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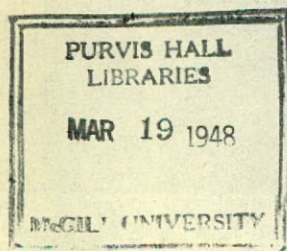
# FORTY-FOURTH ANNUAL REPORT

DECEMBER 31st, 1947



CANADIAN WESTINGHOUSE COMPANY, LIMITED

HAMILTON - CANADA





# CANADIAN WESTINGHOUSE COMPANY, LIMITED

## FORTY-FOURTH ANNUAL REPORT

DECEMBER 31st, 1947

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### TO THE SHAREHOLDERS:

The year 1947 was one of substantial progress and achievement. The problems of 1946 — reconversion, material shortages and labour difficulties — were largely overcome and the value of shipments for the year exceeded that of any since the Company commenced business 44 years ago. The net profit resulting from the year's operations amounted to \$2,300,288 or \$4.01 per share. Particulars of this profit, as well as the financial position of the Company, are shown on the Profit and Loss Account and Balance Sheet following this report, together with the Auditor's Report thereon.

### DIVIDENDS

Dividends declared during the year amounted to \$1.55 per share, consisting of three quarterly dividends of 35c and one of 50c. The rate of dividend of 50c per share which had been in effect since 1940 had been reduced to 35c in 1946 because of the many serious problems with which we were faced in that year.

### OPERATIONS

Orders received from our customers throughout 1947 were maintained at a very high level. Among these were contracts placed by public utilities for electrical generating and associated apparatus so vital in their plans for expansion of facilities to meet the steadily increasing demand for power. The inability to keep pace with this normal growth during the war years has resulted in a serious power shortage, which is felt generally throughout Canada, and is placing a heavy burden on Canadian utilities. The demand for home appliances was in excess of our ability to produce them, and the requirements of the railroads for rolling stock and replacement parts were sufficient to utilize to maximum capacity our facilities for the manufacture of air brake equipment. With only a few exceptions, it is anticipated that this demand for our products will continue for the greater part of 1948. To meet these requirements and also because of increases in material costs and wages, inventories have increased in value over the previous year by some 50%, or \$4,796,703, to a record high of \$14,149,590.

### UNITED STATES FUNDS

It is still too early to foresee what effect, if any, Government measures to conserve United States dollars might have on our 1948 operations. All materials imported from the United States are being carefully checked for possible alternative sources in Canada and an intensive programme has been inaugurated to manufacture in Canada wherever practical, parts previously imported from the United States. There is a limit, however, to the extent to which such importations can be reduced because of our dependence upon the United States for many items of material not produced in Canada and the limitations which both machinery and die costs place on the manufacture of parts required only in small quantities to meet the restricted demands of the Canadian market. Restrictions on the use of United States funds for these essential purchases would undoubtedly result in a reduction of our shipments for this coming year.



## EMPLOYEES

Our Agreement with the United Electrical Radio & Machine Workers of America C.I.O. and its Local 504 was renewed for one year effective from October 28, 1947. This Agreement provided for an increase of 12c per hour for all hourly rated employees and a further increase of 4c per hour to become effective April 1st, 1948. Hours of work were reduced from 44 to 42½ and a retroactive increase of 6c per hour was paid from July 28, 1947, to October 27, 1947. Total employment at the end of the year was about equal to the peak of employment reached during the war years. With few exceptions, no difficulty is now being experienced in obtaining suitable help to take care of our requirements.

## B. F. STURTEVANT COMPANY OF CANADA, LIMITED

The B. F. Sturtevant Company of Canada, Limited at Galt, Ontario, was purchased last year and its cost is carried as an investment in the Balance Sheet of the Company. It commenced business in 1912 and is recognized as one of the leading manufacturers of air-handling, conditioning and allied equipment in Canada.

## PENSION FUND AND EMPLOYEE BENEFITS

The contribution to the Pension Trust Fund was increased from \$300,000 in 1946 to \$400,000. This increase was necessary because of higher employment and the increased requirements of the Fund due to rising wage rates. Total contributions to the Fund since its inception in 1920 now amount to \$3,400,000. These payments are made irrevocably to a Board of Trustees for administration and payment to pensioners and the Fund is operated as a benefit to employees without cost to them. It has provided pensions for 452 former employees and their dependents, which have amounted to \$1,017,927. At the close of 1947, there were 263 recipients of these pensions. Other benefits available to employees on a contributory basis are Group Life Insurance, benefits to cover sickness or total disability not compensated under the Workmen's Compensation Act, and Accident and Sickness Insurance for medical and hospital costs.

## ACKNOWLEDGMENT

The Directors and Officers of the Company wish to again express their sincere appreciation to all employees for their whole-hearted support throughout the year in making these results possible.

By Order of the Board,

JOHN R. READ, Chairman and President.

Hamilton, Ontario  
February 25, 1948



CANADIAN WESTINGHOUSE COMPANY, LIMITED

(INCORPORATED UNDER THE DOMINION COMPANIES ACT)

BALANCE SHEET

AS AT 31ST DECEMBER, 1947

ASSETS

CURRENT ASSETS:

CASH ON HAND AND IN BANKS - - - - -	\$ 2,242,505.78
INVESTMENT IN GOVERNMENT BONDS AT COST LESS RESERVE (QUOTED MARKET VALUE \$6,321,900)	6,144,656.30
ACCOUNTS RECEIVABLE LESS RESERVE - - - - -	3,791,718.92
INVENTORIES AS DETERMINED AND CERTIFIED BY THE MAN- AGEMENT AND PRICED AT THE LOWER OF COST OR MARKET - - - - -	14,149,590.11
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	\$26,328,471.11
INVESTMENT IN AND ADVANCES TO WHOLLY-OWNED SUBSIDIARY COMPANIES - - - - -	362,486.22
PROPERTY AND PLANT:	
REAL ESTATE, BUILDINGS, MACHINERY, TOOLS AND EQUIP- MENT AND MAIN OFFICE AND DISTRICT OFFICE PROPER- TIES—AT COST LESS DEPRECIATION - - - - -	5,030,738.30
PREPAID INSURANCE AND DEFERRED CHARGES - - - - -	401,555.82
REFUNDABLE PORTION OF TAXES ON INCOME - - - - -	805,000.00
PATENTS, RIGHTS AND LICENSES - - - - -	1.00
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	<u>\$32,928,252.45</u>

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUED CHARGES - - - - -	\$ 2,089,945.48
PROVISION FOR SERVICE GUARANTEES - - - - -	450,000.00
ADVANCE PAYMENTS RECEIVED ON CONTRACTS - - - - -	7,337,981.87
RESERVE FOR TAXES ON INCOME - - - - -	856,165.89
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	\$10,734,093.24
BALANCE PAYABLE TO DOMINION GOVERNMENT RE PURCHASE OF BUILDING (SECURED BY REFUNDABLE PORTION OF TAXES) -	600,000.00
GENERAL RESERVE - - - - -	1,525,000.00
CAPITAL STOCK:	
AUTHORIZED — 900,000 SHARES OF NO PAR VALUE - -	
ISSUED — 573,505 SHARES (INCLUDING 20 SHARES ISSUED DURING THE YEAR THROUGH CON- VERSION OF FRACTIONAL SHARES) - -	\$10,200,200.00
EARNED SURPLUS - - - - -	9,868,959.21
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	20,069,159.21
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	<u>\$32,928,252.45</u>

FOR THE DIRECTORS:

JOHN R. READ  
H. A. COOCH



CANADIAN WESTINGHOUSE COMPANY, LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST DECEMBER, 1947

NET EARNINGS FROM OPERATIONS AFTER PROVISION FOR DEPRECIATION OF \$604,359 AND CONTRIBUTION TO EMPLOYEES' PENSION TRUST FUND OF \$400,000 - - - - -	\$ 3,449,380.48
ADD INCOME FROM INVESTMENTS, INCLUDING PROFIT ON SALE THEREOF - - - - -	250,907.98
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NET PROFIT FOR YEAR BEFORE PROVISION FOR TAXES ON INCOME -	\$ 3,700,288.46
DEDUCT PROVISION FOR TAXES ON INCOME - - - - -	1,400,000.00
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NET PROFIT FOR YEAR - - - - -	<u>\$ 2,300,288.46</u>

NOTE: INCLUDED IN THE EXPENDITURES FOR THE YEAR ARE:

DIRECTORS' FEES - - - - -	\$ 18,500
EXECUTIVES' REMUNERATION AND LEGAL FEES - - - - -	122,035

STATEMENT OF EARNED SURPLUS

BALANCE AT 31ST DECEMBER, 1946 - - - - -		\$ 8,457,596.85
ADD NET PROFIT FOR YEAR - - - - -	\$ 2,300,288.46	
LESS DIVIDENDS PAID - - - - -	888,926.10	
	<hr/>	1,411,362.36
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BALANCE AT 31ST DECEMBER, 1947 - - - - -		<u>\$ 9,868,959.21</u>



## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Canadian Westinghouse Company Limited as at 31st December, 1947, and the statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we made a test audit of the accounting records of the Company and obtained all the information and explanations we required from its officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of all the transactions.

We report that, in our opinion, the accompanying balance sheet and related statements of profit and loss and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 31st December, 1947, and of the results of its operations for the year, according to the best of our information and the explanations given us and as shown by the books.

In accordance with Section 114 of the Dominion Companies Act we report that the attached statements include a dividend of \$9,689.33 from a wholly-owned subsidiary company, which amount is less than the aggregate profits of the subsidiaries for the year.

CLARKSON, GORDON & Co.  
Chartered Accountants

Hamilton, Canada  
February 18th, 1948.



## BOARD OF DIRECTORS

JOHN R. READ, CHAIRMAN

GEO. A. BLACKMORE	H. A. COOCH
JOHN V. BOWSER	GWILYM A. PRICE
GEO. H. BUCHER	ROSCOE SEYBOLD
A. N. WILLIAMS	

## EXECUTIVE COMMITTEE

GEO. A. BLACKMORE	GWILYM A. PRICE
GEO. H. BUCHER	JOHN R. READ
A. N. WILLIAMS	

## OFFICERS

JOHN R. READ, CHAIRMAN AND PRESIDENT

H. A. COOCH, VICE PRESIDENT	W. A. CAMPBELL, SECRETARY
C. H. MITCHELL, VICE PRESIDENT AND MANAGER OF WORKS	JOHN S. MARTIN, TREASURER
E. M. COLES, VICE PRESIDENT	J. M. THOMPSON, COMPTROLLER

EXECUTIVE OFFICES - HAMILTON, CANADA



CANADIAN WESTINGHOUSE COMPANY, LIMITED

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

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SALES OFFICES

HALIFAX, N. S.

MONCTON, N. B.

MONTREAL, QUE.

OTTAWA, ONT.

TORONTO, ONT.

HAMILTON, ONT.

LONDON, ONT.

SWASTIKA, ONT.

WINNIPEG, MAN.

FT. WILLIAM, ONT.

REGINA, SASK.

SASKATOON, SASK.

CALGARY, ALTA.

EDMONTON, ALTA.

VANCOUVER, B. C.

TRAIL, B. C.