

c
stock

41ST ANNUAL REPORT



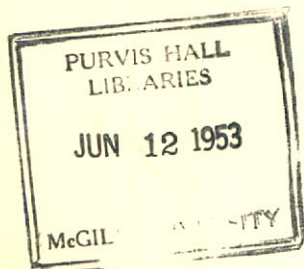
CANADIAN
CAR & FOUNDRY
COMPANY

LIMITED

MONTREAL

CANADA

1950



CANADIAN CAR & FOUNDRY

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

C O M P A N Y ,
L I M I T E D

BOARD OF DIRECTORS

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

OFFICERS

V. M. DRURY, *President*
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*

SOLICITORS

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

AUDITORS

PRICE, WATERHOUSE & Co.

BANKERS

BANK OF MONTREAL
THE ROYAL BANK OF CANADA

GENERAL OFFICES

621 CRAIG STREET WEST, MONTREAL 3, CANADA



F O R T Y - F I R S T A N N U A L R E P O R T

YEAR ENDED SEPTEMBER 30, 1950

TO THE SHAREHOLDERS :

The Directors submit herewith the forty-first annual report of your Company and its wholly owned subsidiary Companies for year ended September 30, 1950.

The net profit amounts to \$782,752 after providing for depreciation and income taxes.

The net reduction in capital assets during the year was \$788,528.

The net working capital is \$10,101,443, an increase of \$265,448 over that of 1949.

Orders for rolling stock placed with your Company by the Canadian railways within the fiscal year were insufficient to keep the car shops fully occupied over the twelve-month period. Delivery schedules were hampered by material shortages and, as a result of these combined circumstances, financial returns from the Car Division were affected.

Your Fort William Plant, as the Automotive Division of your Company, has maintained steady operation through the manufacture of trackless trolley-coaches and gasoline buses for delivery to transit companies from coast to coast. The trackless trolley-coach, in particular, is receiving wide acceptance across the country and its potential shows much promise. Arrangements have been finalized with the A.C.V. Sales Limited, of London, England, for the sole rights to distribute in Canada and the United States the AEC Limited diesel engine which is now available for installation in our Brill buses. During the year the Automotive Division developed a smaller passenger bus for the market which exists for that size of vehicle and the pilot model, which is now on a demonstration tour of the country, is creating favourable comment.

The Fort William Plant continued to service the fleet of tank cars owned and operated by your partly owned subsidiary company, Canadian General Transit Company, Limited, and the tank cars of other western operators.

Your Company has become affiliated with the General Steel Castings Corporation through an exclusive manufacturing and sales licence agreement, and Commonwealth castings are now produced at the Longue Pointe Plant of the Foundry Division for the railway and diesel locomotive fields. This Division also supplies castings to the marine industry and to the trade generally.

The Aircraft Division at the St. Laurent premises has been occupied with the reconditioning and modification of Harvard trainers for the RCAF, and the fabrication and supply of spare parts for these aircraft, which are in active use with the Air Force training units of many foreign countries. This Division has in addition overhauled other types of aircraft for government and commercial operators, and has produced and sold the Norseman aircraft for the domestic market and spares for this aircraft to civil and military owners.

The Agency of Canadian Car and Foundry Company, Limited (New York), through a committee which comprises a grouping of award-holders under the Mixed Claims Commission award of 1939, participates in procedural activities directed toward the recovery of amount owing under the award. However, no payment has been received on this account during the financial year covered by this report but we anticipate further payments from time to time as funds come into the account carried by the U.S. Government in this connection.

Canadian General Transit Company, Limited has had another active year in the leasing of tank cars, and the trend of their operations, linked as they are to the development of the oil fields of the west, are favourable.

The year in retrospect, insofar as volume of sales is concerned, is below expectations due, in large measure, to deferred placement of orders for rolling stock by the railways. Substantial orders have subsequently been negotiated with the railways and prospects for the coming fiscal year in the matter of earnings are accordingly favourable. These orders should allow for sustained operation of your car plants during 1951 and into 1952, subject to availability of essential material.

It is anticipated that the facilities of other plants of your Company will be utilized in conjunction with industrial development and preparedness projects now in formulation for national defence requirements.

The Directors wish to record their full appreciation of the contribution of officers and employees in the rendering of service which has made possible the success of the Company's enterprises.

For the Directors,

V. M. DRURY,
President.

MONTREAL, NOVEMBER 28, 1950.

CANADIAN CAR & FOUNDRY COMPANY,

LIMITED

and wholly owned subsidiary companies

ASSETS

CURRENT ASSETS:

Cash on hand and with bankers.....	\$ 387,386.50	
Accounts receivable, less reserve of \$50,000.00.....	4,710,568.07	
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 \$230,000.00 and less progress billings of \$270,012.31 on contracts	10,981,521.61	
Unexpired insurance, prepaid taxes and other charges to future operations.....	487,601.38	\$16,567,077.56

REFUNDABLE PORTION OF EXCESS PROFITS TAX

(Assigned to War Assets Corporation).....		77,948.82
---	--	-----------

INVESTMENT IN AND ADVANCES TO PARTLY OWNED SUBSIDIARY COMPANIES:

Investment, at cost.....	\$ 850,000.00	
Current account.....	48,713.35	898,713.35

CAPITAL ASSETS:

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

Land.....		\$ 1,858,488.37	
Buildings, machinery and equipment.....	\$23,631,942.89		
Less: Reserve for depreciation provided since above date.....	8,523,599.01	15,108,343.88	16,966,832.25

NOTES:

The net property value subject to future depreciation for income tax purposes is approximately \$9,500,000.00.

Net expenditures aggregating \$5,218,592.58 for buildings, machinery and equipment acquired in connection with war contracts have been fully depreciated and are carried at no value.

\$34,510,571.98

Signed on behalf of the Board:

V. M. DRURY, *Director*

W. F. ANGUS, *Director*

CONSOLIDATED BALANCE SHEET

at September 30 1950

LIABILITIES

CURRENT LIABILITIES:

Bank loans (secured under Section 88 of the Bank Act).....	\$ 2,105,000.00	
Accounts payable and accrued liabilities.....	3,488,056.27	
Income and other taxes.....	797,694.82	
War Assets Corporation, instalments falling due during 1951 in respect of the purchase of capital assets.....	74,148.84	
Amount due re exchange of Preference Shares under arrangement dated December 1 1942.....	734.40	\$ 6,465,634.33

PURCHASE OF CAPITAL ASSETS:

Amount owing to War Assets Corporation payable in annual instalments, in respect of the purchase of land, buildings, machinery and equipment, secured, in part, by assignment of refundable portion of excess profits tax and as to \$108,000.00 by a chattel mortgage.....	\$ 270,097.66	
Deduct: Instalments due during the year ending September 30 1951 less refundable portion of excess profits tax assigned there-against, shown under current liabilities.....	74,148.84	195,948.82

OPERATING AND MISCELLANEOUS RESERVES.....

335,484.53

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
Note—Of the 269,992 Cumulative Participating (Redeemable) Preference Shares called for redemption on February 18 1946 691 have not yet been presented for payment and funds are held by the Company's bankers in trust therefor.		
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 1949.....	\$ 678,052.45	
Less: Adjustments in respect of properties sold and equipment scrapped during the year.....	65,467.28	\$ 612,585.17
Refundable portion of excess profits tax (Per contra).....		77,948.82
Earned surplus — Per attached statement.....	9,677,970.31	10,368,504.30
		\$34,510,571.98

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

Submitted with our report to the Shareholders dated November 23 1950

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 Ending September 30 1950

Combined operating profit for the fiscal year ending September 30 1950, before taking into account the items shown below.....		\$ 2,505,122.35
DEDUCT:		
Fees of directors and executive committee.....	\$ 10,335.00	
Compensation of officers.....	126,473.00	
Legal expenses.....	9,543.42	
Interest charges on balance payable to War Assets Corporation.....	5,500.55	
Provision for depreciation.....	1,207,018.10	1,358,870.07
		\$ 1,146,252.28
ADD:		
Dividends received from partly owned subsidiary companies.....		123,500.00
Profit for the fiscal year before providing for taxes on income		\$ 1,269,752.28
DEDUCT:		
Provision for taxes on income.....		487,000.00
Net profit for the fiscal year.....		\$ 782,752.28
EARNED SURPLUS AT SEPTEMBER 30 1949.....	\$ 9,948,960.41	
ADD:		
Refundable portion of excess profits tax recovered during the year	66,244.21	
		\$10,015,204.62
DEDUCT:		
Loss on disposal of capital assets.....	\$ 347,956.37	
Adjustment of taxes on income applicable to prior years.....	79,390.22	427,346.59
		9,587,858.03
		\$10,370,610.31
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 1950.....		\$ 9,677,970.31

AUDITORS' REPORT TO THE SHAREHOLDERS OF
CANADIAN CAR & FOUNDRY COMPANY, LIMITED

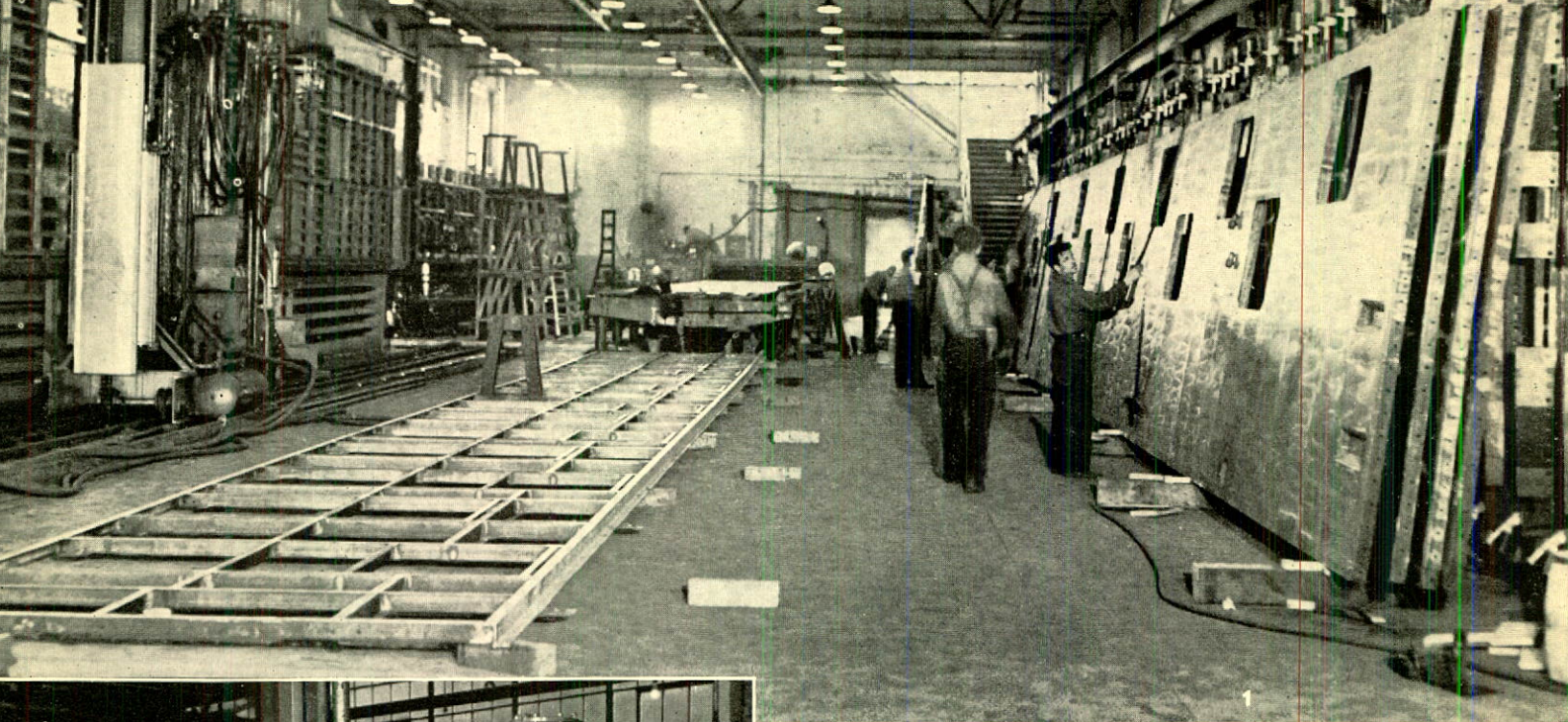
We have examined the consolidated balance sheet of Canadian Car & Foundry Company, Limited and its wholly owned subsidiary companies as at September 30 1950 and the relative consolidated statement of profit and loss and earned surplus for the fiscal year ended on that date and have obtained all the information 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.

The accounts receivable include substantial amounts representing balances owing on billings under certain contracts, the final amounts of which are being questioned; in the opinion of the management these balances will be paid in full and, therefore, no reserves have been provided in this connection. Subject to the realization of the above-mentioned accounts receivable, 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 1950 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.

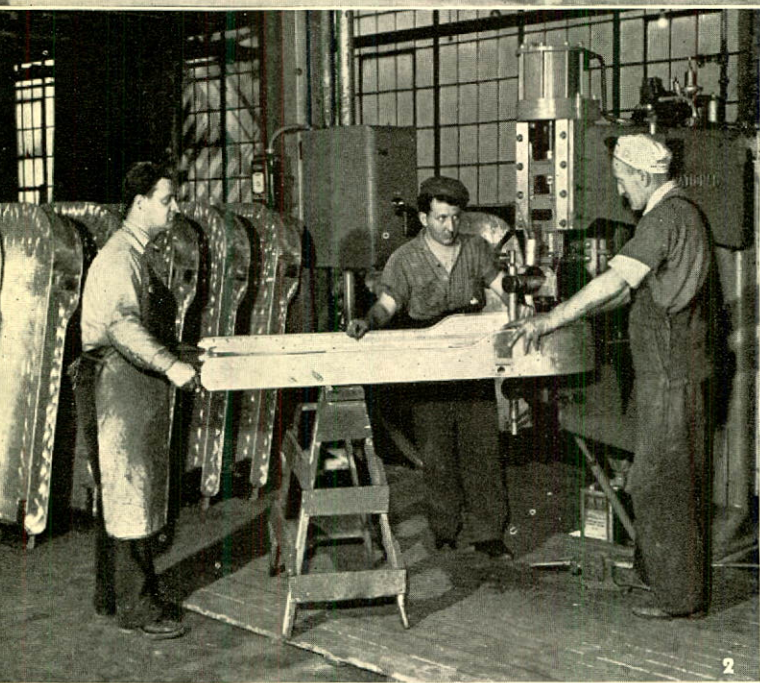
We also report that the earnings of partly owned subsidiary companies are included in the accompanying financial statements only to the extent of dividends received.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, November 23 1950.



1

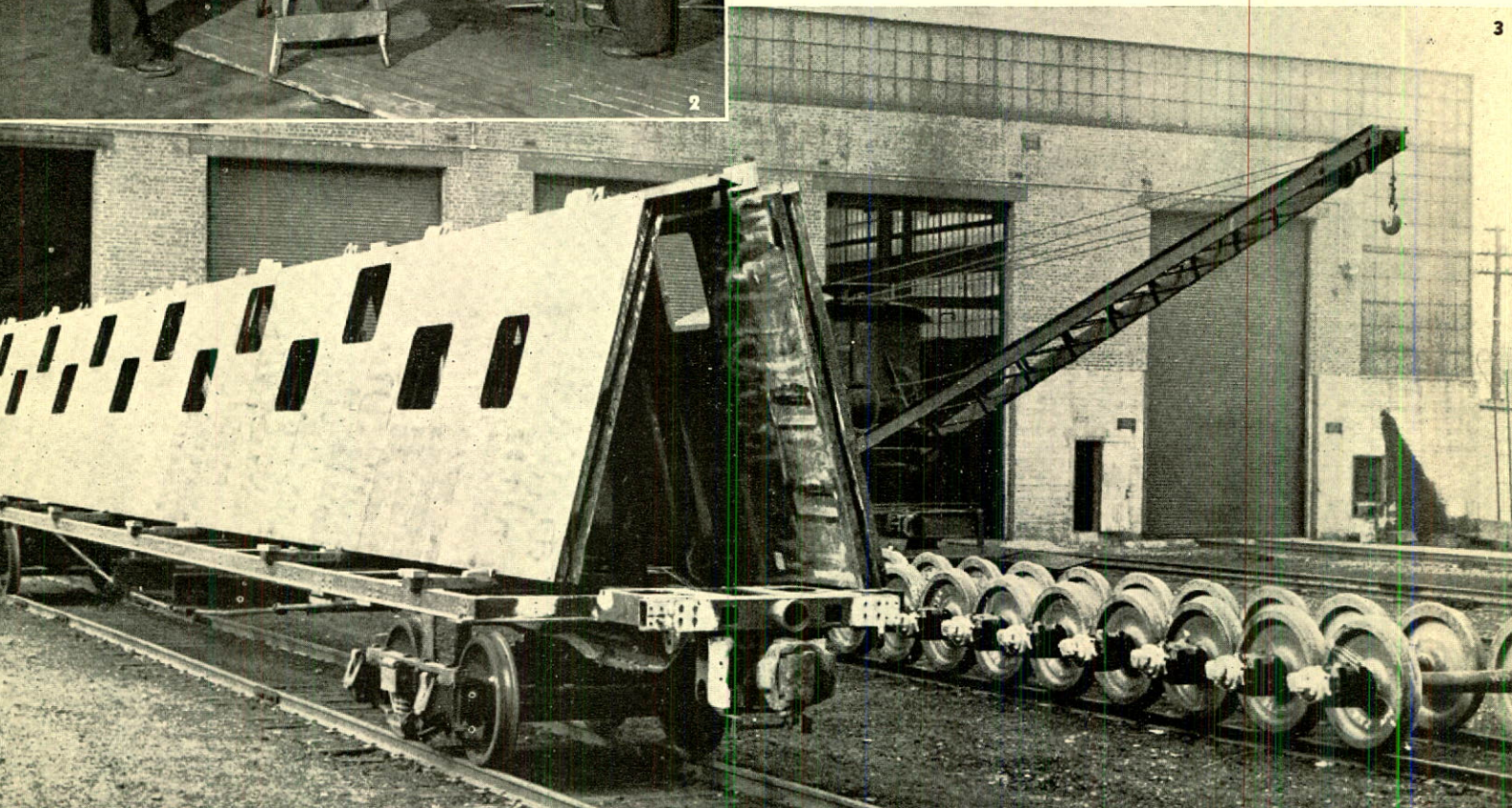


2

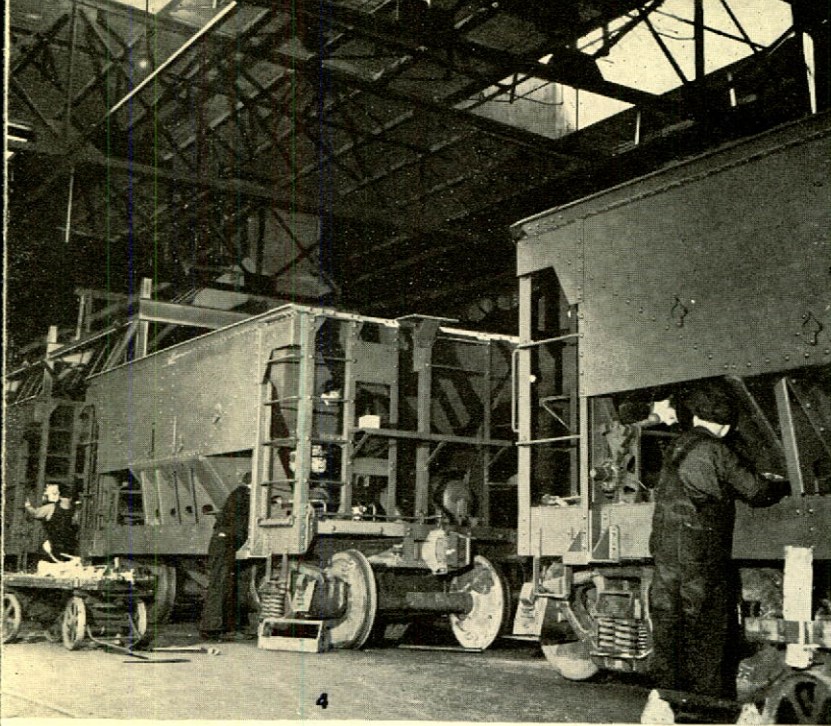
- 1 - Floor view of the welding shop.
- 2 - Spot welding car section.

TURCOT

- 3 - Completed sides of Roomette sleeper ready for assembly.



3



4

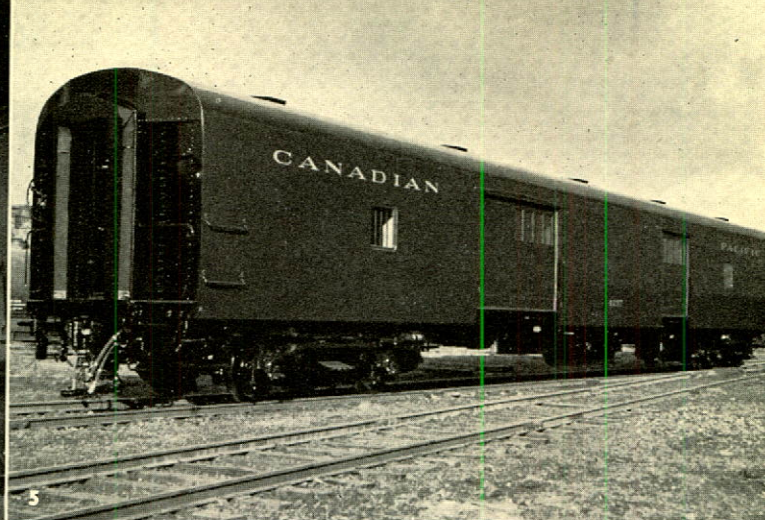
4 - Ore cars on production line.

5 - Completed horse car.

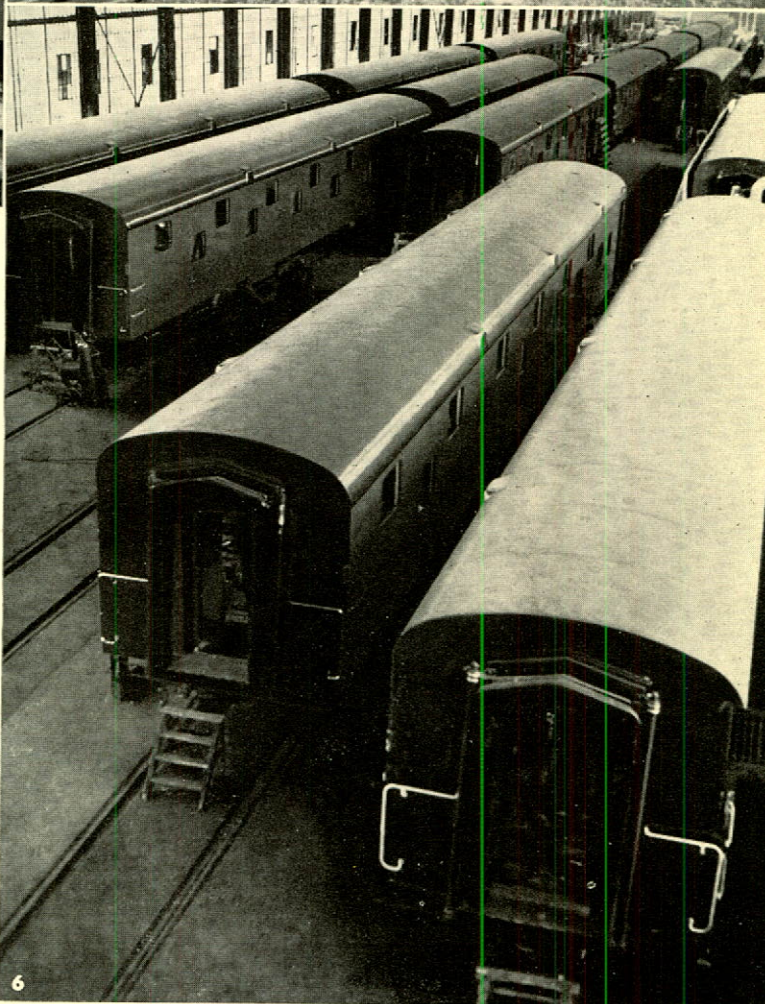
TURCOT

6 - Cars in finishing shop.

7 - Cut-away view of Roomette sleeper.

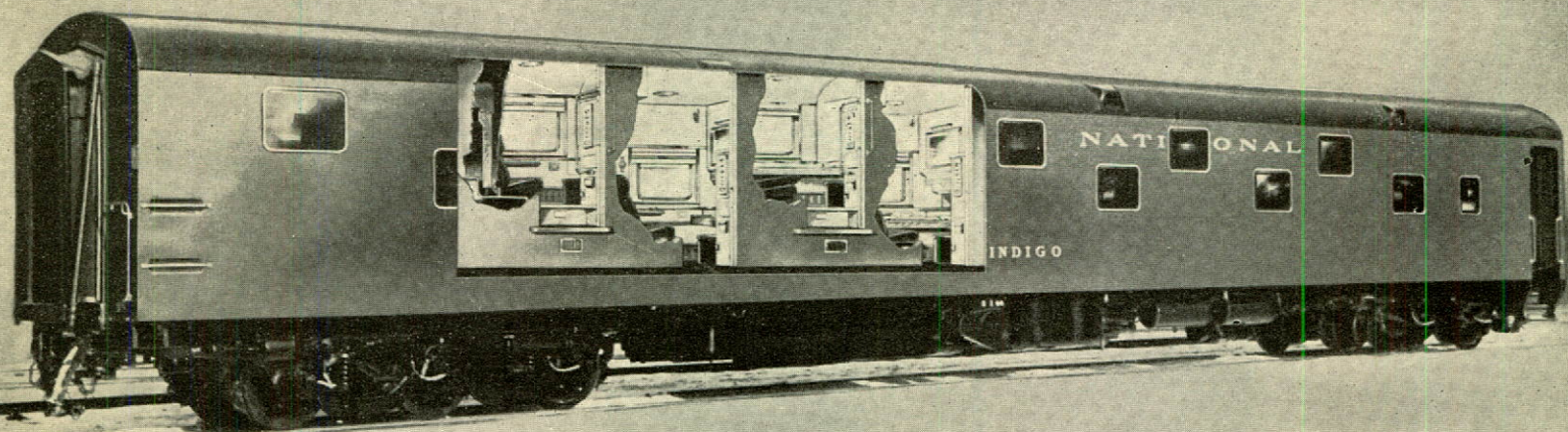


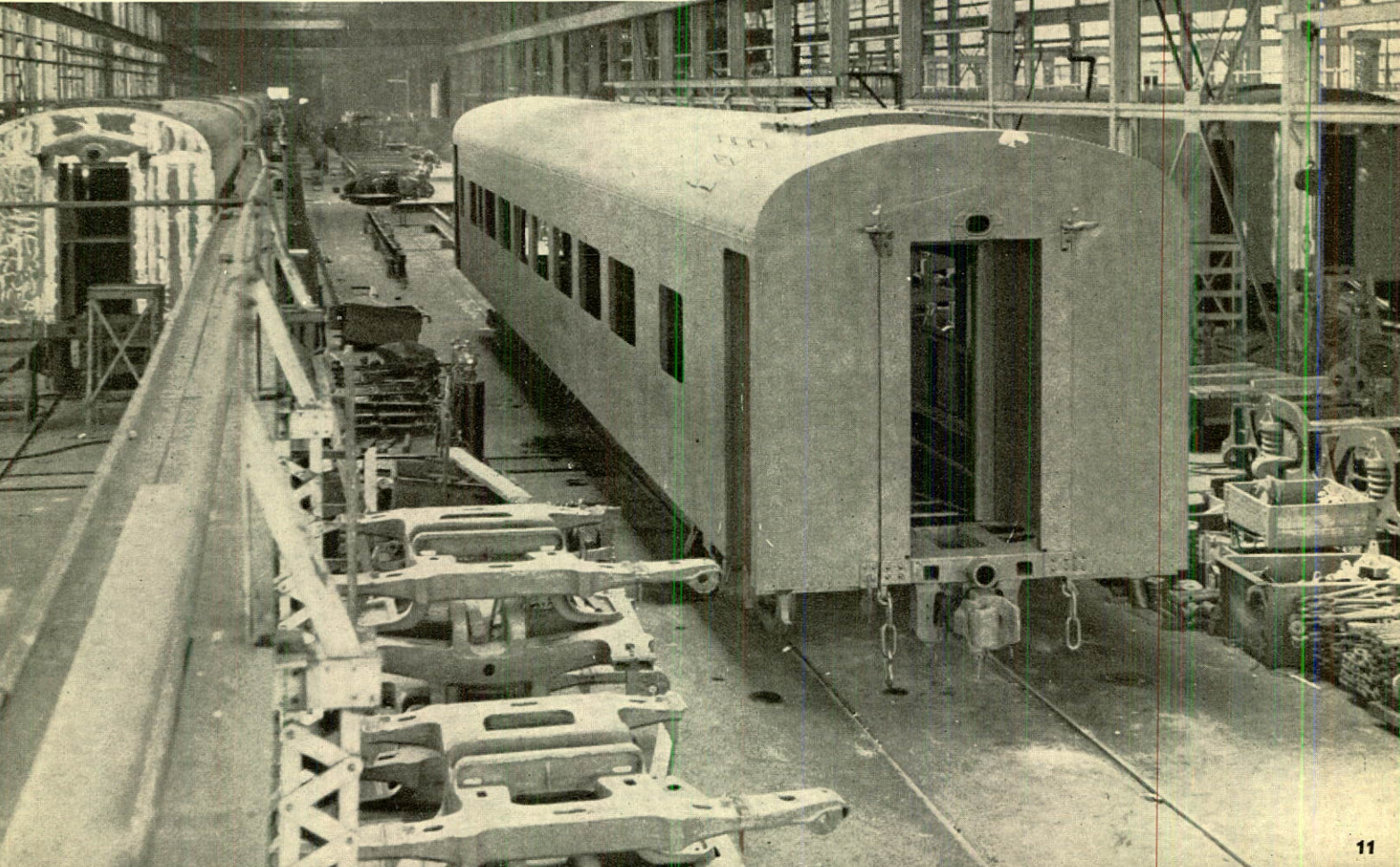
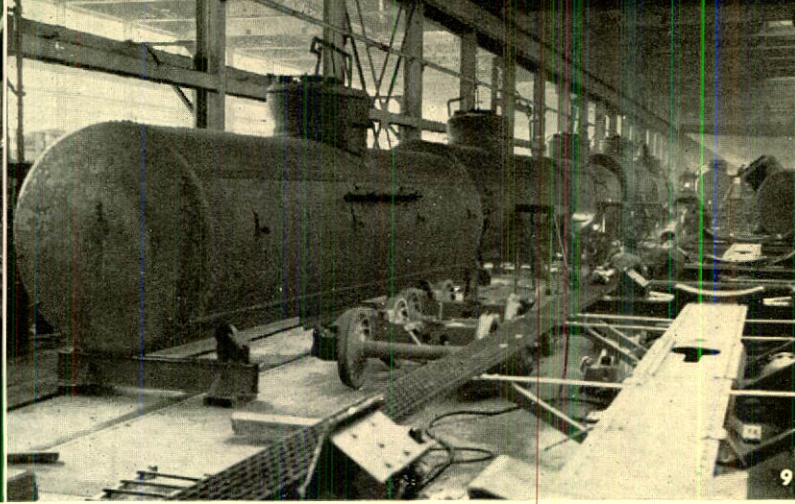
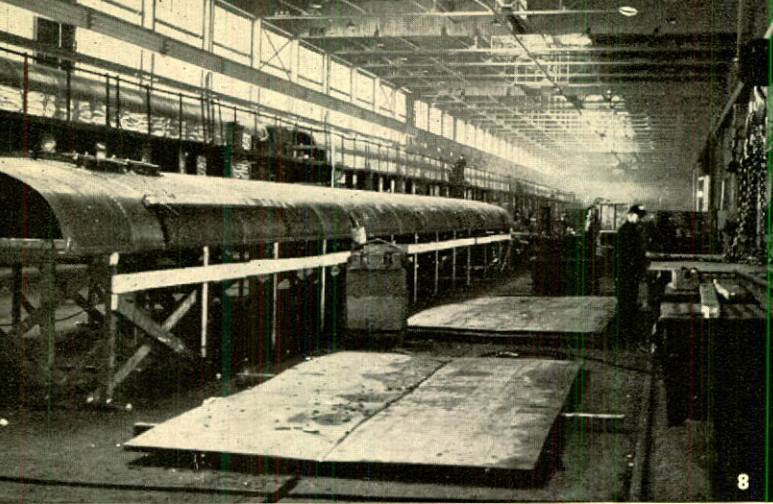
5



6

7

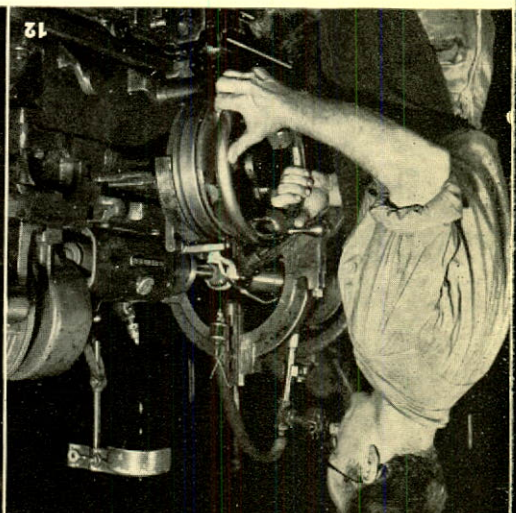
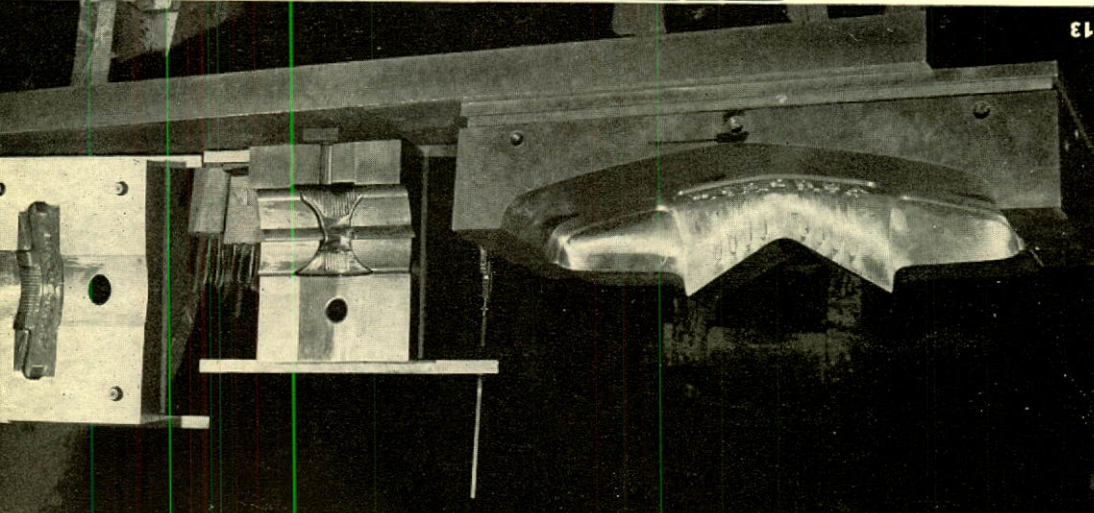
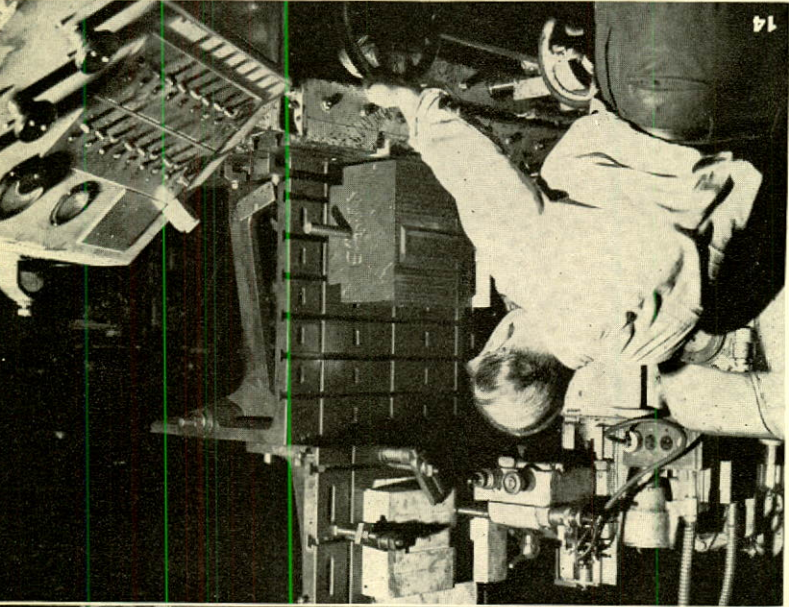
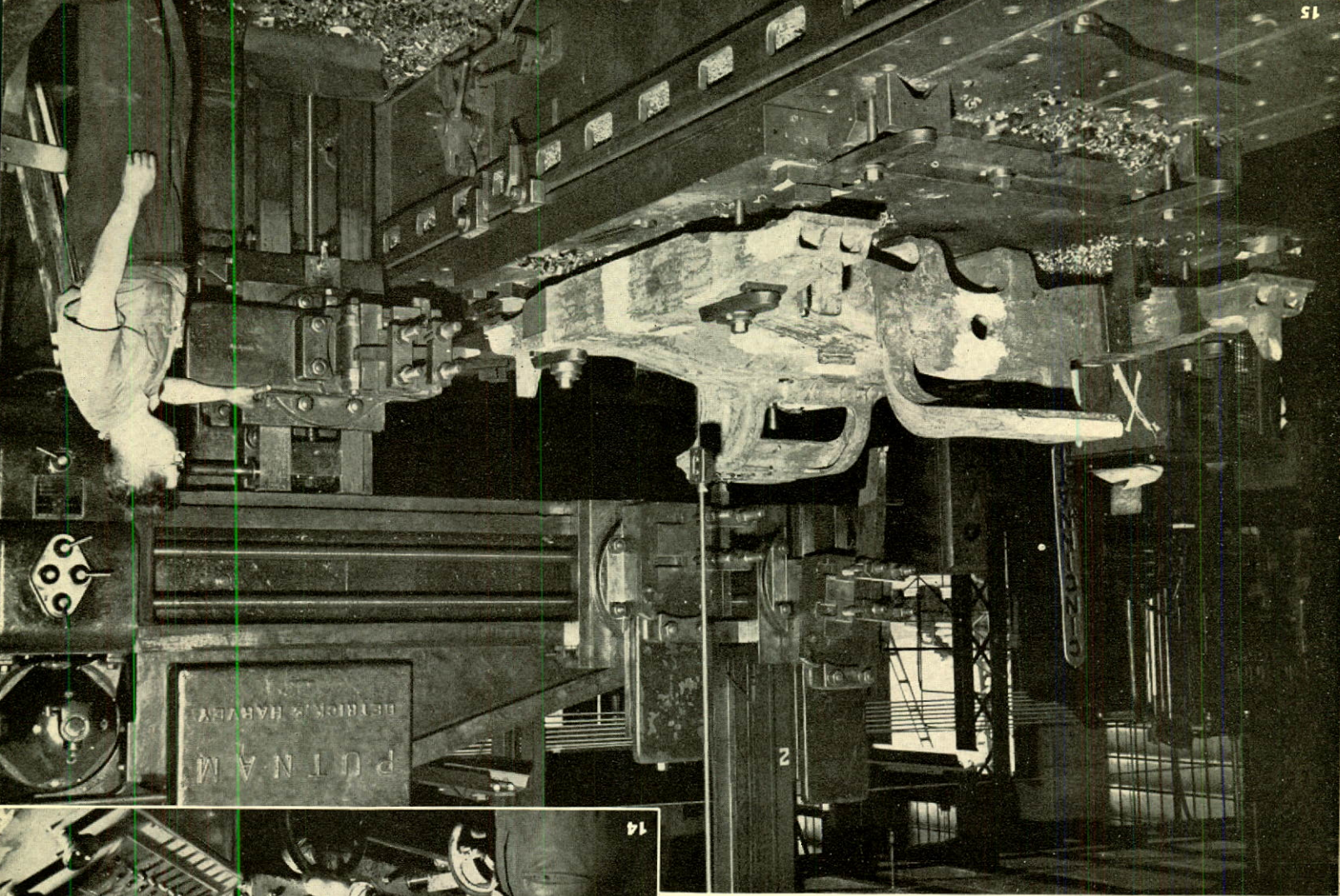




8 - Erection line showing car roof before application.
9 - Tanks and underframes before assembly.

DOMINION

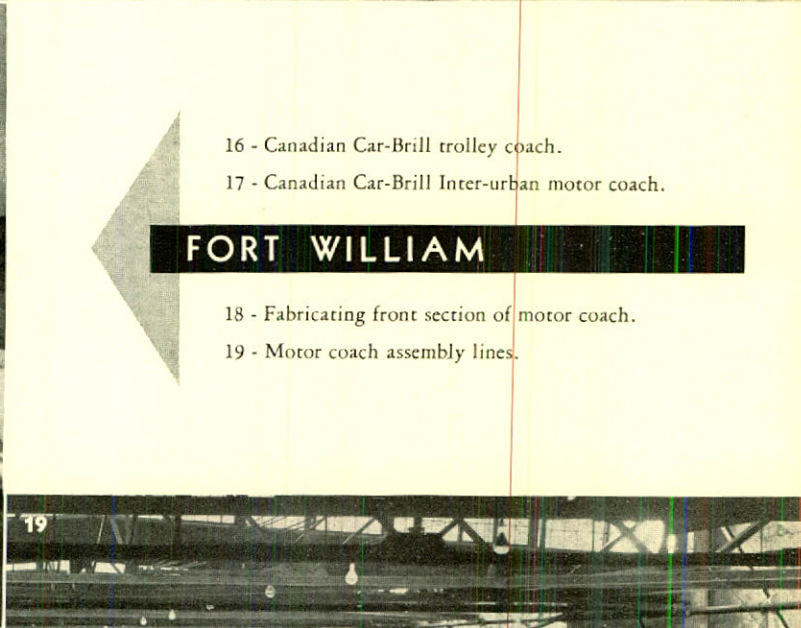
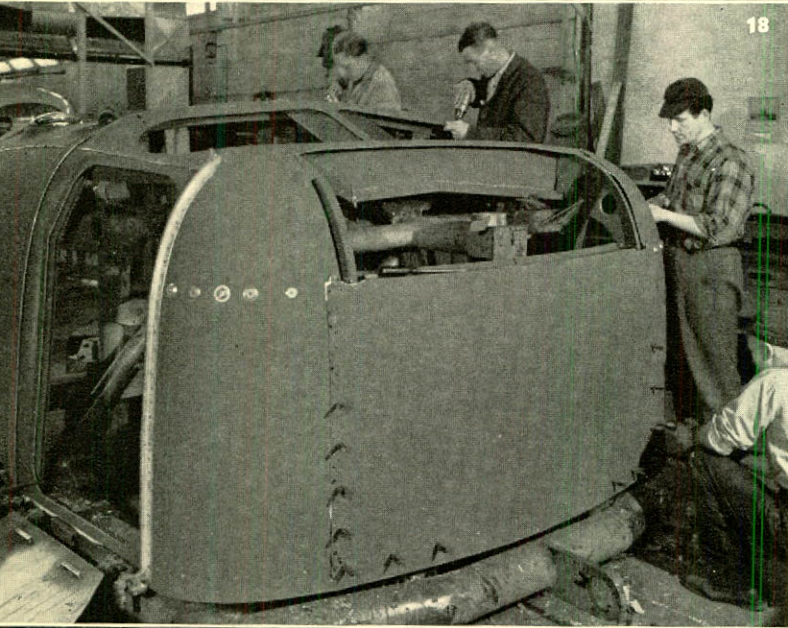
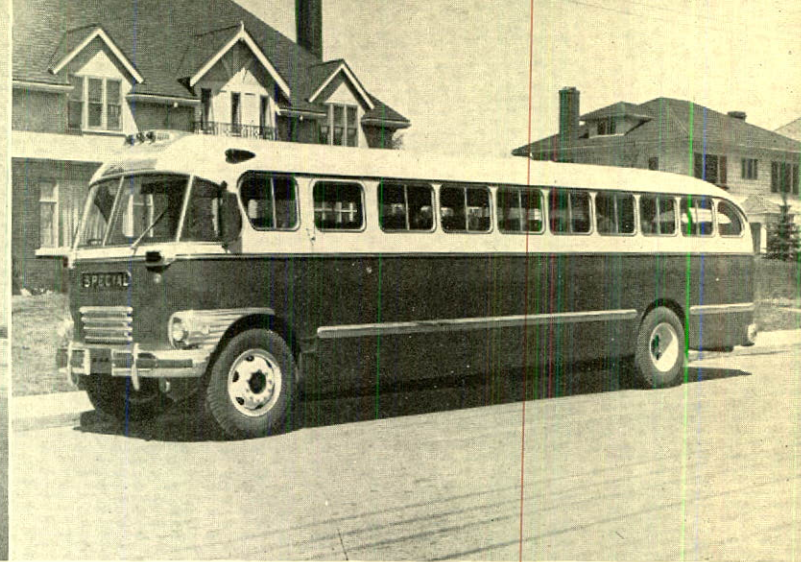
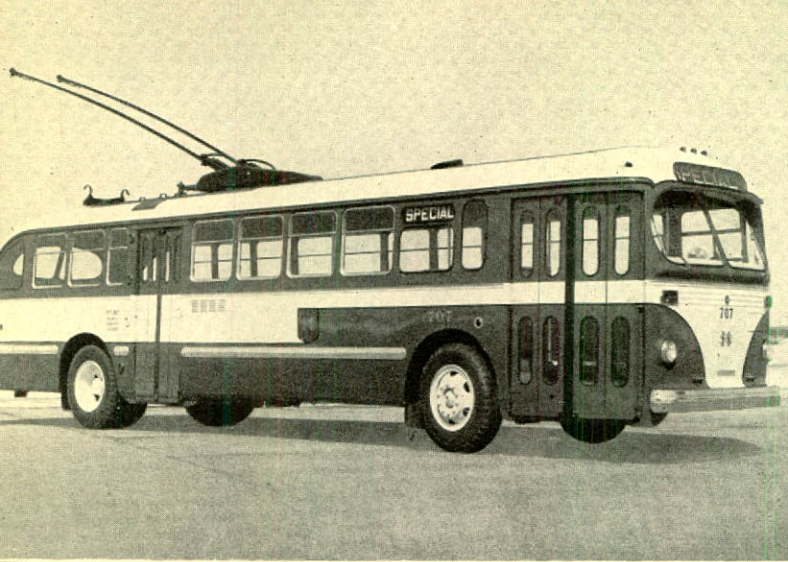
10 - Completing 200 cu. ft. Granby type mine car.
11 - Finished passenger car frame and view of erection lines.



POINT ST. CHARLES

12 - Machining aircraft parts.
13 - Dies for the automotive industry.

14 - Keller Profiling machine for die work.
15 - Machining truck casting for Roomette sleeper.



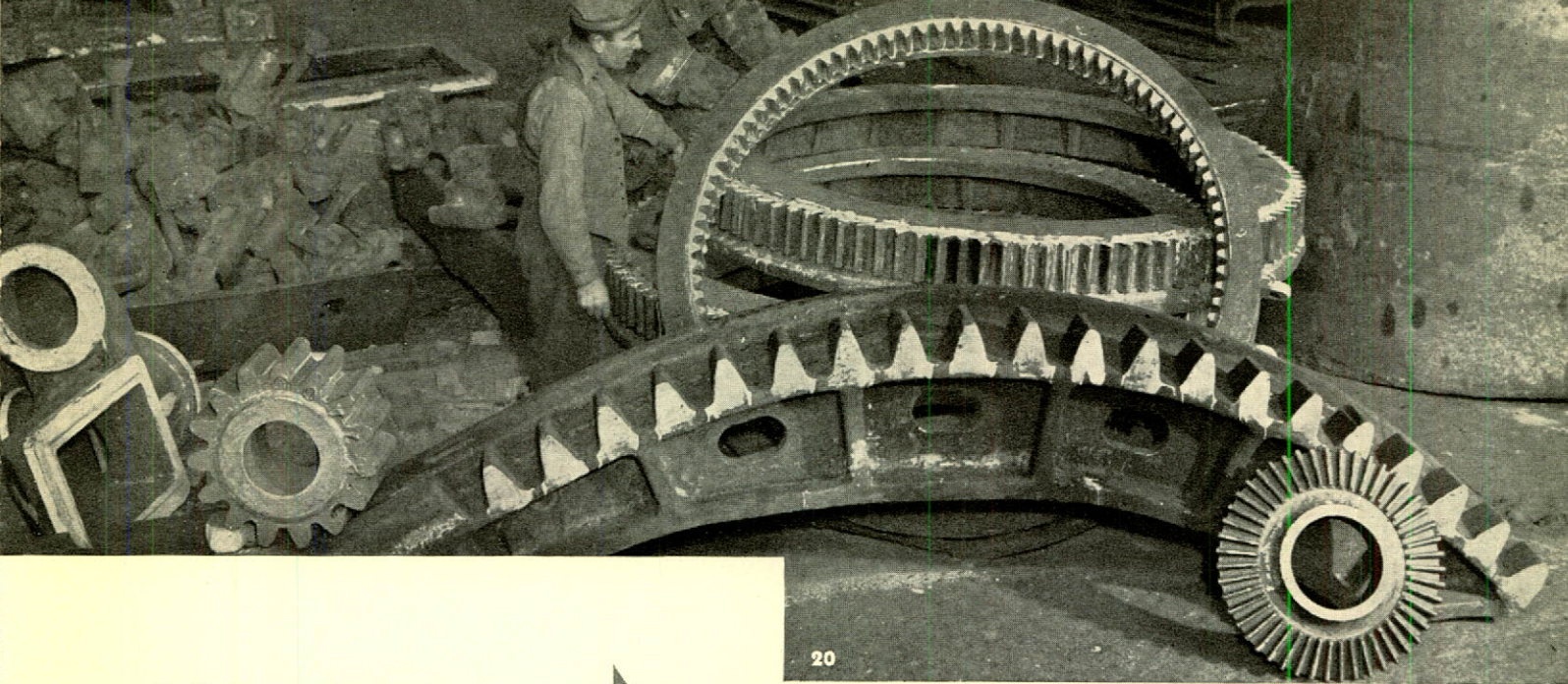
16 - Canadian Car-Brill trolley coach.

17 - Canadian Car-Brill Inter-urban motor coach.

FORT WILLIAM

18 - Fabricating front section of motor coach.

19 - Motor coach assembly lines.



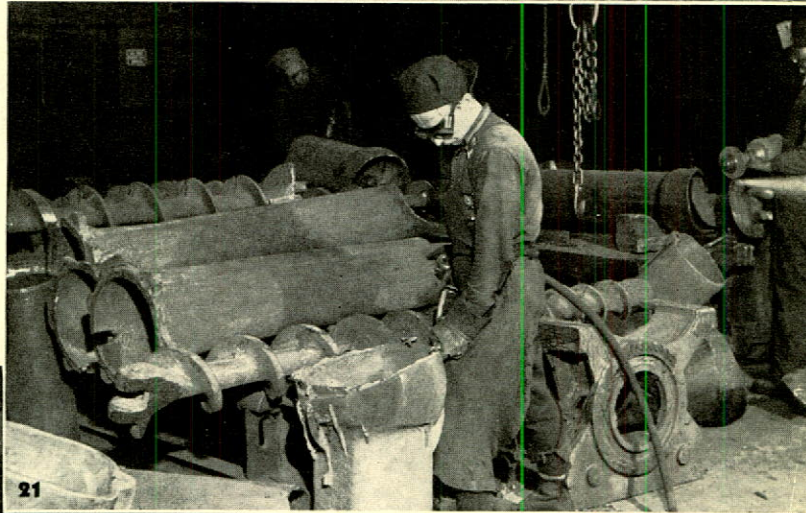
20

20 - Various types of gear castings.

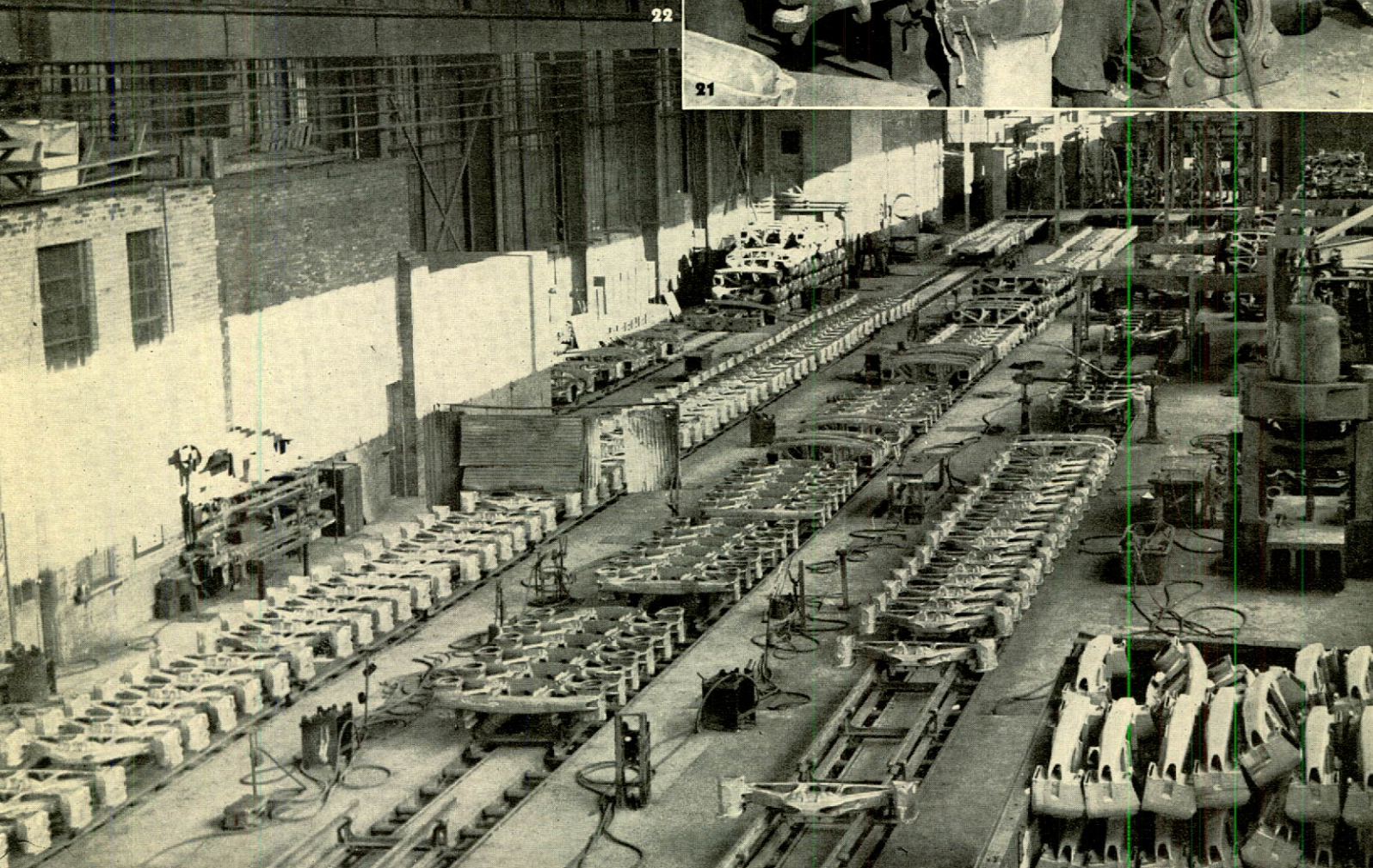
21 - Chipping and grinding automatic stokers.

LONGUE POINTE

22 - View of the new side frame shop.



21



22



23



24

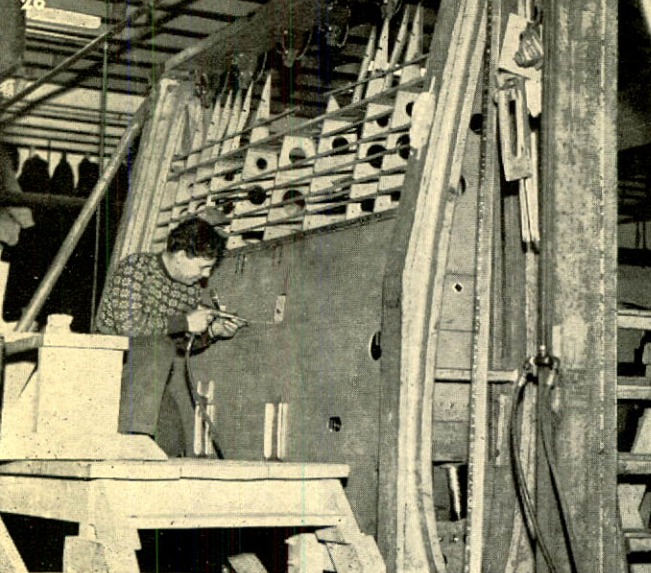
- 23 - Grinding malleable casting.
- 24 - Producing moulds for small castings.

BRANTFORD

- 25 - Removing clean castings from Wheelabrator.



25



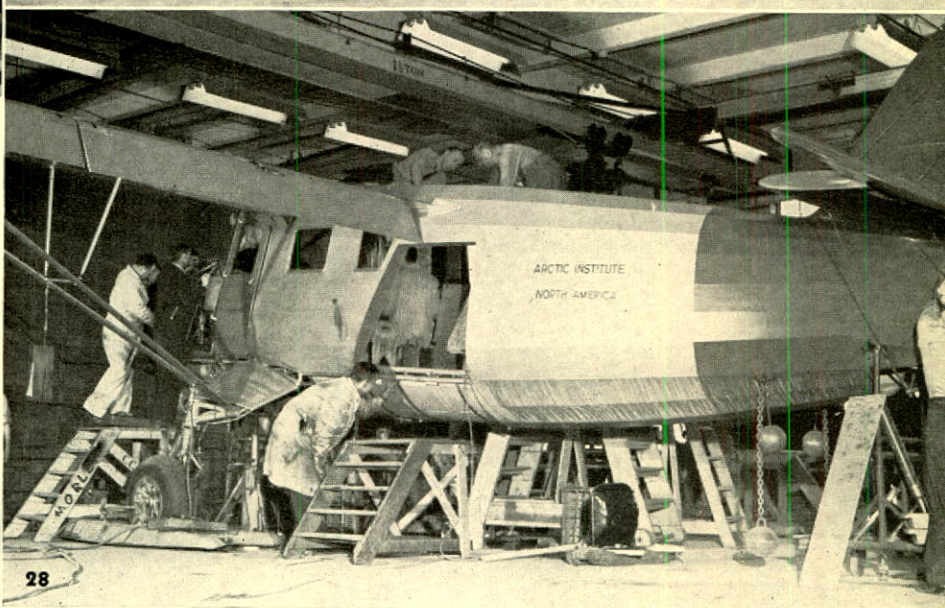
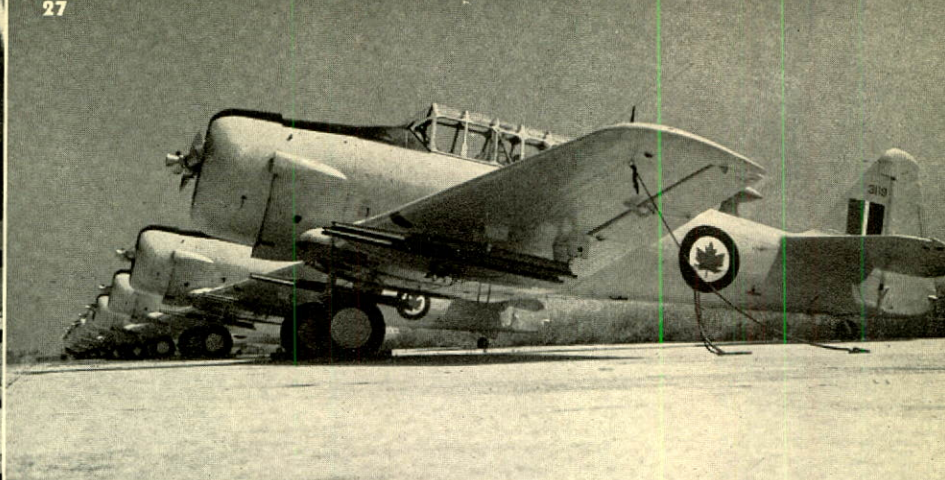
26 - Assembling centre section of Harvard in jig.

27 - Modernized Harvards ready for delivery.

ST. LAURENT

28 - Readyng Norseman V for arctic expedition.

29 - A new Norseman V ready for take-off.



29





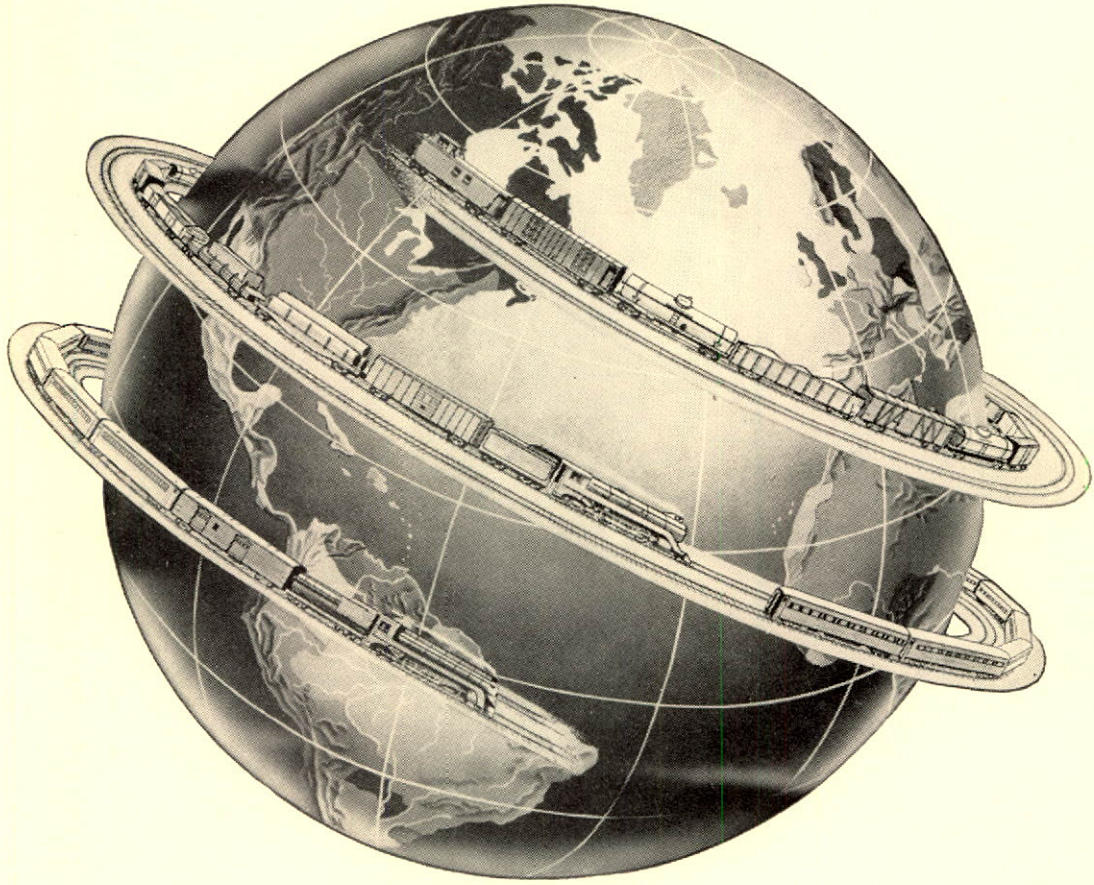
“THE TRUST OF OUR FELLOWMAN”

Not a day goes by that we don't put our trust in others, in countless little ways. We trust the policeman to keep the peace, the butcher to give us good meat, the baker to give us good bread—and we trust, in measure, the honesty of everyone whose wares we buy, or to whom we sell our own.

Sometimes in evidence of our good intent, we sign our name or make our mark—and this mark becomes a visible symbol of our earnestness to merit the trust of our fellowman.

Depicted above is our new trade mark selected from one hundred and fifty-two designs submitted in a Company-wide Employee Competition.

In the passage of the years, this mark will become a symbol of justified faith in the countless products which have been and will be manufactured by the Canadian Car & Foundry Company, Limited.



A R O U N D T H E W O R L D

CAN-CAR