

Corporation  
File

# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE:  
MARCONI BUILDING  
MONTREAL



**FORTY-FOURTH ANNUAL REPORT**

(1946)

# CANADIAN MARCONI COMPANY

(LIMITED LIABILITY)

HEAD OFFICE: MARCONI BUILDING  
MONTREAL

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*Directors for the year ending  
December 31, 1946*

J. A. BOYD, ESQ.	DR. MILTON L. HERSEY
S. M. FINLAYSON, ESQ.	GORDON W. MACDOUGALL, ESQ., K.C.
A. H. GINMAN, ESQ.	W. M. NEAL, ESQ., C.B.E.
H. J. SYMINGTON, ESQ., C.M.G., 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

## *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-fourth day of April, 1947, at 12 o'clock noon, 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.

Montreal, March 20, 1947,  
Marconi Building,  
St. Sacrament Street.

JAMES FERGUS,  
*Secretary.*

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 24th, 1947, and  
at any adjournments thereof.

WITNESS my/our hand at..... this..... day  
of....., 1947.

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

*General Manager:*

S. M. FINLAYSON

*Assistant General Manager:*

W. J. GRAY

Communications Equipment Division

*Assistant General Manager:*

M. M. ELLIOTT

Merchandising Division

*Secretary and Treasurer:*

JAMES FERGUS, F.C.I.S.

*Comptroller:*

W. H. HOPKINS

*Chief Communications Engineer:*

L. S. PAYNE

*Chief Accountant:*

J. HILL

*Traffic Manager:*

D. F. BOWIE

*Factory Manager:*

F. A. BARROW

*Marine Superintendent:*

A. WILKINS

*Publicity Manager:*

H. S. PUTMAN

*Manager Personnel Relations:*

J. C. PUDDINGTON

*Manager, Station CFCF:*

J. A. SHAW

## DIVISIONAL OFFICES

*British Columbia:*

L. S. HAWKINS, *Manager*,  
550 Burrard Street,  
Vancouver, B.C.

*Mid-Western:*

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

*Ontario:*

G. F. EATON, *Manager*,  
855 Bay Street,  
Toronto, Ont.

*Maritimes:*

H. A. RICE, *Manager*,  
572 Barrington St.,  
Halifax, N.S.

*Newfoundland:*

J. J. COLLINS, *Manager*,  
90 New Gower Street,  
St. John's, Nfld.

# CANADIAN MAR (LIMITED) BALANCE SHEET —

## ASSETS

### Property, Plant and Equipment:

At revised values placed thereon by the Directors as at December 31, 1924, with the cost of subsequent additions, less disposals and fully depreciated properties written off. . . . .	\$2,372,608.49	
Less: Depreciation reserves. . . . .	1,022,168.50	
		\$1,350,439.99

### Patents and Patent Rights:

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. . . . .	1,882,505.68
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Investments in Associated Companies. . . . .	106,250.00
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Deferred Accounts Receivable. . . . .	\$ 44,792.28
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Refundable Portion of Excess Profits Tax. . . . .	292,903.98
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	337,696.26
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### Current Assets:

Inventories of manufactured stock, work in process, materials and supplies at cost or lower, as determined and certified by responsible officials, including inventory carried for Government contracts (less reserve). . . . .	\$3,065,270.61
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Accounts receivable (less reserve). . . . .	1,501,425.08
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Newfoundland Government War Savings Certificates. . . . .	1,000.00
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Cash in banks and on hand. . . . .	193,893.44
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	4,761,589.13
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Unexpired Insurance, Taxes and Other Prepaid Expenses . . . . .	21,216.04
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	<u>\$8,459,697.10</u>
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### AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the above balance sheet of the Canadian Marconi Company (Limited Liability) explanations which we required. The results of the Government contracts and the termination thereof are presented in the above balance sheet in an amount which the Directors consider ample. No provision has been made in the above balance sheet at December 31, 1946 is properly drawn up and represents fairly the state of the Company's affairs.

Montreal, March 21, 1947.

### STATEMENT OF PROFIT AND LOSS FOR

Profit from regular operations for the year ending December 31, 1946, before tax. . . . .	
Income from investments. . . . .	
Profit from sale of Dominion of Canada bonds. . . . .	
Transferred from General Reserve. . . . .	
Expenses of re-establishing the plant facilities for commercial business. . . . .	

#### Deduct:

Provision for depreciation of properties. . . . .	
Directors' fees. . . . .	
Executive remuneration. . . . .	
Legal expenses. . . . .	

Net loss for the year. . . . .	
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### EARNED SURPLUS —

Balance at December 31, 1945. . . . .	
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Deduct: Net Loss for the year as above. . . . .	
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Balance at December 31, 1946. . . . .	
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# CONI COMPANY

LIABILITY)

DECEMBER 31, 1946

## LIABILITIES

<b>Capital Stock:</b>		
Authorized—7,500,000 shares of \$1.00 each.....	\$7,500,000.00	
Subscribed and issued—4,554,682 shares of \$1.00 each.....		\$4,554,682.00
<b>Mortgage Payable</b> .....		30,000.00
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities, including provision for settlement of Government contracts.....	\$2,448,687.00	
Income and other taxes.....	84,912.92	
Unclaimed dividends.....	48,645.85	2,582,245.77
<b>Reserves:</b>		
General.....	\$ 100,000.00	
Staff pensions.....	150,000.00	250,000.00
<b>Deferred Surplus:</b>		
Refundable portion of excess profits tax.....		292,903.98
<b>Surplus Account:</b>		
Earned surplus, as per statement attached.....		749,865.35
		<u>\$8,459,697.10</u>

Approved on Behalf of the Board:

J. A. BOYD, Director.

S. M. FINLAYSON, Director.

as at December 31, 1946 and compared it with the books and accounts and have obtained all the information and  
 ently being renegotiated by the Department of Reconstruction and Supply and provision for adjustment thereof  
 been made during the year for the writing down of patents. On this basis we report that, in our opinion, the above  
 according to the best of our information and explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,  
 Auditors.

### THE YEAR ENDING DECEMBER 31, 1946

aking into account the items shown below.....	\$ 103,714.17
.....	57,756.57
.....	14,800.89
.....	\$ 150,000.00
.....	132,647.42
.....	17,352.58
.....	\$ 193,624.21
.....	\$ 164,239.30
.....	5,660.00
.....	44,795.00
.....	4,877.32
.....	219,571.62
.....	\$ 25,947.41
<b>DECEMBER 31, 1946</b>	
.....	\$ 775,812.76
.....	25,947.41
.....	\$ 749,865.35

## TO THE SHAREHOLDERS:

Gentlemen:—

Your Directors beg to submit the Balance Sheet and Profit and Loss Statement of the Company for the year ended December 31, 1946.

It will be noted that the cost of reconverting the lay-out of our Factory facilities for peace-time production was \$132,647.42, and to meet this non-recurring expense, your Directors deemed it advisable to transfer \$150,000.00 from General Reserve, leaving a net loss of \$25,947.41. In these circumstances, and having regard to the necessity of conserving our cash resources for the current year, it was decided not to declare a Dividend and, for the same reason, to make no contribution to the Pension Fund.

Our total turnover during the year was greatly in excess of the pre-war average and, in particular, we were able to produce in our Factory and sell practically double the dollar volume of 1939. All these goods received excellent public acceptance and our sales would have been much greater had we been able to procure adequate supplies of the necessary materials.

The financial results for the year are an indication of the unusual and difficult conditions which applied to our manufacturing effort and which have not yet been entirely overcome. Supplies of essential materials and components were scanty and irregular, resulting in spasmodic production and greatly-increased costs.

An equally-important factor was the rapid rise in labour and salary costs, brought about by the demands of labour. In most cases, these increases could not be offset by higher prices on orders previously received and in course of production. Furthermore, the application of ceiling prices—which, happily, were removed as from January 1, 1947—required your Company to sell its broadcast receivers at prices representing less than cost.

Your Company, because of the foregoing difficulties, which have applied to all others in related industries, still faces, in some degree, the continuance of short supply, particularly for the production of broadcast receivers. Our abnormally-high inventories will be reduced as soon as components become available to permit us to complete and deliver substantial quantities of goods already partially processed in our Plant.

Despite these difficulties, much progress has been made in improving and expanding your Company's manufacturing facilities, and our selling organization has likewise been greatly developed, enabling us to cater to new lines of business which, it is expected, will produce additional income in future years.

During the last six months of 1946, the revenue of our overseas telegraph services was somewhat reduced by the lower rates resulting from the Bermuda Agreement, which, it is believed, will ultimately be recovered from an increased volume of traffic, and added income may be expected from the recent extension of our overseas telephone services, which now embrace additional West Indian points and British Guiana. Against this, however, a new agreement with the Union representing our telegraph personnel became effective on January 1st, providing for a higher scale of pay, which will be reflected in increased operating costs in the current year.



As stated in your Directors' last Report, the Canadian Government has subscribed, in principle, to the recommendations of the Commonwealth Communications Council, held in London in July, 1945, proposing the nationalization of Commonwealth overseas telecommunications, but your Company's position is identical to that of a year ago, as negotiations have not yet been initiated.

We expect to have in operation, by June, the first Micro-wave Radio Relay Communication Circuit to be established in Canada. This Circuit will connect our Central Telegraph Office in Montreal with our Beam Transmitting and Receiving Stations located at Drummondville and Yamachiche, respectively. In addition to providing considerably-increased facilities, the new system will ultimately reduce costs of operation and avoid interruptions of service from land-line breakdowns. It will also serve as a means of demonstrating, under actual operating conditions, an entirely new and promising method of communication for which it is felt there will be a large field in Canada.

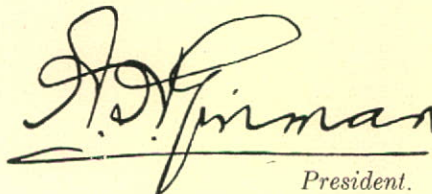
During the year, your Company purchased and renovated a building in Halifax, Nova Scotia. These new premises provide up-to-date showrooms, office, storage and service facilities to accommodate our expanding business in the Maritime Provinces.

Our new high power (5,000 Watts) broadcasting equipment for Station CFCF, in the course of erection at a new site in the vicinity of Montreal, will be in operation during 1947, as will our new 3,000 Watt Frequency Modulation Broadcasting Station CFCM—the first of its kind in Canada—now being installed in the Sun Life Building.

Mr. S. M. Finlayson was appointed to the Board, filling the vacancy created by the death of Mr. A. E. Dymont. Mr. Finlayson, who is a graduate of McGill University in Electrical Engineering, joined our service in 1919, and, by a series of progressive promotions, was appointed General Manager in 1945.

Your Board records its keen appreciation of the excellent work of all employees during a year of exceptional difficulties.

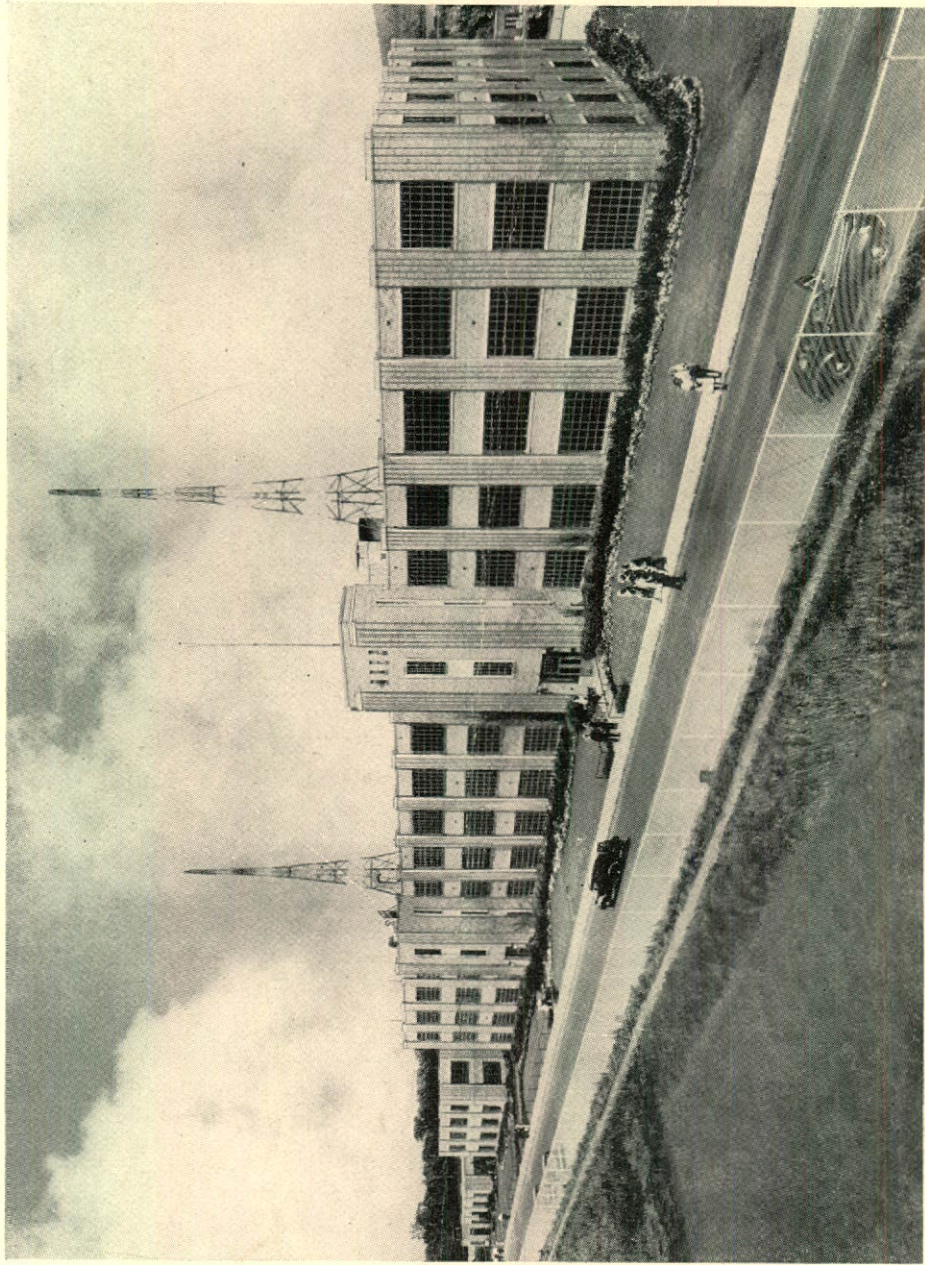
Respectfully submitted,



*A. J. Finlayson*  
President.

Montreal, P.Q., March 26, 1947.

**CANADIAN MARCONI COMPANY**  
(LIMITED LIABILITY)



**FACTORY — MONTREAL**