

ANNUAL  
REPORT

Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December, 1943

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REPORT

Dominion Engineering  
Works, Limited

FOR YEAR ENDED  
31st December, 1943



# DOMINION ENGINEERING WORKS, LIMITED

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## *Directors*

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

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

H. G. WELSFORD - - - - - *Vice-President and  
General Manager*

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 - - - - - *Treasurer*

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

# DOMINION ENGINEERING WORKS, LIMITED

April 4th, 1944.

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, 1943 and relative Profit and Loss Account.

The year's operations show a net profit of \$437,977 after charging off the amount of \$513,749 for depreciation and after reserving the sum of \$1,392,952 for income and excess profits taxes, of which \$222,155 is refundable.

Owing to reductions effected in the manufacturing cost of certain items under fixed price contracts with the Department of Munitions and Supply, for which there have been substantial continuing orders, price adjustments have been made which affect shipments under these contracts made during 1942. These adjustments reduce the earned surplus shown in the 1942 Balance Sheet by the amount of \$117,592. The refundable portion of excess profits tax for the year 1942 is also reduced by \$118,190.

There was expended on capital account during the year the sum of \$417,084. Nearly all of this expenditure was for additional facilities to accelerate deliveries of war materials and therefore subject to special depreciation allowances.

Working capital as at December 31st, 1943 stands at \$3,906,215, as compared with \$3,335,779 at the end of the previous year.

The refundable portion of excess profits tax in respect of 1943 income has been transferred to the reserve for post-war rehabilitation and adjustments. This reserve now stands on the Company's books at \$1,477,698 after making the adjustments for 1942 referred to above.

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

While the value of new orders booked was about 30% less than during 1942 the record bookings of that year required your Company's shops to operate at full capacity on a 24-hour per day basis throughout 1943. Unfilled orders on hand at the end of the year are less than they were a year ago but the products of your Company continue to be in active demand, which it is expected will ensure continuation of operations at a somewhat reduced rate throughout the balance of this year.

The government-owned plant at Longueuil which your Company operates on behalf of the government for the manufacture of ordnance, operated throughout 1943 at full capacity considering the production changes which necessarily take place in ordnance requirements. The management fee earned by the Company for its supervision of the Longueuil Plant is included in the year's earnings.

The Directors wish to record the faithful services rendered by all the Company's employees throughout the year. At the end of the year the Company had a total of 4,215 employees, including the employees of the Longueuil Plant. Many of these employees have been working, since early 1940, 11½ hours a day for six days a week in order to produce equipment urgently needed by our Armed Forces or by other war industries. Their subscriptions to Victory Loans and purchases of War Savings Certificates to date amount to \$2,116,079. Since the beginning of the war there have been no stoppages of work as a result of any disagreement between the Company and its employees. Their record of achievement is one of which the employees and your Company may well 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, 1943

### ASSETS

<b>FIXED ASSETS:</b>	
Real Estate, Plant, Machinery and Equipment at cost, less amounts written off .....	\$ 5,366,609.41
<i>Less:</i> Reserve for Depreciation .....	3,596,443.88
	\$ 1,770,165.53
Investments in Subsidiary and other Companies less Reserve .....	80,003.00
	\$ 1,850,168.53
<b>CURRENT ASSETS:</b>	
Cash on Hand and in Banks .....	836,356.22
Investment in Bonds of Dominion Government and Public Utilities less Reserve .....	1,627,803.85
(Approximate Market Value \$1,695,627.64)	
Accounts Receivable, less Reserve .....	1,806,314.88
Deposits on Tenders .....	2,945.00
Work in Progress, at Standard Cost .....	\$ 9,188,663.76
<i>Less:</i> Payments on account .....	5,393,025.34
	3,795,638.42
Inventories of Raw Materials and Supplies at lower of Cost or Market Value, less Reserve .....	1,362,579.12
(Quantities and condition determined by the Management)	
Balance of Employees' Victory Loan Subscriptions .....	383,806.00
	9,815,443.49
<b>DEFERRED ASSETS:</b>	
Prepaid Taxes, Insurance and Expenses .....	54,742.85
Refundable Portion of Excess Profits Tax .....	477,698.00
	532,440.85
	\$12,198,052.87

W. F. ANGUS,  
*Director.*

NORMAN J. DAWES,  
*Director.*

### LIABILITIES

<b>CAPITAL STOCK:</b>	
<b>AUTHORIZED AND ISSUED</b>	
125,000 Shares of No Par Value .....	\$ 2,900,050.00
<b>CAPITAL SURPLUS</b> .....	426,374.42
<b>RESERVE FOR CONTINGENCIES</b> .....	250,000.00
<b>RESERVE FOR POST-WAR REHABILITATION AND ADJUSTMENTS</b> .....	1,477,698.00
<b>EARNED SURPLUS:</b>	
Balance as per Profit and Loss Account .....	1,234,702.08
<b>ACCOUNTS PAYABLE, ACCRUED CHARGES, CUSTOMERS' CONTRACT CREDITS AND OPERATING RESERVES, including estimated amount of \$338,197.82 due to Taxing Authorities in Canada</b> .....	
	5,525,551.36
<b>BANK LOANS FOR EMPLOYEES' VICTORY LOAN SUBSCRIPTIONS (Secured)</b> .....	383,677.01
	\$12,198,052.87

MONTREAL, 5TH APRIL, 1944.

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, 1943

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Profits from Contracts and Miscellaneous Earnings . . . . .		\$2,510,355.83
Revenue from Investments . . . . .		34,654.74
Profit on Equipment and Bonds sold . . . . .		23,519.65
		<hr/>
		\$2,568,530.22
DEDUCT:		
Executive Salaries . . . . .	\$ 50,265.00	
Directors' Fees . . . . .	10,100.00	
Legal Fees . . . . .	2,391.16	
Expenditure for Development and Research . . . . .	161,094.94	
Reserve for Depreciation and Renewals, including Accelerated and Special War Contracts Depreciation . . . . .	513,749.67	
Reserve for Income and Excess Profits Taxes, including refundable portion of Excess Profits Taxes transferred to Reserve for Post- war Rehabilitation and Adjustments . . . . .	1,392,952.00	
	<hr/>	2,130,552.77
		<hr/>
		\$ 437,977.45
Balance at Credit as at 31st December, 1942 . . . . .	1,164,316.98	
Less: Adjustment of prior year's profit in respect of Contract Price adjustments, depreciation and income tax . . . . .	117,592.35	
	<hr/>	1,046,724.63
		<hr/>
		\$1,484,702.08
DEDUCT:		
Dividend for the year 1942 . . . . .		250,000.00
		<hr/>
BALANCE AT CREDIT AS AT 31ST DECEMBER, 1943 . . . . .		<u>\$1,234,702.08</u>

RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

460 ST. FRANCOIS XAVIER ST.  
MONTREAL

5th April, 1944.

TO THE SHAREHOLDERS,

DOMINION ENGINEERING WORKS, LIMITED,  
LACHINE, QUEBEC.

We have examined the Books and Accounts of Dominion Engineering Works, Limited, and its wholly owned Subsidiary Companies for the year ended 31st December, 1943, 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 the 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 ended 31st December, 1943, in our opinion, the accompanying Balance Sheet as at 31st December, 1943, 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.  
THE TORRINGTON CO., INC.-BANTAM BEARINGS DIVISION - - 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 24" 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.

### 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.  
Bevel Gears.  
Cone Drive 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,  
Marine Propulsion and Auxiliary Service  
400 B.H.P. to 1200 B.H.P.

HYDRAULIC PRESSES.

VARIABLE STROKE OIL PUMPS.

STRANDING MACHINERY.

ELECTRIC STEAM GENERATORS.

MACHINERY TO SPECIAL DESIGN.

CHILLED AND ALLOY IRON ROLLS.

HEAT TREATING.

ROLL GRINDING.









