

ANNUAL  
REPORT

Dominion Engineering  
Works, Limited



FOR YEAR ENDED  
31st DECEMBER, 1937

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ANNUAL  
REPORT

Dominion Engineering  
Works, Limited



FOR YEAR ENDED  
31st DECEMBER, 1937

# DOMINION ENGINEERING WORKS, LIMITED



## *Directors*

G. H. DUGGAN - - - - - *Chairman of the Board*

W. F. ANGUS - - - - - *President*

HON. A. J. BROWN, K.C., *Vice-Pres.*

JULIAN C. SMITH, *Vice-Pres.*

L. J. BELNAP

HOWARD MURRAY

NORMAN J. DAWES

JOHN H. PRICE

SIR HERBERT S. HOLT

PAUL F. SISE

J. A. MATHEWSON, K.C.



H. G. WELSFORD - - - - - *General Manager*

F. W. EVENS - - - - - *Secretary*

J. S. HOUSTON - - - - - *Treasurer*

# DOMINION ENGINEERING WORKS, LIMITED

♦ ♦ ♦

15th March, 1938

TO THE SHAREHOLDERS,  
DOMINION ENGINEERING WORKS, LIMITED.

Your Directors submit the Annual Report of the Company together with the Balance Sheet as at 31st December, 1937, and Profit and Loss Account for the year ended that date.

The Profit and Loss Account for the year shows a net profit of \$144,924.63 after providing \$251,896.36 for depreciation and renewals, out of which profit your Directors declared a distribution of FIFTY CENTS (50c.) a share payable on the 15th January, 1938. The Balance Sheet indicates an increase in working capital of \$178,151.42.

New business entered during 1937 was about 46% greater than 1936, although 70% of this business was booked during the first half of the year. This increase was reflected in all Departments with the exception of paper machinery. No newsprint machines were purchased during the year by the Paper Industry. There was, however, a substantial increase in re-building and repair work for existing machines, which was well maintained to the end of October.

The output of Central Electric Stations in Canada has increased almost 50% since 1930 and some of the Power Companies have again come into the market for new generating equipment, which was reflected in increased business for your Hydraulic Department.

New business with the Mines has been developing satisfactorily, sales of ball mills, mine hoists, crushers and other machinery being approximately double the sales of the previous year.

Your Company is building a complete 44" Blooming Mill with accessory equipment for the Hamilton Plant of the Steel Company of Canada, Limited,

which is the first mill of this kind to be built in Canada. Your Company's facilities are particularly well adapted for the building of heavy machinery of this type and we are in a position to furnish Canadian mills with all their requirements for machinery for rolling steel or non-ferrous materials.

Additional orders were received during the year for the new type of high speed semi-automatic hydraulic press referred to in last year's report. This type of press has application in a number of industries and the outlook for additional business in this field is promising.

There has been a gratifying increase in the sales of pumps and valves for water service, Diesel engines, transmission machinery, rubber machinery and the other miscellaneous products made by your Company.

There was expended on Capital Account for improvements to plant and equipment \$170,060.28. These expenditures include the purchase of some additional machine tools which were required to increase capacity in certain Departments, additional storehouse facilities, and equipment for the Longueuil Foundry for the manufacture of chilled iron rolls.

Your Longueuil Plant, which was closed in 1931, was reopened last June by transferring certain operations and equipment from Lachine where additional manufacturing space was required, and the cost of this transfer and of reopening the plant has been charged off to current operations.

Development work on new products and improvements to existing products has been actively continued during the year and the cost of this work has been charged to current operations.

Stocks of raw material and manufacturing supplies are well assorted and salcable and inventories have been taken at conservative prices. The plant and equipment have been maintained in an efficient condition.

For administrative purposes your Directors decided to absorb as from the 1st January, 1937, the assets and liabilities of Charles Walmsley & Company (Canada) Limited (with the exception of certain necessary office equipment), and effect was given to this by the transfer of these assets and liabilities at book value to Dominion Engineering Works, Limited, and by the reduction of the Walmsley Capital Stock to \$3,000.

As the Walmsley accounts were included in all previous Consolidated Balance Sheets, this transaction has no effect on the Consolidated Balance Sheet herewith submitted.

In April last Mr. H. Birchard Taylor tendered his resignation as a Director. He had been a member of your Board since the inception of the Company and his keen interest in its affairs and advice on engineering subjects have been of great value during his association with your Company.

Your Directors are pleased to report that the engineering and technical staffs have fully maintained the Company's reputation for good design and workmanship, and wish to record their appreciation of the faithful and efficient service rendered by the officers and staffs of all Departments.

Meetings of your Board of Directors have been held monthly, the books of your Company have been regularly audited and the certificate of your Auditors appears on the Financial Statement herewith submitted.

By order of the Board of Directors,

W. F. ANGUS,  
*President.*

# DOMINION ENGINEERING WORKS, LIMITED

## AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER, 1937

### ASSETS

**FIXED ASSETS:**

Real Estate, Plant, Machinery and Equipment at cost, less amounts written off on Capital Reorganization	\$4,981,929.78	
<i>Less:</i> Reserve for Depreciation.....	2,690,340.60	
	\$2,291,589.18	
Investment in Subsidiary Company, less Reserve.....	80,000.00	
	\$2,371,589.18	

**CURRENT ASSETS:**

Cash on Hand and in Banks.....	\$ 304,321.36	
Dominion Government and other Bonds, less Reserve..... (Approximate Market Value \$1,182,355.00)	1,044,875.79	
Accounts Receivable, less Reserve.....	687,326.33	
Deposits on Tenders.....	5,487.50	
Work in Progress, at standard cost.....	\$1,438,635.15	
<i>Less:</i> Invoiced.....	1,065,253.56	
	373,381.59	
Inventories of Raw Materials and Supplies, at lower of Cost or Market Value, less Reserve. (Quantities and condition determined by the Management).....	565,803.97	
	2,981,196.54	

**DEFERRED CHARGES:**

Prepaid Taxes, Insurance and Expenses.....	29,783.27	
	\$5,382,568.99	

(Signed) W. F. ANGUS,  
*Director.*

(Signed) JULIAN C. SMITH,  
*Director.*

### LIABILITIES

**CAPITAL STOCK:**

AUTHORIZED AND ISSUED—125,000 shares of No Par Value..... \$2,900,050.00

RESERVE FOR CONTINGENCIES..... 250,000.00

ACCOUNTS PAYABLE, ACCRUED CHARGES, CUSTOMERS' CONTRACT CREDITS,  
AND OPERATING RESERVES, including \$87,027.46 due to Taxing  
Authorities in Canada..... \$1,127,926.71

DIVIDEND PAYABLE..... 62,500.00  
1,190,426.71

EARNED SURPLUS..... 1,042,092.28

\$5,382,568.99

MONTREAL, 4th March, 1938.

This is the Balance Sheet referred to in our Report of this date.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,  
*Chartered Accountants, Auditors.*



# Dominion Engineering Works, Limited

AND WHOLLY OWNED SUBSIDIARY COMPANIES

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## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR

### THE YEAR ENDED 31st DECEMBER, 1937

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Profits from Contracts and Miscellaneous Earnings.....	\$	459,434.89	
Revenue from Investments.....		54,361.48	
			<u>\$ 513,796.37</u>
DEDUCT:			
Executive Salaries.....	\$	32,000.00	
Directors' Fees.....		10,000.00	
Legal Expenses.....		447.24	
Reserve for Income Tax.....		35,000.00	
Expenditure for Development and Research.....		39,528.14	
Reserve for Depreciation and Renewals.....		251,896.36	
			<u>368,871.74</u>
			\$ 144,924.63
Balance at Credit 31st December, 1936.....			<u>959,667.65</u>
			\$1,104,592.28
Less: Dividend for year.....			<u>62,500.00</u>
Balance at Credit 31st December, 1937.....			<u><u>\$1,042,092.28</u></u>

RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.  
MONTREAL

4th March, 1938.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED,  
LACHINE, QUEBEC.

Dear Sirs:

We have examined and audited the Books and Accounts of the Dominion Engineering Works, Limited, and its Wholly Owned Subsidiary Companies, for the year ended 31st December, 1937, and report thereon as follows:

The Inventories have been certified as correct by responsible Officials of the Companies and valued on a conservative basis.

The Investments in which your Company is interested have been verified by actual inspection of the securities, or we have seen certificates from the Depositaries in the cases where the securities are deposited for safe custody.

In accordance with Section 114 of the Dominion Companies Act, we report that no portion of the loss of a partly owned subsidiary has been included in the Profit and Loss Account submitted. Your proportion of the loss amounts to \$3,352.36. The loss has been carried forward on the Books of the Subsidiary.

We report that we have obtained all the information and explanations we have required and that, in our opinion, the accompanying Balance Sheet as at 31st December, 1937, is properly drawn up so as to exhibit a true and correct view of the state of the Combined Companies' affairs, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

Yours faithfully,

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,  
*Auditors.*

# DOMINION ENGINEERING WORKS, LIMITED

## *Associated Companies*

FARRELL-BIRMINGHAM CO. INC. - - - - - ANSONIA, Conn.  
UNITED ENGINEERING & FOUNDRY COMPANY - - - - - PITTSBURGH, Pa.  
CROSSLEY BROTHERS LIMITED - - - - - MANCHESTER, England  
CROSSLEY-PREMIER ENGINES LIMITED - - - - - SANDIACRE, England



## LIST OF PRODUCTS

### PAPER-MAKING MACHINERY:

Paper Machines, all types.  
Removable Fourdriniers.  
Slices.  
Downingtown Extractor Rolls.  
Suction Couch and Press Rolls.  
Granite Press Rolls.  
Cram Dryer Drainage Systems.  
Calenders, Reels, Winders.  
Refiners.  
Stock Pumps.  
Pulp Grinders.

### HYDRAULIC MACHINERY:

Hydraulic Turbines and Governors.  
Penstock Valves.  
Gate Valves, 4" to 60" Electric, Hydraulic and Hand Operation.  
Valve Control Mechanism.  
Sluice Gates.  
Larner-Johnson Hydraulic Valves.  
Glenfield Tilting Disc Check Valves.  
Centrifugal Pumps.  
Axial Flow Pumps.  
High Pressure Gear Oil Pumps.

### ROLLING MILL MACHINERY:

Blooming, Slabbing, Universal, Cogging and Billet Mills.

Slab and Plate Mills.

Cold Strip Mills.

Rod, Bar and Re-rolling Equipment.

Hot Strip and Sheet Bar Mills.

Tube and Pipe Mill Equipment.

Structural and Rail Mills.

Four-High Mills for Rolling of Ferrous and Non-Ferrous Sheet and Strip.

Machinery for Hot and Cold Rolling of Non-Ferrous Rods, Sheet, Strip and Foil.

### MINING AND CRUSHING MACHINERY:

Ball and Tube Mills.

Jaw Crushers.

Hoists.

Pumps.

### PLASTIC MACHINERY:

Banbury Mixers.

Crackers.

Washers.

Refiners.

Mills—Mixing, Grinding, Warming, Sheeting.

Calenders.

Tubing Machines.

Hose Making Machinery.

### TRANSMISSION MACHINERY:

Continuous Tooth Herringbone Gears.

Spur and Single Helical Gears.

Tramways Gears and Pinions.

Bevel Gears.

Cone Worm Gears.

Speed Reducing Units.

Speed Increasing Units.

Gear Motors.

Flexible Couplings.

Rolling Mill and other Heavy Duty Drives.

Michell Pivoted Thrust and Journal Bearings.

DIESEL AND GAS ENGINES:

6 to 3,000 B.H.P., for Marine and Stationary Service.

Producer Gas-Plants.

HYDRAULIC PRESSES.

ERCO SHEET METAL FORMERS.

WIRE DRAWING AND STRANDING MACHINERY.

SIMPSON INTENSIVE MIXERS.

ELECTRIC STEAM GENERATORS.

MACHINERY TO SPECIAL DESIGN.

CHILLED AND ALLOY IRON ROLLS.

HEAT TREATING.

ROLL GRINDING.

DOMINION-BANTAM ROLLER BEARINGS.





