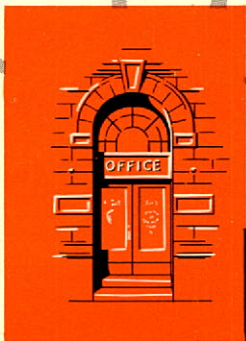


C  
Stock

# Canadian Car & Foundry Company



L I M I T E D

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M O N T R E A L  
C A N A D A  
1 9 5 1

## *42nd Annual Report*

PURVIS HALL  
LIBRARIES  
JUN 12 1953  
McGIL UNIVERSITY

**CANADIAN CAR & FOUNDRY COMPANY, LIMITED**

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

**BOARD OF DIRECTORS**

\*W. F. ANGUS  
R. C. BERKINSHAW, C.B.E.  
\*V. M. DRURY  
\*G. B. GORDON  
\*J. C. NEWMAN  
J. A. PRUD'HOMME, K.C.  
R. C. VAUGHAN, C.M.G.  
\*C. W. WEBSTER

\*MEMBER OF EXECUTIVE COMMITTEE

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**OFFICERS**

V. M. DRURY, *President and Chairman of Executive Committee*  
W. F. ANGUS, *Vice-President*  
J. T. ASQUITH, *Vice-President and General Manager*  
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*

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**REGISTRARS**

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

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**TRANSFER AGENTS**

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

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**BANKERS**

BANK OF MONTREAL  
THE ROYAL BANK OF CANADA

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**SOLICITORS**

WAINWRIGHT, ELDER, LAIDLBY, LESLIE, CHIPMAN & BOURGEOIS, *Montreal*

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**AUDITORS**

PRICE WATERHOUSE & CO.

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**HEAD OFFICE**

621 CRAIG STREET WEST, MONTREAL 3, CANADA



FORTY-SECOND  
ANNUAL  
REPORT

YEAR ENDED SEPTEMBER 30, 1951

TO THE SHAREHOLDERS:

The Directors submit herewith the forty-second annual report of your Company and its wholly-owned subsidiary Companies for year ended September 30, 1951.

The net profit after providing for depreciation but before taxes on income amounts to \$2,109,282 as against \$1,269,752 for the previous year, an increase of \$839,530. After deduction of taxes of \$1,147,000 on income for the current fiscal year as compared with \$487,000 in the previous year, the net increase in profit is \$179,530. The net increase in capital assets during the year was \$534,144. The net working capital is \$9,836,124.

During the fiscal year we were successful in negotiating quantity orders for rolling stock with the railways. However, in common with industry as a whole, car manufacture was curtailed by lack of material, especially that of steel, during a considerable portion of the twelve months, and deliveries were accordingly slowed to a sub-normal degree. In the latter months of the year improved conditions allowed for production continuity and an accelerated schedule of deliveries which in part offset the non-productive period.

As fulfilment of car orders placed by the railways is of national importance, it is anticipated that government assistance in the matter of material priorities should afford assurance of uninterrupted production in the forthcoming year.

The implementation of the defence programme by the government has resulted in the receipt of an order from the Department of Defence Production for the manufacture of Harvard aircraft, which is being undertaken at your Fort William Plant.

The T-6 Harvard trainer will be produced in quantity lots for RCAF and USAF requirements and for those member countries which comprise the North Atlantic Treaty Organization (NATO), and include the United Kingdom, Belgium, France, Holland, Italy and Norway. Present production will be subject to expansion in direct ratio to the needs of the participating countries involved, and the potential of the operation is impressive.

The manufacture of buses and trackless trolley coaches, which has been the sustaining enterprise of your Fort William Plant since the inception of the Automotive Division of your Company, will not be affected in any way through the reactivation of Fort William's aircraft production facilities. A steady demand exists for the CanCar-Brill buses and trolley coaches, and deliveries will continue to be maintained on schedule.

The U.S. Government through the Canadian Department of Defence Production has placed an order with your Company for the fabrication of a large quantity of military field-housing units known as "Arctic Huts", which are now in process of production at your Fort William Plant.

Ancillary to the production of Harvard aircraft at Fort William will be an order for the manufacture of propellers and undercarriages for these aircraft, which will be carried out at your Point St. Charles Plant, where extensions are now in progress. The Point St. Charles Plant is already engaged on certain phases of the Harvard aircraft programme and other aircraft projects, as sub-contractors to various prime aircraft contractors under the defence programme.

The Dominion Plant will undergo extensions to its forge shop to accommodate an order from our government for large calibre shells. This plant's primary operation of rolling stock fabrication will not be disturbed.

Your Foundry Division at Longue Pointe is actively engaged in the production of steel castings generally, and particularly the Commonwealth truck frame castings which have been specified by the locomotive manufacturers who are participating in the railways' dieselization programme, and are used extensively in passenger car manufacture for both railways. Our affiliation with the General Steel Castings Corporation of the U.S. enables your Company to manufacture and sell the Commonwealth line in Canada, under an exclusive licensing arrangement.

Your Foundry Division also supplies a large quantity of the castings used in the manufacture of the various types of railway cars, for hydro-electric developments, and for the shipbuilding programmes.

The St. Laurent Aircraft Division was active throughout the year in the overhaul and modification of Harvard trainers in service with the RCAF, and carried out all initial engineering and prototyping of the T-6 Harvard trainer production model during the period of preparation for the establishment of the project at Fort William. The overhaul and reconditioning of Harvards for the RCAF continues to occupy the facilities of this plant.

The Agency of Canadian Car and Foundry Company, Limited (New York) has not received any further payments under the Mixed Claims Commission award of 1939 during the past fiscal year. Active representation is maintained through an award-holders committee whose efforts are directed to the recovery of additional monies which may become available for distribution upon proper allocation thereof. There is a large amount still due your New York Agency from this account.

The leasing of tank cars by Canadian General Transit Company, Limited, your partly-owned subsidiary Company, continues at a maximum level in relation to the fleet presently available and in operation. The manufacture, maintenance and overhaul of these tank cars is carried out at the plants of your Company.

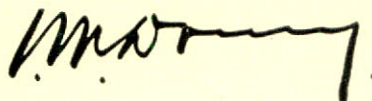
While the position of your Company is strengthened from that of the previous year, the enforced inactivity of the earlier months of the year is reflected in the financial statements which are contained in this report.

The present orders on the books of your Company for rolling stock should keep your car plants in full operation through 1952, provided always that essential material is available. The defence orders which your Company has received and which are referred to in this report will keep your Aircraft and Machine Shop Divisions wholly occupied beyond 1952. The Foundry Division has capacity work on order and in process. This, with other defence production projects which will probably utilize the facilities of your Company, should ensure an overall maximum operational programme for 1952.

Your Directors deeply regret to have to record the death on October 14, 1951, of William Forrest Angus, who served as a Director of your Company since May 25, 1915, and as a Vice-President since January 27, 1921.

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,



President.

MONTREAL, November 26, 1951.

CANADIAN  
 CAR & FOUNDRY CONSOLIDATED BALANCE  
 COMPANY,  
 LIMITED  
 and wholly owned subsidiary companies

**ASSETS**

CURRENT ASSETS:

Cash.....		\$ 284,380.01
Accounts receivable, less reserve of \$50,000.....		6,105,104.91
Balances owing by partly owned subsidiary companies.....		103,835.60
Stocks of manufactured and partly manufactured products, materials and supplies, valued on the basis of the lower of cost or market, determined from the records of the company, less reserve of \$400,000 and less amount of \$3,378,249 representing progress billings and advances on contracts.....		21,350,707.06
Unexpired insurance, prepaid taxes and other charges to future operations.....		510,345.99
		\$28,354,373.57

INVESTMENTS IN PARTLY OWNED SUBSIDIARY COMPANIES,  
 AT COST.....

850,000.00

CAPITAL ASSETS:

At depreciated replacement values as appraised in 1930 by Canadian Appraisal Company Limited, plus the cost of subsequent additions (net):

Land.....		\$ 1,950,491.37	
Buildings, machinery and equipment.....	\$30,441,243.03		
Less: Reserve for depreciation provided since above date.....	14,890,758.20		
		15,550,484.83	17,500,976.20

Notes:

The net property value subject to future depreciation for income tax purposes is approximately \$10,000,000.

Net expenditures aggregating \$5,218,035 for buildings, machinery and equipment acquired during the years 1939 to 1945 in connection with war contracts, and which have been fully depreciated, are reflected in the amounts shown above for buildings, machinery and equipment and for reserve for depreciation.

\$46,705,349.77

Signed on behalf of the Board:

V. M. DRURY, *Director.*

J. C. NEWMAN, *Director.*

**LIABILITIES**

CURRENT LIABILITIES:

Bank loans (secured under Section 88 of the Bank Act).....	\$ 8,899,000.00
Accounts payable and accrued liabilities.....	7,441,048.54
Income and other taxes.....	2,170,201.46
War Assets Corporation, instalment falling due during 1952....	8,000.00
	<u>\$18,518,250.00</u>

DEFERRED LIABILITY:

Amount owing to War Assets Corporation, secured by a chattel mortgage, less current instalment shown above.....	80,000.00
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OPERATING AND MISCELLANEOUS RESERVES.....	330,000.00
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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

SURPLUS ACCOUNTS:

Capital surplus — Properties:	
Balance at September 30 1950.....	\$ 612,585.17
Less: Adjustments in respect of capital assets disposed of during the year....	<u>6,046.62</u>
	\$ 606,538.55
Earned surplus — Per attached statement.....	<u>10,025,561.22</u>
	<u>10,632,099.77</u>
	<u>\$46,705,349.77</u>

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

Submitted with our report to the Shareholders dated November 23 1951

PRICE WATERHOUSE & CO., *Auditors.*

C A N A D I A N  
C A R & F O U N D R Y  
C O M P A N Y ,  
L I M I T E D  
and wholly owned subsidiary companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS  
For the Year ending September 30 1951

Combined operating profit for the fiscal year ending September 30 1951, before taking into account the items shown below.....		\$ 3,434,129.97
DEDUCT:		
Directors' fees.....	\$ 10,575.00	
Remuneration of executive officers.....	129,810.00	
Legal fees.....	11,806.84	
Provision for depreciation.....	1,296,156.04	
		1,448,347.88
		\$ 1,985,782.09
ADD:		
Dividends received from partly owned subsidiary companies...		123,500.00
Profit for the fiscal year before providing for taxes on income.		\$ 2,109,282.09
DEDUCT:		
Provision for taxes on income.....		1,147,000.00
Net profit for the fiscal year.....		\$ 962,282.09
Earned surplus at September 30 1950.....	\$ 9,677,970.31	
ADD:		
Refundable portion of excess profits tax recovered during the year.....	77,948.82	
		9,755,919.13
		\$10,718,201.22
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 1951.....		\$10,025,561.22



AUDITORS' REPORT

TO THE  
SHAREHOLDERS OF

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

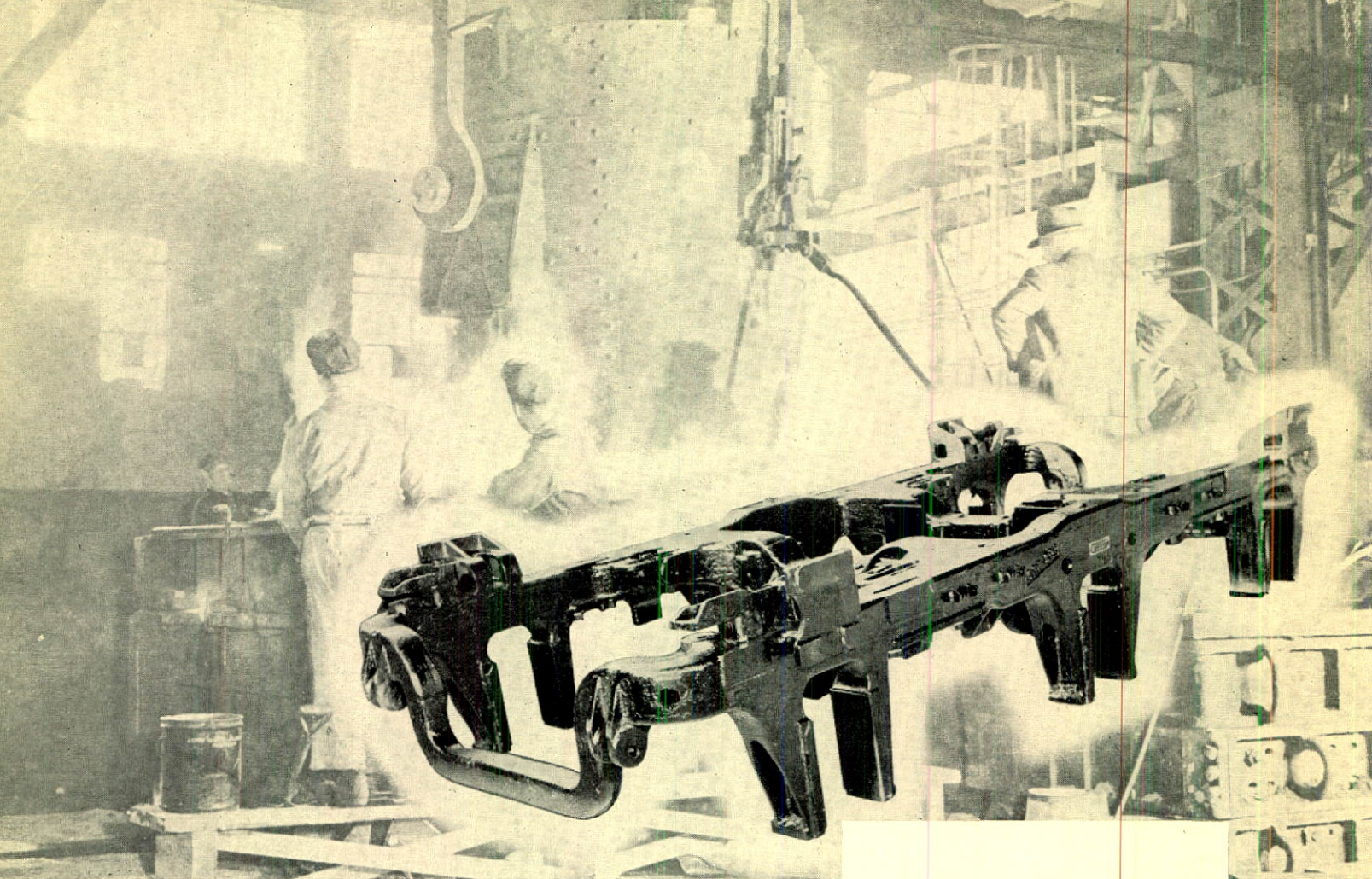
We have examined the consolidated balance sheet of Canadian Car & Foundry Company, Limited and its wholly owned subsidiary companies as at September 30 1951 and the relative consolidated statement of profit and loss and earned surplus for the fiscal year ended on that date and have obtained all the information and explanations which we required. Our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate in the circumstances.

We report that, in our opinion, the attached consolidated balance sheet and the relative consolidated statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the combined affairs of Canadian Car & Foundry Company, Limited and its wholly owned subsidiary companies as at September 30 1951 and the results of 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.

We also report that the earnings of partly owned subsidiary companies are included in the accompanying financial statements only to the extent of dividends received.

PRICE WATERHOUSE & CO.,  
*Auditors.*

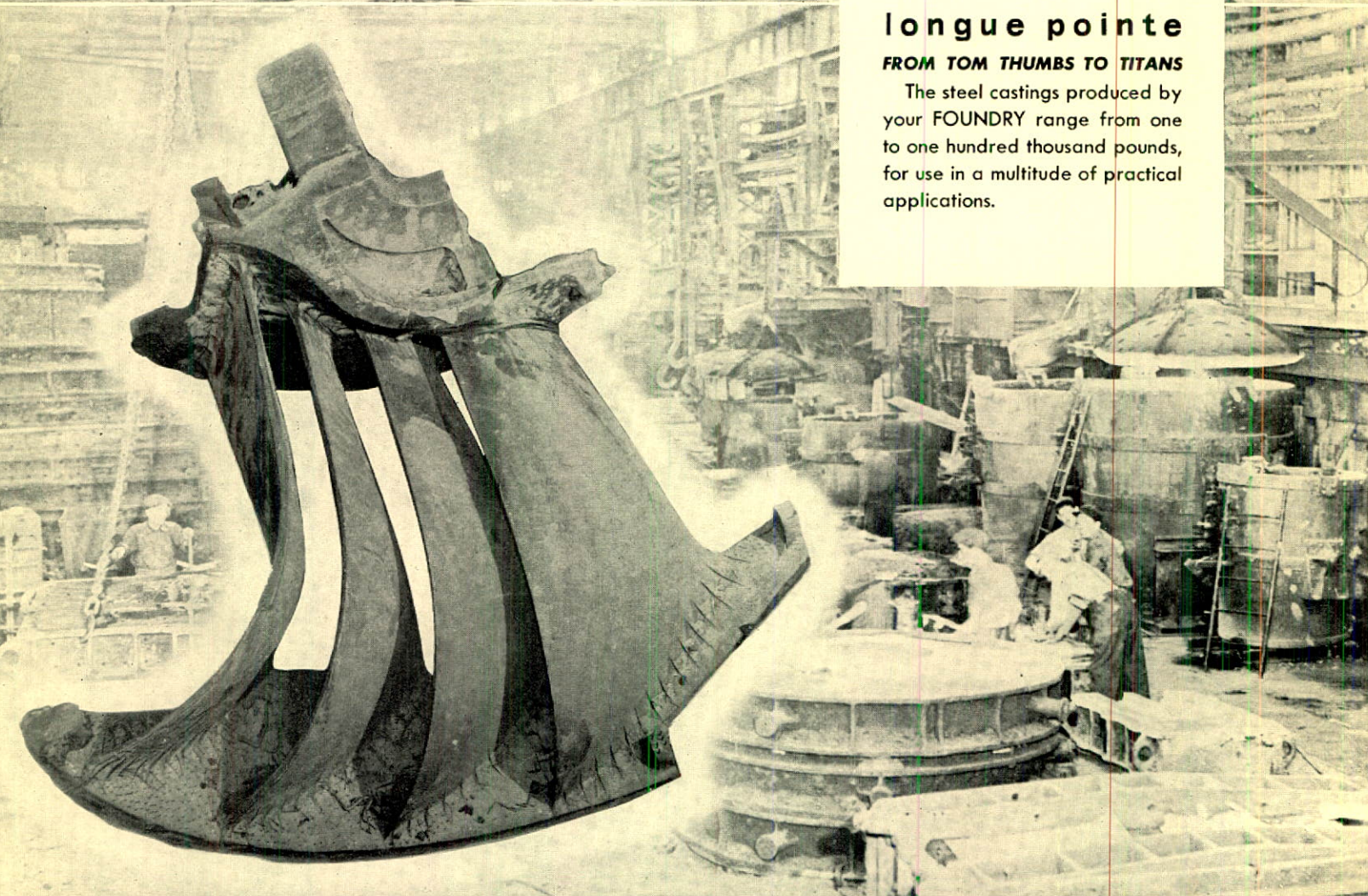
MONTREAL, November 23 1951

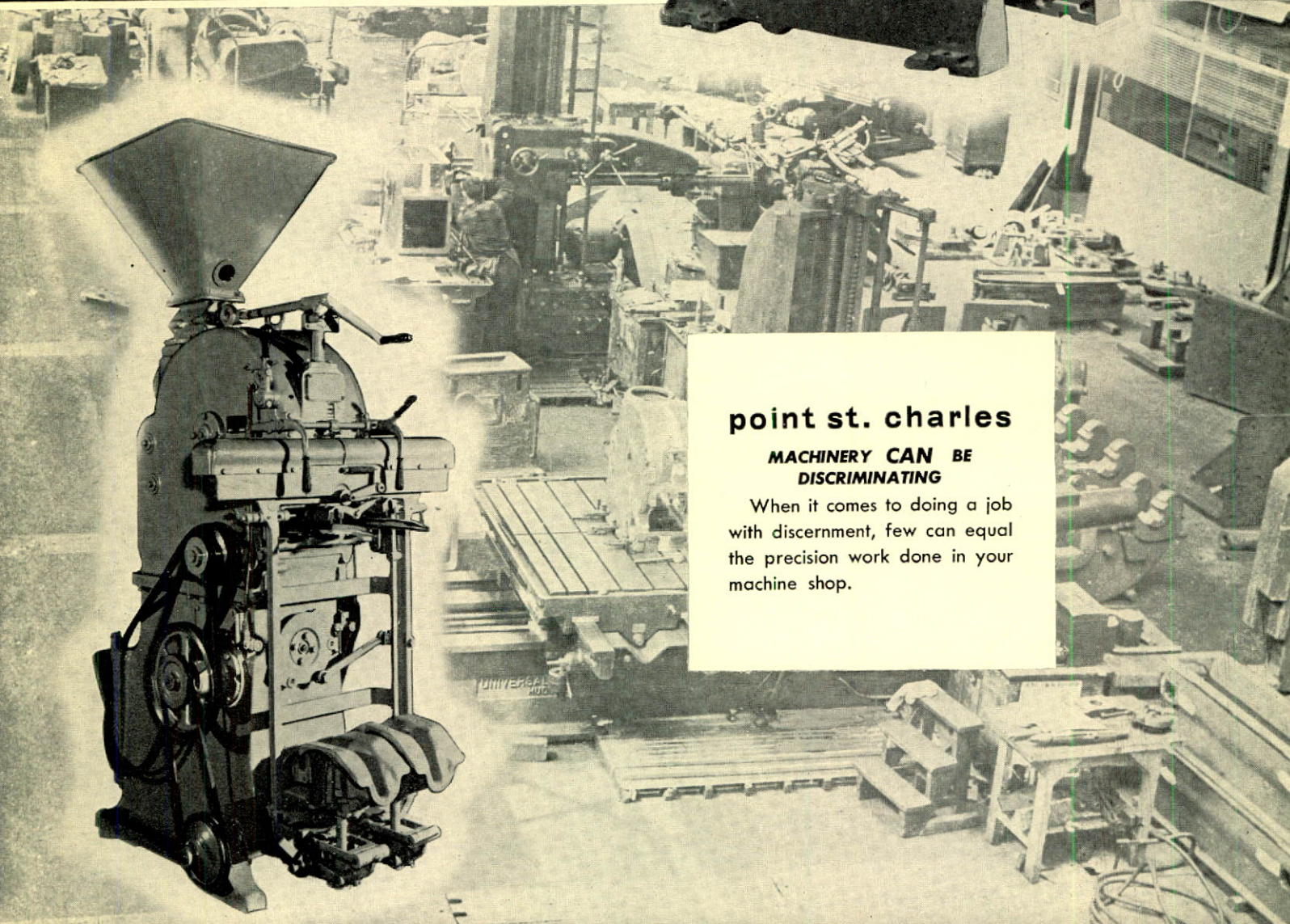
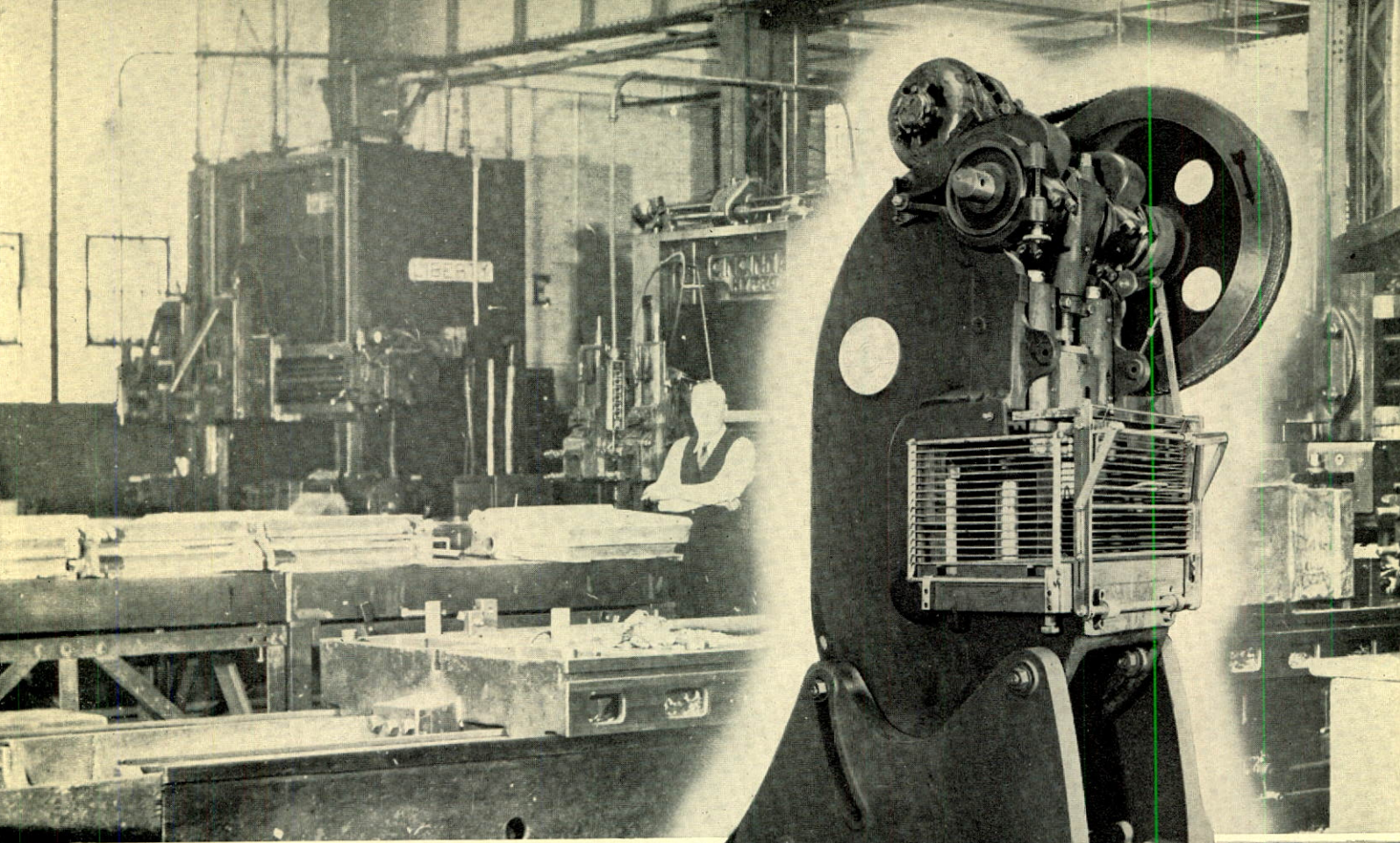


## longue pointe

### FROM TOM THUMBS TO TITANS

The steel castings produced by your FOUNDRY range from one to one hundred thousand pounds, for use in a multitude of practical applications.





## point st. charles

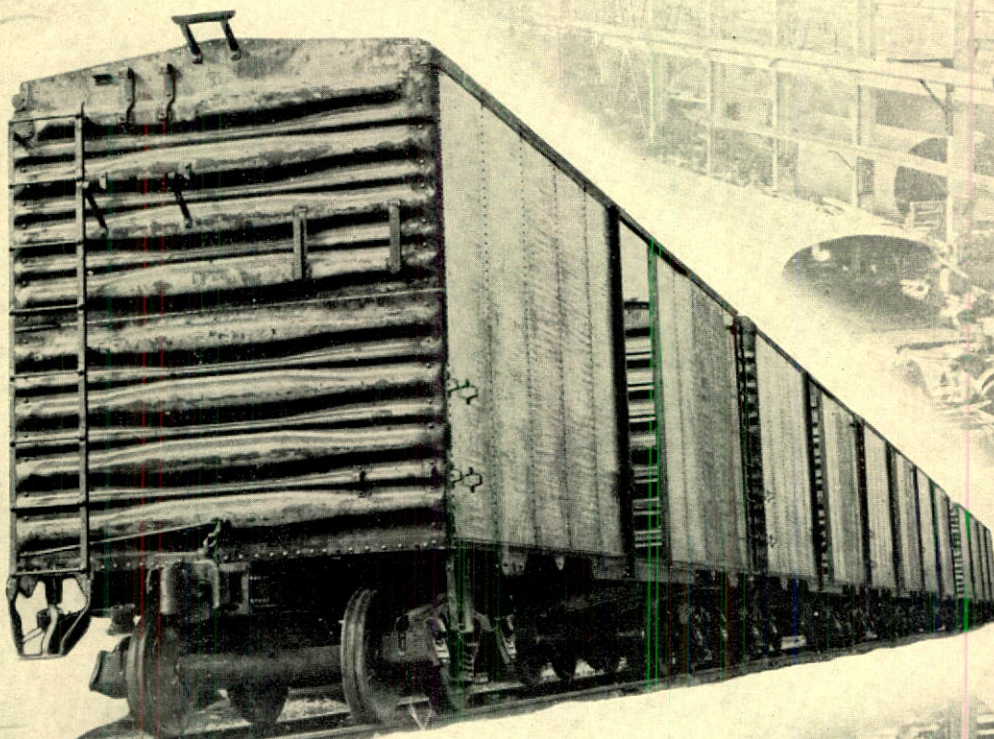
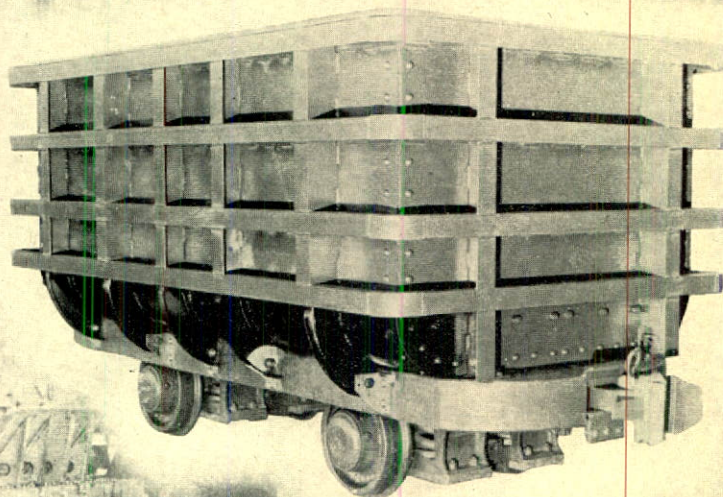
### **MACHINERY CAN BE DISCRIMINATING**

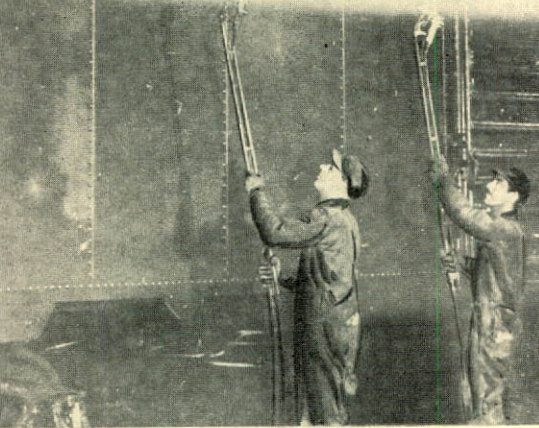
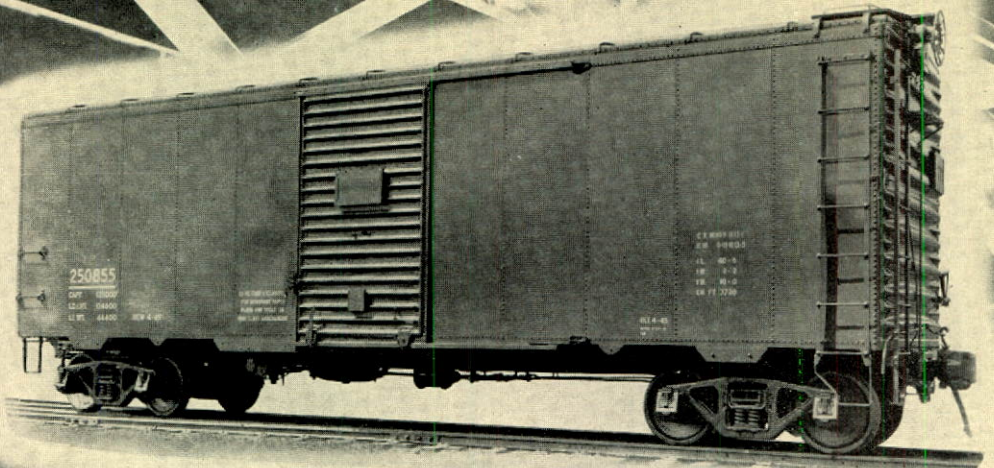
When it comes to doing a job with discernment, few can equal the precision work done in your machine shop.

# d o m i n i o n

## WHEELS THAT CARRY THE WEALTH OF CANADA

A "giant's smithy" of 65 acres  
—that's your DOMINION PLANT.  
There, the steel parts which  
make up railway rolling stock are  
assembled . . . down to the  
sturdy wheels which must bear so  
much of the weight of a great  
trading nation's traffic in passen-  
gers and goods.

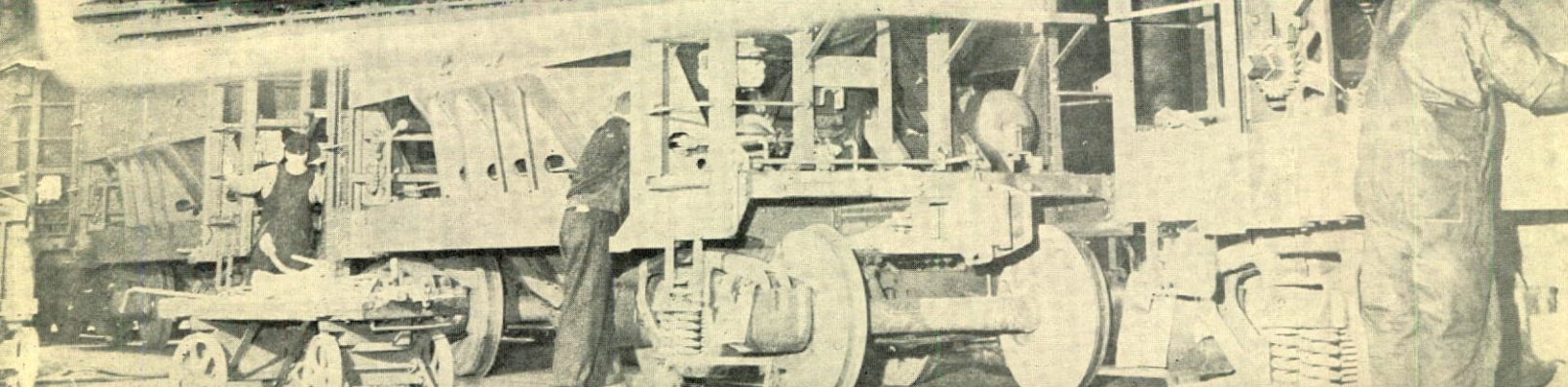
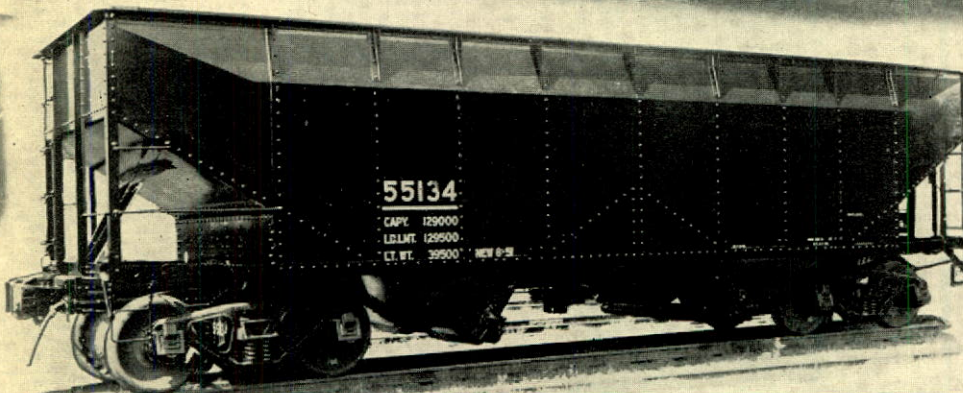


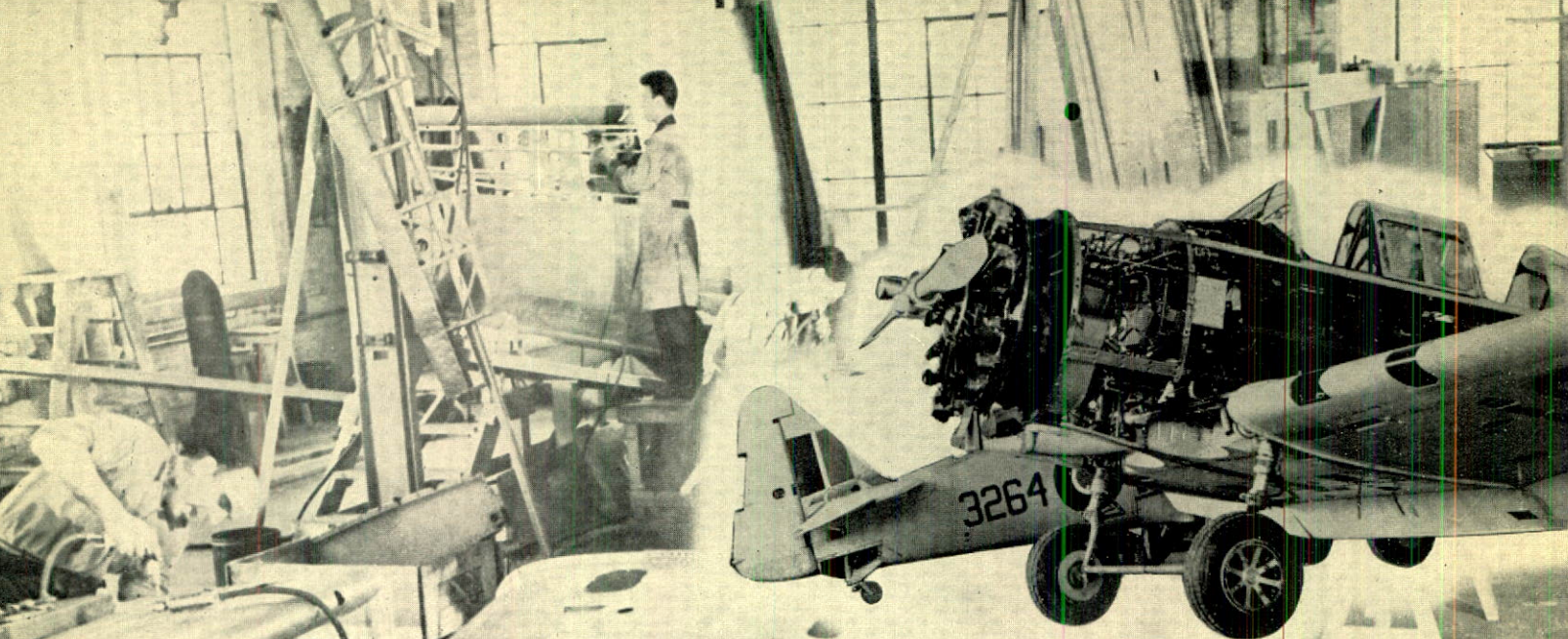


## t u r c o t

### THE LAST TOUCH

First stop for new rolling stock after leaving your Dominion Plant is TURCOT which is the finishing plant. When the freight, passenger and other cars leave Turcot, they are on the way to the customer.

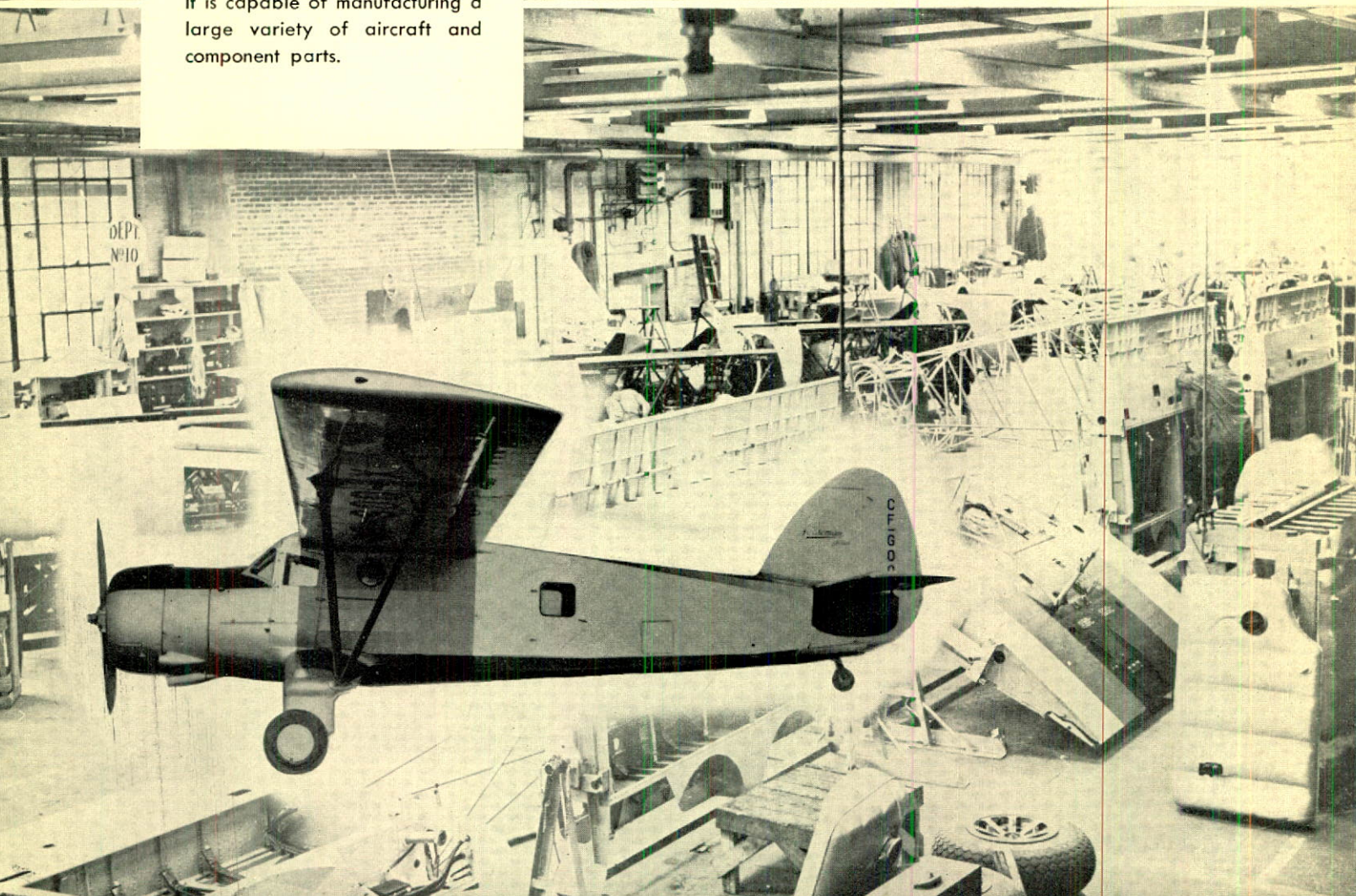
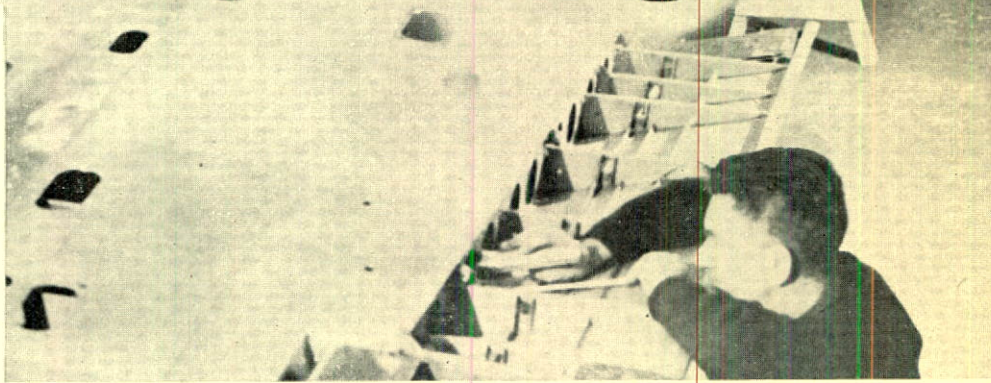




## st. laurent

### WINGS FOR BUSH PILOT OR BEGINNER . . .

Your AIRCRAFT DIVISION in ST. LAURENT is the home of the Norseman, sturdy pioneer of many miles of bush flying, Harvard trainers, and other aircraft. It is capable of manufacturing a large variety of aircraft and component parts.



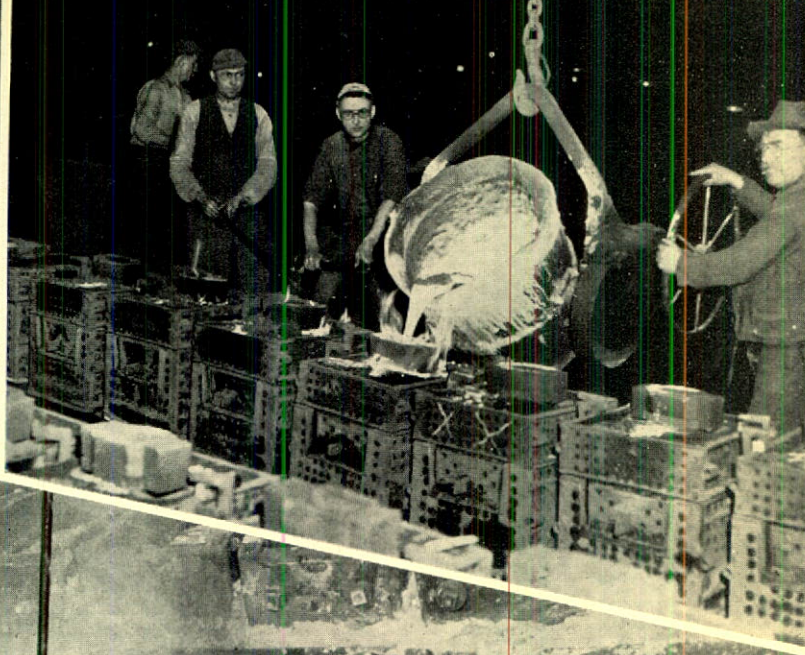


## fort william

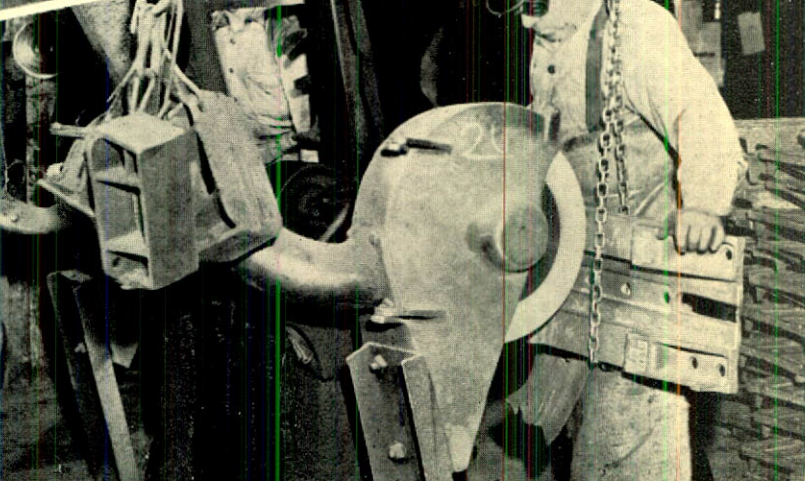
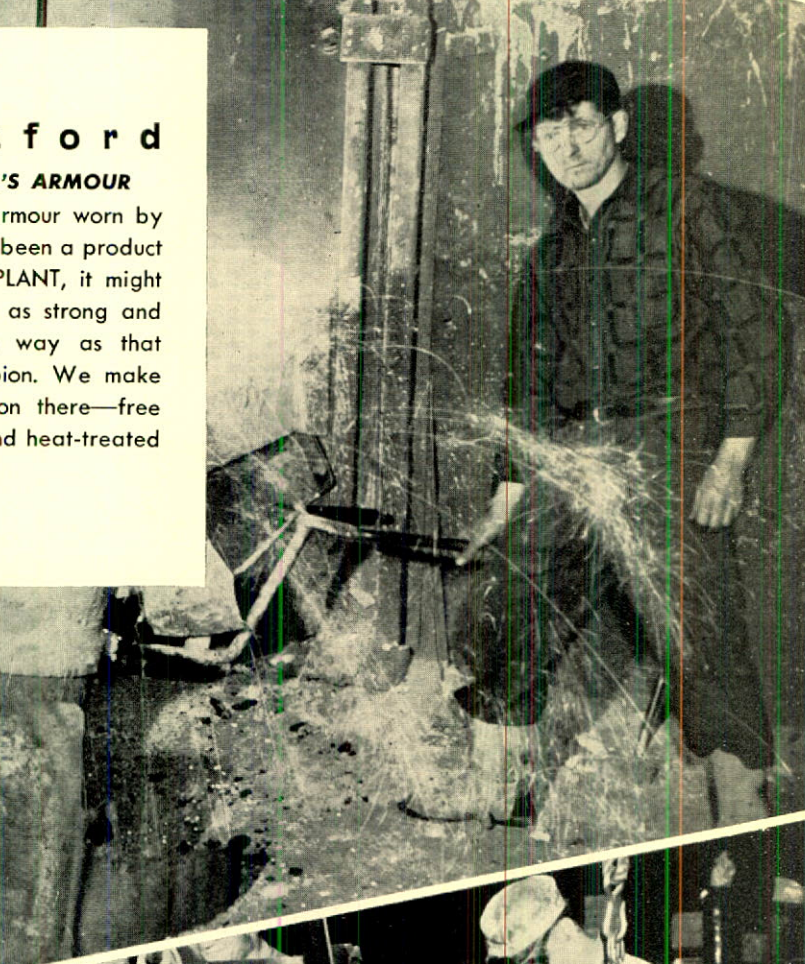
### **TRACKLESS TROLLEYS, HUTS AND TRAINERS**

The unusual combination of products manufactured at your FORT WILLIAM PLANT includes gasoline and diesel buses, trackless trolleys; the Harvard training plane; and the aluminium and plywood special-purpose Arctic hut.

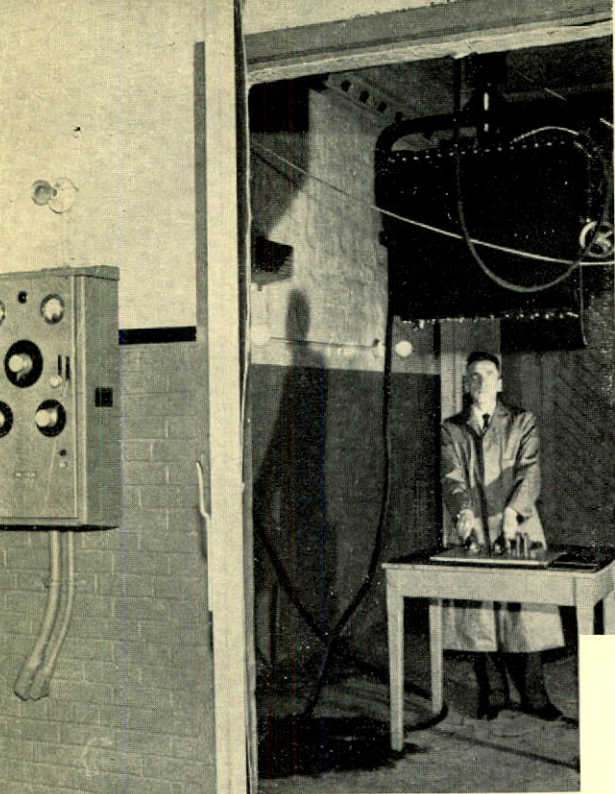




**brantford**  
**SIR GALAHAD'S ARMOUR**  
If the suit of armour worn by Sir Galahad had been a product of BRANTFORD PLANT, it might have proven just as strong and pure in its own way as that legendary champion. We make our malleable iron there—free from impurities and heat-treated for toughness.



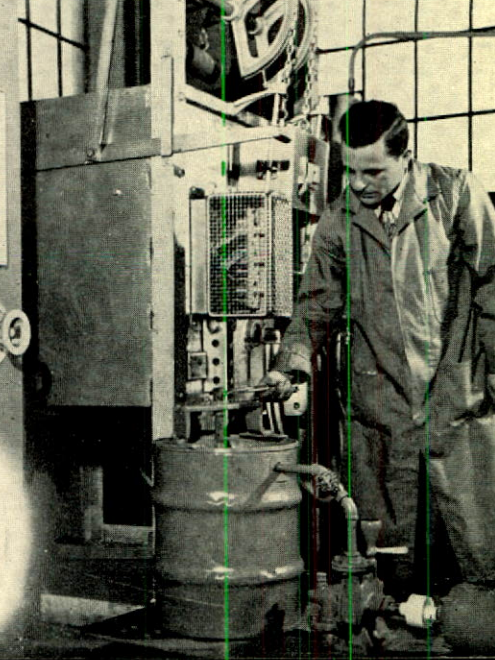
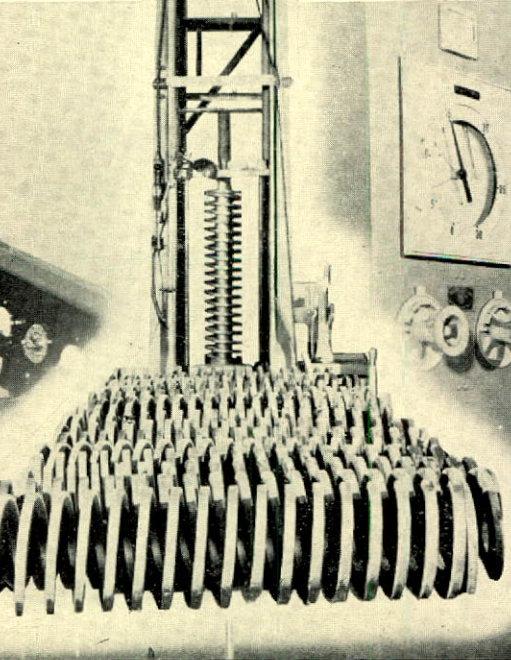
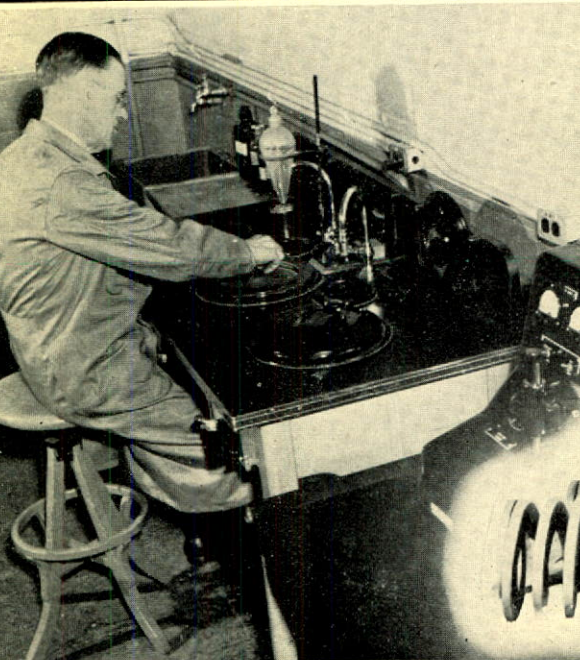
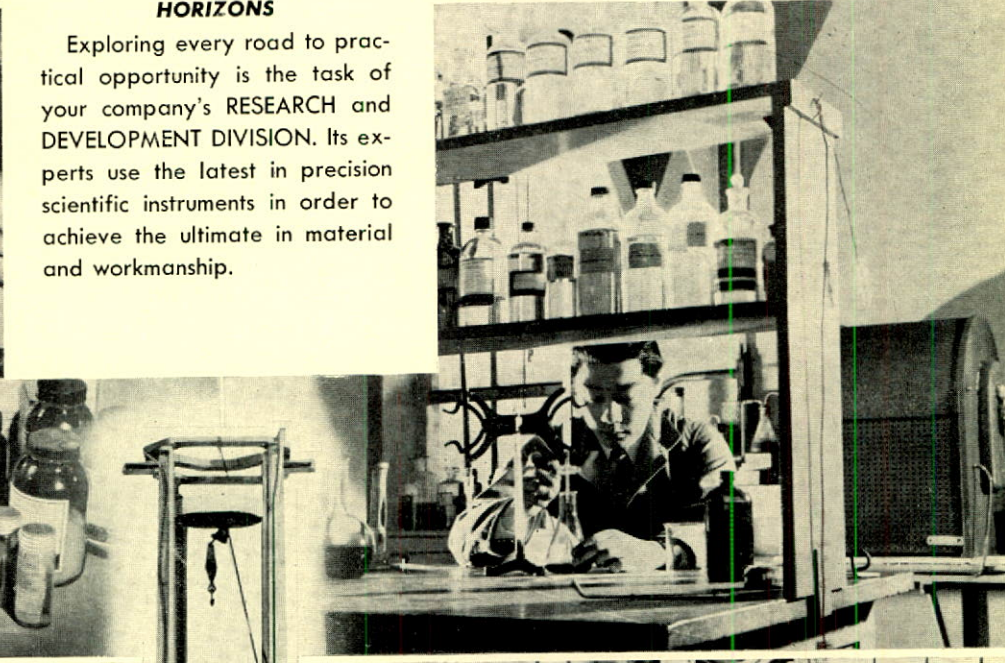
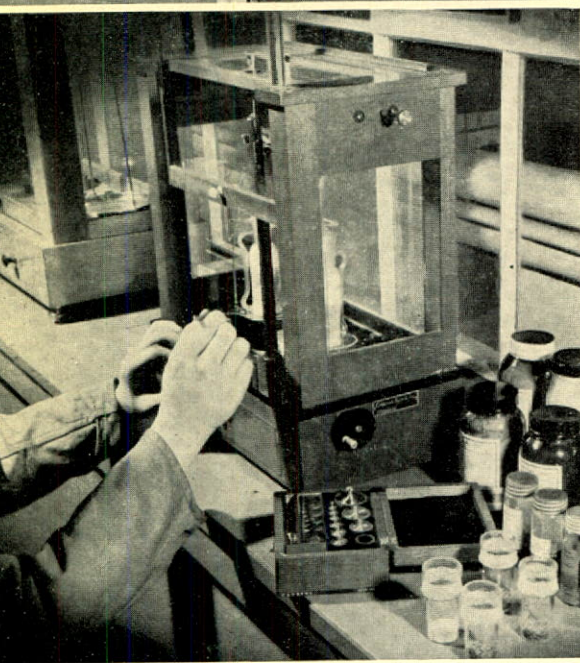




## r e s e a r c h

### NARROW WAYS TO WIDE HORIZONS

Exploring every road to practical opportunity is the task of your company's RESEARCH and DEVELOPMENT DIVISION. Its experts use the latest in precision scientific instruments in order to achieve the ultimate in material and workmanship.



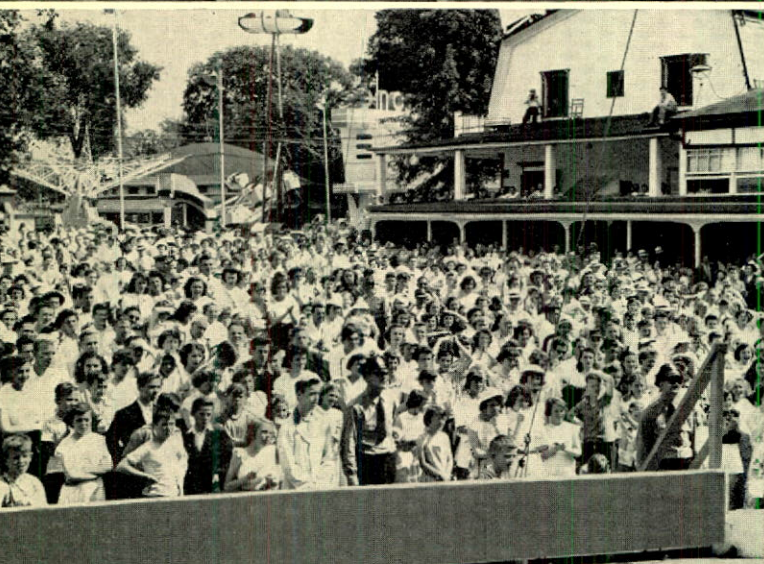
## **IN MUTUAL UNDERSTANDING...**

Labour and management men make a friendly team at all your plants. Building this vital relationship is a special function of the Industrial Relations Department. It negotiates a multiplicity of agreements with trade and industrial unions. You see some negotiations in progress.



## **IN GENUINE FRIENDSHIP . . .**

CAN-CAR people work as well as play together. The annual picnic is a major event. Employees also enjoy special opportunities to see company-sponsored hockey and soccer teams in action. The Quarter-Century Club has approximately 1000 members. These old-timers hold "get-togethers" twice every year.





**CAN-CAR**