

CANADIAN WESTINGHOUSE COMPANY, LIMITED

THIRTY-FOURTH ANNUAL REPORT

DECEMBER 31st, 1937

DIRECTORS

PAUL J. MYLER, CHAIRMAN AND PRESIDENT

F. A. MERRICK, VICE-PRESIDENT

HON. THOMAS AHEARN, P.C.

N. S. BRADEN, VICE-PRESIDENT

A. W. ROBERTSON

RALPH KELLY

JOHN F. MILLER

G. H. BUCHER

A. L. HUMPHREY

CHARLES A. ROWAN

JOHN R. READ, VICE-PRESIDENT

H. M. BOSTWICK, MANAGER OF SALES

C. H. O. POOK, MANAGER OF WORKS

W. E. SPRAGUE, SECRETARY

C. N. SALVISBURG, TREASURER

JOHN S. MARTIN, GENERAL ACCOUNTANT

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

SALES OFFICES

TORONTO, ONT.

OTTAWA, ONT.

CALGARY, ALTA.

LONDON, ONT.

EDMONTON, ALTA.

SWASTIKA, ONT.

REGINA, SASK.

FORT WILLIAM, ONT.

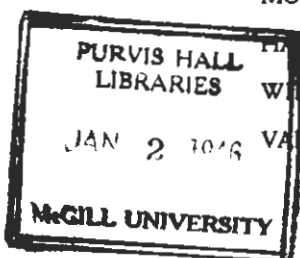
SASKATOON, SASK.

MONTREAL, QUE.

HALIFAX, N.S.

WINNIPEG, MAN.

VANCOUVER, B.C.



CANADIAN WESTINGHOUSE COMPANY, LIMITED

THIRTY-FOURTH ANNUAL REPORT

DECEMBER 31st, 1937

The Board of Directors submits the customary certified Balance Sheet of the Company at the close of the fiscal year ended December 31st, 1937, and a statement of the Profit and Loss Account.

The statement shows the current year's earnings from all sources, including investment returns, etc., after provision made for all bad and doubtful accounts, to be \$2,166,168.93. From this total, deductions have been made for the payment of Taxes; for Directors' Fees, Executive Remuneration and Legal Expenses paid; for depreciation of Property and Plant, and a donation to the Employees Pension Fund; all as shown on the statement; leaving a net of \$1,331,758.53.

These figures disclose a very substantial increase and improvement over those for 1936. The year began auspiciously with an increased and very general demand for the Company's products, and this improvement was maintained for most of the year. Included in this demand were installations of large apparatus involving capital extensions, a condition which had not been in any very great evidence for some years, and which indicated a return to greater stability. As the year drew to its close, however, the recession in the United States began to have a retarding influence upon the upward trend in this country.

In the apparatus field the total business done was nearly twice that of the preceding year and included a widely diversified demand for large, medium and small apparatus. The upturn in this particular branch of our business, which formerly comprised our principal line of manufacture, is most gratifying.

In our merchandise lines, which include all the domestic appliances and radio, there was a normal increase in sales volume. This particular activity is becoming more and more a dominating factor in our business and while these are highly competitive lines we were well able to hold our position. The same remarks apply to the lamp business.

The extensions and improvements to our plant mentioned in last year's report are now completed, and put us in excellent position to take care of present and future developments in the merchandise field. To complete these facilities an additional building for storage at the West Plant is now in course of erection.

The railway rolling stock program forecast in last year's report proved to be an actuality, and resulted in a very satisfactory volume of business during the year for the Air Brake Department. A similar building program for 1938, although not quite so substantial, is anticipated.

The wide scope and diversity of the contracts taken during the year required engineering skill of a high order, and this report would not be complete if it did not record the excellent performance of our engineering staff both in meeting these requirements and in effecting constant improvements in our standard lines of product.

During the year the forty-four-hour week has been put into effect in all the Company's plants, and the present wage level is the highest in our history.

The physical inventories of the Company have been compiled with care and accuracy and the values used are in every case the lower of either actual cost or present value.

Your Board wishes to record with due appreciation the efficiency and loyalty of the supervising and operating forces of the Company throughout the year.

Your Board records with profound sorrow the death of Mr. George R. Kerr, Vice President and Treasurer, which occurred August 13th, 1937. Mr. Kerr was in the Company's service since its inception and his loss is greatly deplored.

By order of the Board,

PAUL J. MYLER,

Chairman and President.

February 23rd, 1938.

ABSTRACT OF FINANCIAL STATEMENT

FOR FISCAL YEAR ENDED DECEMBER 31st, 1937

GENERAL BALANCE SHEET

ASSETS:—

CASH	\$	956,961.81
INVESTMENTS, GOVERNMENT BONDS, ETC., AT COST (Market \$4,240,016.55)		3,890,551.65
ACCOUNTS AND BILLS RECEIVABLE		1,467,162.18
PROPERTY AND PLANT:—		
Real Estate; Buildings; Machinery; Tools and Equipment; Main Office and District Office Properties; at Cost less Depreciation		5,881,300.76
INVENTORY OF MATERIALS AND PRODUCTS ON HAND INCLUDING WORK IN PROCESS; AT THE LOWER OF COST OR MARKET		5,624,238.94
INSURANCE UNEXPIRED, ETC.		34,511.78
PATENTS, RIGHTS AND LICENSES		1.00
		17,854,728.12
ADVANCE PAYMENTS ON CONTRACTS		797,175.39
		\$ 17,057,552.73

LIABILITIES:—

CAPITAL STOCK, 546,000 SHARES NO PAR VALUE	\$	9,100,000.00
CURRENT ACCOUNTS PAYABLE		917,342.55
CONTRACTS IN PROGRESS		48,601.77
PROVISION FOR TAXES		270,000.00
RESERVE FOR DEPRECIATION		400,000.00
EARNED SURPLUS		6,321,608.41
		\$ 17,057,552.73

PROFIT AND LOSS ACCOUNT

BALANCE BROUGHT FORWARD JANUARY 1ST, 1937		\$ 6,081,849.88
EARNINGS FROM ALL SOURCES FOR YEAR ENDED DECEMBER 31ST, 1937, INCLUDING RETURN FROM INVESTMENTS		\$ 2,166,168.93
For Taxes	\$	270,000.00
Directors' Fees		13,800.00
Executive Remuneration and Legal Expenses		65,610.40
Written off for Depreciation		435,000.00
To Employees Pension Fund		50,000.00
		834,410.40
NET EARNINGS		1,331,758.53
LESS DIVIDENDS, 1937		1,092,000.00
		239,758.53
BALANCE CARRIED FORWARD JANUARY 1ST, 1938		\$ 6,321,608.41

For the Directors:

F. A. MERRICK,
N. S. BRADEN,
Vice-Presidents.

AUDITOR'S CERTIFICATE

I certify that I have audited the books and accounts of the Company for the year ended December 31st, 1937, have verified the cash and securities belonging to the Company and have been furnished with vouchers for all expenditures. I have obtained all necessary information and explanations, and the above statement, in my opinion, sets forth correctly the condition of the Company's affairs at the above date, according to the best of my information and the explanations given me, and agrees with the books of the Company.

Hamilton, Canada, February 17th, 1938.

C. S. SCOTT, F.C.A.,
of C. S. Scott & Co.
Auditor.

