

# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE:  
MARCONI BUILDING  
MONTREAL



FORTIETH ANNUAL REPORT

(1942)



# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

## HEAD OFFICE: MARCONI BUILDING MONTREAL

### *Notice of Annual General Meeting of Shareholders.*

The Annual General Meeting of the Shareholders of Canadian Marconi Company will be held at the Head Office of the Company, Marconi Building, St. Sacrament Street, Montreal, on Thursday the twenty-ninth day of April, 1943, at 11.30 o'clock in the forenoon, to receive the report of the Directors and Auditors; to elect Directors for the ensuing year; to appoint Auditors; and for the transaction of such other business as may properly come before the Meeting.

By order of the Board.

JAMES FERGUS,

*Secretary.*

Montreal, March 25, 1943,  
Marconi Building,  
St. Sacrament Street.

IF UNABLE TO BE PRESENT IN PERSON PLEASE DETACH, SIGN AND RETURN  
THIS FORM OF PROXY.

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# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

## SHAREHOLDER'S APPOINTMENT OF PROXY

### COMMON STOCK

I/WE the undersigned.....  
(Please print name in full)

of the City or Town of.....Province.....

being a holder of.....Shares of the COMMON STOCK of  
Canadian Marconi Company, hereby constitute and appoint A. H. Ginman, President, and Dr.  
M. L. Hersey, Vice-President, and J. A. Boyd, Vice-President of Canadian Marconi Company,  
or a majority of such of them as are present and acting to be my/our Attorney and Proxy, and  
in my/our name to act and vote on my/our behalf at the Annual General Meeting of Share-  
holders of this Company, advertised to be held in Montreal, on Thursday, April 29th, 1943, and  
at any adjournments thereof.

WITNESS my/our hand at.....this.....day  
of....., 1943.

WITNESS Signature.....

*N.B.—All proxies must be in favour of a Shareholder, and lodged with the Secretary of the Company  
before the Meeting.*



# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING  
MONTREAL

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*Directors for the year ending  
December 31, 1942*

J. A. BOYD, ESQ.	A. H. GINMAN, ESQ.
D. C. COLEMAN, ESQ.	DR. MILTON L. HERSEY
A. E. DYMENT, ESQ.	GORDON W. MACDOUGALL, ESQ., K.C.
H. J. SYMINGTON, ESQ., K.C.	

*President:*

A. H. GINMAN, ESQ.

*Vice-Presidents:*

DR. MILTON L. HERSEY

J. A. BOYD, ESQ.

*Secretary:*

JAMES FERGUS, ESQ., F.C.I.S.

*Registrars:*

MONTREAL TRUST COMPANY

*Transfer Agents:*

CHARTERED TRUST & EXECUTOR CO.

*Auditors:*

PRICE, WATERHOUSE & CO.



# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING  
MONTREAL

*General Manager:*  
R. M. BROPHY

*Deputy General Manager:*  
S. M. FINLAYSON

*Secretary:*  
JAMES FERGUS, F.C.I.S.

*Comptroller:*  
A. UNDERWOOD

*Chief Communications Engineer:*  
L. S. PAYNE

*Chief Accountant:*  
W. HOPKINS

*General Sales Manager:*  
M. M. ELLIOTT

*Marine and Inland Services:*  
W. J. GRAY, *Manager*

*Traffic Manager:*  
P. J. MURPHY

*Manager, Station CFCF:*  
J. A. SHAW

## DIVISIONAL OFFICES

*British Columbia:*

L. S. HAWKINS, *Manager*,  
500 Beatty Street,  
Vancouver, B.C.

*Mid-Western:*

W. F. SOUCH, *Manager*,  
356 Main Street,  
Winnipeg, Man.

*Ontario:*

G. F. EATON, *Manager*,  
92 Adelaide St. West,  
Toronto, Ont.

*Maritimes:*

C. S. McDONALD, *Manager*,  
47 Argyle Street,  
Halifax, N.S.

*Newfoundland:*

J. J. COLLINS, *Manager*,  
New Gower and Adelaide Sts.,  
St. John's.





# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

## BALANCE SHEET — DECEMBER 31, 1942

### ASSETS

<b>Property, Plant and Equipment:</b>	
At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions.....	\$3,294,724.25
Less: Depreciation Reserves.....	2,036,871.62
	\$1,257,852.63
<b>Patents and Patent Rights:</b>	
At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions, less sale and amounts written off.....	1,883,193.18
Investments in Associated Companies.....	106,250.00
Deferred Accounts Receivable:	
Trade.....	\$ 41,922.12
Refundable Portion of Excess Profits Taxes.....	54,043.35
	95,965.47
<b>Current Assets:</b>	
Inventories of manufactured stock, work in process, materials and supplies at the lower of cost or market values, as determined and certified by responsible officials (less reserves).....	\$4,274,773.60
Accounts Receivable (less reserve).....	2,576,374.53
Newfoundland Government War Savings Certificates.....	1,000.00
Dominion of Canada Bonds (Market Value \$385,130.50).....	386,400.00
Cash in Banks and on Hand.....	363,368.87
	7,601,917.00
Unexpired Insurance, Taxes and Other Prepaid Expenses.....	19,414.76
	\$10,964,593.04

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1942

Profit from operations for the year ending December 31, 1942, before taking into account the items shown below

Add: Income from Investments.....	\$1,356,565.12
	56,832.82
	\$1,413,397.94

#### Deduct:

Provision for Depreciation of Properties.....	\$ 469,748.76
Directors' Fees.....	6,740.00
Executive Remuneration.....	51,236.00
Legal Expenses.....	4,713.83
Loss on Sale of Investments.....	1,000.00
	533,438.59

Deduct: Provision for Income and Excess Profits Taxes including Refundable portion of Excess Profits Taxes of \$54,043.35

	\$ 879,959.35
	550,000.00
	\$ 329,959.35

Net Profit for the year.....

### EARNED SURPLUS DECEMBER 31, 1942

Balance at December 31, 1941.....	\$ 697,648.59
Add: Net Profit for the year, as above.....	329,959.35
	\$1,027,607.94

#### Deduct:

Amount transferred to Dividend Reserve.....	\$ 182,187.28
Amount transferred to Staff Pension Reserve.....	100,000.00
	282,187.28

Balance at December 31, 1942.....

	\$ 745,420.66
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#### AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Canadian Marconi Company (Limited Liability) for the year ending December 31, 1942, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet at December 31, 1942, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs (before making any provision from the operations of the year for writing down of Patents), according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, March 22, 1943.

PRICE, WATERHOUSE & CO.,  
Auditors.

### LIABILITIES

<b>Capital Stock:</b>		\$7,500,000.00
Authorized—7,500,000 shares of \$1.00 each.....		
Subscribed and Issued—4,554,682 shares of \$1.00 each.....		\$ 4,554,682.00
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Liabilities.....	\$4,104,164.28	
Provision for Income and Other Taxes.....	378,827.56	
Undivided Dividends.....	25,267.91	
Reserve for Dividend.....	182,187.28	
Bank Loan.....	520,000.00	
	5,210,447.03	
<b>General Reserve.....</b>		250,000.00
<b>Reserve for Staff Pensions.....</b>		150,000.00
<b>Surplus Accounts:</b>		
Earned Surplus as per Statement attached.....	\$ 745,420.66	
Refundable Portion of Excess Profits Taxes.....	54,043.35	
	799,464.01	
		\$10,964,593.04

#### Approved on behalf of the Board:

D. C. COLEMAN, Director,  
C. W. MacDOUGALL, Director.



## TO THE SHAREHOLDERS:

Gentlemen:—

Your Directors beg to submit the Balance Sheet and Profit and Loss Statement of the Company for the year ending December 31, 1942.

Net Profit from operations for the period increased by \$307,749.95, but, due to the larger provision for Income and Excess Profits Taxes of \$550,000.00—as compared with \$300,000.00 in the previous year—produced the net result of a distributable increase of only \$57,749.95.

It will be noted that the Balance Sheet shows “Provision for Dominion, Provincial and Other Taxes, \$378,827.56.” This figure is arrived at as follows:

Amount transferred from Profits in 1942 to provide for Federal Income and Excess Profits Taxes.....	\$550,000.00
Plus: Balance of Reserve for this purpose carried over from 1941..	32,965.59
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Total Provision for Income and Excess Profits Taxes.....	582,965.59
Less: Amount which has been paid on account, in monthly instal- ments since July 1st, as now required by law.....	239,280.00
	<hr/>
Balance of Provision for Income and Excess Profits Taxes.....	343,685.59
Plus: Sundry Provincial and Other Taxes.....	35,141.97
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	<u>\$378,827.56</u>

Income and Excess Profits Taxes amounted to \$581,540.29, including the portion refundable two years after the cessation of hostilities and shown in the Balance Sheet as \$54,043.35; but if the present taxation rates had been applicable throughout the year 1942, Income and Excess Profits Taxes would have amounted to \$655,623.90, leaving a balance of \$179,394.15 available for immediate distribution plus \$107,205.56 refundable after the War.

A few further comments on the Balance Sheet are tendered.



Accounts Receivable, Work in Process, etc.—\$6,851,148.13—show an increase of \$2,755,186.79 over the preceding year.

Bank of Montreal, Special Loan, \$520,000.00, was negotiated to finance the Company's subscription to the Third Victory Loan, \$350,000.00, and that of the Staff, \$170,000.00—the latter is being deducted from salaries and will be repaid by April 30th. This loan carries the same rate of interest as that accruing upon the Bonds, namely: 3%.

Normal and special Depreciation, \$469,748.76, is \$28,400.68 less than that provided last year.

Your Directors declared a dividend of 4%—the same as for the three previous years—payable on June 1st to shareholders of record April 15th, and transferred the sum of \$100,000.00 to the Reserve for Staff Pensions.

During the year, it was found necessary to provide additional facilities for Factory Office Staff, Cafeteria and, to a smaller extent, productive space. A three-storey extension was, therefore, added to the west side of the main building, providing a total of approximately 13,000 square feet.

Later, the need for yet another extension became apparent, and a second floor over the entire area of the east wing is now in course of construction. It is expected to be equipped by June, and will be utilized exclusively for our Quartz Crystal Grinding Laboratory, to meet the larger output now required for War purposes.

Your Company's manufacturing facilities continue to be devoted almost entirely to the production of equipment for the various Armed Services.

Your Board records its appreciation of the spirit displayed by all members of the Staff in cheerfully undertaking the added burdens imposed upon them in maintaining the Company's traditions.

Respectfully submitted,

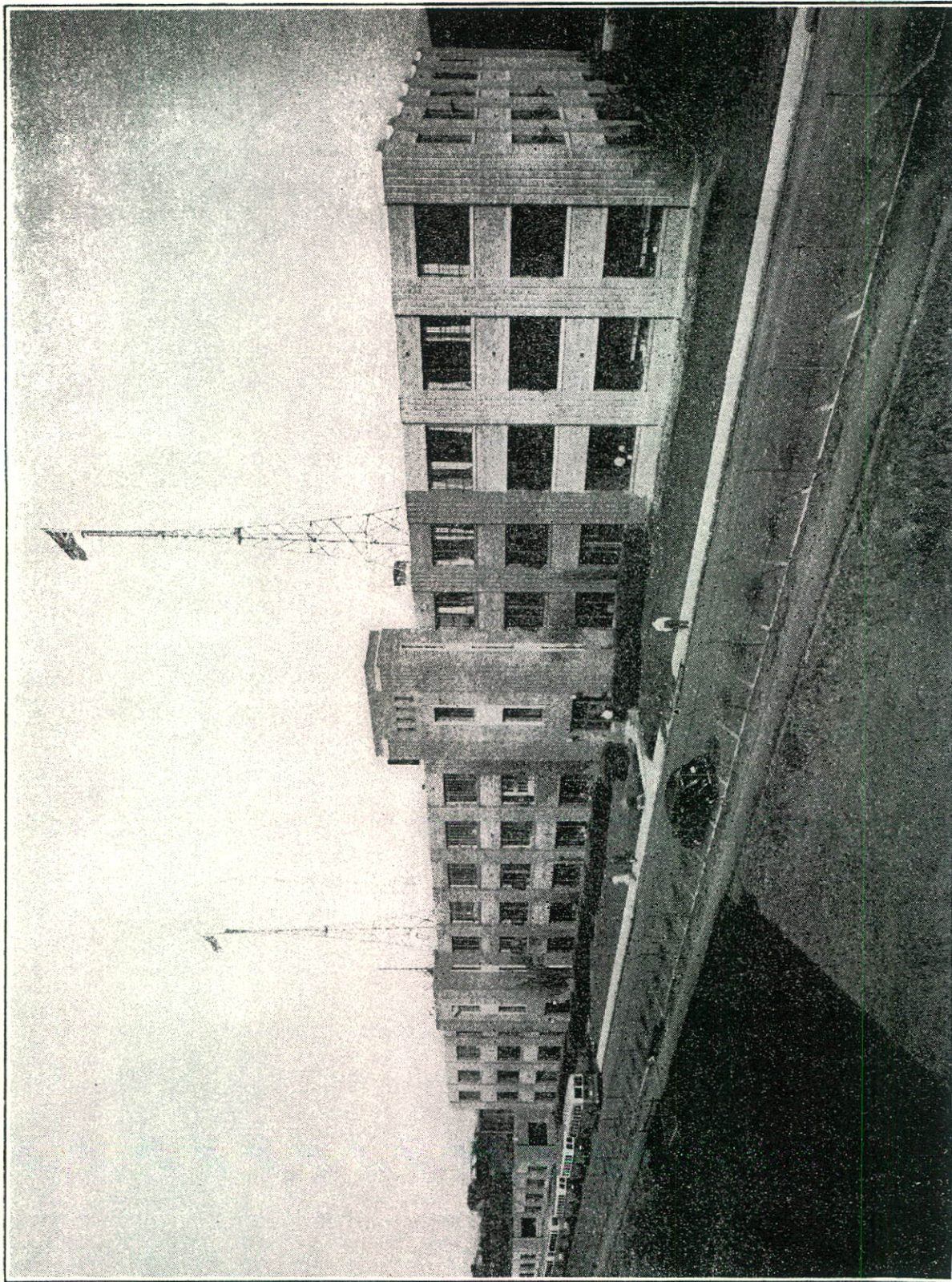
A. H. GINMAN

Montreal, March 25, 1943.

*President.*



**CANADIAN MARCONI COMPANY**  
(LIMITED LIABILITY)



FACTORY — MONTREAL







