

National Steel Car Corporation, Limited

HAMILTON
ONTARIO
CANADA



FIFTH ANNUAL REPORT

JUNE THIRTIETH : : : NINETEEN-TWENTY-FIVE

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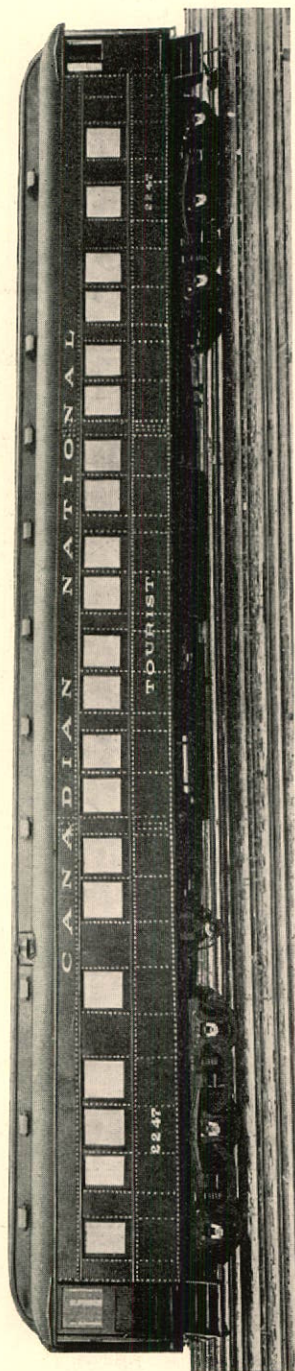
National Steel Car Corporation, Limited

HAMILTON
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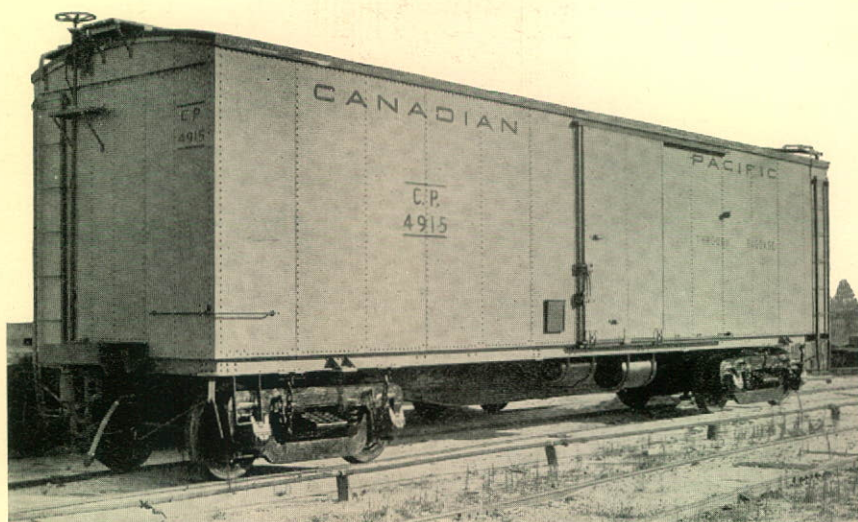
FIFTH ANNUAL REPORT

JUNE THIRTIETH : : : NINETEEN-TWENTY-FIVE



TOURIST SLEEPING CAR

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::



THROUGH BAGGAGE CAR

Types of Passenger
Equipment Built
During the Year

BOARD *of* DIRECTORS

ROBERT J. MAGOR, CHAIRMAN

D. B. DEWAR

HENRY H. PIERCE

SIR JOHN M. GIBSON

DONALD SYMINGTON

ROBERT GOWANS



OFFICERS

ROBERT J. MAGOR - - - - - PRESIDENT

DONALD SYMINGTON - - - - - VICE-PRESIDENT

CHAS. W. ADAM - - - - - ASST. SECY.-TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA

THE CANADIAN BANK OF COMMERCE
NEW YORK CITY

CAPITAL AND SURPLUS

June 30th, 1925

PARTICULARS	AMOUNT
CAPITAL AND SURPLUS at June 30th, 1924.....	\$2,396,250.59
DEDUCT:	
Net Loss for the year ending June 30th, 1925, after provision against Inventories and Accounts Receivable, and before providing for depreciation of buildings, machinery and equipment and interest on Mortgage Bonds.....	\$46,336.57
Provision towards depreciation of buildings, machinery and equipment.....	67,097.74
Net Loss before interest charges.....	\$113,434.31
Interest on Mortgage Bonds.....	84,100.00
Net Loss for the year.....	197,534.31
BALANCE, June 30th, 1925.....	\$2,198,716.28

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$25,294.73	
Accounts and Bills Receivable (less reserve)....	233,725.56	
Sundry Investments.....	9,001.00	
Inventories of Raw Materials and Supplies, work in progress and finished cars and trucks at factory and branches.....	754,011.75	
		<hr/> \$1,022,033.04

FRENCH REPUBLIC AND PARIS LYONS AND MEDITERRANEAN RAILWAY COMPANY CLAIMS:.....	263,477.84
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DEFERRED CHARGES:.....	88,111.50
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PATENTS AND GOODWILL:.....	1.00
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LAND, BUILDINGS, PLANT AND EQUIPMENT:.....	3,274,472.76
	<hr/> \$4,648,096.14

We have examined the books and accounts of the Na June 30th, 1925. The cash and bank balances have bee the depositaries, and we have taken all reasonable preca as at June 30th, 1925, have been taken up on the books. were taken of all raw materials, supplies and finished p responsible officials of the Company. An amount of \$6 of buildings, plant and equipment accruing during the y

On this basis, and subject to the realization of th Railway Company claims, we certify that, in our opin position of the Company as at June 30th, 1925, accor given to us, and as shown by the books of the Company

TORONTO, September 11th, 1925.

Approved on behalf of the Board:

D. B. DEWAR, Director,

J. M. GIBSON, Director.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

June 30th, 1925

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable.....	\$105,277.69	
Accrued Wages, Etc.....	17,428.01	
		\$122,705.70

FIRST MORTGAGE SIX PER CENT. GOLD BONDS:

Authorized.....	\$3,000,000.00	
Issued.....	\$2,000,000.00	
LESS—Repayments.....	640,000.00	
		\$1,360,000.00

RESERVE FOR DEPRECIATION:.....	966,674.16
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CAPITAL AND SURPLUS:

(As per statement attached)

Represented by 100,000 shares of Capital Stock without nominal or par value, (Subject to realization of French Re- public and Paris, Lyons and Mediter- ranean Railway Company Claims).....	2,198,716.28
	<u>\$4,648,096.14</u>

National Steel Car Corporation, Limited, for the year ending
confirmed either by actual count or by certificates from
auditors to satisfy ourselves that all outstanding liabilities

During the course of the fiscal year physical inventories
products, and these inventories have been certified to by
7,097.74 has been provided towards meeting depreciation
year.

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 of your Corporation ended June 30th, 1925, is herewith submitted.

The quick asset situation, which is practically on an eight to one basis, shows distinct improvement.

Outstanding bonds during the year were reduced from \$1,610,000.00 to \$1,360,000.00, representing a total reduction of \$250,000.00, which covered the January 1st, 1925, and January 1st, 1926, maturities. No further reduction will be necessary until January 1st, 1927.

In the last report we deplored our small production, which only represented slightly over 20% of the capacity of your Works, but during the period covered by this report, conditions were even worse. Due to the small amount of business placed, your Works only operated at 5% of its capacity. Under these conditions it was obviously impossible to show satisfactory earnings. This situation was further accentuated by the type of business produced, namely, passenger cars and other miscellaneous equipment of highly technical designs.

As the guardians of your Corporation, your Directors feel called upon to record the fact that unless a reasonable amount of business is placed, the railway equipment industry of Canada, which under ordinary conditions is among the largest employers of labor, will in the future face even a more serious situation than it has in the past.

Present conditions unquestionably substantiate the well known fact that railway buying is the country's barometer of prosperity. For example, at the present time one is impressed with the generally pessimistic outlook, and yet, considering different important conditions, this is hardly warranted. For instance, we have this year a bumper crop; increased mineral production; an improved condition in our pulp situation; tremendous strides have been made in the development of our water-power resources; foreign trade has been increased with an extremely satisfactory export balance; distinct improvement has been shown in our banking situation, many of its acute problems having been solved, and banks have an abundance of funds with which to meet all legitimate demands; in fact all along the line marked improvement can be recorded. Yet it is freely admitted that Canada is not going through a period of prosperity.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

The answer to this is contained in the foregoing remark, that railway buying is the country's barometer of prosperity. The railways are the largest purchasers of diversified materials and therefore when they are buying in substantial quantities the wheels of industry are turning and prosperity is general. On the other hand, when their purchases are restricted, we have general depression, despite any increase in agricultural or mineral products or increase in foreign trade.

Labor is in demand when the railways are buying, which in itself solves the question of immigration, and no policy other than the supplying of work to be performed will substantially increase the population of Canada. It is not seasonal work that will secure these results but continuous production on a normal basis, providing steady employment, thus enabling employees of industry to settle down with their families in the large and small communities where the factories which produce these materials are located. Their housing and daily requirements would be reflected in railway tonnage and earnings, and the per capita reduction of taxes, thereby contributing to the building up and development of the country.

With conditions as they are, it is indeed misleading to advertise to the world for capital to be invested in Canadian industries. Before this is done the solution of our railway problem must be found so that our great systems can function in a normal and efficient manner and come into the market for materials, the production of which will, in itself, develop a healthy period of prosperity and in turn automatically solve the immigration problem on which so much time and money have been spent to no avail, as no immigration policy in the past has provided for industrial activity in the industries supplying the railways, and without this activity no healthy or progressive immigration can take place.

Your Directors desire to again express their appreciation of the loyal services of the officers and employees during the year.

Respectfully submitted on behalf of the Directors,

ROBERT J. MAGOR,
Chairman and President.

September 22nd, 1925.

