

National
Steel Car Corporation
Limited

Hamilton, Ontario
Canada



SECOND ANNUAL REPORT

JUNE THIRTIETH :: NINETEEN-TWENTY-TWO

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National
Steel Car Corporation
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SECOND ANNUAL REPORT

JUNE THIRTIETH :: NINETEEN-TWENTY-TWO

BOARD *of* DIRECTORS

R. J. MAGOR, CHAIRMAN

LESTER B. CHURCHILL	HENRY H. PIERCE
D. B. DEWAR	F. A. SKELTON
ROBERT GOWANS	DONALD SYMINGTON



OFFICERS

R. J. MAGOR	- - - -	PRESIDENT
DONALD SYMINGTON	-	VICE-PRESIDENT
F. A. SKELTON	- - -	VICE-PRESIDENT
LESTER B. CHURCHILL	-	SECRETARY-TREASURER
CHARLES W. ADAM	- -	ASST. SECY.-TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA
CHASE NATIONAL BANK, NEW YORK CITY

CAPITAL AND SURPLUS

June 30th, 1922

PARTICULARS	AMOUNT
CAPITAL AND SURPLUS:	
as at July 1st, 1921.....	\$2,820,324.05
NET LOSS for the year ending June 30th, 1922, before providing for depreciation on buildings, machinery and equipment, and interest on mortgage bonds and borrowed money.....	\$ 79,733.52
DEDUCT:	
Reserve towards depreciation of buildings, machinery and equipment.....	\$ 72,470.03
Interest on bonds....	107,653.23
Interest on borrowed money.....	46,516.82
	<hr/> 226,640.08
	<hr/> 306,373.60
BALANCE, June 30th, 1922.....	<hr/> \$2,513,950.45

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 59,701.62	
Accounts and Bills receivable.....	1,030,233.52	
Sundry investments.....	5,311.00	
Inventories of raw materials and supplies, work in progress and finished cars and trucks at Factory and Branches.....	1,651,095.02	
		<hr/> \$2,746,341.16

FRENCH REPUBLIC AND PARIS, LYONS AND MEDITERRANEAN RAILWAY COMPANY CLAIMS.....		263,477.84
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DEFERRED CHARGES.....		89,183.35
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PATENTS AND GOODWILL.....		1.00
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LAND, BUILDINGS, PLANT AND EQUIPMENT.....		3,271,370.11
		<hr/> \$6,370,373.46

We have examined the books and accounts of the Company ending 30th June, 1922. The cash and bank balances have been verified from the depositaries; adequate provision has been made for all contingencies and cautions to satisfy ourselves that outstanding liabilities are properly provided for. The stocks of raw material, supplies, work in progress and finished cars are stated in accordance with book inventories which have been verified. An amount of \$72,470.03 has been provided towards depreciation accruing during the year.

On this basis, and subject to the realization of the French Republic and Paris, Lyons and Mediterranean Railway Company Claims, we certify that in our opinion the financial position of the Company as at 30th June, 1922, is as stated above, given to us, and as shown by the books of the Company.

TORONTO, September 25th, 1922.

Approved on Behalf of the Board:

R. J. MAGOR, Director.

D. B. DEWAR, Director.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

June 30th, 1922

LIABILITIES

CURRENT LIABILITIES:

Accounts payable.....	\$ 458,316.07
Bills payable.....	32,932.01
Accrued wages, commissions, etc.....	82,405.60
Bank loans (secured).....	770,001.95
	\$1,343,655.63

FIRST MORTGAGE SIX PER CENT. GOLD BONDS:

Authorized.....	\$3,000,000.00
Issued.....	\$2,000,000.00
Less — Repayments.....	240,000.00
	1,760,000.00
RESERVE FOR DEPRECIATION.....	752,767.38

CAPITAL AND SURPLUS:

(As per statement attached)	
Represented by 100,000 shares of Capital Stock without nominal or par value (Sub- ject to realization of French Republic and Paris, Lyons and Mediterranean Railway Company claims).....	2,513,950.45
	\$6,370,373.46

The National Steel Car Corporation, Limited, for the year
have been confirmed either by actual count or by certificates
de for bad debts and we have taken all reasonable pre-
as of 30th June, 1922, have been taken up on the books.
and finished product, which are priced at or below cost, are
been certified to by responsible officials of the Company.
meeting depreciation of buildings, plant and equipment

The French Republic and Paris, Lyons and Mediterranean
on the above balance sheet sets forth the true financial
ing to the best of our information and the explanations

PRICE, WATERHOUSE & Co.

Chartered Accountants

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

TO THE SHAREHOLDERS:

The balance sheet, together with statement of capital and surplus for the fiscal year which ended June 30, 1922, is herewith submitted.

Approximately \$80,000.00 was expended during the fiscal year in betterments to plant and equipment. The chief item included the building of a new repair track yard, with facilities for the repairing of car equipment on a large scale without interfering with the production of new equipment. Your company now has facilities for repairing or reconstructing railway freight cars equal to those of any car works on the Continent.

The outstanding first mortgage bonds were reduced by the sum of \$60,000.00 and \$72,470.03 was charged against earnings to the credit of depreciation reserve which now stands at the amount of \$752,767.38.

A further amount was received from the French claims. The continued unsettled condition of Europe has prevented us from prosecuting this matter with diligence. The entire equity in these claims has been turned over to your Company and any additional amounts received will go into your company's treasury.

RAILWAY CAR EQUIPMENT:

Practically no new car equipment was ordered by Canadian Railways during the year, but your Directors believe that Canada is on the eve of a business revival and that general betterment in trade conditions, with an intelligently directed colonization movement, will result in largely increased railway traffic, and, consequently, in a need for new railway equipment.

It is probable that the railway managements are anxious to order equipment as early as finances permit as the curve of both labor and material prices is likely to advance for some time to come.

Car equipment orders in the United States have been heavy in recent months and the manufacturing plants have taken advantage of the lack of similar orders in Canada to induce a large part of our skilled labor to take employment there; therefore, with the idea of maintaining your shop organization and keeping your works prepared for the domestic railway equipment business which the development of Canada and its railway facilities will unquestionably demand at an early date, your management

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

sought and obtained orders for the repairing of United States railway cars, in addition to smaller Canadian orders of the same nature.

Export orders of this nature can only be obtained in competition with United States manufacturers, and as the value of the work done in Canada is subject to customs duties on the return of the repaired equipment to the country of origin, it cannot be undertaken with profit. Your directors believe, however, that any direct loss involved will be less than would have been experienced had your equipment and plant been maintained, with a minimum organization, under shut down conditions.

The continued unsettled world condition of trade and finance has made it impossible for your company to undertake, to any appreciable extent, foreign railway equipment orders. The development of this business is being constantly watched and it is believed that Canadian Car manufacturing facilities will in due time secure a share of the foreign market.

Current material conditions are bad. At this date your company has a fair amount of unfilled orders on its books, the completion of which is being delayed on account of the material situation induced by the recent coal and railway strikes in the United States.

MOTOR TRUCKS:

Motor truck sales appreciably increased during the past year and a continuing improvement is still being shown. The cost of the establishment of branches at Montreal, Toronto, Winnipeg and Vancouver to give "NATIONAL" service has reduced net earnings, but your directors are convinced of the soundness of this policy and believe it will be favorably reflected by increased motor truck sales and earnings.

The attention of the shareholders is directed to the fact that very considerable expenditures of money have been made in introducing and establishing the "NATIONAL" line of heavy duty quality motor trucks and that no part of this expense has been capitalized.

Your Directors again express appreciation of the services of all employees during a particularly trying year.

For the Directors,

R. J. MAGOR,

President

