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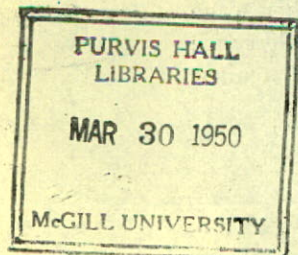
# FORTY-SIXTH ANNUAL REPORT

DECEMBER 31st, 1949



CANADIAN WESTINGHOUSE COMPANY, LIMITED

HAMILTON - CANADA





# CANADIAN WESTINGHOUSE COMPANY, LIMITED

## FORTY-SIXTH ANNUAL REPORT

DECEMBER 31st, 1949

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### TO THE SHAREHOLDERS:

Because of a larger volume of shipments, the net profits for 1949 of \$4,487,708 were approximately 7½% higher than the previous year. Particulars of these profits, as well as the financial position of the Company, are shown on the Profit and Loss Account and Balance Sheet which follow this report. Four quarterly dividends of 50c. per share, equal to \$2.00 per annum, were paid during the year.

### OPERATIONS

The total value of orders received in 1949 shows a reduction from that of the previous year, although the actual value of shipments was higher. As a consequence, the backlog of orders carried forward into the new year has been reduced from the high level which prevailed at the beginning of the year. This reduction in the backlog is chiefly confined to heavy electrical equipment. Orders received for such equipment in recent years have been greatly in excess of any normal demand. After the war, utilities had to provide for the load growth which developed during the war but could not be taken care of at that time, as well as for the additional growth which resulted from the tremendous industrial development which has taken place in Canada since then. It requires from three to four years to complete the installation of a large waterwheel generator station, and it was not until 1948 that deliveries of any consequence commenced against orders received earlier from the utilities.

Indicative of the expansion which is taking place in Canada in electrical generating capacity is the installation since 1946 to the end of 1949 of 1,300,000 horsepower, most of which was installed in 1948 and 1949. Installations in 1950 will be capable of producing approximately 800,000 horsepower. By the end of 1950 this will represent an increase in the total installed horsepower in Canada since 1946 of approximately 20%.

Shipments of household electrical appliances and industrial type apparatus products continued at a high level throughout the year. An intensive programme of research and development was carried out to incorporate the latest improvements into these products to assure their continued public acceptance. This programme has also resulted in reduced costs, and has permitted your Company to play its part in reducing the need for United States dollars, by obtaining parts and materials in Canada which were usually imported from the United States.

Orders received for air brake equipment in 1949 were substantially lower than those received in the preceding year. Due to a substantial carryover, however, production was maintained at a high rate for the first half of the year, but in the latter half it was seriously curtailed. Present prospects are that a reasonable rate of activity can be maintained to fulfill the current programme of Canadian railroads for rolling stock.

### INVENTORIES

While every effort has been made to keep inventories at an absolute minimum, they have, nevertheless, increased slightly during the year because of rising material prices, higher wage costs and the requirements for a larger volume of business. As protection against obsolescence and declining prices, it has been considered necessary to increase the reserve carried against these inventories by \$250,000.



## PLANT EXTENSIONS

The programme of plant extensions inaugurated in 1948 was largely completed during the year and has added materially to our plant capacity and improvement in manufacturing efficiency. These extensions were essential to enable us to fulfill our delivery commitments for large electrical apparatus for central stations and to meet the ever-increasing demand for industrial and consumer type electrical products, and included, as stated in our report for 1948, an extension to the Appliance Building, a warehouse at the East Plant, a Motor Plant on the Beach Road, all three being in Hamilton, as well as a Service Building on the outskirts of Toronto and a Sales and Service Warehouse in Calgary. This expansion programme has not yet been completed. It will still be necessary in 1950 to further increase our warehousing and distribution facilities to provide an efficient distribution organization for our household appliance products as well as to further increase manufacturing facilities to bring about a better balance of certain of our manufacturing operations.

## EMPLOYEES

Average employment throughout the year was higher than the previous year, and was commensurate with the increased output of the Company. The 1949 labour contract has been completed with the United Electrical, Radio and Machine Workers of America (Local 504) covering the hourly-rated employees and will be in effect from October 28th, 1949, to May 31st, 1951. Among other points, it provided for the reduction in the weekly hours of work from 42½ hours to 40 hours, with maintenance of take home pay, and for an increase of 2c per hour. The contract provides that wages, as distinct from other economic items, may be made the subject of discussion after October 28th of this year, provided notice is given by either party.

## PENSION FUND AND EMPLOYEE BENEFITS

A contribution of \$600,000 was made to the Employees' Pension Trust Fund, an increase of \$100,000 over the amount contributed in 1948. It was again necessary to increase this contribution in view of increased employment and the additional requirements of the Fund due to higher wage rates. Total contributions to the Fund since its inception in 1920, which have been irrevocably made to a Board of Pension Trustees for administration and payment to pensioners, amount to \$4,500,000. The Fund is operated without cost to the employees and has provided pensions for 551 former employees and their dependents at a cost of \$1,287,257.24. At the present time there are 325 recipients of these pensions. Other benefits made available to employees on a contributory basis include group life insurance, sickness and total disability benefits not compensated for under the Workmen's Compensation Act and accident and sickness insurance for medical, surgical and hospital costs. These benefits afford our employees a well-rounded programme for their security of income, both during their years of service with the Company and on their retirement from our service.

## ACKNOWLEDGMENT

The Directors and Officers of the Company acknowledge with appreciation the loyal and efficient service rendered throughout the year by all employees in the discharge of their duties and responsibilities.

By Order of the Board,

JOHN R. READ,

Chairman.

Hamilton, Ontario, March 1, 1950.



# CANADIAN WESTINGHOUSE COMPANY, LIMITED

(INCORPORATED UNDER THE DOMINION COMPANIES ACT)

## BALANCE SHEET

AS AT DECEMBER 31, 1949

### ASSETS

CURRENT ASSETS:

CASH ON HAND AND IN BANKS - - - - -	\$ 2,607,870.02
INVESTMENT IN GOVERNMENT BONDS AT COST LESS RESERVE (QUOTED MARKET VALUE \$10,572,500) - - - - -	10,439,187.55
ACCOUNTS RECEIVABLE LESS RESERVE - - - - -	7,941,996.33
INVENTORIES AS DETERMINED AND CERTIFIED BY THE MAN- AGEMENT AND PRICED AT THE LOWER OF COST OR MARKET, LESS RESERVE - - - - -	17,358,038.34
	<u>\$ 38,347,092.24</u>
INVESTMENT IN AND ADVANCES TO WHOLLY-OWNED SUBSIDIARY COMPANIES - - - - -	237,774.39
PROPERTY AND PLANT:	
REAL ESTATE, BUILDINGS, PLANT AND EQUIPMENT — AT COST LESS DEPRECIATION - - - - -	7,487,947.57
PREPAID INSURANCE AND DEFERRED CHARGES - - - - -	410,298.80
PATENTS, RIGHTS AND LICENSES - - - - -	1.00
	<u>\$ 46,483,114.00</u>

### LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUED CHARGES - - - - -	\$ 4,731,672.07
PROVISION FOR SERVICE GUARANTEES - - - - -	450,000.00
ADVANCE PAYMENTS RECEIVED ON CONTRACTS - - - - -	11,447,854.35
RESERVE FOR TAXES ON INCOME - - - - -	1,887,080.45
	<u>\$ 18,516,606.87</u>
GENERAL RESERVE - - - - -	1,525,000.00
CAPITAL STOCK:	
AUTHORIZED — 900,000 SHARES OF NO PAR VALUE - -	
ISSUED — 573,540 SHARES (INCLUDING 18 SHARES — ISSUED DURING THE YEAR THROUGH CON- — VERSION OF FRACTIONAL SHARES) - -	\$ 10,201,600.00
EARNED SURPLUS - - - - -	16,239,907.13
	<u>\$ 46,483,114.00</u>

FOR THE DIRECTORS:

JOHN R. READ  
H. A. COOCH



CANADIAN WESTINGHOUSE COMPANY, LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1949

NET EARNINGS FROM OPERATIONS AFTER PROVISION FOR DEPRECIATION OF \$1,221,493 AND CONTRIBUTION TO EMPLOYEES' PENSION TRUST FUND OF \$600,000 - - - - -		\$ 7,624,774.58
ADD INCOME FROM INVESTMENTS - - - - -		252,934.18
		<u>\$ 7,877,708.76</u>
DEDUCT:		
PROVISION FOR FUTURE INVENTORY LOSSES - - - - -	\$ 250,000.00	
PROVISION FOR INCOME TAXES - - - - -	3,140,000.00	
		<u>3,390,000.00</u>
BALANCE OF PROFITS CARRIED TO EARNED SURPLUS - - - - -		<u>\$ 4,487,708.76</u>
NOTE: INCLUDED IN THE EXPENDITURES FOR THE YEAR ARE:		
DIRECTORS' FEES - - - - -	\$ 20,750	
EXECUTIVES' REMUNERATION AND LEGAL FEES - - - - -	149 815	

STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1949

BALANCE AT DECEMBER 31, 1948 - - - - -		\$ 12,899,267.37
ADD BALANCE OF PROFITS CARRIED FROM PROFIT AND LOSS - - -	\$ 4,487,708.76	
LESS DIVIDENDS PAID - - - - -	1,147,069.00	
		<u>3,340,639.76</u>
BALANCE AT DECEMBER 31, 1949 - - - - -		<u>\$ 16,239,907.13</u>



## AUDITORS' REPORT TO THE SHAREHOLDERS

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We have examined the balance sheet of Canadian Westinghouse Company, Limited as at December 31, 1949, and the statements of profit and loss and earned surplus for the year ended on that date. In connection therewith we made a general review of the accounting methods and, without making a detailed audit of the transactions, examined or tested the accounting records of the Company. We received all the information and explanations we required from its officers and employees.

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 December 31, 1949, 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.

As required by Section 114 of The Companies Act 1934 (Canada), we report that no portion of the wholly-owned subsidiary companies' profits for the current year is included in the attached statements.

CLARKSON, GORDON & Co.  
Chartered Accountants

Hamilton, Canada,  
February 7, 1950.



## BOARD OF DIRECTORS

JOHN R. READ, CHAIRMAN

JOHN V. BOWSER	HERBERT A. MAY
GEO. H. BUCHER	GWILYM A. PRICE
E. M. COLES	ROSCOE SEYBOLD
H. A. COOCH	A. N. WILLIAMS

## EXECUTIVE COMMITTEE

GEO. H. BUCHER	GWILYM A. PRICE
H. A. COOCH	JOHN R. READ
HERBERT A. MAY	A. N. WILLIAMS

## OFFICERS

JOHN R. READ, CHAIRMAN

H. A. COOCH, PRESIDENT

E. M. COLES, VICE PRESIDENT

J. S. MARTIN, TREASURER

A. P. CRAIG, VICE PRESIDENT

J. M. THOMPSON, COMPTROLLER

W. A. CAMPBELL, SECRETARY

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.