

NATIONAL STEEL CAR CORPORATION LIMITED

THIRTEENTH ANNUAL REPORT JUNE THIRTIETH . 1933 .

HAMILTON - ONTARIO - CANADA

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**NATIONAL
STEEL CAR
CORPORATION
LIMITED**

**THIRTEENTH
ANNUAL
REPORT**
JUNE THIRTIETH
. 1933 .

HAMILTON - ONTARIO - CANADA

BOARD *of* DIRECTORS

ROBERT J. MAGOR, Chairman

HUGH N. BAIRD

GLYN OSLER, K.C.

RUSSELL D. BELL

F. E. MEREDITH, K.C.

D. B. DEWAR

W. E. PHIN



OFFICERS

ROBERT J. MAGOR PRESIDENT

HUGH N. BAIRD VICE-PRESIDENT

ROBERT S. HART VICE-PRESIDENT

CHARLES W. ADAM SECRETARY-TREASURER

ABRAM VAN HASSEL ASSISTANT SECY.-TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA

THE CANADIAN BANK OF COMMERCE
NEW YORK CITY

CAPITAL AND SURPLUS

June 30, 1933

PARTICULARS	AMOUNT
CAPITAL AND SURPLUS at June 30th, 1932.....	\$5,408,442.87
DEDUCT:—Loss from operations for the year ending June 30, 1933, before providing for experi- mental and development work, and depreciation of plant.....	\$290,686.43
ADD:—Complete cost of experi- mental and development work on new lines of production.....	34,832.70
Provision for depreciation of buildings, machinery and equip- ment.....	50,000.00
LOSS FOR THE YEAR.....	375,519.13
	<hr/> \$5,032,923.74
DEDUCT:—Dividends Nos. 15 and 16 of 20 cents a share per quarter on 130,000 shares paid for the first two quarters of the fiscal year.....	52,000.00
CAPITAL AND SURPLUS at June 30, 1933.....	<hr/> <hr/> \$4,980,923.74

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on Hand and in Bank.....	\$ 31,257.68
Call Loans and Accrued Interest.....	230,891.10
Dominion Government Bonds, at cost and Accrued Interest.....	530,833.32
(Market Value as at June 30, 1933, \$495,000.00)	
Accounts Receivable.....	74,553.91
Cash Surrender Value of Life Insurance Policy.....	111,000.00
Sundry Investments and Advances, Less Reserve.....	6,422.52
Inventories of Raw Materials, Supplies, Work in Process and Finished Stock	154,984.95

TOTAL CURRENT ASSETS..... \$1,139,943.48

DEFERRED CHARGES..... 6,688.44

PATENTS AND GOODWILL..... 1.00

FIXED ASSETS:

LAND, at cost.....	364,589.59
BUILDING, MACHINERY and EQUIP- MENT.....	5,727,792.47
	<u>6,092,382.06</u>
	<u>\$7,239,014.98</u>

AUDITOR'S REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of the Company ending June 30th, 1933, and have been furnished with all the information required. The bank balances, call loans and investment securities, and we have taken all reasonable precautions to verify the same. The June 30th, 1933, have been taken up on the books and inventories were taken during the year of the material inventories as stated in the above balance sheet are in June 30, 1933, which have been certified to by responsible persons. Provision has been provided towards depreciation accruing during the year.

On this basis we report that, in our opinion, the balance sheet set forth the true financial position of the Company as at June 30, 1933, and the explanations given to us, and as shown by the books and accounts.

Approved on behalf of the Board.

D. B. Dewar, Director.

W. E. Phin, Director.

: : NATIONAL STEEL CAR CORPORATION, LIMITED : :

June 30th, 1933

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable.....	\$ 39,347.99
Accrued Wages, Etc.....	7,924.05

TOTAL CURRENT LIABILITIES.....	\$ 47,272.04
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RESERVE:

For Depreciation of Buildings, Machinery, and Equipment.....	2,210,819.20
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CAPITAL AND SURPLUS:

(As per statement attached)	
Represented by 130,000 shares of Capital	
Stock without nominal or par value.....	4,980,923.74
	<u>\$7,239,014.98</u>

National Steel Car Corporation Limited for the year
with all the information and explanations which we re-
ports have either been examined or confirmed by certifi-
cates to satisfy ourselves that all outstanding liabilities as at
June 30th, 1933, are properly shown in the books of the Company.
Following the Company's usual practice, physical
inventory was taken at the completion of each order, and the
figures are in accordance with the book inventory figures as at June
30th, 1933, as certified by the officials of the Company. An amount of \$50,000.00
has been set aside for the year.

The above balance sheet is properly drawn up so as to set
forth the financial position of the Company as at
June 30th, 1933, according to the best of our informa-
tion from the books of the Company.

PRICE, WATERHOUSE & Co.,
Auditors

Toronto, July 25th, 1933.

: : NATIONAL STEEL CAR CORPORATION, LIMITED : :

To the Shareholders:

Statement of Capital and Surplus reflecting operations for the fiscal year ending June 30th, 1933, and Balance Sheet at June 30th 1933, are submitted herewith.

For the fiscal year under review, the total production of your Corporation of all products manufactured and shipped amounted to \$314,027.04. This is the lowest for any year in the Corporation's history.

There was a loss from operations of \$290,686.43 after providing for all expenses but before adding \$34,832.70, which covered experimental and development work, and depreciation of plant of \$50,000.00. With these two items, the total loss for the year is shown at \$375,519.13.

A substantial portion of the experimental and development expenditure of \$34,832.70 could possibly be amortized over a number of years, but your Directors felt that as these expenditures were of a non-reoccurring nature, the conservative action would be to absorb the total expenditure at this time.

Due to almost complete cessation of business, the current assets were reduced from \$1,524,917.35 to \$1,139,943.48. The current liabilities are practically the same, namely \$47,272.04 against \$46,542.60 of last year. In the current assets the Dominion Government Bonds are shown at \$530,833.32, which was the cost figure. The market value of these as at June 30th, 1933, was \$495,000.00, which at the date of this report has increased to \$497,500.00.

Working Capital has been decreased from \$1,478,374.75 to \$1,092,671.44, a reduction of \$385,703.31; which is accounted for by the above mentioned loss before depreciation of \$325,519.13, dividends of \$52,000.00, capital expenditures \$8,611.03, and miscellaneous adjustments of \$426.85—making a total of \$385,703.31.

Last year three quarterly dividends were paid at the rate of Fifty cents (50c) per share, which rate was reduced to Twenty cents (20c) for the fourth quarter. This rate was continued for the first two quarters of the fiscal year covered by this report but due to lack of business no dividends have been paid since January 3rd, 1933.

The total of capital expenditures for the year amounted to \$8,611.03, which increased the capital asset account of \$6,083,771.03 to \$6,092,382.06.

Deferred charges, consisting of taxes, insurance etc., were reduced slightly from \$7,115.29 to \$6,688.44.

: : NATIONAL STEEL CAR CORPORATION, LIMITED : :

The Depreciation Reserve for the year of \$50,000.00 on buildings, machinery and equipment increased the accumulated total of this account from \$2,160,819.20 to \$2,210,819.20.

The result of the past year's operations has decreased the Capital and Surplus account from \$5,408,442.87 to \$4,980,923.74.

Outside of a few small miscellaneous cars, the only standard equipment sold during the year was 50 tank cars to an Oil Company.

Lines of production, such as automobile bodies and other parts, were successfully produced, but unfortunately the reduction in original automobile schedules was so drastic as to result in an even lower parts production than the previous year. The only compensating factor is, your Corporation can now produce an increased number of the important items that enter into automobile construction. In the event, therefore, of increased demand, your Corporation should benefit accordingly.

The absence of railroad car buying is responsible for the adverse showing of this report, and it is to be sincerely hoped that during the current year some equipment will be bought. In the United States, during the years of expansion and development of that Country, purchasing by the railroads was the main factor of improved business and general economic conditions. In Canada, while we have suffered recently from the effects of spasmodic periods of excessive development, this does not mean that the limit of development has been reached; on the contrary, with our small population and enormous resources, actually Canada's real expansion has hardly commenced and with the correction that is now taking place of some of the excesses we have experienced, we have every reason to believe that sound progress will continue, which amongst other things should stimulate equipment purchasing.

It will be seen by the statement that your Corporation is in a highly liquid position. The works of the Corporation are in excellent condition, and when business is secured will be in a position to operate in an efficient and economical manner.

Your Directors again wish to 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.

August 5th, 1933.

