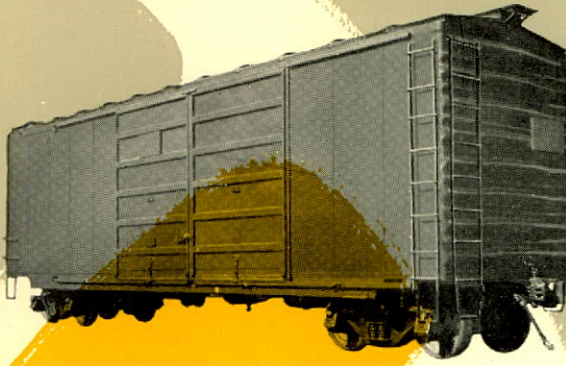
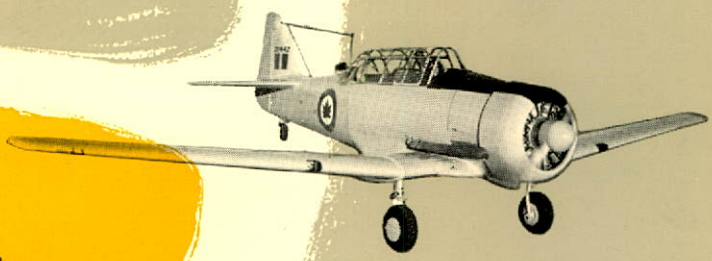


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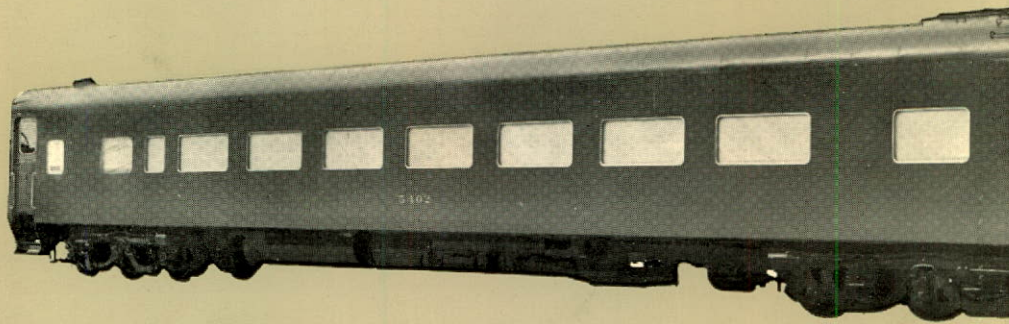


# 44<sup>th</sup> Annual Report

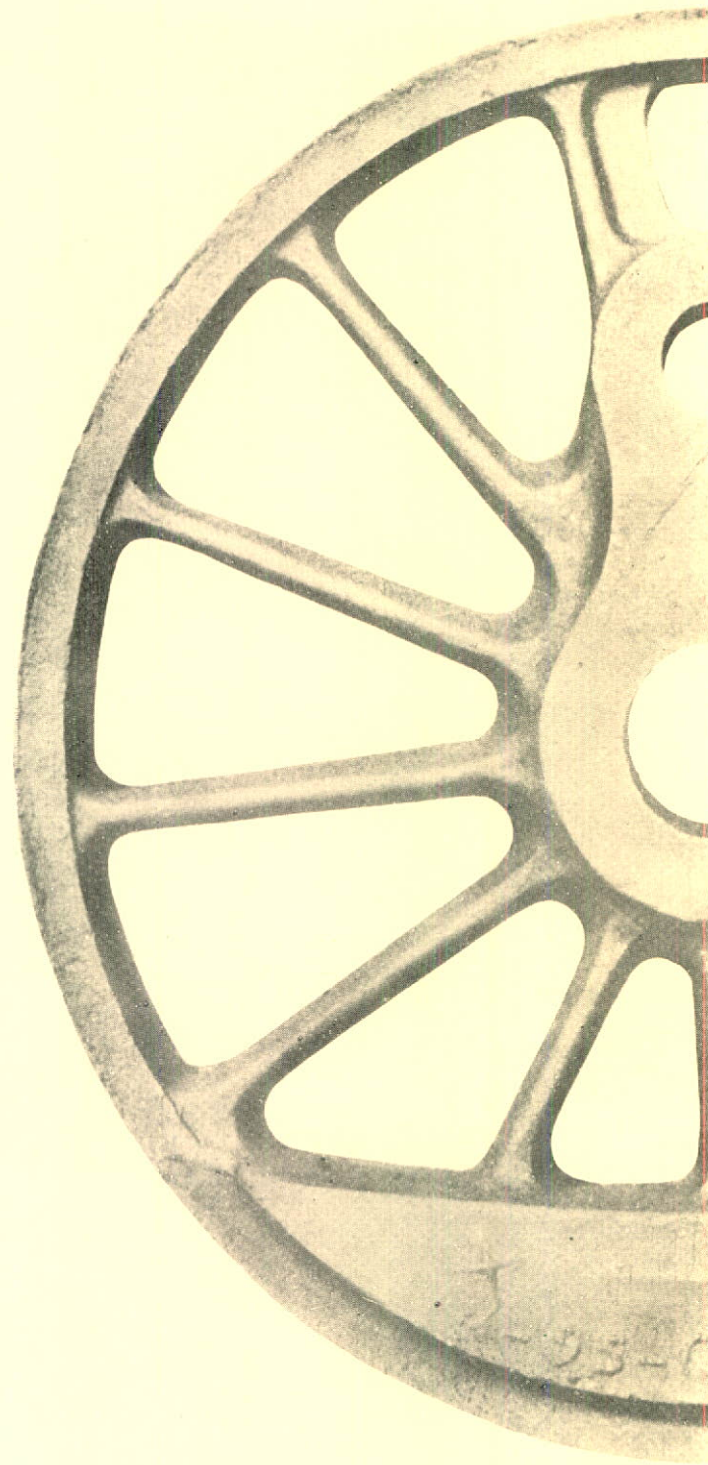


**CANADIAN  
CAR & FOUNDRY  
COMPANY,  
LIMITED**

MONTREAL CANADA 1953

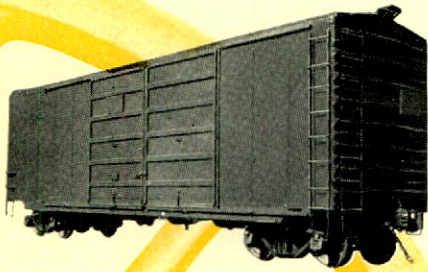


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langue FRANÇAISE.





**44<sup>th</sup>**  
*Annual*  
*Report*

YEAR ENDED SEPTEMBER 30 1953

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**CANADIAN CAR & FOUNDRY COMPANY,**  
LIMITED

## BOARD OF DIRECTORS

R. C. BERKINSHAW, C.B.E.

\*J. M. BREEN

\*E. J. COSFORD

G. B. GORDON

\*J. G. NOTMAN, O.B.E.

J. A. PRUD'HOMME, Q.C.

H. W. THORP

\*R. C. VAUGHAN, C.M.G.

\*C. W. WEBSTER

\*MEMBER OF EXECUTIVE COMMITTEE

## OFFICERS

E. J. COSFORD  
*President and Managing Director*

L. A. BRUCE, C.A.  
*Vice-President and Comptroller*

C. H. DRURY, O.B.E.  
*Vice-President i/c Purchasing*

A. C. LAWSON, C.A.  
*Secretary*

K. S. GORDON, C.A.  
*Treasurer*

## REGISTRARS

THE ROYAL TRUST COMPANY  
*Montreal, Toronto, Winnipeg,  
Vancouver, Halifax and  
Saint John, N.B.*

## SOLICITORS

WAINWRIGHT, ELDER, LAIDLEY,  
LESLIE & BOURGEOIS

## TRANSFER AGENTS

MONTREAL TRUST COMPANY  
*Montreal, Toronto, Winnipeg,  
Vancouver and Halifax*  
THE ROYAL TRUST COMPANY  
*Saint John, N.B.*

## AUDITORS

PRICE WATERHOUSE & CO.

## BANKERS

BANK OF MONTREAL  
THE ROYAL BANK OF CANADA

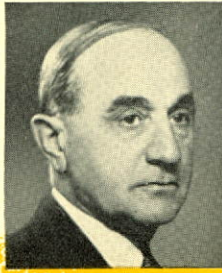
## HEAD OFFICE

621 CRAIG STREET WEST,  
MONTREAL 3, CANADA

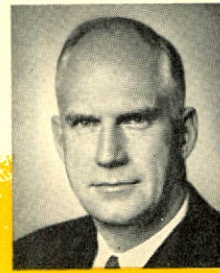




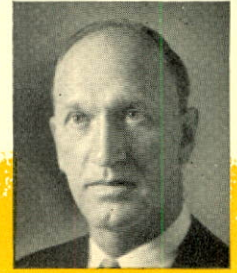
**R. C. VAUGHAN, C.M.G.**  
Director of several leading  
Canadian companies



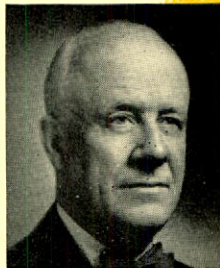
**J. A. PRUD'HOMME, Q.C.**  
Partner  
Geoffrion & Prud'homme



**J. G. NOTMAN, O.B.E.**  
President and General Manager  
Canadair Limited

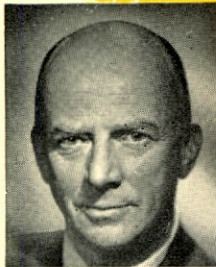


**H. W. THORP**  
Vice-Chairman of the Board  
Canadian Pittsburgh Industries  
Limited



**E. J. COSFORD**  
President and Managing Director  
Canadian Car & Foundry  
Company, Limited

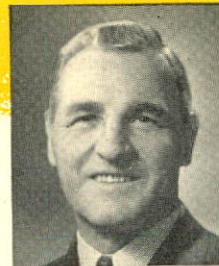
**DIRECTORS  
OF THE  
COMPANY**



**G. B. GORDON**  
President  
Dominion Textile Company  
Limited



**C. W. WEBSTER**  
President  
Canadian Import Company

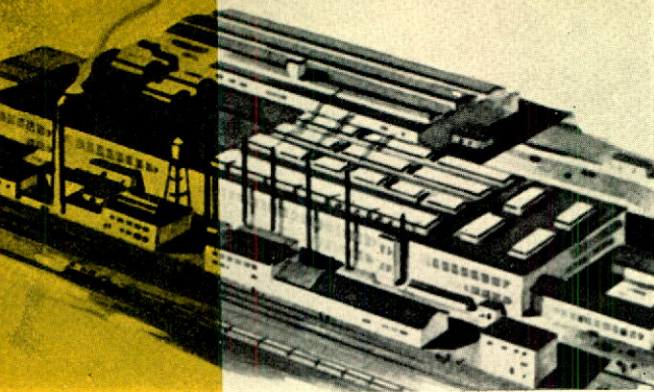


**J. M. BREEN**  
President and General Manager  
Canada Cement Company Limited



**R. C. BERKINSHAW, C.B.E.**  
President and General Manager  
Goodyear Tire & Rubber  
Company of Canada, Limited





## REPORT

### of the directors

for the year ended September 30 1953

To the Shareholders:

Your Directors are pleased to submit the forty-fourth annual report of your company and its wholly owned subsidiary companies for the year ended September 30 1953.

The net profit for the year amounted to \$2,219,247 as compared with \$1,605,194 in the previous year; which represents an increase of \$614,053. After providing for a dividend of \$1.00 per share on the convertible non-callable Class "A" Shares, there was earned on the Ordinary Shares \$4.97 per share. A dividend of \$0.80 per share was declared on the Ordinary Stock.

At the end of the year working capital amounted to \$13,030,661. The comparable figure in 1952 was \$11,941,078. Inventories, accounts receivable and bank loans have all been materially reduced in the year under review.

Production has proceeded with dispatch during the year and our products have been well received by customers both in respect to workmanship and deliveries, thereby maintaining the leading position achieved by your company.

Various types of passenger and freight equipment were delivered to Canadian railways.

The manufacture of buses and trolley coaches continues at a satisfactory level.

Production of the Harvard trainer aircraft for both Canada and U.S.A. has been steady throughout the year and arrangements are proceeding for the production of the T-34 trainer within a few months. The Defence Department orders for shells and aircraft

propellers have been brought into production in the year under review. This defence programme activity has made a substantial contribution to the results of the year.

Foundry operations have been active on steel castings for railway rolling stock — freight cars, passenger cars, diesel electric locomotives — as well as industrial castings of a varied nature.

The Machine Division has been active throughout the year.

The backlog of unfilled orders is in a satisfactory position and is greater than at the close of the previous fiscal year. Prospective business is encouraging and we look for favourable production activity during the year now commenced.

During the last year the Canadian railways increased their orders for passenger car equipment. A planned rearrangement has been made to your company's passenger car building facilities — by far the most complete in Canada — to provide for present and future passenger car requirements of the Canadian railways.

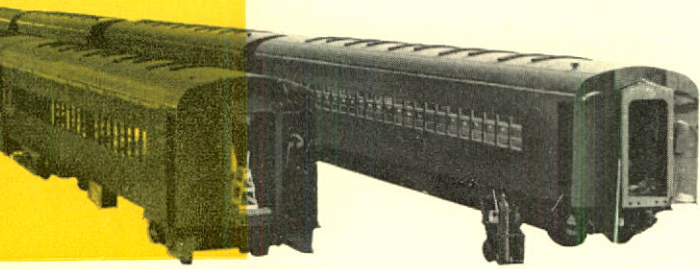
During the year capital expenditures amounted to \$1,697,116 representing varied and important replacements and additions to the manufacturing facilities of your company. A modernization and silicosis prevention programme is now well along at your foundry division.

No payments were received during the fiscal year by your New York company, viz: Agency of Canadian Car and Foundry Company, Limited, under the Mixed Claims Commission Award. A substantial amount is due and active representation for recovery is being maintained.

The tank car equipment of the Canadian General Transit Company, Limited — a partly owned subsidiary — has been well employed throughout the year.

Mr. V. M. Drury, for many years President and Director of your company, submitted his resignation during the year on account of illness. He was associated with the company since its inception and much progress was made during his term of office. During





the difficult war years his development of the company's war production effort was noteworthy. The resignation of Mr. Drury was accepted with much regret by your Directors.

Mr. E. J. Cosford was appointed President and Managing Director on April 21 1953. Mr. Cosford has had a long and extensive experience in the transportation equipment field and was previously Executive Vice-President of the company.

It is with the deepest regret that we record the death on June 3 1953, of Mr. John C. Newman, who served on the Board of Directors since September 1937 and as Vice-President and Chairman of the Executive Committee since 1952. His close interest and wise counsel are sadly missed.

On January 9 1953, Mr. J. G. Notman was appointed to the Board of Directors, and on June 26 1953, Mr. H. W. Thorp was appointed to the Board.

Your Directors wish to pay tribute to the loyalty, efficiency and conscientious efforts of all members of the organization and to extend to them their appreciation of the excellent work they have done throughout the year.

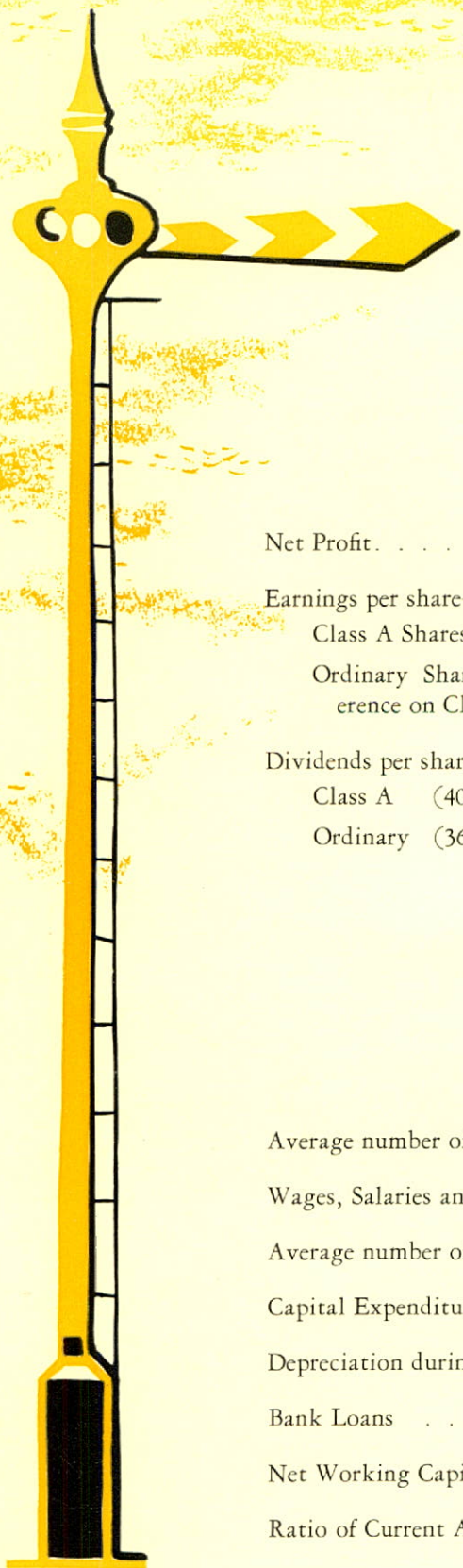
On behalf of the Board,

President and Managing Director.

Montreal, Quebec, November 19 1953.



# Highlights



	<i>Years Ended</i>	
	<i>Sept. 30</i> 1953	<i>Sept. 30</i> 1952
Net Profit . . . . .	\$ 2,219,247	\$ 1,605,194
Earnings per share—		
Class A Shares . . . . .	\$5.55	\$4.01
Ordinary Shares (after deducting the \$1.00 preference on Class A Shares) . . . . .	\$4.97	\$3.29
Dividends per share—		
Class A (400,000 Shares) . . . . .	\$1.00	\$1.00
Ordinary (365,800 Shares) . . . . .	\$ .80	\$ .80
<hr/>		
Average number of Shareholders . . . . .	7,700	8,100
Wages, Salaries and Employees Welfare Payments . . . . .	\$27,100,000	\$28,400,000
Average number of Employees . . . . .	7,700	8,400
Capital Expenditures during year . . . . .	\$ 1,697,116	\$ 2,184,408
Depreciation during year . . . . .	\$ 1,382,694	\$ 1,557,979
Bank Loans . . . . .	\$ 1,662,000	\$ 6,452,000
Net Working Capital at end of year . . . . .	\$13,030,661	\$11,941,078
Ratio of Current Assets to Current Liabilities . . . . .	2.4 to 1	1.8 to 1



**CANADIAN  
CAR & FOUNDRY  
COMPANY, LIMITED**

*and wholly owned subsidiary companies*

**consolidated**

**assets**

**CURRENT ASSETS:**

Cash . . . . .	\$ 262,632.52	
Accounts receivable, less allowance of \$150,000 for doubtful accounts . . . . .	5,494,507.58	
Balances owing by partly owned subsidiary companies . . . . .	99,855.06	
Expenditures on uncompleted contracts, materials and supplies, less progress billings and estimated cost of partial shipments, and less a reserve of \$1,200,000 . . . . .	16,106,453.01	
Unexpired insurance and prepaid municipal taxes . . . . .	264,445.67	
	<hr/>	\$22,227,893.84

**SUNDRY ASSETS:**

Deferred accounts receivable . . . . .	\$ 272,495.12	
Deferred charges to operations . . . . .	100,860.17	
Investments in partly owned subsidiary companies, at cost . . . . .	850,000.00	
	<hr/>	1,223,355.29

**CAPITAL ASSETS:**

At depreciated replacement values as appraised in 1930 by Canadian Appraisal Company Limited, plus the cost of subsequent additions (net):		
Land . . . . .		\$ 1,822,221.37
Buildings, machinery and equipment . . . . .	\$29,834,093.33	
<i>Less:</i> Depreciation accumulated since above date . . . . .	16,550,609.12	
	<hr/>	13,283,484.21
		<hr/>
		15,105,705.58

*Note:* The net property value subject to future depreciation for income tax purposes is approximately \$8,700,000.

\$38,556,954.71

*Signed on behalf of the Board:*

E. J. COSFORD, *Director*  
R. C. VAUGHAN, *Director*



# balance sheet—september 30 1953

## liabilities

### CURRENT LIABILITIES:

Bank loans — secured . . . . .	\$ 1,662,000.00	
Accounts payable and accrued liabilities . . . . .	4,772,522.79	
Income and other taxes . . . . .	<u>2,762,709.65</u>	\$ 9,197,232.44

### GENERAL RESERVE:

Balance at September 30 1952 . . . . .	\$ 300,000.00	
Less: Transferred to reserve for uncompleted contracts . . . . .	<u>300,000.00</u>	—

### CAPITAL STOCK AND EARNED SURPLUS:

#### Capital stock—

#### Convertible Non-Callable Class A shares of \$20.00 each:

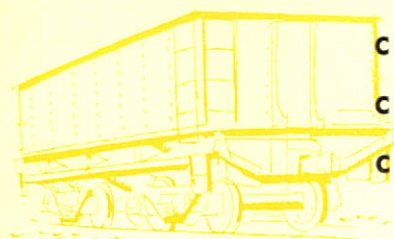
Authorized — 500,000 shares	<u>\$10,000,000.00</u>	
Issued — 400,000 shares . . . . .		\$ 8,000,000.00

#### Ordinary shares of no par value:

Authorized — 1,200,000 shares		
Issued — 365,800 shares . . . . .		<u>9,145,000.00</u>
		\$17,145,000.00

Earned surplus — per attached statement . . . . .	<u>12,214,722.27</u>	29,359,722.27
---	----------------------	---------------

\$38,556,954.71



**CANADIAN  
CAR & FOUNDRY  
COMPANY, LIMITED**

*and wholly owned subsidiary companies*

**consolidated statement of profit and loss and earned surplus**  
*for the year ended september 30 1953*

Combined operating profit before taking into account the items shown below . . . . .		\$ 5,765,268.26
Deduct:		
Directors' fees . . . . .	\$ 14,540.00	
Legal fees . . . . .	24,218.84	
Remuneration of executive officers . . . . .	135,875.52	
Depreciation . . . . .	1,382,695.47	
		<u>1,557,329.83</u>
		\$ 4,207,938.43
Add:		
Dividends received from partly owned subsidiary companies . . . . .	\$ 123,500.00	
Profit on disposals of fixed assets and investments . . . . .	87,808.65	
		<u>211,308.65</u>
		\$ 4,419,247.08
Deduct: Provision for taxes on income . . . . .		<u>2,200,000.00</u>
Profit for the year . . . . .		\$ 2,219,247.08
Deduct: Amount transferred to reserve for uncompleted contracts . . . . .		<u>250,000.00</u>
Balance of Profit . . . . .		\$ 1,969,247.08
Earned surplus at September 30 1952 . . . . .		<u>10,938,115.19</u>
		\$12,907,362.27
Deduct:		
Dividends paid on —		
Convertible Non-Callable Class A shares . . . . .	\$ 400,000.00	
Ordinary shares . . . . .	292,640.00	
		<u>692,640.00</u>
Earned surplus at September 30 1953 . . . . .		<u><u>\$12,214,722.27</u></u>

**NOTE:**

A portion of the operating profit for the year arose from contracts entered into with the Government of Canada. Under certain circumstances, which are not considered applicable, such contracts are subject to renegotiation under the provisions of the Defence Production Act.



PRICE WATERHOUSE & CO.

215 ST. JAMES STREET WEST  
MONTREAL 1

November 18 1953

TO THE SHAREHOLDERS,  
CANADIAN CAR & FOUNDRY COMPANY, LIMITED:

We have examined the consolidated balance sheet of Canadian Car & Foundry Company, Limited and its wholly owned subsidiary companies as at September 30 1953 and the consolidated statement of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included such tests of accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and consolidated statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of Canadian Car & Foundry Company, Limited and its wholly owned subsidiary companies as at September 30 1953 and the result of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

The earnings of partly owned subsidiary companies are included in the accompanying consolidated statement of profit and loss and earned surplus only to the extent of dividends received.

*Price Waterhouse & Co.*  
Auditors



**"a background of service . . .  
a record of accomplishment"**



The sturdy oak does not grow to maturity from the tiny acorn overnight, nor does a company such as Canadian Car & Foundry Company, Limited, earn a high reputation for solid craftsmanship and excellent quality of its products in a few weeks. It takes many years of unremitting labour and wide experience for a company to become the leader in its chosen field, as Can-Car has done in the more than forty years since its founding.

The company, through its predecessor companies, has been in the railway business since the 1830's, and today a major portion of the railway cars in use in Canada was manufactured in Can-Car shops. In addition, the company has long held the position of the leading manufacturer of municipal transportation equipment. At one time or another most major cities in Canada have come to Can-Car for motor buses, streetcars and electric trackless trolley coaches; and as Canada continues to expand the company is looking forward to increased business in these lines.

Your company's facilities to turn out railway cars are recognized as among the most complete in the country. From tiny rivet to huge truck casting the cars are entirely produced in the company's shops with a major share of the components — wheels, springs, bolts, truck and coupling castings to name a few — being converted from raw material to finished pieces.

In order to maintain a high standard of quality in all our products, tests are continually being conducted in the laboratories attached to our plants, in the shops and in the field. The company can call upon its many years of experience to solve the many complex transportation problems that confront our customers from time to time. In some cases, we can anticipate these problems before they arise.

As Canada's leading transit equipment manufacturer the company has done — and





will continue to do in the future — considerable pioneer work in this field. Working closely at all times with its customers your company has been able to make major contributions in the transportation field, so that goods may be transported faster and more economically and passengers travel with greater safety and more comfort.



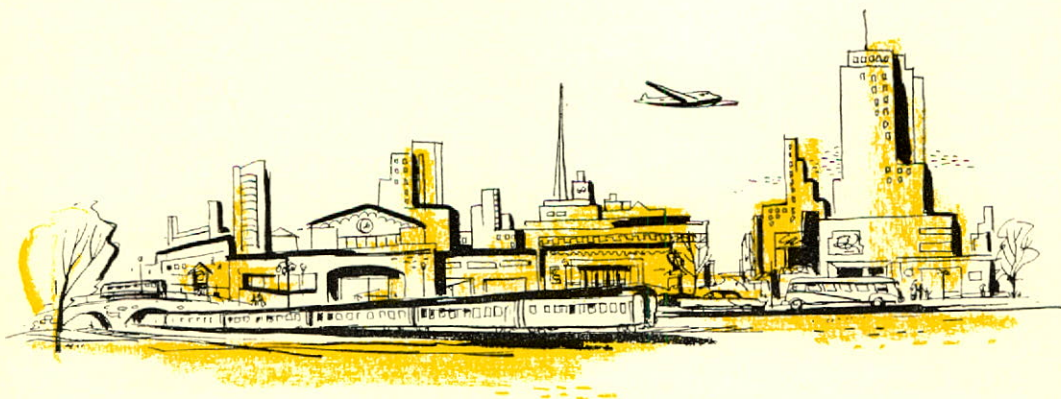
Your company's reputation has spread beyond the borders of this country. When Can-Car was founded less than fifty years ago the names of the companies that formed the new organization were known only locally. Today, in South Africa, Turkey, India, Rhodesia, Belgium, France and countries in Central and South America — to name only a few — many of the company's products are used extensively.

The reputation enjoyed by your company abroad and at home has been earned over the years through its insistence that every job done in our shops must be done better than it can be done elsewhere. It is the right of every customer to receive full value for every dollar spent with Can-Car. In our eyes anything less than the best is an inexcusable breach of trust.

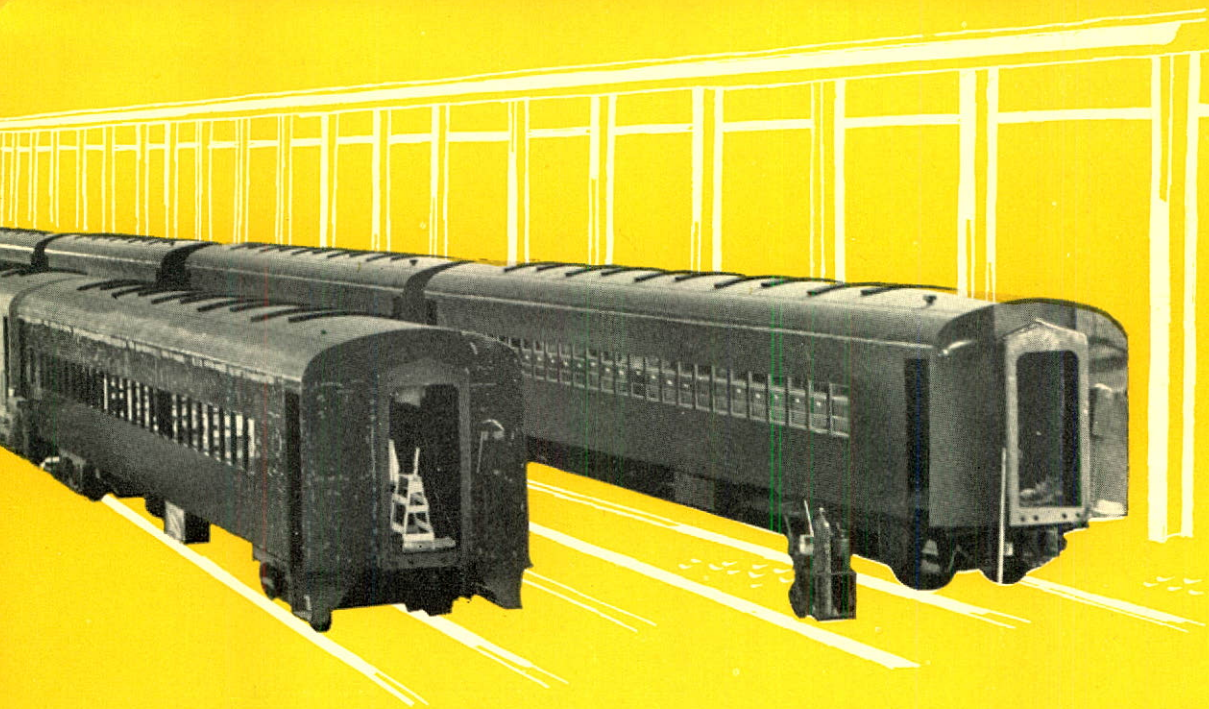
In order to achieve this Can-Car has always demanded — and received — the best from its employees. A close lookout is maintained for skilled men whose services and talents should prove invaluable to the company and there is a constant induction of new engineering talent.

In other fields of endeavour, such as mining, contracting and general industry, the company's products have won wide acceptance. Our plants offer exceptional facilities for the production of a wide range of products, ranging from finely-machined pieces to huge castings weighing several tons.

The high standards we have set have never been relaxed, regardless of the size of the job. As it has in the past, so Can-Car will in the future continue to give that service to its customers which has earned such a high reputation in a score of countries throughout the world.

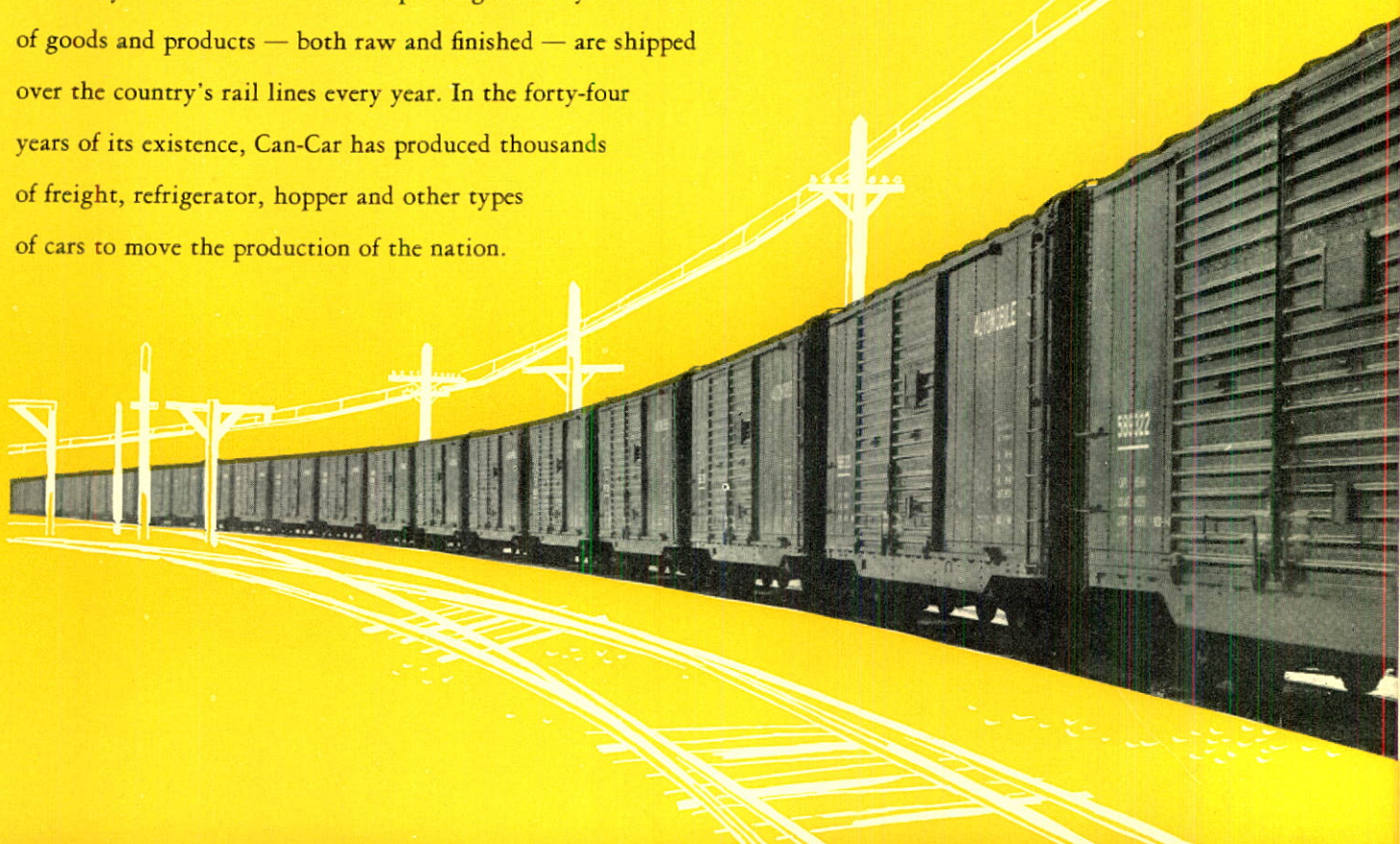




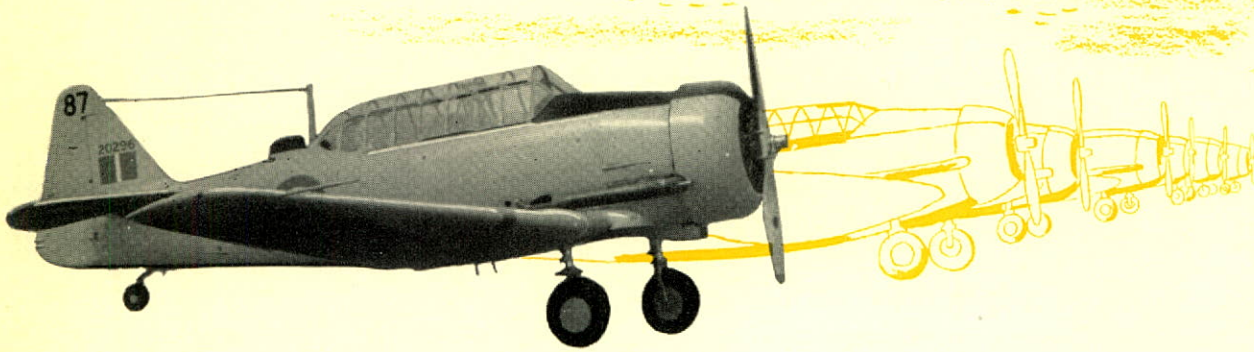


Canada's travelling public expect the best in railway cars and these commuter cars, being fabricated in Can-Car's shops, embody the latest in design.

To satisfy the needs of Canada's expanding economy millions of tons of goods and products — both raw and finished — are shipped over the country's rail lines every year. In the forty-four years of its existence, Can-Car has produced thousands of freight, refrigerator, hopper and other types of cars to move the production of the nation.



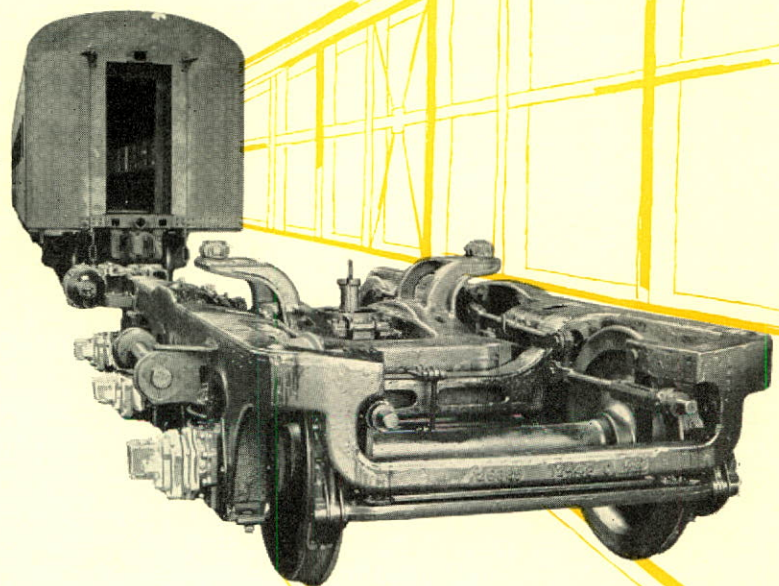




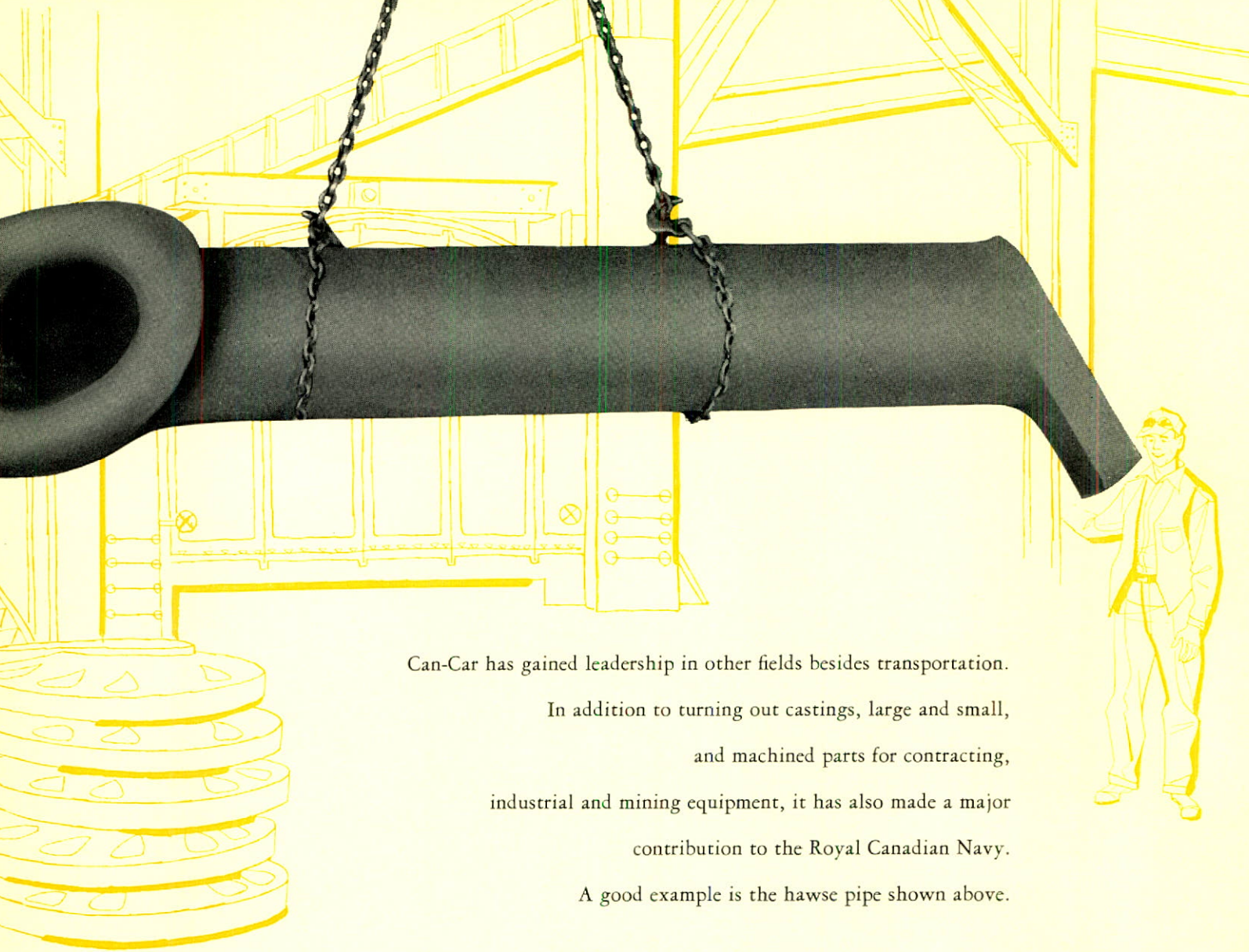
During the war years the company was one of the major suppliers of aircraft and aircraft parts. Today trainer planes are being produced at the Fort William Plant which also does considerable repair and service work.

Components are also being turned out in the Point St. Charles and Turcot Plants.

Every plant in the Montreal area has a share in the building of a railway car. These trucks, one of the largest components of a railway car, have their start at Longue Pointe and are assembled at Dominion. Other operations are performed at Turcot and Point St. Charles with many of the components being entirely manufactured, from raw steel to finished product, in the various shops.



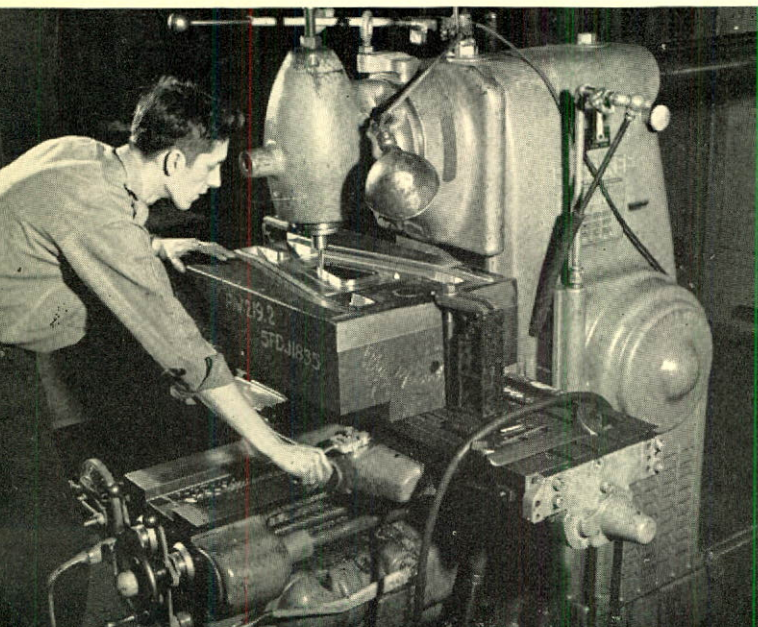




Can-Car has gained leadership in other fields besides transportation.

In addition to turning out castings, large and small,  
and machined parts for contracting,  
industrial and mining equipment, it has also made a major  
contribution to the Royal Canadian Navy.  
A good example is the hawse pipe shown above.

A die sinking operation for a coupler carrier hanger,  
carried out at the Point St. Charles Plant.



Polishing a Hamilton Standard Spider for  
the propeller of a Harvard Trainer.





#### CAR PLANTS:

With 1,400,000 square feet of floor area, the Turcot and Dominion Plants are completely equipped for the manufacture of railway cars of all types. There is also a wheel foundry, fully equipped forge shop, helical and elliptic spring shop, heavy and light gauge steel fabrication shops. There is a modern machine shop and cabinet and woodmill with dry kiln facilities.

#### FOUNDRY:

Equipped with three 25-ton open hearth furnaces, one 3-ton and one 1½-ton electric furnaces, the Longue Pointe Steel Foundry can turn out 3,000 tons of steel castings a month. The Foundry also produces couplers; side frames and bolsters; passenger car and locomotive trucks; trackwork; slag pots; and mining, hydro-electric and industrial castings.

#### AUTOMOTIVE:

The Bus Division at the Fort William plant has three operating assembly lines for the manufacture of various types of buses. It is supported by a complete modern machine shop and full engineering, tool and design departments. Autobuses and trackless trolley coaches from these shops are shipped from here to all parts of Canada and to foreign customers.

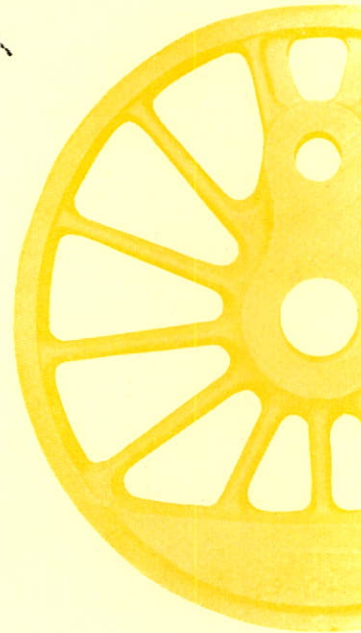
#### AIRCRAFT:

The Fort William Aircraft Division is completely equipped with all facilities for the manufacture of various types of aircraft.

The machine shop is equipped to produce both tooling and production machine parts, fabrication equipment such as drop hammers, punch presses, spot welders, forming rolls and metal treating processes. The Division can overhaul and repair all types of aircraft.

#### MACHINE PLANT:

The Point St. Charles Machine Shop has nearly a quarter of a million square feet of floor space equipped for all types of modern machine work and assemblies. This division produces various aircraft components; railway rolling stock and automotive parts and assemblies. It also has complete and up-to-date facilities for manufacturing tools, jigs and dies.





**CAN-CAR**