

ANNUAL  
REPORT

Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December, 1942

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ANNUAL  
REPORT

Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December, 1942



# DOMINION ENGINEERING WORKS, LIMITED

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## *Directors*

G. H. DUGGAN	-	-	-	-	-	-	<i>Chairman of the Board</i>
W. F. ANGUS	-	-	-	-	-	-	<i>President</i>
H. G. WELSFORD	-	-	-	-	-	-	<i>Vice-President and General Manager</i>
W. TAYLOR-BAILEY							HOWARD MURRAY
L. J. BELNAP							PAUL F. SISE
NORMAN J. DAWES							R. E. STAVERT
G. H. MONTGOMERY, K.C.							JAMES WILSON

M. W. WILSON

J. S. HOUSTON	-	-	-	-	-	-	<i>Treasurer</i>
F. W. EVENS	-	-	-	-	-	-	<i>Secretary</i>

# DOMINION ENGINEERING WORKS, LIMITED

April 9th, 1943.

TO THE SHAREHOLDERS,  
DOMINION ENGINEERING WORKS, LIMITED

Your Directors submit the Annual Report of the Company together with the Balance Sheet as of December 31st, 1942, and relative Profit and Loss Account.

The result of the year's operations shows a net profit of \$766,238 after reserving for income and excess profits taxes the sum of \$3,659,605, of which \$373,733 is refundable. There has also been charged against the year's earnings the sum of \$547,348 to cover ordinary, accelerated and special depreciation.

Orders booked during the year exceeded by almost 50% the previous record bookings made in 1941. The Lachine Plant continued to operate at full capacity throughout the year on a 24-hour per day basis. Unfilled orders on hand at the end of the year were the equivalent of approximately twelve months' output at the present rate of production.

In order to take care of this ever growing activity and to provide facilities to meet the demand for new products, it was found necessary to enlarge some of the Departments of your Plant and an amount of \$618,516 was expended on Capital Account. Special depreciation allowed by the War Contracts Depreciation Board has been written off against Capital Expenditures incurred in connection with war orders.

Working capital as at December 31st, 1942, stands at \$3,335,779 as compared with \$2,568,177 at the end of the previous year.

In order to make provision for expenditures which will be necessary to readjust the Company's operations from a war-time to a peace-time basis, and to provide for the uncertainties of the post-war period, your Directors have deemed it advisable to set aside a reserve of one million dollars which has been transferred from earned surplus and to add to this the sum of \$373,733, the amount of the refundable portion of the Excess Profits Tax.

The Government-owned plant at Longueuil, which your Company operates on the Government's behalf for the manufacture of Ordnance, was brought into full production early in 1942 and the production called for by the Company's contract has since been exceeded by a considerable margin. This plant produces only war materials under requisition from the Department of Munitions and Supply. The fee earned by the Company for its supervision of the Longueuil Plant is included in the earnings for the year.

Inventories of materials and supplies and manufactured stock are carried on the books at conservative values.

It is with deep regret your Directors record the death on December 11th, 1942, of Mr. H. H. Vaughan of Montreal. Mr. Vaughan, who was a Director of the Company for the last three years, was deeply interested in the success of the Company and his sound judgment and business ability, which were ever at the Company's service, will be greatly missed in the conduct of its affairs.

Mr. Morris W. Wilson, President of the Royal Bank of Canada, and Mr. James Wilson, President of the Shawinigan Water & Power Company, have been elected Directors to fill vacancies on the Board.

The Directors wish to record the faithful services rendered by all the Company's employees throughout the year. Their contribution to Canada's war effort, through their work with the Company, is one of which they and the Directors and Shareholders may justly be proud.

Meetings of the 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, 1942

ASSETS	LIABILITIES		
<b>FIXED ASSETS:</b>			
Real Estate, Plant, Machinery and Equipment at cost, less amounts written off. . . . .	\$ 5,770,845.19		
<i>Less:</i> Reserve for Depreciation . . . . .	3,488,528.54		
	\$ 2,282,316.65		
Investments in Subsidiary and other Companies less Reserve. . . . .	80,003.00		
	\$ 2,362,319.65		
<b>CURRENT ASSETS:</b>			
Cash on Hand and in Banks . . . . .	1,343,539.61		
Investment in Bonds of Dominion Government and Public Utilities less Reserve . . . . .	2,715,813.91		
(Approximate Market Value \$2,788,447.26)			
Accounts Receivable, less Reserve . . . . .	1,681,702.87		
Deposits on Tenders . . . . .	1,370.00		
Work in Progress, at Standard Cost . . . . .	\$ 5,573,652.56		
<i>Less:</i> Payments on account . . . . .	3,213,334.46		
	2,360,318.10		
Inventories of Raw Materials and Supplies at lower of Cost or Market Value, less Reserve . . . . .	1,095,179.75		
(Quantities and condition determined by the Management)			
Balance of Employees' Victory Loan Subscriptions . . . . .	253,459.37		
	9,451,383.61		
<b>DEFERRED ASSETS:</b>			
Prepaid Taxes, Insurance and Expenses . . . . .	42,643.13		
Refundable Portion of Excess Profits Tax . . . . .	373,733.00		
	416,376.13		
	\$12,230,079.39		
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>W. F. ANGUS, <i>Director</i></p> <p>NORMAN J. DAWES, <i>Director.</i></p> </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: right;">MONTREAL, 5TH APRIL, 1943.</p> <p style="text-align: center;">This is the Balance Sheet referred to in our Report of this date.</p> <p style="text-align: right;">(Signed) RIDDELL, STEAD, GRAHAM &amp; HUTCHISON, <i>Chartered Accountants, Auditors.</i></p> </td> </tr> </table>		<p>W. F. ANGUS, <i>Director</i></p> <p>NORMAN J. DAWES, <i>Director.</i></p>	<p style="text-align: right;">MONTREAL, 5TH APRIL, 1943.</p> <p style="text-align: center;">This is the Balance Sheet referred to in our Report of this date.</p> <p style="text-align: right;">(Signed) RIDDELL, STEAD, GRAHAM &amp; HUTCHISON, <i>Chartered Accountants, Auditors.</i></p>
<p>W. F. ANGUS, <i>Director</i></p> <p>NORMAN J. DAWES, <i>Director.</i></p>	<p style="text-align: right;">MONTREAL, 5TH APRIL, 1943.</p> <p style="text-align: center;">This is the Balance Sheet referred to in our Report of this date.</p> <p style="text-align: right;">(Signed) RIDDELL, STEAD, GRAHAM &amp; HUTCHISON, <i>Chartered Accountants, Auditors.</i></p>		
	\$12,230,079.39		



# Dominion Engineering Works, Limited

## AND WHOLLY OWNED SUBSIDIARY COMPANIES

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### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1942

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Profits from Contracts and Miscellaneous Earnings . . . . .		\$5,084,214.19
Revenue from Investments . . . . .		27,172.11
		\$5,111,386.30
DEDUCT:		
Executive Salaries . . . . .	\$ 49,575.00	
Directors' Fees . . . . .	10,080.00	
Legal Fees . . . . .	8,381.44	
Loss on Equipment sold . . . . .	22,571.71	
Expenditure for Development and Research . . . . .	47,585.48	
Reserve for Depreciation and Renewals, including Accelerated and Special War Contracts Depreciation . . . . .	547,348.83	
Reserve for Income and Excess Profits Taxes, including refundable portion of Excess Profits Taxes transferred to Reserve for Post- war Rehabilitation and Adjustments . . . . .	3,659,605.63	
		4,345,148.09
		\$ 766,238.21
Balance at Credit as at 31st December, 1941 . . . . .		1,398,078.77
		\$2,164,316.98
DEDUCT:		
Transfer to Reserve for Post-war Rehabilitation and Adjustments . . . . .		1,000,000.00
BALANCE AT CREDIT AS AT 31ST DECEMBER, 1942 . . . . .		\$1,164,316.98

RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.  
MONTREAL

5th April, 1943.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED,  
LACHINE, QUEBEC.

We have examined and audited the Books and Accounts of Dominion Engineering Works, Limited, and its wholly owned Subsidiary Companies for the year ended 31st December, 1942, and have obtained all the information and explanations we have required.

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

In accordance with Section 114 of Dominion Companies' Act, we report that no portion of the profits of a partly owned Subsidiary is included in these accounts.

Subject to the final determination of the Company's liability for income and excess profits taxes for the three years ending 31st December, 1942, in our opinion, the accompanying Balance Sheet as at 31st December, 1942, 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.

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

# DOMINION ENGINEERING WORKS, LIMITED

## *Associated Companies*

DOMINION BRIDGE COMPANY LIMITED - - - - -	MONTREAL, Canada
CHAS. WALMSLEY & CO. (CANADA) LIMITED - - - - -	MONTREAL, Canada
DOMINION HOIST & SHOVEL COMPANY LIMITED - - - - -	MONTREAL, Canada
UNITED ENGINEERING & FOUNDRY COMPANY - - - - -	PITTSBURGH, Pa.
BANTAM BEARINGS CORPORATION - - - - -	SOUTH BEND, Ind.

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## 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.

### PLASTICS MACHINERY:

Banbury Mixers.  
Crackers.  
Washers.  
Refiners.  
Mills—Mixing, Grinding, Warming, Sheeting.

Calenders.  
Tubing Machines.

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.  
Roller Bearings.

DIESEL ENGINES:

Dominion Vertical—Four Cycle,  
120 B.H.P. to 640 B.H.P.

Dominion-Sulzer—Two Cycle,  
Direct Reversing Marine Engines,  
400 B.H.P. to 1200 B.H.P.

HYDRAULIC PRESSES.

SHEET METAL FORMERS.

STRANDING MACHINERY.

ELECTRIC STEAM GENERATORS.

MACHINERY TO SPECIAL DESIGN.

CHILLED AND ALLOY IRON ROLLS.

HEAT TREATING.

ROLL GRINDING.





