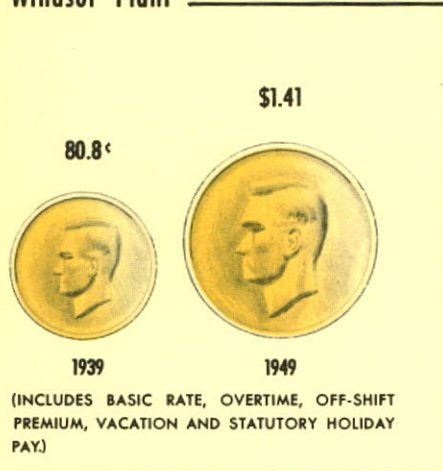
Prices and Taxes

Ford of Canada did not increase the prices of its products following devaluation of the Canadian dollar in September, 1949, but absorbed the substantial increase in manufacturing costs resulting from the higher prices of materials and parts imported from the United States.

The company again held the line on prices when it introduced its 1950 passenger models in December. These models were priced the same as their 1949 counterparts, although many styling and mechanical improvements in the cars had added to manufacturing costs.

Along with other automotive companies, Ford of Canada continued to press for abolition of the excise tax of 10 per cent on the wholesale price of passenger automobiles, which the Dominion Government continues to impose upon Canadian purchasers. This tax represents about \$150 in the retail price of the average passenger car and is in addition to the eight per cent sales tax which averages about \$115 per car.

Average Cost of One Hour of Labour in Ford of Canada Windsor Plant



During 1949 Ford of Canada was compelled to collect from its customers, entirely for the Dominion Government treasury, the huge sum of \$22,558,000 in excise and sales taxes on the products it sold. Excise tax alone accounted for \$9,926,000 of the total.

Subsidiary Company Profits

The combined profits of subsidiary companies for 1949, computed at rates of exchange current at the end of the year, were equal to \$6,818,368. The profits of these companies are earned in the currencies of their respective countries and are not available to the parent company except to the extent that overseas governments may authorize payments of dividends out of them. The 1948 profits of the companies, calculated at rates of exchange current at the end of that year, were equal to \$5,474,044.

As a result of the devaluation of currencies in September, 1949, there was a fall in exchange rates of about 23 per cent. A comparison of the profits of the companies for 1949 and 1948, measured in local currencies, shows therefore that the increase in 1949 was much higher than the dollar figures indicate.

Combined surpluses of the subsidiary companies at the end of 1949, converted from local currencies to Canadian dollars at rates then in effect, were \$20,442,515,

comparing with \$19,727,292 at the end of 1948 on the basis of exchange rates then current. The small increase in the combined surpluses, expressed in dollars, notwithstanding the relatively high level of profits last year, also is a reflection of the fall in exchange rates.

Export Market

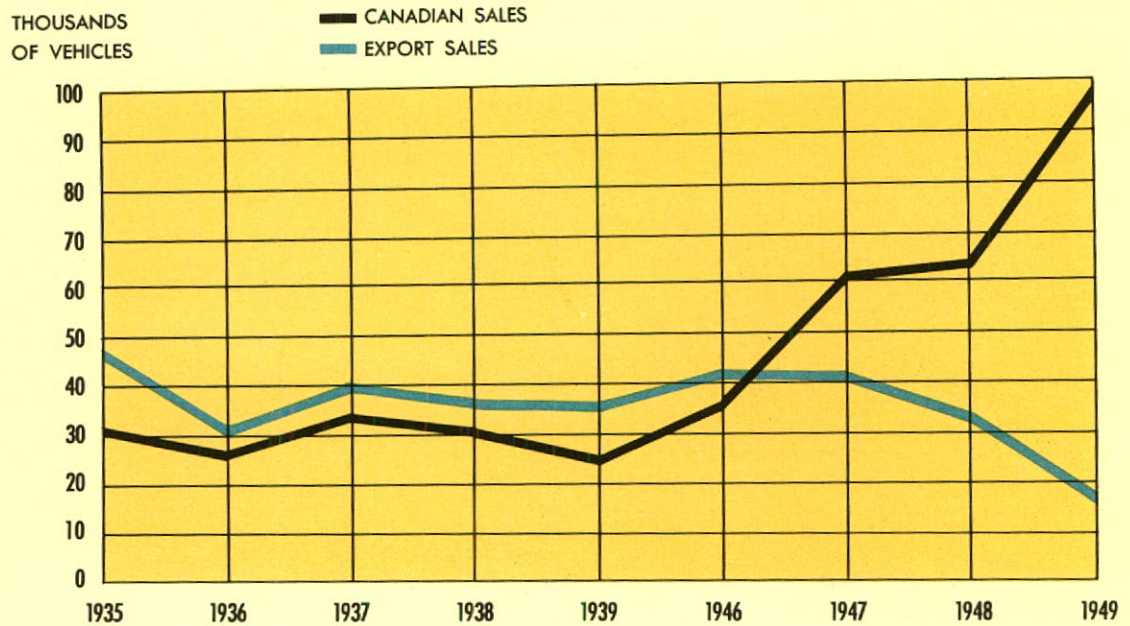
The proportion of your company's 1949 sales volume derived from the export market dropped to the lowest level in many years, both in dollar value and physical volume, principally because of increasing restrictions imposed by many overseas governments upon the importation of motor vehicles from dollar areas.

Nevertheless, the volume of sales by the subsidiary companies continued at a high level, being sustained by importations of the products of Ford Motor Company Limited, Dagenham, England. The English products accounted for 46 per cent of the combined sales volume of the overseas companies in 1949, as compared with 38 per cent in 1948 and a 1935-1939 average of 16.5 per cent. The Australian and South African companies enjoyed the highest profits since their incorporation, and unit sales of the Australian subsidiary were greater than in any previous year.

At the end of 1949 the subsidiary company in Australia was well advanced upon a program for expansion of its manufacturing facilities, in accordance with the desires of the Australian Government for complete manufacture of motor vehicles within the country. Your Board of Directors reported in 1947 that authorization had been given for an expenditure of \$2,400,000 to extend the manufacturing facilities of the Australian company and further authorization was given in 1949 for an additional \$806,261 for this purpose. The subsidiary hopes to attain an Australian content of 85 per cent in the vehicles it builds by July, 1952, and by that time the only major components not made in Australia will be motors, transmissions and axles.

The Australian Government has recognized the progress being made by the Australian company by granting additional dollar licenses for the importation of Canadian-made vehicle components and parts in 1950.

Distribution of Ford of Canada Passenger Car and Truck Sales



The Government of India also has indicated its strong desire for complete manufacture of motor vehicles in that country, and announced in 1949 that the importation of finished automobile bodies would be prohibited after July 1st, 1950. Ford of Canada's subsidiary in India hopes by mid-year to be in a position to assemble bodies for English Ford passenger cars and cabs for Canadian-type trucks. The Indian Government has given no indication that it will issue permits for the importation of Canadian passenger cars in 1950, but some trucks are being admitted.

In 1949 only 968 Canadian-built Ford vehicles were shipped to New Zealand and there is no indication that the New Zealand Government will issue dollar licenses permitting the importation of Canadian or United States motor vehicles in 1950.

The subsidiary in Singapore is able to import into Malaya a limited number of trucks, but Canadian-built passenger cars are prohibited by a regulation banning the importation of cars with a R.A.C. rating above 20 horsepower.

The South African company, which formerly assembled Canadian types exclusively, began in October, 1949, to assemble passenger cars and trucks imported from Ford Motor Company Limited, Dagenham, England, in knocked-down condition.

New Agreement

Effective May 1st, 1949, a new relationship agreement replaced that which had been in effect between Ford of Canada and the Ford Motor Company of the United States since the original incorporation of the Canadian company in 1904. The new agreement was negotiated because it had been found that as time went on, the original agreement became increasingly inconsistent in the light of modern business practices and in view of the vastly altered conditions arising out of the growth and progress of the industry over the preceding 45 years, and the far-reaching political and economic realignments throughout the world.

Under the new agreement, the United States company assumes much wider obligations towards your company in respect of general commercial assistance, the supply of materials, and furnishing technical and other information. All provisions placing restrictions upon the sale of Ford products by the parties have been removed, and each company agrees to co-operate with, and assist the other to the fullest degree in promoting its export sales and general commercial interest.

Supplemental Remuneration Plan

A plan has been inaugurated for the payment of supplemental remuneration, over and above salary, to those individuals in the upper levels of supervision, including officers of the company, who are carrying heavy loads of responsibility and who have contributed in substantial measure, by their industry and ability, to the successful operation of the company. It is intended to continue this plan, as the profits of the company permit, not only to tangibly reward exceptional service, but as a powerful incentive towards greater efficiency, reduced costs, improved quality

of products, and expanded sales. The plan also will assist in securing and retaining the services of highly efficient personnel.

The amount available under the plan, and those eligible to participate, will be determined each year by the Board. There is a proviso that the amount shall not exceed 10 per cent of the net profit after tax (before deduction of any provision for supplemental remuneration) over and above six per cent of the sum of the capital, earned surplus, and general and contingent reserves as at the beginning of the year.

The principles of the plan, and its operation, are generally similar to supplemental compensation or bonus plans which have been adopted by many Canadian and United States corporations.

Mr. Greig's Retirement

Mr. Douglas B. Greig, President of your company since April, 1946, retired from business life and tendered his resignation as President and Director, effective December 31st, 1949. The Board of Directors appointed Mr. Rhys M. Sale as President, effective January 1st, 1950.

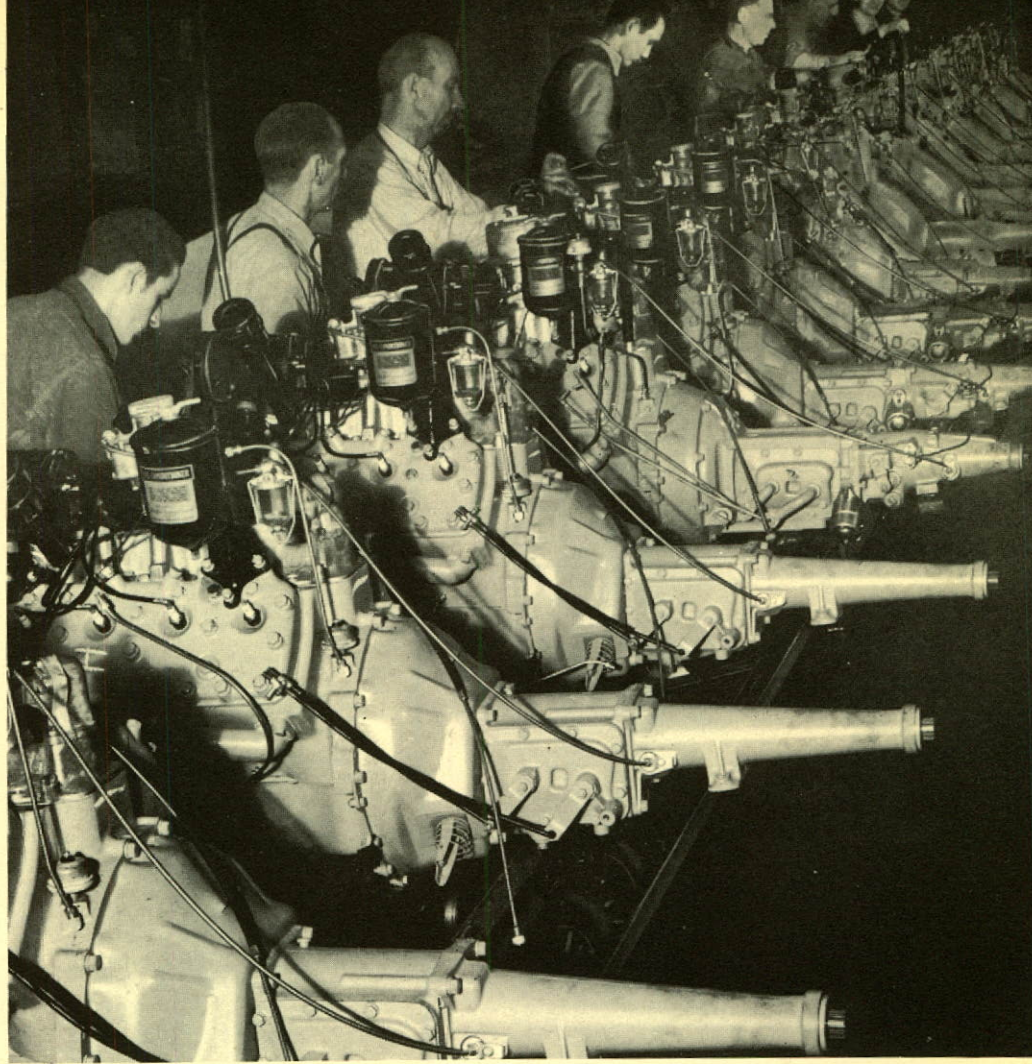
Mr. Greig had been associated with your company for more than 30 years, and had held office at various times as Assistant Secretary, Assistant Treasurer, and Treasurer, before being elected to the presidency. His loyal service over so many years, his skill as an executive, and his great ability to win the respect and confidence of his fellow employees, have been of inestimable value to your company, and he has made a major contribution to its progress and success.

Your directors wish to record their appreciation of Mr. Greig's long and valued service, and their wish that he may enjoy all happiness and contentment through the years to come.

On behalf of the Board,
RHYS M. SALE,
President.

Windsor, Ontario,
February 27th, 1950.

Many hundreds of powerful, precision-built engines for cars and trucks are built every day in the Ford of Canada plant. Moving slowly along what is known as the "dress-up line", shown here, the engines are fitted with such things as carburetors, fuel pumps, oil conditioners, generators, distributors, spark plugs and wiring, as well as gear shift control rods.



During 1949 the company began the installation of 17 canteens of unique design throughout the huge plant in Windsor, to furnish hot soup, sandwiches, pastry, ice cream and beverages for the employees. A central building for the preparation and distribution of food supplies will be built in 1950. These facilities for in-plant feeding involve a cost of about \$375,000.

Ford Motor Company of Canada, Limited

Serving Canada and Widespread
Overseas Territories

Head Office and Factory

WINDSOR, ONTARIO

Canadian District Sales Offices

HALIFAX, N.S.	SAINT JOHN, N.B.	MONTREAL, QUE.
TORONTO, ONT.	WINNIPEG, MAN.	REGINA, SASK.
CALGARY, ALTA.		VANCOUVER, B.C.

Canadian Parts Depots

SAINT JOHN, N.B.	TORONTO, ONT.	WINNIPEG, MAN.
REGINA, SASK.	CALGARY, ALTA.	VANCOUVER, B.C.

Overseas Subsidiary Companies

FORD MOTOR COMPANY OF SOUTH AFRICA, LIMITED
Port Elizabeth, South Africa

FORD MOTOR COMPANY OF AUSTRALIA (PTY) LIMITED
Geelong, Australia
With branches at Sydney, Brisbane, Adelaide and Fremantle

FORD MOTOR COMPANY OF AUSTRALIA (PTY) LIMITED
Geelong, Australia

FORD MOTOR COMPANY OF INDIA, LIMITED
Bombay, India
With branches at Calcutta and Madras, India, and Colombo, Ceylon

FORD MOTOR COMPANY OF MALAYA, LIMITED
Singapore

FORD MOTOR COMPANY OF NEW ZEALAND, LIMITED
Lower Hutt, New Zealand

