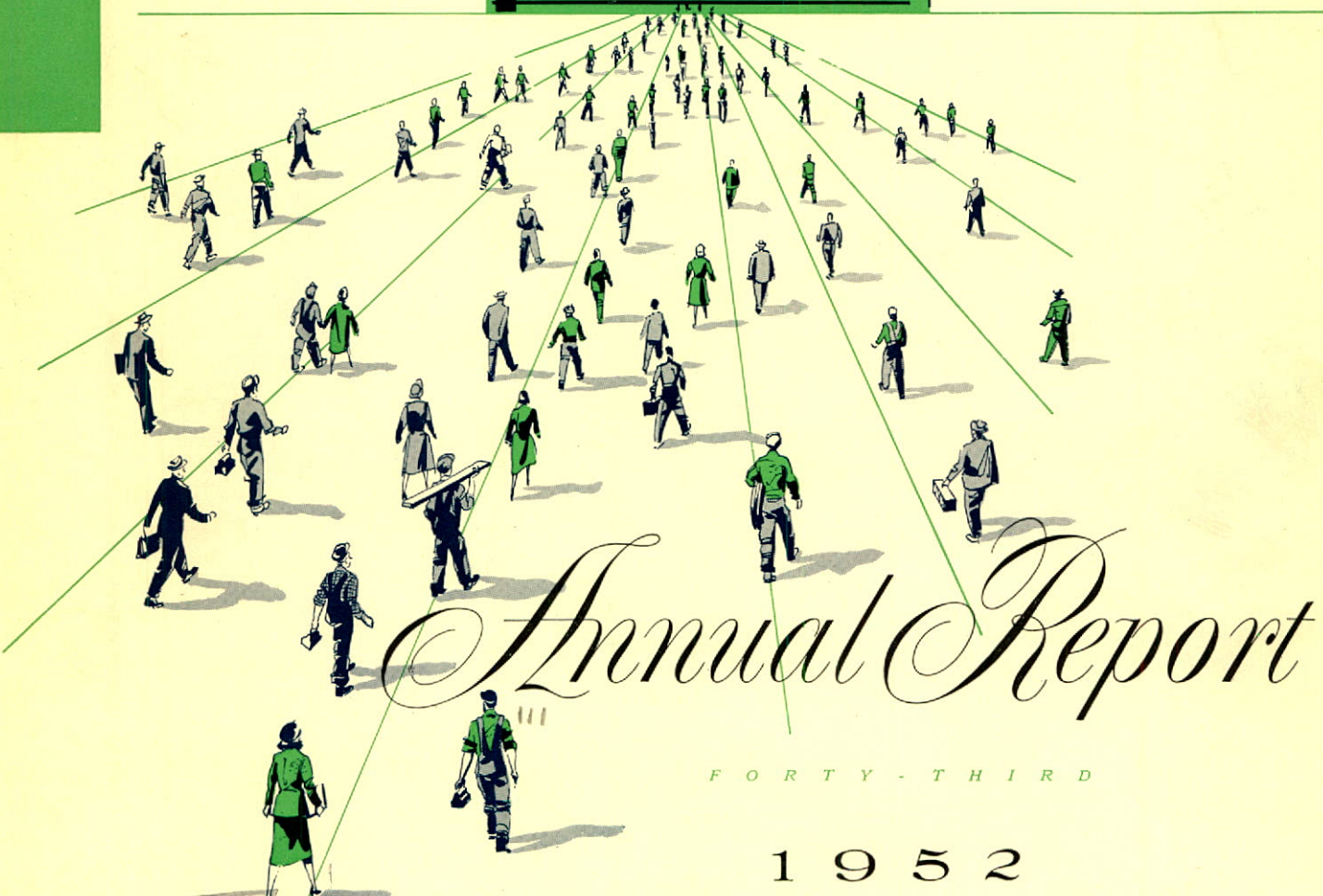


Stack

Canadian
 Car & Foundry
 Company LIMITED • MONTREAL, CANADA, 1952



Annual Report

F O R T Y - T H I R D

1 9 5 2

PURVIS HALL
 LIBRARIES
 JUN 12 1953
 MCGILL UNIVERSITY

THIS IS A BOOK...

about a group of people teamed together for a vital purpose. These people are the shareholders, the management, the employees — of Canadian Car & Foundry Company, Limited. Their purpose is to help build the transport and other industrial equipment essential to Canada's rapid development — and to build it efficiently and, therefore, profitably. This book tells, in brief, what the people of Can-Car did toward achieving their aim during the past year.

On peut, sur demande au secrétaire, obtenir des exemplaires de ce rapport en langue FRANÇAISE.

BOARD OF DIRECTORS

R. C. BERKINSHAW, C.B.E.
J. M. BREEN
*V. M. DRURY
*G. B. GORDON
*J. C. NEWMAN
J. A. PRUD'HOMME, Q.C.
*R. C. VAUGHAN, C.M.G.
*C. W. WEBSTER

*MEMBER OF EXECUTIVE COMMITTEE

OFFICERS

V. M. DRURY
President and Chairman of Executive Committee
J. C. NEWMAN
Vice-President and Vice-Chairman of Executive Committee
A. HODGKINSON, C.A.
Vice-President i/c Finance
E. J. COSFORD
Vice-President i/c Sales
C. H. DRURY
Vice-President i/c Production
D. H. FORSYTH, F.C.I.S.
Secretary
L. A. BRUCE, C.A.
Comptroller
K. S. GORDON, C.A.
Treasurer

REGISTRARS

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

TRANSFER AGENTS

HEAD OFFICE
Montreal
MONTREAL TRUST COMPANY
Halifax, Toronto, Winnipeg & Vancouver
THE ROYAL TRUST COMPANY
Saint John, N.B.

BANKERS

BANK OF MONTREAL
THE ROYAL BANK OF CANADA

SOLICITORS

WAINWRIGHT, ELDER, LAIDLEY, LESLIE,
CHIPMAN & BOURGEOIS
Montreal

AUDITORS

PRICE WATERHOUSE & Co.

HEAD OFFICE

621 CRAIG STREET WEST, MONTREAL 3, CANADA



FORTY-THIRD ANNUAL REPORT

YEAR ENDED SEPTEMBER 30 1952

TO THE SHAREHOLDERS:

Your Directors submit herewith the forty-third annual report of the Company and its wholly owned subsidiary Companies for the year ended September 30 1952.

The net profit, after providing for depreciation but before providing for Income Taxes, amounted to \$4,205,194 as against \$2,109,282 in the previous year, an increase of \$2,095,912. After deduction of taxes amounting to \$2,600,000 on income for the current fiscal year, as compared with \$1,147,000 in the previous year, the earnings available for dividends amounted to \$1,605,194 or an increase over last year of \$642,912.

Current Assets at September 30 1952 amounted to \$27,882,357; Current Liabilities were \$15,941,279 indicating a net Working Capital of \$11,941,078, an increase of \$2,104,954.

Your Car Division, comprising Dominion and Turcot Plants, has been in continuous production of railway equipment. This Division hopes to obtain its share of future orders for this type of equipment.

Production of Mark IV Harvard Trainers proceeded according to schedule at your Fort William Plant. Further aircraft orders have been received which will keep this plant operating at a high level of activity.

During the year your St. Laurent Plant was sold and all aircraft activities concentrated at Fort William. This arrangement permits closer integration of operations with resultant efficiency. All capital expenditure in these premises was recovered.

The manufacture of buses and trackless trolley coaches was sustained at a satisfactory level of output and this operation continues to service the major transit properties of the country.

It is expected that the combined high volume automotive and aircraft activities at your Fort William Plant will persist into 1954.

A diversified line of production is proceeding at your Point St. Charles Plant where machining facilities are centred. Parts for engines, hydraulics, propellers,

aircraft, guns and railway equipment are manufactured and the volume of output is on the increase.

Your steel foundry at Longue Pointe has operated at capacity throughout the year producing a variety of steel castings for heavy industry. The operations of your malleable iron foundry at Brantford have been discontinued since the lease of the property has been terminated. It is not proposed to continue the manufacture of malleable iron castings in view of persistent decline in the demand for castings of this metal for railway work.

Your New York Company, Agency of Canadian Car and Foundry Company, Limited, has received during the past fiscal year a further payment from the U.S. Treasury on account of interest due on its Mixed Claims Commission award which payment is reflected in the attached accounts. There is still a large amount due and the Agency Company, in association with other award-holders, is actively engaged in efforts towards obtaining further payments.

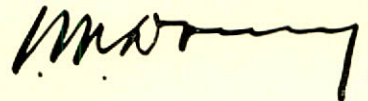
Your partly owned subsidiary, Canadian General Transit Company, Limited reports another active year with sustained demand for leased tank cars from the oil and chemical industries.

The past year has been exceptionally active in all divisions of your Company and these volume conditions are reflected in the improved financial statements contained herein.

It is anticipated that orders now on the books and in course of negotiation for both commercial and defence work will occupy your facilities continuously during 1953.

Your Directors gratefully acknowledge the efficiency and co-operation of officers and employees upon which the achievements of the Company are founded.

For the Directors

A handwritten signature in black ink, appearing to be 'M. J. ...', written over a horizontal line.

President

Montreal, November 19 1952

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

C O N S O L I D A T E

and wholly owned subsidiary companies

ASSETS

CURRENT ASSETS:

Cash	\$ 291,627.03	
Accounts receivable, less reserve of \$150,000	8,631,998.12	
Balances owing by partly owned subsidiary companies	79,902.34	
Expenditures on uncompleted contracts, materials and supplies, less progress billings and estimated cost of partial shipments, and less a reserve of \$650,000	18,682,191.47	
Unexpired insurance and prepaid municipal taxes	196,638.40	
		\$27,882,357.36

SUNDRY ASSETS:

Deferred accounts receivable	\$ 211,555.43	
Deferred charges to operations	359,614.48	
Investments in partly owned subsidiary companies, at cost	850,000.00	
		1,421,169.91

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	\$29,349,371.51	
Less: Reserve for depreciation provided since above date	16,150,726.12	
		13,198,645.39
		15,020,866.76

Note: The net property value subject to future depreciation for income tax purposes is approximately \$8,800,000.

\$44,324,394.03

Signed on behalf of the Board:

V. M. DRURY, *Director*
R. C. VAUGHAN, *Director*

E D B A L A N C E S H E E T A T S E P T E M B E R 3 0 1 9 5 2

LIABILITIES

CURRENT LIABILITIES:

Bank loans — secured	\$ 6,452,000.00	
Accounts payable and accrued liabilities	6,463,025.74	
Income and other taxes	3,026,253.10	
		\$15,941,278.84

GENERAL RESERVE		300,000.00
---------------------------	--	------------

CAPITAL STOCK:

Convertible Non-Callable Class A shares of \$20.00 each:		
Authorized — 500,000 shares	\$10,000,000.00	
Issued — 400,000 shares	\$ 8,000,000.00	
Ordinary shares of no par value:		
Authorized — 1,200,000 shares		
Issued — 365,800 shares	9,145,000.00	
		17,145,000.00

SURPLUS ACCOUNTS:

Capital surplus — Properties:		
Balance at September 30 1951	\$ 606,538.55	
Less: Transferred to reserve for depreciation	606,538.55	
		\$ —
Earned surplus — per attached statement	10,938,115.19	
		10,938,115.19
		\$44,324,394.03

A. HODGKINSON, *Vice-President i/c Finance*

Submitted with our report to the Shareholders dated November 19 1952

PRICE WATERHOUSE & CO., *Auditors*

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 1952

Combined operating profit for the fiscal year ended September 30 1952, before taking into account the items shown below		\$ 5,689,685.73
Deduct:		
Directors' fees	\$ 12,425.00	
Remuneration of executive officers	146,997.00	
Legal fees	21,881.22	
Provision for depreciation	1,557,979.33	
		1,739,282.55
		\$ 3,950,403.18
Add:		
Dividends received from partly owned subsidiary companies	\$ 123,500.00	
Profit (net) on disposals of capital assets	117,569.71	
Net additional recovery from award to Agency of Canadian Car and Foundry Company, Limited	13,721.08	
		254,790.79
Profit for the fiscal year before providing for taxes on income		\$ 4,205,193.97
Deduct:		
Provision for taxes on income		2,600,000.00
Net profit for the fiscal year		\$ 1,605,193.97
Earned surplus at September 30 1951		10,025,561.22
		\$11,630,755.19
Deduct:		
Dividends paid on —		
Convertible Non-Callable Class "A" shares	\$ 400,000.00	
Ordinary shares	292,640.00	
		692,640.00
Earned surplus at September 30 1952		\$10,938,115.19

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.

AUDITORS' REPORT TO THE SHAREHOLDERS

OF
CANADIAN CAR
&
FOUNDRY
COMPANY, LIMITED

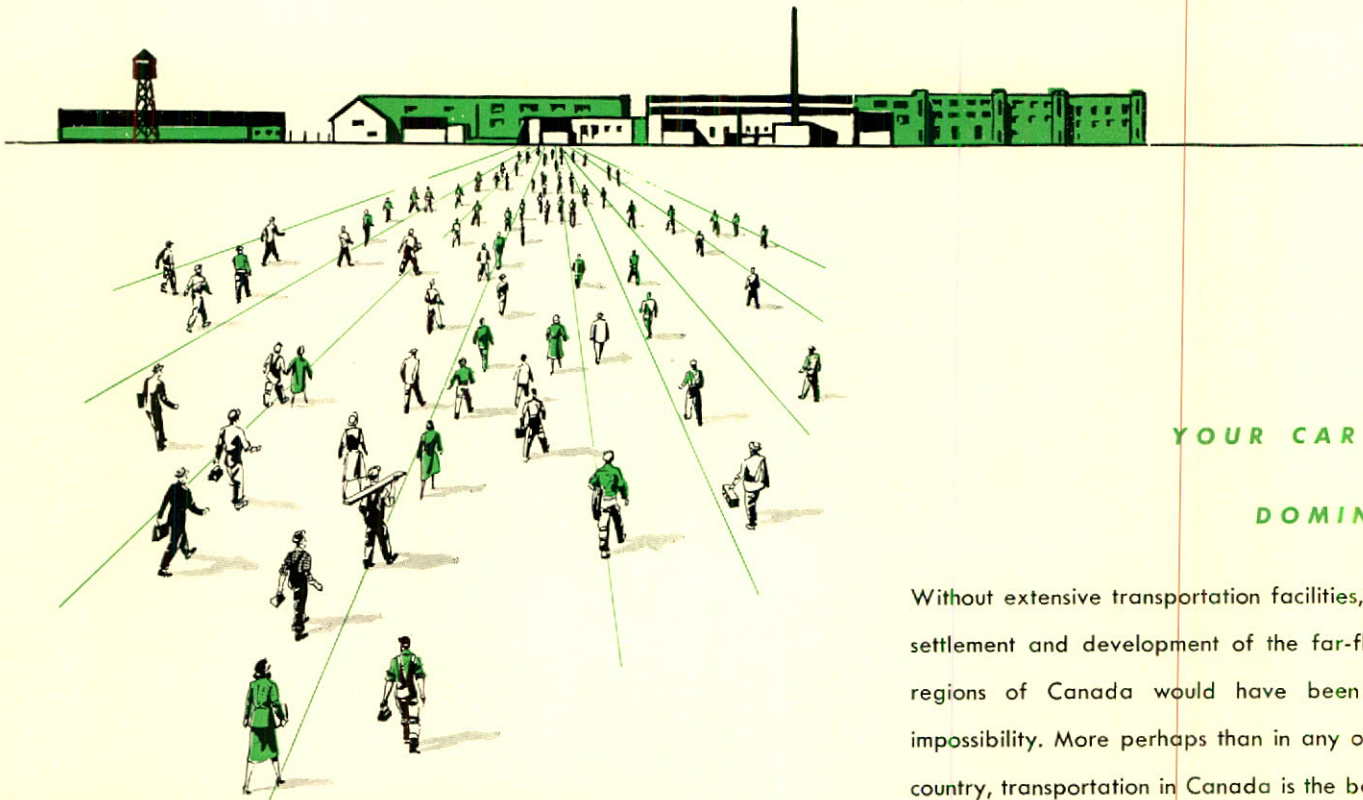
We have examined the consolidated balance sheet of Canadian Car & Foundry Company, Limited and its wholly owned subsidiary companies as at September 30 1952 and the consolidated statement of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations 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 1952 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.

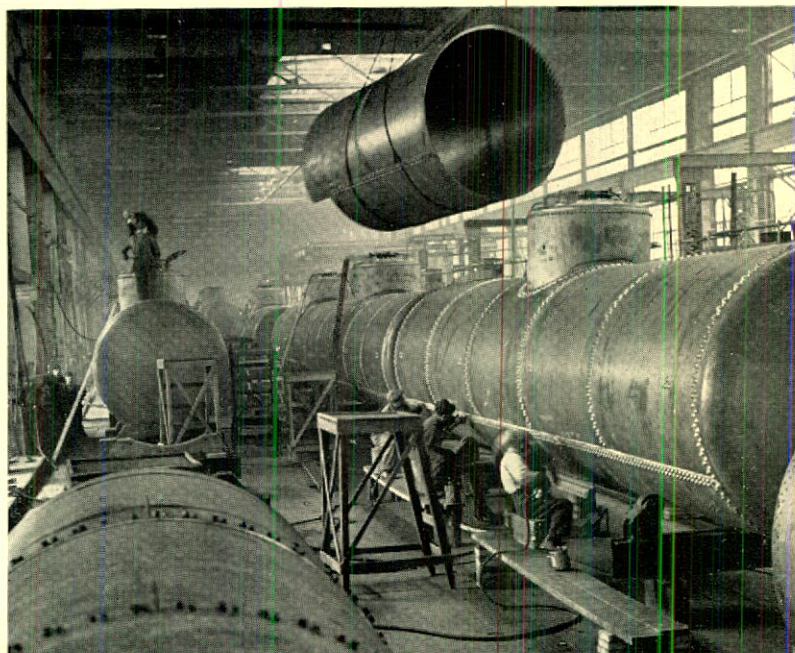
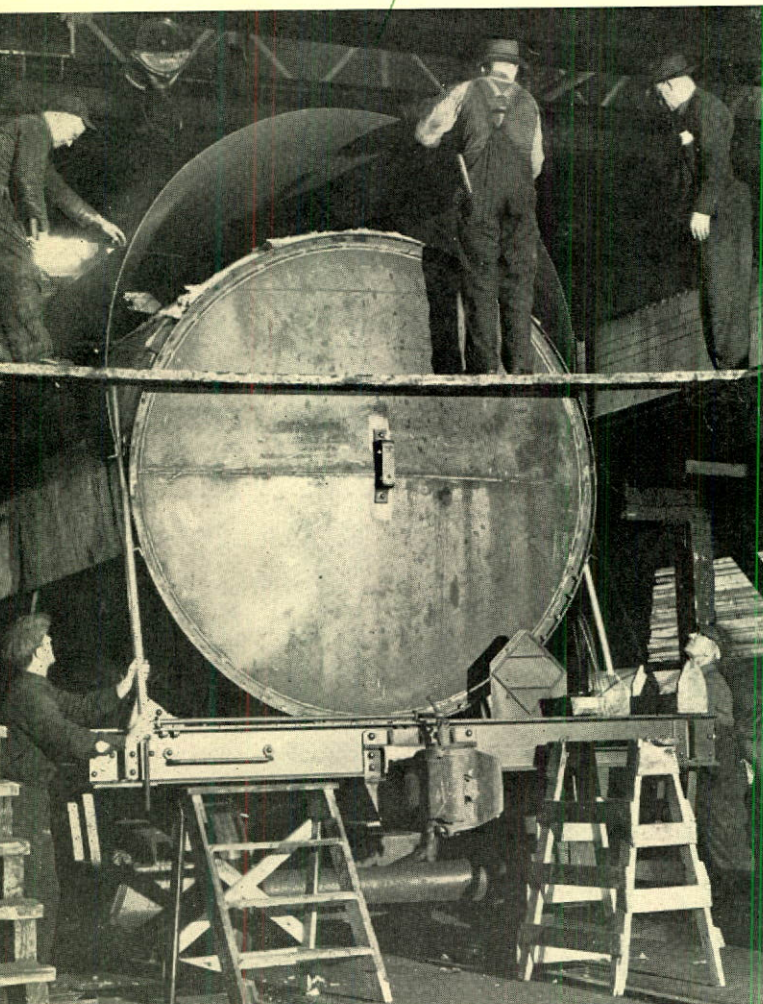
Montreal, November 19 1952



YOUR CAR BUILD

DOMINION

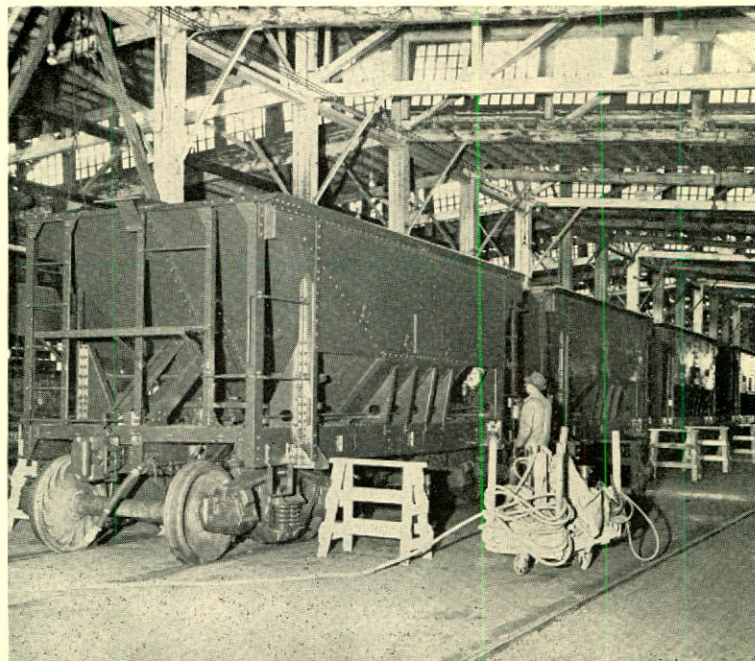
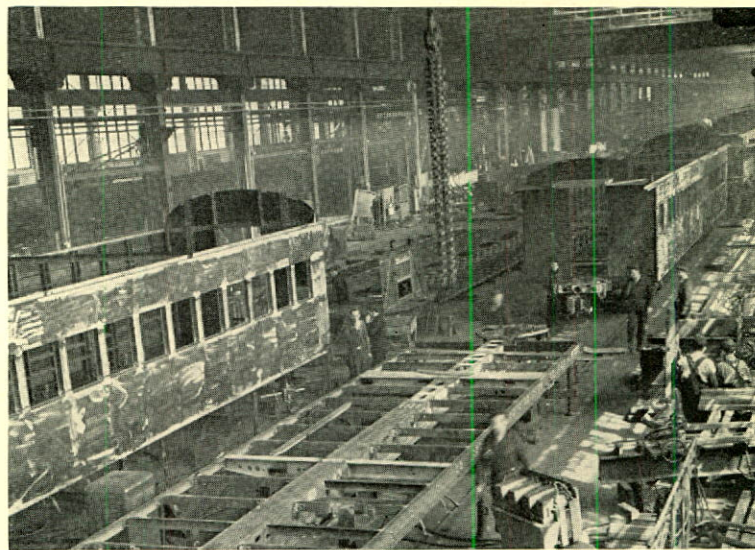
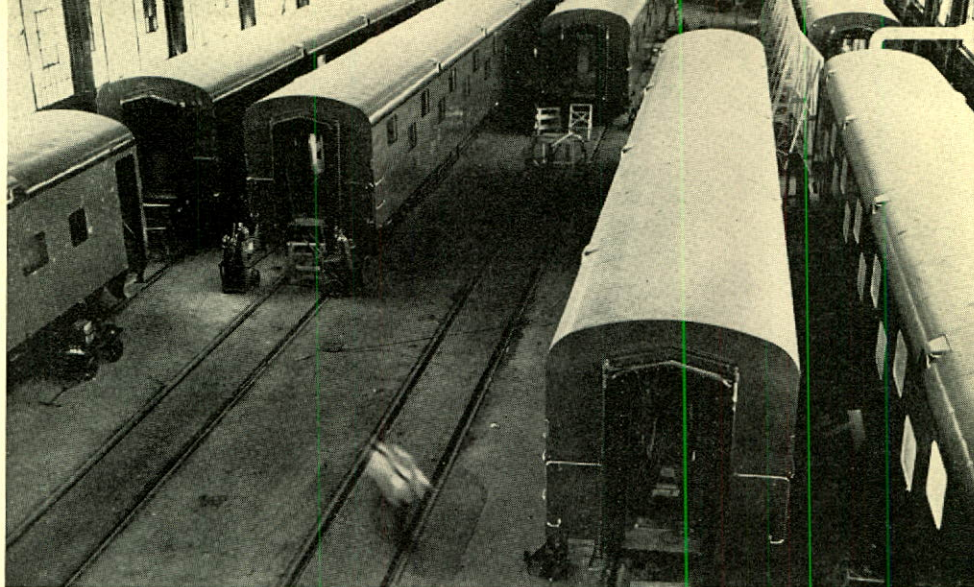
Without extensive transportation facilities, the settlement and development of the far-flung regions of Canada would have been an impossibility. More perhaps than in any other country, transportation in Canada is the backbone of the nation, politically and economically. Your car-building division, Dominion and Turcot, has played a leading role in providing Canada with numerous types of rolling stock for her two great railway systems.

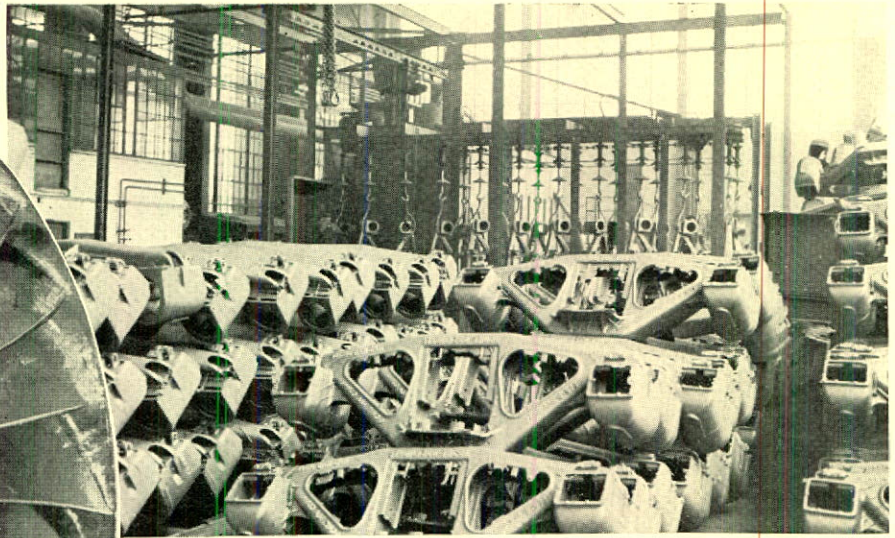
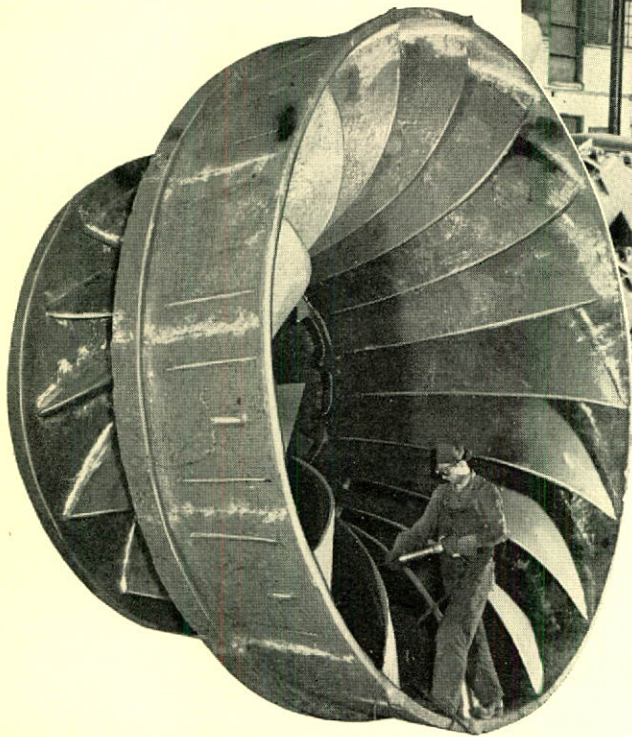


DING DIVISION

AND TURCOT

A wide variety of skills and abilities is required for the complex business of producing transportation equipment. By the co-operative and, indeed, enthusiastic effort of the employees, by careful direction, and by both management and staff working to maintain high standards, Can-Car has been able to produce rolling stock of high quality — and in large quantity.

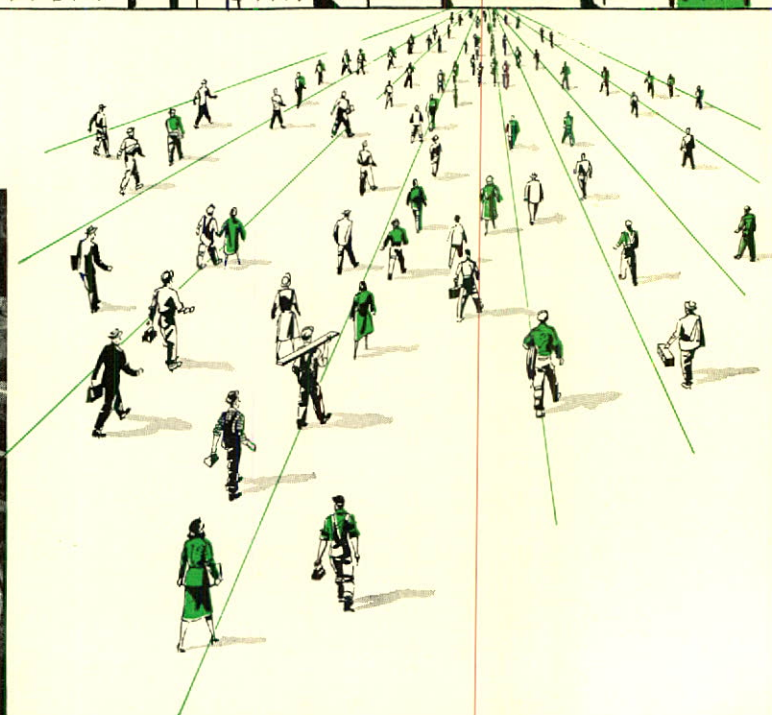
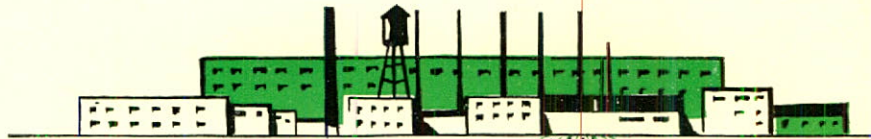
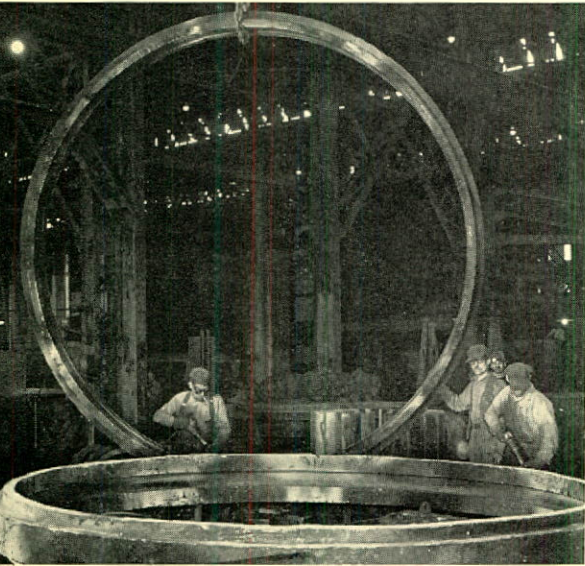


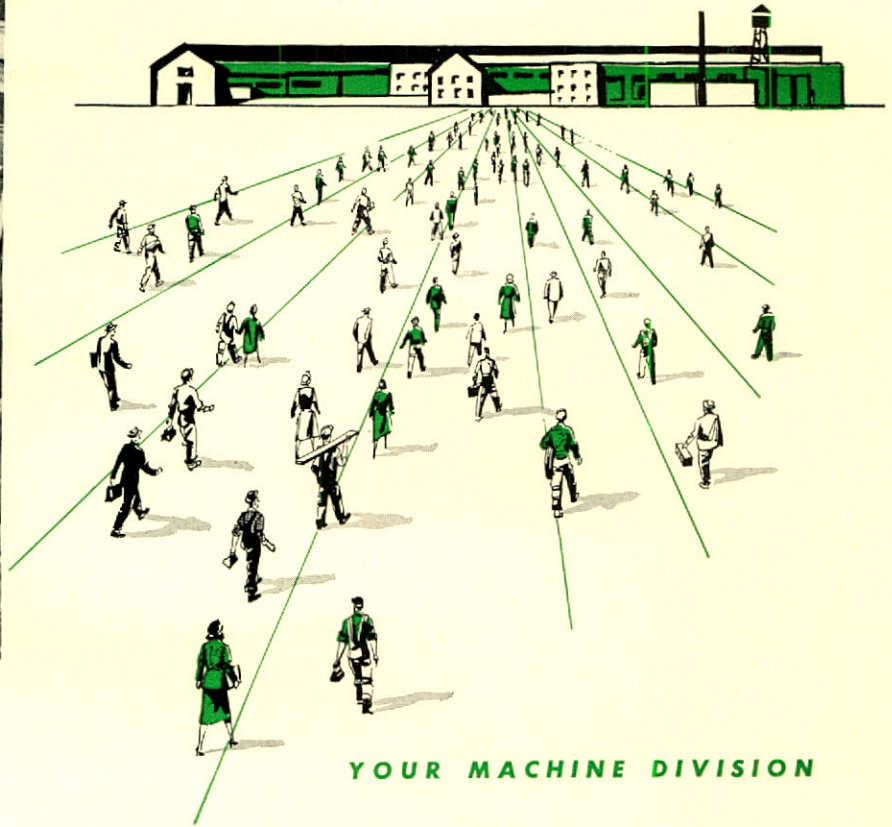
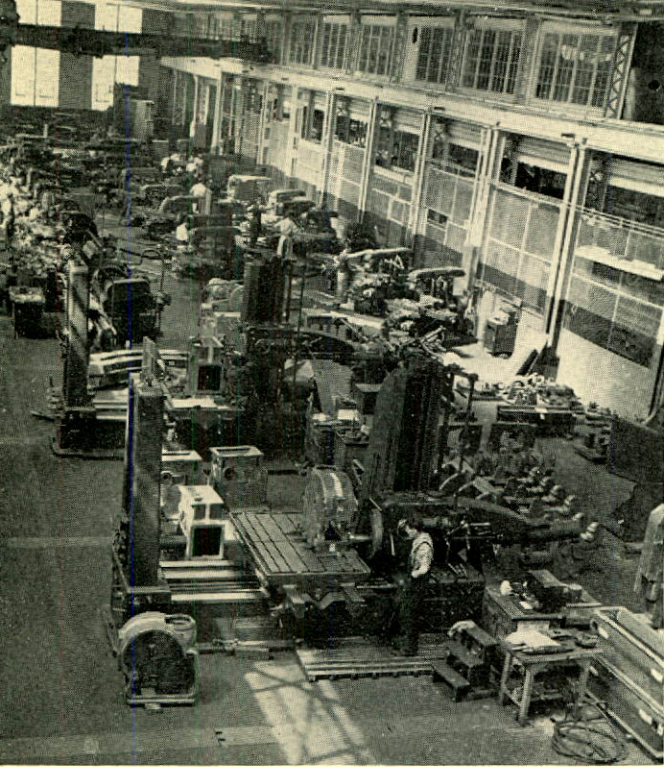


YOUR STEEL FOUNDRY

LONGUE POINTE

Like other Can-Car plants, Longue Pointe Foundry can be called a versatile plant. Steel castings are produced for many uses, ranging from the smallest rolling-stock casting to the largest hydro-electric casting. And we are proud to say that into these moulds at Longue Pointe flow "alloys" which cannot be bought — the long years of experience, the loyalty and the real pride of craftsmanship of our foundrymen — they pour into the moulds their own mettle as well as the metal of the earth.

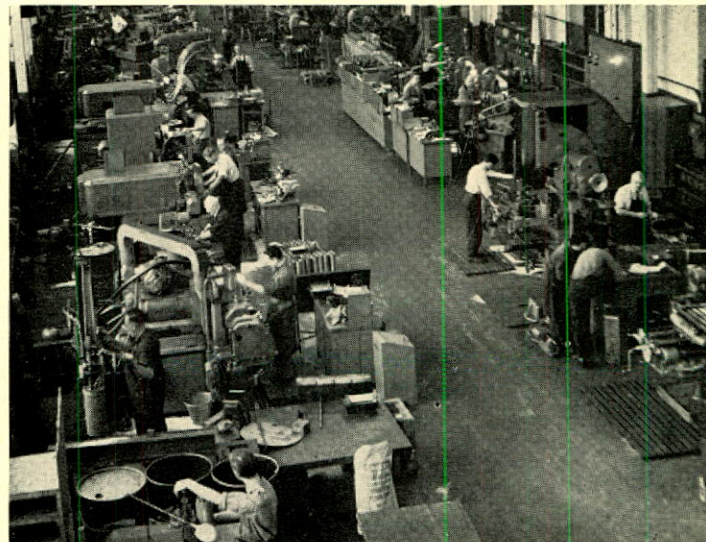




YOUR MACHINE DIVISION

POINT ST. CHARLES

Typical of all Can-Car employees, the men and women of your Machine Division are "the right kind of people", in the best sense of the term. That is, they are people who want to work and who pull together. Precision machining is the keynote of this large plant.





YOUR AUTOMOTIVE DIVISION

FORT WILLIAM

At the Lakehead, where gasoline and diesel buses, trackless trolleys and Harvard training aircraft are manufactured, the usual Can-Car insistence on "splitting hairs" is very much in evidence. Every employee "splits hairs" in his uncompromising insistence on perfection of fit and finish. He knows that the Can-Car reputation for quality would be at stake if he did not so insist.



IN COMMON CAUSE...

labour and management at Can-Car work well together. It is tradition for management to be interested in the welfare of employees — and for employees to be interested in the success of their company. Both regard these objectives as but different fronts in the common cause.

Under Can-Car banner we get together on many occasions — picnics, soccer, hockey, bowling, the Quarter-Century Club with a membership of over a thousand.

The spirit of the people who are Can-Car, as exemplified by this, has played and will continue to play a large part in the growth of your company.

CAN-CAR