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**COMPUTING-TABULATING-  
RECORDING COMPANY**

**REPORT**

**MARCH 31, 1912**

# COMPUTING-TABULATING-RECORDING COMPANY

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## OFFICERS

Acting President . . . . .	GEO. W. FAIRCHILD
Vice Presidents . . . . .	{ SAMUEL G. METCALF S. M. HASTINGS
Treasurer . . . . .	ALFRED DEBUYS
Secretary and Assistant Treasurer .	H. M. SADLER

## DIRECTORS

GEO. W. FAIRCHILD, Oneonta, N. Y.	OSCAR L. GUBELMAN, New York, N. Y.
S. G. METCALF, Brooklyn, N. Y.	EDWARD CANBY, Dayton, Ohio.
HARLOW E. BUNDY, Endicott, N. Y.	W. F. WINGATE, New York, N. Y.
HERMAN HOLLERITH, Washington, D. C.	R. P. WALDEN, New York, N. Y.
S. M. HASTINGS, Chicago, Ill.	WALTER HAVILAND, New York, N. Y.
PERCY H. BRUNDAGE, New York, N. Y.	ALFRED DEBUYS, New York, N. Y.
VALENTINE P. SNYDER, New York, N. Y.	ROLLIN S. WOODRUFF New Haven, Conn.

## TRANSFER AGENTS

FLINT & Co.  
25 Broad Street, New York, N. Y.

## REGISTRAR AND TRUSTEE

GUARANTY TRUST COMPANY OF NEW YORK  
28 Nassau Street, New York, N. Y.

*To the Stockholders:*

Your Company was incorporated on June 15, 1911, and began business July 15, 1911.

It is capitalized as follows:

Six per cent. Thirty Year Sinking Fund	
Gold Bonds . . . . .	\$ 7,000,000.00
Capital Stock issued . . . . .	10,445,928.75

Bonds in denominations of \$1,000 and \$500 with coupons, payable January 1st, and July 1st, in New York.

Par value of shares, \$100 each, all fully paid and non-assessable.

Your Company controls through stock ownership, the following corporations:

The Tabulating Machine Company of which it owns the entire Capital stock, except Directors' shares.

International Time Recording Company of New York of which it owns over 99 per cent. of the Common stock and over 84 per cent. of the Preferred stock.

Computing Scale Company of America of which it owns over 96 per cent of the Capital stock.

Bundy Manufacturing Company of which it owns the entire Capital stock.

Operating the following plants:

The Tabulating Machine Company, Washington, D. C.

The Tabulating Machine Company, Endicott, N. Y.

International Time Recording Co. of New York,

Endicott, N. Y.

The Computing Scale Company, Dayton, Ohio.  
Moneyweight Scale Company, Chicago, Ill.  
W. F. Stimpson Scale Company, Detroit, Michigan.  
Stimpson Computing Scale Company, Detroit, Michigan.  
Computing Scale Co. of Canada, Ltd., Toronto, Ontario.  
Bundy Manufacturing Company, Endicott, N. Y.

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At the time of organization there was reserved \$810,000 face value of the bonds of this Company to be used and disposed of by the Company only for the purpose of the acquisition or payment by the Company of the outstanding bonds of the International Time Recording Company of New York and of the Computing Scale Company of America, and the current indebtedness of the Computing Scale Company of America and its subsidiary Companies. \$210,000 of these bonds were sold at par.

The Indenture of Trust securing the bond issue provides that no other issue of bonds or general funded obligations may be created nor any mortgage made upon any of the properties of this Company or upon any of the properties of the corporations whose capital stocks or any part thereof are pledged under the present bond issue, and also provides for a sinking fund payment on or before December 31, 1913, of not less than \$100,000 per annum for the purchase and retirement of bonds at 105 or better.

At the time of organization the net earnings for the year ending April 30, 1911, of the constituent Companies as certified by The Audit Company of New York, allowing for maintenance and depreciation, but before deducting interest on borrowed money and funded debt, which interest is offset by the interest from the above mentioned bonds and cash deposited in the Treasury before mentioned, amounted to..... \$950,920.43.

Net earnings of the constituent Companies for the nine months, July 1, 1911—March 31, 1912, not including income from the foreign business of the International Time Recording Company of New York for the month of March, were . . . . . \$806,833.04.

This is a consolidation of corporations whose businesses are protected by United States and foreign patents, as shown by the appended statements of the separate Companies. These businesses are not, however, in any sense competitive; the appliances and devices owned by the different Companies complement and supplement rather than compete with each other.

While the officers of the constituent Companies have not yet fully completed their plans for the maximum efficiency and economies possible in the co-ordination of the businesses of the different Companies, and each month should show gains in these directions, they have practically completed arrangements whereby the manufacture of certain of the apparatus and parts, which has heretofore been farmed out, will be concentrated within our own factories, thus insuring prompt delivery, uniformity of production and a very material saving in the cost of manufacture and transportation.

The Treasurer's statement is herewith submitted, together with general information which officers of the constituent companies have furnished in regard to the business under their management.

GEO. W. FAIRCHILD,  
Acting President.

**TREASURER'S**  
**COMPUTING-TABULATING-RECORDING**

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<b>ASSETS</b>		
Cash on hand	-	\$ 35,029.16
Treasury Bonds	-	195,770.21
Amount paid in Securities for shares in the Constituent Companies	\$17,249,086.67	
Less—For Bonds and Cash to be used to acquire Bonds and Notes of the Constituent Companies	810,000.00	16,439,086.67
Fund Reserved—Bonds and Cash to be used to acquire Bonds and Notes of Constituent Com- panies—Cash	32,000.00	
Bonds	600,000.00	
Loans to Constituent Companies	178,000.00	810,000.00
Accrued Interest	-	484.05
Accounts Receivable	-	1,425.58
Office Fixtures	-	202.08
		<b>\$17,481,997.75</b>

# STATEMENT.

COMPANY, DECEMBER 31, 1911

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## LIABILITIES

Capital Stock	-	-	-	-	-	-	\$10,445,356.88
Six per cent. Thirty Year Sinking Fund Gold Bonds	-	-	-	-	-	-	7,000,000.00
Accounts Payable	-	-	-	-	-	-	5,402.23
Surplus	-	-	-	-	-	-	31,238.64
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							\$17,481,997.75

*ALFRED DE BUYS,*  
*Treasurer.*

COMPUTING-TABULATING-RECORDING COMPANY  
25 BROAD STREET  
NEW YORK CITY

Dear Sirs:

We have made a general audit of the books and accounts of the COMPUTING-TABULATING-RECORDING COMPANY and certify that the above Balance Sheet is a true Exhibit of the accounts and correctly sets forth the financial condition of the Company as of December 31, 1911, as shown by the books.

Very truly yours,

THE AUDIT COMPANY OF NEW YORK.

*A. W. DUNNING, President.*

*G. H. BOWERS, Secretary.*

NEW YORK, APRIL 20, 1912.

# THE TABULATING MACHINE COMPANY

F. W. ROEBLING	.	.	President
A. L. SALT	.	.	Vice-President
H. HOLLERITH	.	.	Consulting Engineer
GERSHOM SMITH	.	.	General Manager
J. C. STODDARD	.	.	Treasurer

The Tabulating Machine Company owns and controls the Hollerith Tabulating system. The business of The Tabulating Machine Company has been very carefully covered by patents granted by the United States and the governments of the important foreign countries where its machines are in use or likely to be used to any large extent. Under this system, statistics and data of all kinds are classified, analyzed and tabulated, accurately, rapidly and with comparatively small expense by means of automatic electrical machinery.

In manufacturing plants, the Hollerith system is used for recording daily production, both as to volume and cost, enabling those in charge to ascertain exact costs, check excess costs, stimulate production and to utilize the facts at once.

In railroad and commercial management it is used to tabulate promptly comprehensive statistics and secure accuracy and accountability in general administration. For example in railroad work it is used for compiling the complicated statistics required by the Interstate Commerce Commission, and also in the general auditing of freight agents' accounts and for the classification of disbursements or voucher distribution, and extensively in connection with shop costs.

The Hollerith Tabulating System is used and indorsed by the largest and most progressive railroad and industrial organizations



in the United States. Among those which have used this system for a long period are the following railroads: Pennsylvania Railroad System, New York Central Lines, the Southern, Union Pacific, Atchison-Topeka and Santa Fe, Chicago Rock Island and Pacific, Chicago Milwaukee and St. Paul, Chicago and Northwestern; the following steel companies: American Iron & Steel, Carnegie, Pennsylvania and National Tube; and by the following Public Service and Commercial Companies: the American Telegraph and Telephone Company, The New York Edison Company, General Electric Company, Westinghouse Electric and Manufacturing Company, Marshall, Field & Co., Carson Pirie, Scott & Company, Studebaker Corporation and Swift and Company. Among those companies which have adopted the Hollerith Tabulating system during the past nine months are the Erie, Illinois Central and Southern Pacific Railroads, the Pullman Company, Adams Express Co., N. Y. Dock Co., Narragansett Electric Light Co., Cleveland Electric Illuminating Co., John Wanamaker, Pacific Mills, Lawrence, Mass., General Motors Company, R. Hoe and Company, Morse & Rogers, Boston Rubber Shoe Co., Firestone Tire and Rubber Co., Yawman & Erbe Mfg. Co., Sonneborn and Company of Baltimore, and Indian Refining Company.

In insurance the Hollerith System is used for detailed records of every important feature in the business including classification of policies, and are in use by the Equitable, Mutual, New York Life, Penn Mutual and Home Life Insurance Companies, the Hartford, Royal and Queen Fire Insurance Companies. Among the insurance companies which have recently adopted the Hollerith system are the Franklin, New Hampshire, National and Phoenix.

As the Company supplies the cards which are used in the Hollerith system, it is vital that the daily supply should be uninterrupted. Although the Company has a card manufacturing plant

in Washington which has a capacity largely in excess of the present requirements of its customers, in order to provide against the possibility of fire it has recently equipped another card manufacturing plant at Dayton, Ohio, capable of turning out twenty million cards per month.

As illustrating the constant progress in the Company's business, it will be noted from the following table of percentages of increase that at each consecutive period, rentals and sales show continuous increases, the monthly average of each period showing an increase over the previous period.

December, 1909 to May, 1910 . . . . .	19.7%
June, 1910 to November, 1910 . . . . .	24.9%
December, 1910 to May, 1911 . . . . .	18.3%
June, 1911 to November, 1911 . . . . .	17.6%
December, 1911 to February, 1912 . . . . .	14%
March, 1912 . . . . .	18.7%

Prior to October 1st, 1911, owing to insufficient manufacturing facilities, little or no active effort had been made to procure business, but recognizing that by adopting the Hollerith system they could secure much greater accuracy and higher efficiency, progressive concerns sent in their orders. The manufacturing capacity having now reached a point where orders can be promptly executed, a selling organization has been created.

On December 18th a meeting of the senior representatives of this Company was held in Washington, at which time the plan of organization for securing new business was formulated. By this plan it was proposed to have district managers located in Boston, New York, Philadelphia, Cleveland and Chicago and subsequently at other points, which experience would show should be covered.

The representatives located at convenient points in the territory to be covered by the district managers would work under the direction of the district managers. This plan has not been entirely carried out owing to the large number of unfilled orders on hand up to a comparatively recent period, and also in order not too rapidly to increase the operating expenses. The time seems now ripe, however, for carrying out either the proposed or an alternative plan. Meanwhile, branch offices have been established in New York, Philadelphia and Cleveland, in addition to the office previously established in Chicago. These offices are now equipped with the necessary machines for the purpose of demonstration to prospective customers.

It should be understood that seeking new business for the Tabulating Machine Company is different from an ordinary selling proposition, it being necessary,

- 1st. To interest prospective customers.
- 2nd. To study their business, with a view to ascertaining whether or not they can use tabulating equipment to advantage, including the layout of the cards which will fit their particular business. This latter will be understood as more of an accounting than a selling proposition.
- 3rd. After securing and filling the order and installing machines, it is very necessary to give enough attention to customers to assure the organization of an efficient and economically arranged tabulating department, and to follow up the customer regularly so as to assure the securing of maximum results from the use of the equipment first designed and its extended use for other lines of their work.

The whole organization is enthusiastic over the rapidly increasing business, now that the manufacturing department is able to fill orders promptly.

# COMPUTING SCALE COMPANY OF AMERICA

EDWARD CANBY . . .	President
GEO M. LUDLOW . . .	Vice President
S. M. HASTINGS . . .	Treasurer and Secretary

The Computing Scale, a new art in weighing, automatic in its computation of the value of articles purchased or sold, as soon as it was understood became a necessity to a great percentage of the merchants of the United States, and is in use practically throughout the world.

The company controls and owns over 175 patent claims allowed by the United States Patent Office on computing and weighing scales. Many of these claims cover basic ideas in computing scales and give a wide field of protection. In addition to these patents there are a large number of applications pending in the Patent Office all of which contain valuable claims. Improvements in computing and weighing machines are being made in the factories of the company by skilled experts employed for that purpose to bring the different types of machines to the highest point of perfection in construction and operation. Applications for patents are filed on these improvements as they are made. The company is protecting its rights under these patents by suits wherever infringements occur.

At the time of the organization the company had out over 275,000 scales. During the past nine months it has sold 22,650 scales. These machines are in general use, and the company selling organization covers North and South America, Great Britain, most of continental Europe, South Africa and Australia. In order to supply the rapidly increasing business in Canada, the company is building a large factory for the manufacture of scales, meat slicers and cheese cutters in Toronto, Canada. The sales of the company for the first three weeks of April, 1912, were the largest in the history of the company. The Computing Scale Company has a very extensive organization, with offices in all principal cities in the United States and Great Britain, as well as in foreign countries in which it is doing business.

# INTERNATIONAL TIME RECORDING COMPANY OF NEW YORK

G. W. FAIRCHILD . . .	President
H. E. BUNDY . . .	Treasurer
S. H. CHAMBERLAIN . . .	General Sales Manager
A. WARD FORD . . .	Secretary

It manufactures Time Recorders, Time Stamps, Elapsed Time Machines, Dey Dial Recorders, Syracuse Dial Recorders, Bundy Key Recorders, and special applications of these machines, including an improvement of the Elapsed Time Machine for automatically recording the duration of long distance telephone connections, also a Coasting Machine (vented through the Railway Improvement Co.), adopted by the Interborough System, the Hudson and Manhattan System, the London Underground System, and by other important electric railways. The Coasting Machine effects a large saving of electric power.

The International Time Recording Company owns 58 patents allowed by the United States and in addition has 7 applications pending in the patent office. It also own 25 foreign patents.

It has offices in New York, Chicago, Philadelphia, San Francisco, Pittsburg and other large cities of the United States and Canada. It has also created a large business abroad, with distributing depots in London and Berlin, and with offices in nearly all of the principal cities of Europe.

The systems of the International Time Recording Company are used and indorsed by upwards of twenty thousand of the most progressive Railroad, Commercial and Manufacturing Organizations in the United States.

In the manufacture of Time Recorders it is prepared to turn out a thousand machines per month besides a large number of coasting machines.

The foreign business has shown a substantial increase thus far this year, the London office reporting a larger profit than during any other three months in its history.