



# ANNUAL REPORT - 1948

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# CANADIAN BRONZE COMPANY, LIMITED

999 DELORIMIER AVENUE

MONTREAL 24  
CANADA

WHOLLY OWNED SUBSIDIARIES  
MONTREAL BRONZE, LIMITED  
NORTHWESTERN BRASS, LIMITED  
ST. THOMAS BRONZE CO., LIMITED  
DIAMOND BRONZE COMPANY INC.  
WINNIPEG BRASS LIMITED  
NATIONAL BRONZE CO., LIMITED

March 23rd, 1949

Gentlemen:

We take pleasure in handing you herewith the Annual Report of Canadian Bronze Company, Limited, for the year ending December 31st, 1948, and in connection therewith we outline below, for your convenience, the cash position of the Company as of like date:

## CURRENT ASSETS:

Cash	\$ 136 576 48	
Accounts receivable - less reserve	979 035 92	
Inventories	1 375 257 69	
Prepaid Insurance	11 169 33	
Government bonds and corporation		\$ 2 502 039 42
shares at cost, less reserve	\$ 345 424 21	

Revenue accrued to date

1 979 17349 404 01

## TOTAL CURRENT ASSETS

\$ 2 851 443 43

CURRENT LIABILITIES:

Bank Loan (Secured)		\$ 175 000 00	
Accounts payable and accrued expenses		1 001 219 90	
Dividend payable Feb. 1, 1949:			
on preference shares	\$ 9 375 00		
on common shares	<u>80 000 00</u>	89 375 00	
Income tax	\$325 718 14		
Less: paid on account	<u>199 123 00</u>	126 595 14	
Sales taxes payable		<u>44 272 44</u>	

## TOTAL CURRENT LIABILITIES

1 436 462 48

## WORKING CAPITAL

\$ 1 414 980 95

Ratio of Current Assets to Current Liabilities 1.99 to 1

(In addition to the above the Refundable Portion of Excess Profits Tax now stands at \$156,306.71)

Yours very truly,

W. C. Paquette,

Secretary



**CANADIAN BRONZE COMPANY,  
LIMITED**

*DIRECTORS*

STEWART G. BENNETT	C. HOWARD GORDON
AUBREY H. ELDER, K.C.	SAMUEL J. HUNGERFORD, C.M.G.
H. CARSON FLOOD	RICHARD O. JOHNSON
HON. WILFRID GAGNON, C.B.E.	HERMAN W. TRITT

*EXECUTIVE OFFICERS*

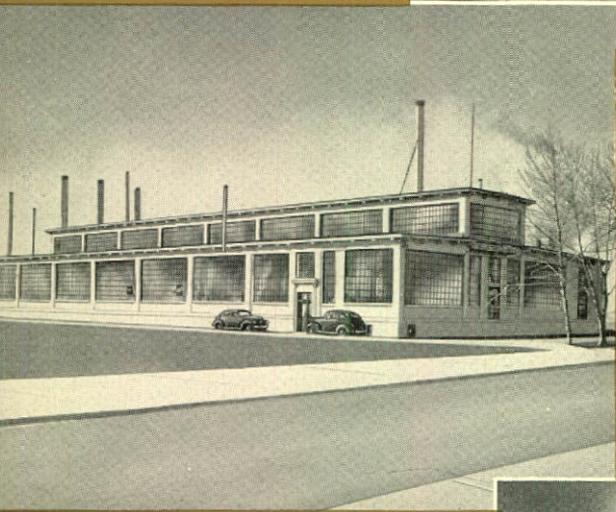
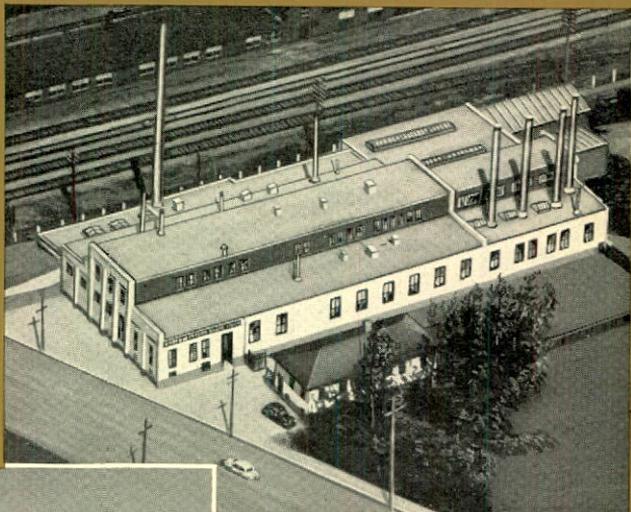
H. W. TRITT, *President and Managing Director.*  
A. H. ELDER, K.C., *Vice-President.*  
R. J. KING, *Treasurer.*  
W. C. PAQUETTE, *Secretary.*

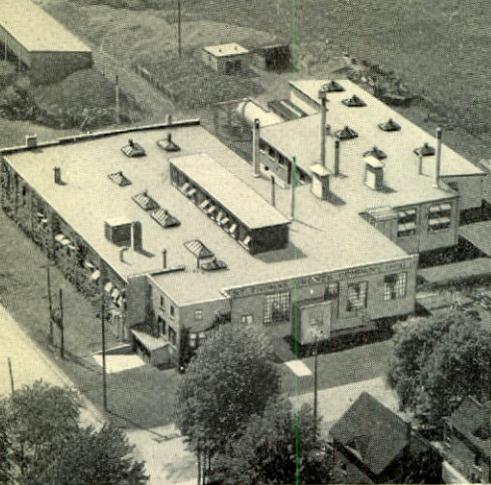
*Solicitors*

WAINWRIGHT, ELDER, LAIDLEY,  
LESLIE, CHIPMAN & BOURGEOIS

*Executive Offices*

999 DELORIMIER AVENUE - MONTREAL





*Wholly Owned Subsidiaries of*

**CANADIAN BRONZE COMPANY, LIMITED**

MONTREAL BRONZE, LIMITED

NORTHWESTERN BRASS, LIMITED

ST. THOMAS BRONZE COMPANY, LIMITED

DIAMOND BRONZE COMPANY INC.

WINNIPEG BRASS LIMITED

NATIONAL BRONZE COMPANY, LIMITED



## CANADIAN BRONZE COMPANY, LIMITED

### TO THE SHAREHOLDERS:

Your Directors take pleasure in submitting the Consolidated Balance Sheet and Profit and Loss Account showing the results of the past year's operations of your Company and its wholly-owned subsidiaries.

Gross Operating Profits of \$960,044.97, an increase of \$226,202.13 over 1947 results, after provision for taxes, depreciation and other expenses, in a net profit of \$532,288.63. This compares with a net profit of \$351,673.85 for the previous year, or an increase of \$180,614.78.

A dividend of \$5.00 per share was paid on the preferred stock and \$2.00 per share on the old common stock. At a Special General Meeting held on October 29, 1948, the shareholders unanimously approved the subdivision of each of the then existing 80,000 common shares into 2 common shares of no par value and a special year end dividend of 25 cents per share was declared on the new common stock. After payment of these dividends there remained an amount of \$294,788.63 carried to earned surplus with further adjustments in the latter as explained below.

The first full year of operations of your enterprise since it became publicly owned was 1928, and an interesting comparison of how your sales dollar income was dealt with then and now is shown by the following:—

	<u>1928</u>	<u>1948</u>
Materials, Supplies and Operating Expenses. . .	\$2,412,148 (73.02%)	\$6,470,397 (75.78%)
Employees—Salaries, Wages and Insurance. . .	318,481 ( 9.64%)	1,148,119 (13.45%)
Depreciation. . . . .	25,325 ( .77%)	47,914 ( .56%)
Taxes—Dominion, Provincial and Municipal. . . . .	52,417 ( 1.59%)	336,460 ( 3.94%)
Dividends declared. . . . .	235,003 ( 7.11%)	237,500 ( 2.78%)
Retained in business. . . . .	259,942 ( 7.87%)	298,085 ( 3.49%)
	<u>\$3,303,316</u>	<u>\$8,538,475</u>

Thus, materials and supplies, etc., have increased 168.24%, salaries, wages and insurance 260.50% and taxes 541.89%. Dividends to the shareholders have increased 1.06% and the amount retained in the business 14.67%.

Your Company's steady growth in manufacturing and earning capacity is further emphasized by the following:-

	<u>1928</u>	<u>1948</u>
Total Assets.....	\$ 1,921,182	\$ 3,889,610
Net Worth.....	1,632,646	2,453,148
Working Capital.....	939,892	1,414,981
Plants in operation.....	4	6
Metal melted.....	23,346,223#	39,797,665#
Number of employees.....	204	501
Number of shareholders.....	873	1,203

Insurance reserve of \$16,050.45 and income tax reserve of \$25,605.27, both no longer required, have been transferred to earned surplus. A refund of \$34,600.60 against excess profits taxes was received from the Dominion Government and this has been added to earned surplus. In order to provide for potential new developments and prospective plant changes your Directors have increased the contingency reserve by \$50,000.00 from earned surplus.

During the course of the year your Directors felt it advisable to increase the inventory reserve by \$100,000.00 from earned surplus, owing to further substantial advances in metal prices. Increased sales and the necessity of taking delivery of raw materials against quotas has accounted for an increase in inventories over 1947, but the increase in the physical volume is considerably less than the like increase in sales. Although the inventory position is consequently considered to be conservative, your Directors concluded that an additional \$198,000.00 from earned surplus should be added to inventory reserve against a possible decline in metal prices; bringing the total of this reserve to \$375,287.33.

The year 1948 has been the most successful in your Company's history in every respect. The railways, your principal customers, carried record tonnage. Shipments to car and locomotive builders for domestic and foreign equipment were substantially greater than in 1947, with industrial business showing a steady increase. The demand for your Company's products continues satisfactory, although some contraction from this year's peak is to be expected. However, with orders currently booked for delivery through the third quarter of 1949, prospects for the current year are promising.

It is with deep sorrow that we record the death of Mr. Joseph A. Kilpatrick who had been a member of your Board of Directors since 1933. His wide knowledge of business in general and the foundry industry in particular was invaluable to your Company.

Your Directors wish to record their recognition of the contribution made by each officer and employee of the Company to the accomplishments during the year under review.

By Order of the Board,

H. W. TRITT,

*President.*

**CANADIAN BRONZE**  
AND WHOLLY OWNED  
**CONSOLIDATED BALANCE SHEET**

ASSETS

CURRENT ASSETS:

Cash.....	\$	136,576.48
Accounts receivable, less reserve.....		979,035.92
Inventories:		
Priced at the lower of cost or approximate market value		
Raw materials, goods in process and finished stock.....		1,375,257.69
Prepaid insurance.....		11,169.33
		2,502,039.42

INVESTMENTS:

Government bonds and corporation shares at cost, less reserve.....	347,424.84	
(quoted market value \$372,625.00)		
Revenue accrued to date.....	1,979.17	349,404.01

REFUNDABLE PORTION OF EXCESS PROFITS TAX:

As confirmed by assessment, less amount received from the Dominion Government during the year.....		156,306.71
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LIFE INSURANCE POLICIES..... 1.00

FIXED ASSETS:

Land, buildings, machinery, etc., valued on the basis of appraisals made on 30th April 1934 and 13th October 1934 by Canadian Appraisal Company, with additions since the dates of these appraisals at cost.....	2,066,196.40	
Less: Reserves for depreciation.....	1,184,338.29	881,858.11

CONTRACTS, RIGHTS, PATENTS AND GOODWILL..... 1.00

**\$3,889,610.25**

NOTE: On 30th October 1948 the company obtained supplementary letters patent confirming the subdivision of each of the 100,000 previously authorized and/or issued common shares without nominal or par value, into two common shares without nominal or par value.

Approved on behalf of the Board:

H. W. TRITT	}	<i>Directors.</i>
A. H. ELDER		

# COMPANY, LIMITED

## SUBSIDIARY COMPANIES

AS AT 31st DECEMBER 1948

### LIABILITIES

#### CURRENT LIABILITIES:

Bank loan (secured).....	\$ 175,000.00	
Accounts payable and accrued expenses.....	1,001,219.90	
Dividends payable 1st February 1949—		
on preference shares.....	9,375.00	
on common shares.....	80,000.00	89,375.00
Income taxes payable, less amounts paid on account.....	126,595.14	
Sales taxes payable.....	44,272.44	1,436,462.48

#### RESERVES:

Inventories.....	375,287.33	
Contingencies.....	100,000.00	475,287.33

#### 5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:

(redeemable only as a whole at \$105  
per share on 30 days' notice)

Authorized—

15,000 shares of \$100 par value \$1,500,000.00

Issued and fully paid—

7,500 shares..... 750,000.00

#### COMMON STOCK AND SURPLUS:

*Common Stock*—without nominal or par value

Authorized—200,000 shares (see note)

Issued and fully paid—160,000 shares..... 197,395.24

*Earned Surplus*—

as per attached statement..... 874,158.49

*Special Surplus*—

as per attached statement..... 156,306.71 1,227,860.44

\$3,889,610.25

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Canadian Bronze Company, Limited and its wholly owned subsidiary companies for the year ended 31st December 1948, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above consolidated balance sheet and the accompanying consolidated statements of surplus and profit and loss are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at 31st December 1948 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

McDONALD, CURRIE & CO.,  
Chartered Accountants.

MONTREAL, 24th February 1949.

# CANADIAN BRONZE COMPANY, LIMITED

AND

WHOLLY OWNED SUBSIDIARY COMPANIES

## Consolidated Statement of Profit and Loss for the Year ended 31st December 1948

### OPERATING PROFITS:

From subsidiary companies—before deducting the following expenses.....	\$960,044.97		
Provision for depreciation of fixed assets.....	\$ 47,913.63		
Provision for income taxes.....	320,000.00		
Legal fees.....	4,841.10		
Directors' fees.....	7,484.00		
Salaries and fees of executive officers.....	58,342.60	438,581.33	521,463.64

### NET REVENUE:

From investments, commissions and rentals...	<u>10,824.99</u>
NET PROFIT FOR THE YEAR .....	532,288.63

### *Deduct:*

Dividends paid and payable—			
Preference.....	37,500.00		
Common.....	200,000.00	<u>237,500.00</u>	
BALANCE OF NET PROFITS FOR THE YEAR.....		<u>\$294,788.63</u>	

# CANADIAN BRONZE COMPANY, LIMITED

AND

WHOLLY OWNED SUBSIDIARY COMPANIES

## Consolidated Statement of Earned Surplus for the Year ended 31st December 1948

BALANCE—31ST DECEMBER 1947.....		\$ 851,113.54
Balance of net profits for the year.....	\$294,788.63	
Insurance reserve not now required.....	16,050.45	
Adjustment of provision for income and excess profits taxes resulting from assessments for the years 1942 to 1946 inclusive.....	25,605.27	
Refundable portion of excess profits tax trans- ferred from special surplus being the amount received from the Dominion Government during the year.....	34,600.60	371,044.95
		<u>1,222,158.49</u>
Amount transferred to reserve for inventories	298,000.00	
Amount transferred to reserve for contingencies	50,000.00	348,000.00
		<u>                    </u>
BALANCE—31ST DECEMBER 1948.....		<u><u>\$ 874,158.49</u></u>

## CONSOLIDATED STATEMENT OF SPECIAL SURPLUS

(REFUNDABLE PORTION OF EXCESS PROFITS TAX)

FOR THE YEAR ENDED 31ST DECEMBER 1948

BALANCE—31ST DECEMBER 1947.....		176,400.00
Adjustment resulting from assessments of excess profits tax for the years 1942 to 1945 inclusive.....		14,507.31
		<u>190,907.31</u>
Amount transferred to earned surplus being the amount received from the Dominion Government during the year.....		34,600.60
		<u>                    </u>
BALANCE—31ST DECEMBER 1948.....		<u><u>\$ 156,306.71</u></u>

**CANADIAN BRONZE COMPANY,  
LIMITED**

*Works located at*

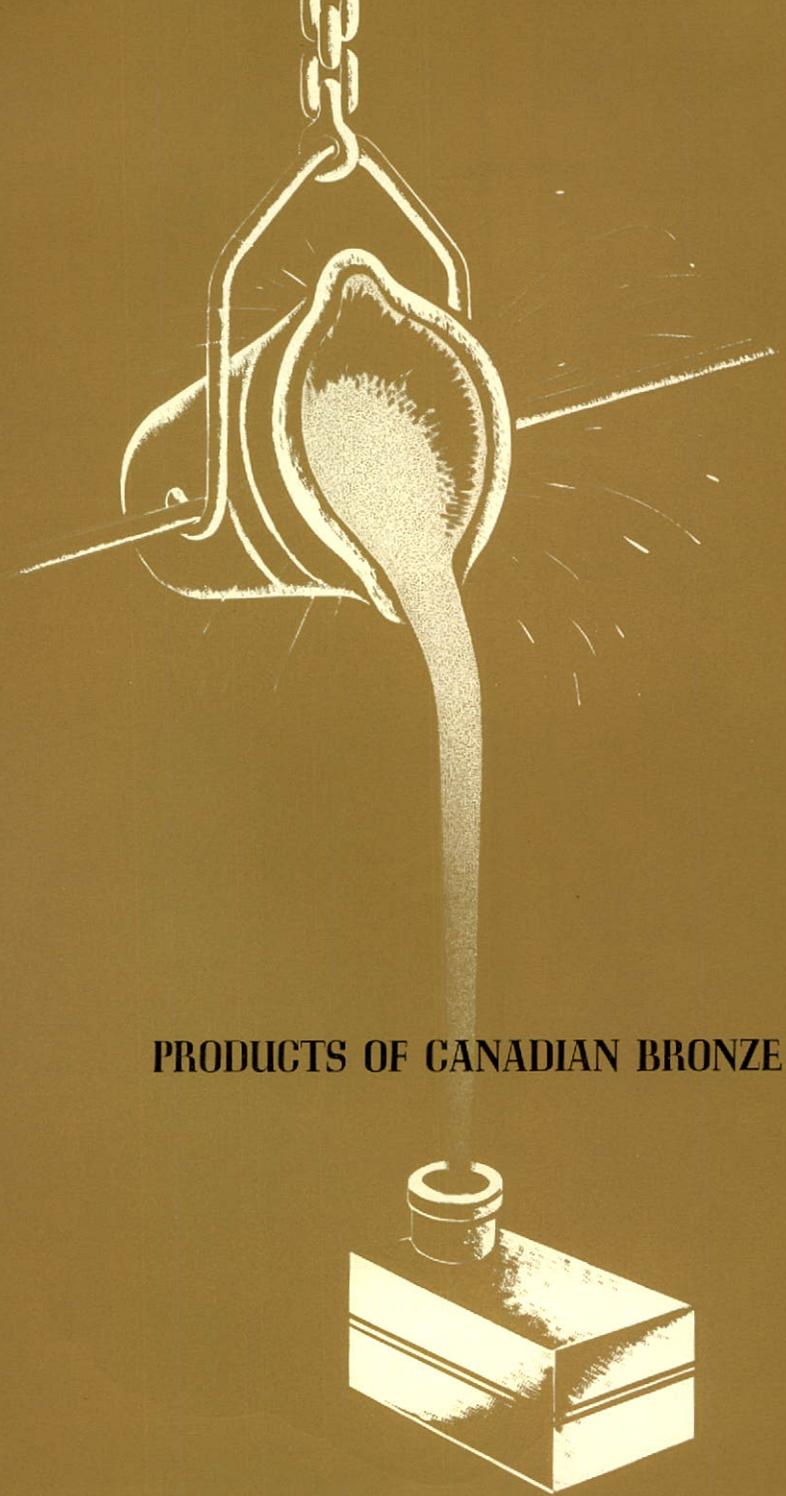
MONTREAL, QUEBEC  
ST. THOMAS, ONTARIO  
WINNIPEG, MANITOBA  
CALGARY, ALBERTA  
LYNDONVILLE, VERMONT

*Transfer Agents:*

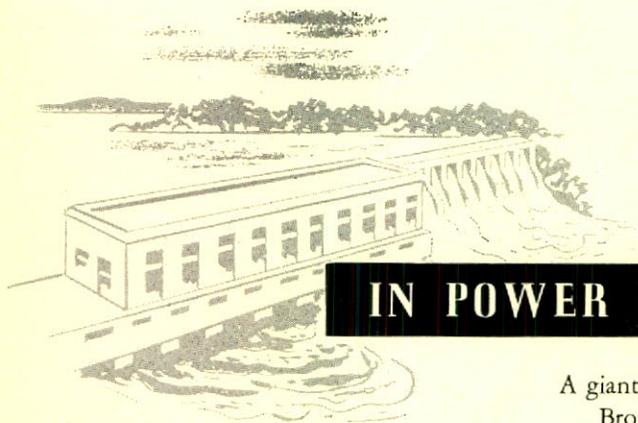
THE ROYAL TRUST COMPANY  
MONTREAL *and* TORONTO

*Registrars:*

THE TORONTO GENERAL TRUST CORPORATION  
MONTREAL *and* TORONTO

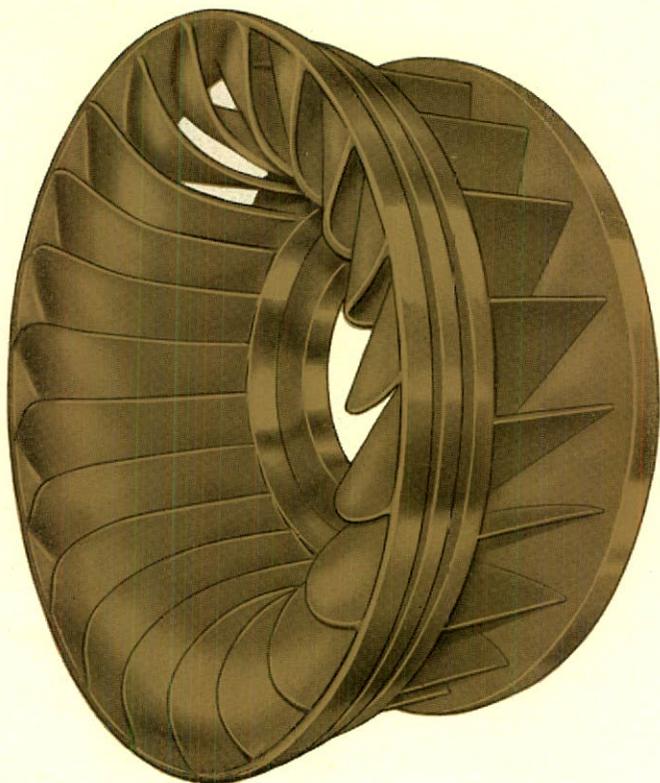


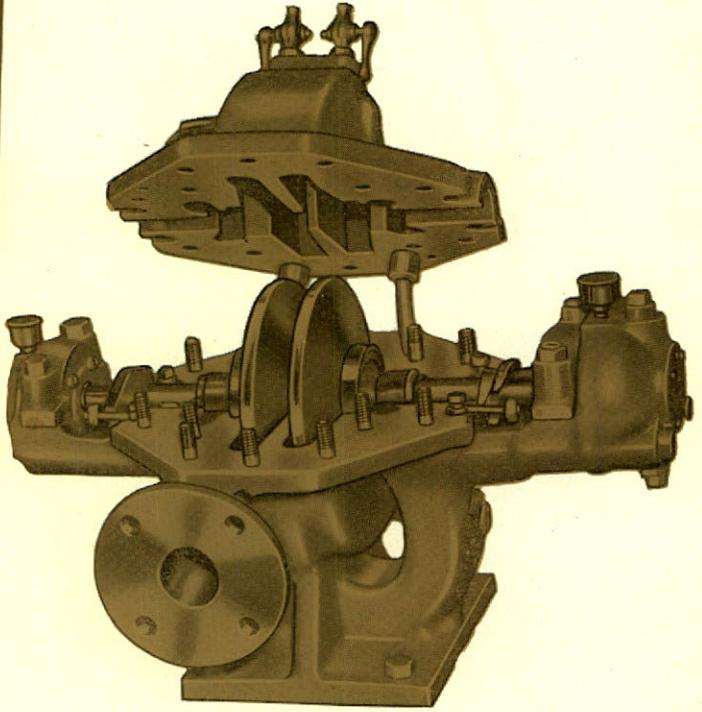
**PRODUCTS OF CANADIAN BRONZE**



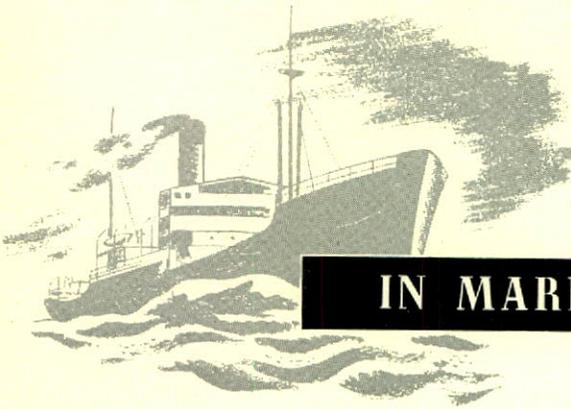
## IN POWER PLANTS

A giant example of "Canadian Bronze" versatility, this turbine impellor weighed 3 tons when cast. It is now in use generating electrical power for Canada.

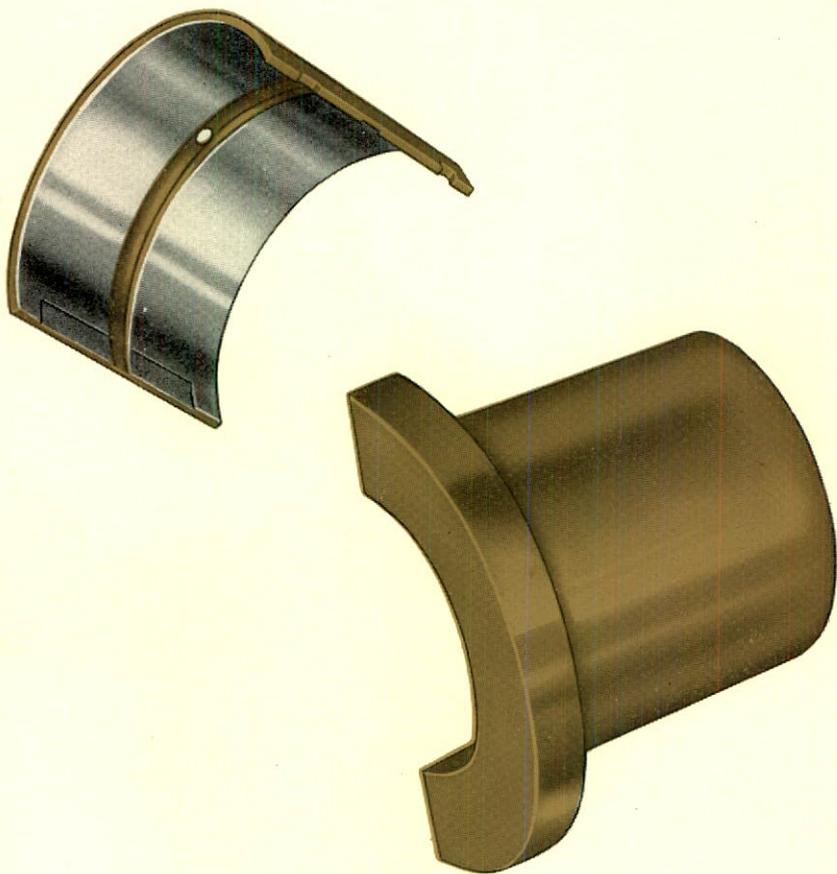




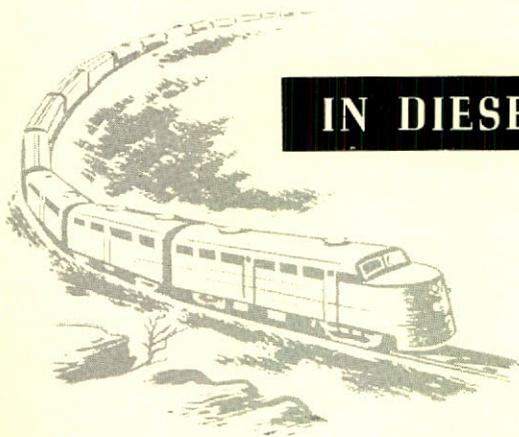
These castings are made of special salt-water resistant bronze. *Upper left*, a spun cast stern tube bushing used in the steering mechanism of ships. The other is a marine refrigeration pump used on food carrying ships.



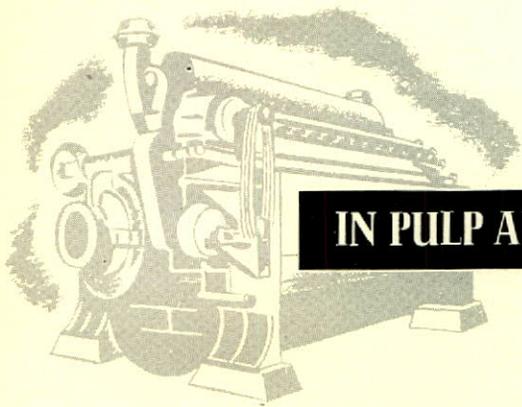
**IN MARINE WORK**



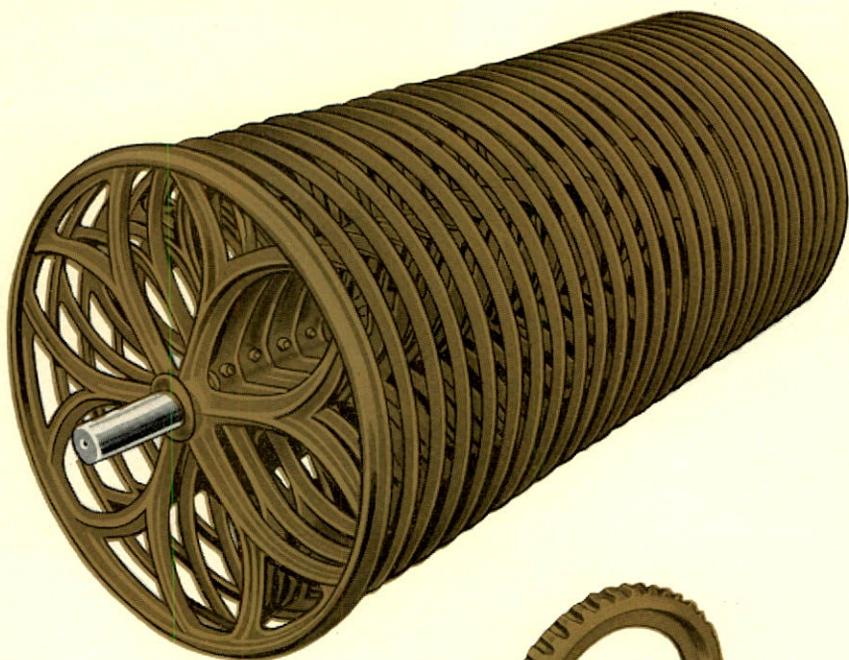
These motor bearings—used in diesel engines—are examples of the highly accurate work produced by “Canadian Bronze”. The bearings are babbitted and machined to very close tolerances.



**IN DIESEL ENGINES**



## IN PULP AND PAPER MACHINERY



In the production of pulp and paper, the large "spider" castings, illustrated above, are used to make up cylinder moulds.

Worm gears, such as the one to the right, are made of tough, high tin alloys.

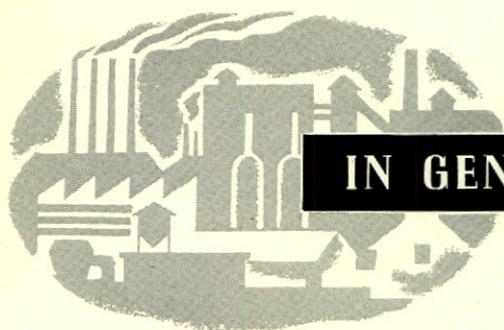
Both are vital parts in pulp and paper making machinery.



Ornamental plaques, memorials, name plates, grillwork, signs of all descriptions. This work calls for specially developed skills in artwork and moulding.



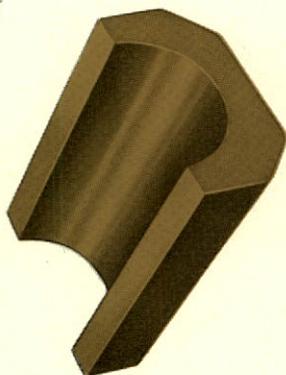
**ARCHITECTURAL & ORNAMENTAL**



## IN GENERAL INDUSTRY

Mill brass, used in the rolling mills of the steel-making industry.

Spun cast shaft for feed water pumps in marine installations.



Sewage pump impellor (open type) for municipal sanitation systems.

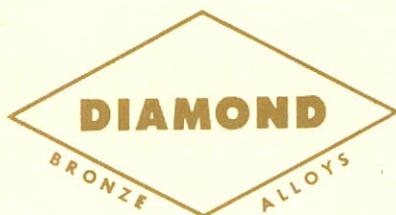


Tough, high speed worm gears used in freight and passenger elevator mechanisms.



Special alloy shuttle for use in wire weaving machinery.





TENSIL Bronze, for Valves, Fittings & Light Duty Bearings.

UTILITY Bronze, for Heavy Duty Bearings.

BULL-DOG Bronze, for extra Heavy Duty Bearings.

HYPHOS Bronze, for Gears and Worm Wheels.

EXCELSIOR Bronze, for High Speed Bearings.

ACID Bronze, for Acid Resisting Castings.

HYHETE Bronze, for Heat Resisting Dies.

STANDARD MANGANESE Bronze, for Toughness.

HYSTRENGTH MANGANESE Bronze, for Extreme Strength.

ALUMINUM ALLOYS, for Lightness and Strength.

HEAT TREAT Bronze, for Heat Treated Duties, Dies, Etc.

CENTRI Bronze, for Centrifugal Castings, All Shapes.

SPUNCAST Bronze, for Centrifugal Bushings and Solids.

P.M.G. SILICON Bronze, for Bells, Gears, Heavy Duty,  
High Strength, Slow Moving Parts.

ARCHITECTURAL and ORNAMENTAL Bronzes.

## OPERATING OFFICERS

### EASTERN DIVISION

W. R. DUPLEX, *Vice-President*

MONTREAL BRONZE, LIMITED - - - MONTREAL, QUE.

A. J. MOORE, *District Manager*

ST. THOMAS BRONZE COMPANY, LIMITED - ST. THOMAS, ONT.

H. D. WILLIAMS, *District Manager*

DIAMOND BRONZE COMPANY INC. - - - LYNDONVILLE, VT.

J. C. ROSS, *Superintendent*

### WESTERN DIVISION

D. M. LOUCKS, *Vice-President*

NORTHWESTERN BRASS, LIMITED - - - WINNIPEG, MAN.

A. F. TULLOCH, *District Manager*

WINNIPEG BRASS LIMITED - - - - WINNIPEG, MAN.

J. P. OSWALD, *District Manager*

NORTHWESTERN BRASS, LIMITED - - - CALGARY, ALTA.

H. W. WEST, *District Manager*





