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*The* **CANADIAN Fairbanks·Morse** COMPANY  
*Limited*

45<sup>th</sup>

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APR 6 1950

McGILL UNIVERSITY

The  
Canadian

# FAIRBANKS - MORSE

Company  
Limited

EXECUTIVE OFFICES  
980 St. Antoine Street  
Montreal

## BOARD OF DIRECTORS

T. H. McWILLIAM, *Chairman*

L. A. KEELER	C. H. MORSE, III*
S. T. KIDDOO	R. H. MORSE
H. L. MATTHEWS	R. H. MORSE, JR.
C. H. MORSE	G. M. NIVEN
C. H. MORSE, JR.	GEO. R. WYER

\*Deceased, July 9, 1949

## EXECUTIVE COMMITTEE

R. H. MORSE JR.                      L. A. KEELER  
G. M. NIVEN

## OFFICERS

G. M. NIVEN, *President*  
GEO. R. WYER, *Vice-President*  
E. E. JACKSON, *Treasurer*  
F. M. FAIRMAN, *Secretary*

## TRANSFER AGENTS

NATIONAL TRUST COMPANY LIMITED, MONTREAL  
THE FIRST NATIONAL BANK OF CHICAGO,  
CHICAGO

## REGISTRARS

THE CANADIAN BANK OF COMMERCE, MONTREAL  
CONTINENTAL ILLINOIS NATIONAL BANK &  
TRUST CO. OF CHICAGO, CHICAGO

## BANKERS

THE CANADIAN BANK OF COMMERCE  
THE FIRST NATIONAL BANK OF BOSTON

## AUDITORS

PRICE WATERHOUSE & CO.

# REPORT OF THE BOARD OF DIRECTORS

## TO THE SHAREHOLDERS OF THE CANADIAN FAIRBANKS-MORSE COMPANY LIMITED

The Annual Report of the Company, including financial statements for the year ending December 31, 1949, is submitted herewith.

Billings to customers in 1949 amounted to \$23,086,858.43 as compared with \$24,158,311.51 in 1948. This decrease in sales was largely brought about by the present import restrictions on U.S. goods, a great many of the lines we sell being manufactured in the U.S.A. Many of these lines are banned entirely for importation into Canada, others are on a quota basis and still others require individual import permits which are not always granted if Canadian-made goods are available.

Net Profit for the year, after taxes, amounted to \$687,620.89 equivalent to \$7.76 per common share. This compares with \$12.39 per common share earned in 1948.

Net Working Capital was increased from \$5,457,358.45 in 1948 to \$6,113,647.40.

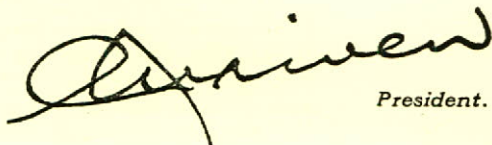
The present quarters of our Winnipeg Branch being no longer adequate, a contract has been let for the construction of a modern office and warehouse in down-town Winnipeg. We expect to complete and occupy the building by December 1950. During 1950 we also expect to erect a new warehouse and office building for our Halifax, N.S. branch. This will bring to a total of seven the new buildings erected since 1945 and practically completes our programme of providing modern warehousing facilities for our fifteen branches.

Sales to date this year are running behind 1949. Our operations have been hampered by extremely severe winter weather, particularly in the Western Provinces. However, a recent easing of import restrictions will help our business and we still have on hand a substantial volume of unfilled orders. We therefore anticipate satisfactory operations in 1950.

It is with very deep regret that record is made here of the untimely death on July 9, 1949 of Mr. C. H. Morse III, who had been a Director of our Company for a number of years.

The Directors express their appreciation of the loyal support and co-operation of all officers and employees of the Company.

On behalf of the Board of Directors,



President.

MONTREAL, March 31, 1950.

**ASSETS**

**CURRENT ASSETS:**

Cash in bank and on hand.....	\$ 940,373.29	
Trade accounts and notes receivable.....	3,620,467.27	
Other accounts receivable.....	226,514.69	
Physical inventories of merchandise priced at the lower of cost or market.....	3,849,542.99	
Taxes, insurance and other prepaid expenses..	15,221.44	
		\$ 8,652,119.68

<b>REFUNDABLE PORTION OF EXCESS PROFITS TAX:</b> not due within twelve months.....		267,096.81
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**PROPERTIES, AT COST:**

Land and buildings.....	\$ 2,245,719.87
Machinery and equipment.....	196,099.35
Furniture and fixtures.....	25,000.00

	\$ 2,466,819.22	
<b>LESS: Reserve for depreciation.....</b>	<b>782,866.51</b>	
		1,683,952.71
		<u><u>\$10,603,169.20</u></u>

Approved on behalf of the Board:

**T. H. McWILLIAM, Director.**

**G. M. NIVEN, Director.**

**TO THE SHAREHOLDERS OF  
THE CANADIAN FAIRBANKS-MORSE COMPANY LIMITED:**

We have examined the books and accounts of The Canadian Fairbanks-Morse Company and have been furnished with returns from the various branches, certified by the managers. The inventories of stocks on hand at December 31, 1949, have been certified by the managers as considered bad or doubtful.

The cash and bank balances at head office have been confirmed by us, and the bank balances have been confirmed by the bank. So far as we can determine, all liabilities of the Company at December 31, 1949, have been ascertained.

On this basis we report that, in our opinion, the above balance sheet at December 31, 1949, is a true and correct statement of the Company's affairs, according to the best of our information and the explanations given to us.

MONTREAL, March 24, 1950.



# S - MORSE Company Limited

SHEET  
31, 1949

## LIABILITIES

### CURRENT LIABILITIES:

Trade and other accounts payable.....	\$2,379,039.98	
Income and other taxes.....	142,723.80	
Dividend on preferred stock for the quarter ending December 31, 1949.....	16,708.50	
	<u>                    </u>	\$ 2,538,472.28

RESERVE FOR CONTINGENCIES.....		802,468.30
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### CAPITAL STOCK AND SURPLUS:

Capital stock —

6% Cumulative preferred stock —

Authorized and issued — 11,139 shares of \$100.00 each.....	\$1,113,900.00
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Common stock —

80,000 shares without nominal or par value out of a total authorized issue of 125,000 shares.....	1,600,000.00
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Earned surplus, per statement attached.....	4,548,328.62
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7,262,228.62

\$10,603,169.20

any Limited for the year ending December 31, 1949, at the head office in Montreal, and  
nd with all the information and explanations which we have required.  
management, and provision has been made for losses on outstanding accounts receivable

ances at the branches reconciled with certificates received from the Company's bankers.  
en taken up on the books at that date and are reflected in the above accounts.  
, 1949, is properly drawn up so as to exhibit a true and correct view of the state of the  
o us and as shown by the books and certified branch returns of the Company.

PRICE, WATERHOUSE & Co.,  
Auditors.

*Statement of Earned Surplus*

For the Year Ending December 31, 1949

Earnings from operations for the year ending December 31, 1949.. \$ 1,329,054.40

## DEDUCT:

Depreciation.....	\$ 76,516.32	
Executives' remuneration.....	110,983.32	
Directors' fees.....	13,500.00	
Legal expenses.....	8,433.87	
	<u>209,433.51</u>	209,433.51
Net earnings before providing for taxes on income.....		\$1,119,620.89
Provision for taxes on income.....		432,000.00
Net earnings for the year.....		<u>\$ 687,620.89</u>
Earned surplus, balance December 31, 1948.....		4,027,541.73
		<u>\$4,715,162.62</u>

## DEDUCT:

Dividends on preferred stock.....	\$ 66,834.00	
Dividends on common stock.....	100,000.00	
	<u>166,834.00</u>	166,834.00
Earned surplus, balance December 31, 1949.....		<u><u>\$4,548,328.62</u></u>

The  
Canadian

**FAIRBANKS - MORSE**

Company  
Limited

EXECUTIVE OFFICES

980 St. Antoine Street  
Montreal

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BRANCH OFFICES AND WAREHOUSES

HALIFAX, N.S.	FORT WILLIAM, ONT.
SAINT JOHN, N.B.	WINNIPEG, MAN.
QUEBEC, QUE.	REGINA, SASK.
MONTREAL, QUE.	SASKATOON, SASK.
OTTAWA, ONT.	CALGARY, ALTA.
TORONTO, ONT.	EDMONTON, ALTA.
WINDSOR, ONT.	VANCOUVER, B.C.

VICTORIA, B.C.

★

FACTORY

SHERBROOKE, QUE.

