

# THE GOODYEAR TIRE & RUBBER COMPANY

OF CANADA, LIMITED

NEW TORONTO, ONTARIO

**GOODYEAR**  
MADE IN CANADA

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ANNUAL REPORT  
1929



The Goodyear Tire & Rubber Company  
of Canada, Limited

ANNUAL REPORT

TO THE SHAREHOLDERS

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For the Fiscal Year ending September 30th, 1929

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New Toronto, Ontario

# ANNUAL REPORT OF THE DIRECTORS

OF

*The Goodyear Tire and Rubber Company  
of Canada, Limited*

Toronto, October 24th, 1929.

To The Shareholders:

On behalf of the Board of Directors, we submit the Consolidated Balance Sheet of The Goodyear Tire & Rubber Company of Canada, Limited, and its subsidiary companies, which sets forth the profits for the fiscal year ending September 30, 1929 and the present financial position of the combined companies. We have also prepared and append to this report Balance Sheets of The Goodyear Tire & Rubber Company of Canada, Limited and of the Goodyear Cotton Co. of Canada, Limited, as of September 30th, 1929, which are drawn up in the same form as has been followed in past years.

The combined operating profits for the year, after providing for all manufacturing, selling and administration expenses and taxes, aggregated \$4,322,259.61, from which there has been set aside \$834,116.80 for depreciation of buildings and plant, leaving net profits of \$3,488,142.81, as compared with combined net profits of \$2,790,460.12 for the previous fiscal year, which up to that time had been the most profitable year in the history of the Companies. It should be explained that the profits as stated in the attached Balance Sheet are exclusive of a further profit on the export business for the past three months, the amount of which has not yet been determined.

The usual annual inventories were prepared and all the stocks on hand were priced on the basis of cost or market value, whichever was the lower. The outstanding Accounts Receivable were carefully reviewed and reserves have been established to meet all possible losses and liabilities.

We give below a summary showing how the combined operating profits of the Companies for the year have been applied.

On retiring 1700 shares of the Preferred stock having a par value of..	\$ 170,000.00
Dividend of 7% on Preferred stock ..	538,741.00
Dividend of \$5.00 per share on Common stock .....	666,500.00
Bonus of \$5.00 per share on Common stock .....	666,500.00
Dividend on Preferred stock of Cotton Company to date of redemption	24,937.50
Provision set aside for Employees' Pension Fund .....	150,000.00

Net expenditures for additions to plant and equipment	\$1,234,715.47	
Less—Portion thereof provided from proceeds of new Bond issue of the Cotton Company to meet expenditures at St. Hyacinthe, Quebec..	<u>280,000.00</u>	954,715.47
Increase in deferred charges .....		11,328.15
Increase in Net Current Assets or Working Capital .....		<u>1,139,537.49</u>
		<u>\$4,322,259.61</u>

Your Company borrowed no money during the fiscal year and at all times had a considerable amount of money on call. Your statement shows cash on hand of \$4,947,198.36. This amount is after having paid \$2,066,678.50 to the shareholders during the year, and \$954,715.47 expended on plant and equipment, making a total cash distribution of \$3,021,393.97. The current liabilities are slightly over one fourth of the amount of cash on hand. The net working capital of the combined companies is \$9,965,223.73, which is an increase of \$1,139,537.49 as compared with last year. The net consolidated earnings of the Companies show that the dividends on the Preferred stock were earned 6.4 times and the net amount earned per share on the Common stock was \$21.94.

The combined investments in real estate, buildings, plants and equipment is \$11,019,450.13, against which we have reserves for depreciation of \$4,398,847.33 and in addition to this, all obsolescence has been taken care of and your plants have been kept in good repair and provided with up-to-date equipment.

Property extensions for the year are as follows:

Purchase of warehouse and office building in Vancouver,—the building of an office and warehouse in Saskatoon,—extension to our mechanical goods factory at Bowmanville,—extension to power-house at New Toronto plant,—extension to our cotton plant at St. Hyacinthe, which extension is composed of a building 140 feet in width, 408 feet in length, three stories and basement.

Owing to the extensions made at the cotton plant it was necessary to call the outstanding securities of the Goodyear Cotton Company. This has been done and a new Bond issue of two million dollars was created of which \$1,046,000.00 have been issued. It is the purpose of the Board of Directors to later sell a portion of the remaining Bonds. The addition to the cotton plant should be in operation by February 1st, 1930. The plant will have a capacity of about 45,000 spindles and will be one of the best equipped plants of its kind in Canada. Your com-

pany has much to gain by manufacturing its own product, both in cost and quality of the finished product.

Some years ago we provided a plan of insurance for all employees, whereby, all male employees may be insured for a minimum of \$1,000.00, this amount of insurance being increased \$500.00 for each additional five years of service. All female employees are insured for \$500.00. The Company pays the entire cost of this insurance. We have made no provision for old age pensions or a retirement fund and it is the unanimous opinion of the Board of Directors that such provision should be made. Therefore, we are asking the shareholders to approve of the Board's action in adopting a plan to provide for employee's pensions and establishing a pension fund. The annuities payable under the plan are based on the total wages of the employee's first twenty years service. These annuities will be payable when the employee reaches the age of sixty five, whether he is then in the employment of the Company or not. The operation of the plan and the control of the fund will be under the jurisdiction of the Metropolitan Life Insurance Company. The initial amount required to establish this fund is \$150,000.00 and to the fund will annually be added a small percentage of the current payroll. The plan also provides that the employee may contribute to the fund, in which case his annuity is proportionally increased. The employee has the right at all times to withdraw his deposits with 3% interest.

During the fiscal year your company has made substantial gains in all of its operations and departments. It has made a material gain in its share of domestic business. Our product has never been more satisfactory and the product will be further improved this coming year. At no time has the company been in as strong a position.

At the present time general business conditions are retarded. Business has been adversely affected through the radical decrease in the stock market. The Canadian conditions are again adversely affected through a shortage of grain crop and our inability to rapidly market the crop at satisfactory prices.

It is our thought that general business conditions for the next fiscal year may not be as favorable as the conditions existing for this last year or two, but whatever these conditions may be, your company will be in a position to maintain its full share of trade and will continue to operate on an economical basis.

We appreciate the many helpful letters received from our shareholders. Our Canadian shareholders at this time number 3,450.

We wish to thank the officials and the employees for their efficient and aggressive work and cooperation.

Respectfully yours,

C. H. CARLISLE,  
President and General Manager.

# PRICE, WATERHOUSE & CO.

*Chartered Accountants*

ROYAL BANK BUILDING

TORONTO, CANADA

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October 23, 1929

To The Shareholders of

## THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited and its subsidiary companies for the year ending September 30, 1929.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Companies at prices not in excess of cost or market; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at September 30, 1929 are included in the Balance Sheets.

And we certify that the annexed Balance Sheets are drawn up so as to show the true financial position of the Company and its subsidiaries as of that date and the results from the operations for the year ending September 30, 1929 according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,

Auditors.

# THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED

## and SUBSIDIARY COMPANIES

### CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1929

#### ASSETS

#### CURRENT AND WORKING ASSETS:

Cash:—			
In banks and on hand	\$ 1,837,198.36		
Call loans	3,110,000.00	\$ 4,947,198.36	
Accounts Receivable:			
Customers	\$ 2,409,312.98		
Miscellaneous	157,668.80		
	<u>\$ 2,566,981.78</u>		
Less—Reserve for bad and doubtful accounts 104,075.54			
		2,462,906.24	
Inventories:			
Finished goods	\$ 2,344,319.86		
Goods in process	338,349.23		
Raw materials and supplies	1,283,544.65	<u>3,966,213.74</u>	\$11,376,318.34

REAL ESTATE, BUILDINGS, PLANT,  
MACHINERY AND EQUIPMENT: 11,019,450.13

DEFERRED CHARGES TO OPERATIONS:  
Insurance, taxes and rents paid in advance 70,167.46

\$22,465,935.93

#### LIABILITIES

#### CURRENT LIABILITIES:

Accounts payable	\$ 927,384.58		
Miscellaneous	333,710.03		
Reserve for Pension Fund	<u>150,000.00</u>		\$1,411,094.61

#### RESERVE:

For depreciation of buildings, plant, machinery and equipment: 4,398,847.33

#### SIX PER CENT FIRST MORTGAGE SINKING FUND GOLD BONDS DUE SEPTEMBER 1, 1949, OF THE GOODYEAR COTTON CO. OF CANADA, LIMITED:

Authorized—	<u>\$ 2,000,000.00</u>		
Issued—			1,046,000.00

#### CAPITAL STOCK:

Seven per cent Cumulative Preferred Stock:			
Authorized—195,000 shares of \$100.00 each	<u>\$19,500,000.00</u>		
Issued and fully paid—			
79,498 shares of \$100.00 each	\$ 7,949,800.00		
Less—Redeemed 2,960 shares	<u>296,000.00</u>		7,653,800.00

#### Common Stock:

Authorized—150,000 shares of no par value of which 133,300 have been issued	\$ 133,300.00		
Capital surplus	<u>479,880.00</u>		613,180.00

#### SURPLUS:

Balance as of October 1, 1928	\$ 5,901,549.68		
Profit for year ending September 30, 1929 before providing for depreciation, but after deducting income tax	\$4,322,259.61		
Less—Reserve for depreciation	834,116.80	3,488,142.81	
			<u>\$ 9,389,692.49</u>

#### Deduct—Dividends:

On 7% Preferred Stock	\$ 538,741.00		
On no par value Common Stock:			
Dividend at \$5.00 a share	\$666,500.00		
Bonus at \$5.00 a share	\$666,500.00		
On Preferred Stock of Goodyear Cotton Co. of Canada Limited to date of redemption	24,937.50		
	<u>\$1,896,678.50</u>		

Special provision for Employees Pension fund	150,000.00	2,046,678.50	7,343,013.99
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\$22,465,935.93



# THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED

## BALANCE SHEET

SEPTEMBER 30, 1929

### ASSETS

#### CURRENT AND WORKING ASSETS:

Cash—		
In banks and on hand	\$1,463,202.85	
Call Loans	3,110,000.00	
		\$4,573,202.85
Accounts Receivable:		
Customers	\$2,392,054.76	
Miscellaneous	157,668.80	
	\$2,549,723.56	
Less—Reserve for bad and doubtful accounts	104,075.54	
		2,445,648.02
Inventories:		
Finished goods	\$2,318,343.61	
Goods in process	247,306.86	
Raw materials and supplies	1,107,011.75	
		3,672,662.22
		\$10,691,513.09

INVESTMENTS IN AND ACCRUED EARNINGS  
OF SUBSIDIARY COMPANIES: 611,249.34

REAL ESTATE, BUILDINGS, PLANT,  
MACHINERY AND EQUIPMENT: 9,247,695.63

DEFERRED CHARGES TO OPERATORS:  
Insurance, taxes and rents paid in advance 62,614.95

\$20,613,073.01

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts payable	\$ 607,259.15	
Miscellaneous	315,059.85	
Reserve for Pension fund	150,000.00	
		\$1,072,319.00

#### RESERVE:

For depreciation of buildings, plant, machinery  
and equipment 3,930,760.02

#### CAPITAL STOCK:

Seven per cent Cumulative Preferred Stock:		
Authorized—195,000 shares of \$100. each	\$19,500,000.00	
Issued and fully paid—		
79,498 shares of \$100.00 each	\$ 7,949,800.00	
Less—2,960 shares redeemed	296,000.00	
		7,653,800.00

#### Common Stock:

Authorized—150,000 shares of no par value of which 133,300 shares have been issued		\$ 133,300.00
Capital surplus	479,880.00	
		613,180.00

#### SURPLUS:

Balance as of October 1, 1928	\$ 5,901,549.68
Profit for the year ending September 30, 1929, before providing for depreciation, but after deducting income tax	\$4,248,577.72
Less—Reserve for depre- ciation	785,372.41
	3,463,205.31
	\$ 9,364,754.99

#### Deduct—Dividends:

On seven per cent Preferred Stock		\$ 538,741.00
On no par value Common Stock:		
Dividend at \$5.00 a share	666,500.00	
Bonus of \$5.00 a share	666,500.00	
	\$1,871,741.00	

#### Special provision for Employees

Pension fund	150,000.00
	2,021,741.00

7,343,013.99  
\$20,613,073.01

# GOODYEAR COTTON C O. OF CANADA, LIMITED

## BALANCE SHEET

SEPTEMBER 30, 1929

### ASSETS

### LIABILITIES

#### CURRENT ASSETS:

Cash:			
In banks	\$ 373,795.51		
On hand	200.00	\$ 373,995.51	
Accounts receivable			158,528.57
Inventories:			
Finished goods	\$ 25,976.25		
Goods in process	91,042.37		
Raw materials and supplies	160,783.10	277,801.72	
		\$ 810,325.80	

REAL ESTATE, BUILDINGS, PLANT,  
MACHINERY AND EQUIPMENT: 1,511,065.77

#### DEFERRED CHARGES TO OPERATIONS:

Insurance and taxes paid in advance 6,166.19

\$ 2,327,557.76

#### CURRENT LIABILITIES:

Accounts payable	\$ 160,041.54
Miscellaneous	18,172.94
Preference stock outstanding, called for redemption July 1, 1929	19,500.00
First Mortgage 6% fifteen year sinking fund gold bonds called for redemption October 1, 1929	282,000.00
	<u>\$ 479,714.48</u>

#### FIRST MORTGAGE SIX PER CENT TWENTY YEAR SINKING FUND GOLD BONDS DUE SEPTEMBER 1, 1949.

Authorized	2,000,000.00
Issued	<u>1,046,000.00</u>

#### RESERVE:

For depreciation of buildings, plant, machinery and equipment	398,082.29
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#### CAPITAL STOCK AND SURPLUS:

Common stock authorized and issued—5,250 shares of no par value	\$ 26,250.00
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#### Surplus—

Balance, October 1, 1928	\$260,891.17
Profits for the year ending September 30, 1929 after providing for depreciation, bond interest and income taxes	141,557.32
	<u>\$402,448.49</u>

Less—Dividends on preference stock to date of redemption 24,937.50

377,510.99

403,760.99

\$ 2,327,557.76

## *BOARD OF DIRECTORS*

P. W. LITCHFIELD  
Chairman  
AKRON

C. H. CARLISLE  
TORONTO

C. B. McNAUGHT  
TORONTO

C. F. STONE  
AKRON

J. E. McALLISTER  
TORONTO

P. A. THOMSON  
MONTREAL

C. C. SLUSSER  
AKRON

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## *EXECUTIVE OFFICERS*

C. H. CARLISLE  
President and General Manager

C. B. McNAUGHT  
Vice-President

J. G. LANE  
Assistant to the President and  
Treasurer

R. C. BERKINSHAW  
Secretary and  
General Counsel

W. H. JEEVES  
Assistant Treasurer

H. A. TIPPLE  
Assistant Secretary and  
Assistant Comptroller

B. W. LANG  
Assistant Comptroller

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D. J. McCARTHY  
General Sales Manager

E. H. KOKEN  
General Superintendent

R. P. D. GRAHAM  
Manager, Export Department

# The Goodyear Tire & Rubber Company of Canada, Limited

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General Offices: NEW TORONTO, ONT.

Factories: { NEW TORONTO, ONT.  
BOWMANVILLE, ONT.

VANCOUVER, B.C.	1004 Homer St.
CALGARY, ALTA.	335 8th Ave. West
EDMONTON, ALTA.	10229 105th St.
SASKATOON, SASK.	Cor. 24 St. and Pacific Ave.
REGINA, SASK.	Cor. Broad St. and 6th Ave.
WINNIPEG, MAN.	97 Higgins Ave.
FORT WILLIAM, ONT.	303 Simpson St.
LONDON, ONT.	318 Dundas St.
HAMILTON, ONT.	20 George St.
TORONTO, ONT.	152 Simcoe St.
OTTAWA, ONT.	246 Queen St.
MONTREAL, QUE.	318 St. James St.
QUEBEC, QUE.	Cor. Crown and Fleury Sts.
ST. JOHN, N.B.	83 Prince William St.
HALIFAX, N.S.	84 Hollis Street

Wholesale Distributors at Victoria, B.C., Lethbridge, Alta.,  
and Walkerville, Ont.

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Over Five Thousand Canadian Retail Dealers carry stocks of  
Goodyear Made-in-Canada Automobile Tires.

# PRINCIPAL



# GOOD YEAR

*The Greatest Name in Rubber*

# PRODUCTS

## Tires and Tubes

**TIRES:**—Pneumatic Automobile, Truck, Bus and Motorcycle.  
Solid and Cushion Truck Tires.

**TUBES:**—Automobile, Truck and Bus (Regular and Heavy Tourist),  
Motorcycle (Endless and Butt End).

**ACCESSORIES:**—For all Pneumatic Type Tires and Tubes, Rubber Tire Chains, Repair Fabric and Gum, Rims and Parts, Rubber Cements, Tubing, Vulcanizers' Supplies.

## Mechanical Rubber Goods

**BELTING:**—Conveyor, Elevator, Transmission, Miscellaneous.  
Automobile Fan Belts.

**HOSE:**—Garden, Air Drill, Pneumatic Tool, Steam, Radiator, Suction, Fire, Miscellaneous.

**PACKINGS AND SHEETINGS:**—Hydraulic, Piston, Goodyearite Asbestos Sheet Packing. Rubber and Asbestos Packing for Steam, Water and Air.

**MISCELLANEOUS:**—All kinds Rubber Mats and Matting, Bumpers, Lathe Goods, Valves, Molded Goods of all Descriptions, etc.

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GOODYEAR WINGFOOT RUBBER HEELS AND SOLES.









do we need  
 legislation re cancelled stock  
 If not is it advisable  
 for it to be reissued  
 when re-issuing as  
 redeemed stock

Harold Frost

5000	250	28000	100000	128000
		28000	100000	128000