

CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED

THIRTEENTH
ANNUAL
REPORT
· 1922 ·

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED

♦♦

BOARD OF DIRECTORS

W. F. ANGUS, MONTREAL	V. M. DRURY, MONTREAL.
HON. C. P. BEAUBIEN, SENATOR. MONTREAL	ANDREW FLETCHER, NEW YORK
H. W. BEAUCLERK, MONTREAL	A. HICKS LAWRENCE, NEW YORK
W. W. BUTLER, MONTREAL	WM. McMASTER, MONTREAL
HON. N. CURRY, SENATOR, MONTREAL	HON. E. C. SMITH, ST. ALBANS, VT.
F. H. CLERGUE, MONTREAL	W. H. WOODIN, NEW YORK
LEWIS L. CLARKE, NEW YORK	MARK WORKMAN, MONTREAL

♦♦

OFFICERS

HON. N. CURRY, *Chairman of the Board*
W. W. BUTLER, *President*
W. F. ANGUS, *Vice-President* W. S. ATWOOD, *Vice-President*
A. D. NEALE, *Vice-President* A. WHYTE, *Vice-President and*
A. C. BOURNE, *Secretary* *Treasurer*
L. A. PETO, *Comptroller*

♦♦

SOLICITORS

DAVIDSON, WAINWRIGHT, ELDER & HACKETT, MONTREAL

♦♦

BANKERS

BANK OF MONTREAL THE ROYAL BANK OF CANADA
THE AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

♦♦

GENERAL OFFICES

TRANSPORTATION BUILDING, MONTREAL.

CANADIAN STEEL FOUNDRIES LIMITED

♦♦

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN
W. F. ANGUS

W. W. BUTLER

H. W. BEAUCLERK
V. M. DRURY

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and Treasurer*

A. C. BOURNE, *Secretary*

L. A. PETO, *Comptroller*

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THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN
W. F. ANGUS

W. W. BUTLER

V. M. DRURY
H. W. BEAUCLERK

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and Treasurer*

A. C. BOURNE, *Secretary*

L. A. PETO, *Comptroller*

♦♦

AGENCY OF

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY
LEWIS I. CLARKE

W. H. WOODIN

W. W. BUTLER
O. F. HARVEY

OFFICERS

HON. N. CURRY, *President*

W. W. BUTLER, *Vice-President*

A. C. BOURNE, *Secretary and Treasurer*

**Canadian Car & Foundry Company, Limited
and Canadian Steel Foundries, Limited
and other Associated Companies**

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**CONSOLIDATED STATEMENT OF SURPLUS AND
PROFITS SEPTEMBER 30, 1922**

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Combined Profits for the Fiscal Year ending September 30, 1922		\$209,266.06
DEDUCT:		
Provision for Depreciation.....		385,800.00
Loss before charging Interest.....		<u>\$ 176,533.94</u>
 ADD:		
Interest on Bonds Outstanding.....	\$ 433,845.24	
Interest on Negotiable Scrip.....	89,327.74	
	<u>\$523,172.98</u>	
Less: Interest Earned (Net).....	113,074.50	410,098.48
Loss for Fiscal Year.....		<u>\$586,632.42</u>
SURPLUS at September 30, 1921.....		<u>\$3,251,207.33</u>
SURPLUS carried forward September 30, 1922.....		<u><u>\$2,664,574.91</u></u>

**CANADIAN CAR & FOUNDRY
AND CANADIAN STEEL FOUNDRIES, LIMITED
CONSOLIDATED BALANCE SHEET**

ASSETS

COST OF PROPERTIES:

Real Estate Buildings, Machinery, Patents and Goodwill, as at September 30, 1921.....	\$23,188,775.91	
Realization during Fiscal Year—Net.....	52,703.64	
	\$23,136,072.27	

CURRENT ASSETS:

Inventories of manufactured and partly manufactured product, materials and supplies at cost or less, and not in excess of present market prices.....	\$2,837,360.77	
Accounts and Bills Receivable (Less Reserve).....	1,212,540.21	
Bonds and other Securities:		
Dominion of Canada Victory Bonds.....	\$1,398,418.22	
Companies' own Bonds.....	480,895.77	
Miscellaneous Investments.....	427,536.14	
	2,306,850.13	
Cash in Bank.....	511,247.25	
	6,870,998.36	

DEFERRED CHARGES:	94,431.93
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\$30,101,502.56

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the Canadian Car & Foundry Company, Limited, and its subsidiary Companies, for the year ending September 30, 1922, and have obtained all the information and explanations which we required. And we certify that, in our opinion, the above Balance Sheet at September 30, 1922, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Canadian Car & Foundry Company, Limited, and its subsidiary Companies according to the best of our information and the explanations given to us, and as shown by the books of the Company.

MONTREAL, November 23, 1922.

PRICE, WATERHOUSE & CO.
Auditors

**COMPANY, LIMITED
AND OTHER ASSOCIATED COMPANIES
SEPTEMBER 30, 1922**

LIABILITIES

CAPITAL STOCK:

Preference: Seven per cent cumulative and participating: Authorized and Issued—75,000 Shares of \$100 each.....	\$7,500,000.00
Ordinary: Authorized—50,000 Shares of \$100 each.....	\$5,000,000.00
Issued —49,750 Shares of \$100 each.....	4,975,000.00

BONDED DEBT:

Canadian Car & Foundry Company, Limited: First Mortgage Thirty-Year Six Per Cent Sinking Fund Gold Bonds, due 1939 (Authorized \$7,500,000)....	\$6,275,000.00
Less: Redeemed by Sinking Fund 1,678,502.08	4,596,497.92

Canadian Steel Foundries, Limited:

First Mortgage Collateral Trust Bonds Six Per Cent., due 1936 (Authorized \$5,000,000).....	\$3,650,000.00
Less: Bonds held in escrow by Montreal Trust Company towards redemption of Montreal Steel Works, Limited, Bonds.....	649,310.70
	\$3,000,689.30
Less: Retired by Sinking Fund. 1,124,491.99	1,876,197.31
First Mortgage Six Per Cent Gold Bonds, due 1940, of the Montreal Steel Works, Limited	549,000.00
	7,021,695.23

MORTGAGE on Craig Street Property.....	100,000.00
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SEVEN YEAR SIX PER CENT NEGOTIABLE SCRIP, DUE DECEMBER 24, 1927 (Less amount held in Treasury).....	1,483,689.25
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CURRENT LIABILITIES:

Accounts and Trade Bills Payable and Payrolls.....	\$544,686.42
Interest Accrued.....	137,145.54
	681,831.96

RESERVES:

Depreciation Reserves.....	\$4,829,654.67
Special Reserve Fund.....	500,000.00
Operating and Miscellaneous Reserves.....	345,056.54
	5,674,711.21

SURPLUS , as per attached statement.....	2,664,574.91
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\$30,101,502.56

NOTE—Arrears of Preference Share Dividends 8 3/4%

L. A. PETO,
Comptroller.

Approved on behalf of the Board:
MARK WORKMAN, Director.
V. M. DRURY, Director.

THIRTEENTH ANNUAL REPORT

YEAR ENDED SEPTEMBER 30

1922

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To the Shareholders:

Your Directors submit herewith the Thirteenth Annual Report covering the operations of the Company for the year ended September 30th, 1922. The industrial depression referred to in the last Annual Report prevailed during the entire period under review, and at no time were any of the Company's Plants able to operate satisfactorily, owing to the lack of business, while several units were of necessity shut down during the entire year. The most important business carried forward from the preceding year was the Russian order for Tank Cars referred to in the Twelfth Annual Report. This order was completed satisfactorily during the first three months of the current fiscal period, and was the only business of any magnitude handled during the year, as the Canadian railroads did not purchase any new equipment with the exception of a few cars of special design, and apart from these and repair car work the domestic market was practically stagnant. As a result of this situation, the output for the year was the lowest in the history of the Company with the exception of 1915, and the small amount of business transacted necessarily caused a great shrinkage in the net earnings, the combined profits, excluding Bond Interest and Depreciation, being \$209,266.06. After including Bond and other Interest amounting to \$410,098.48, and Depreciation of \$385,800.00, the year's operations show a deficit of \$586,632.42.

Despite this adverse result, the working capital has not been greatly impaired, and the liquid position shows an improvement to the extent that Inventories and Accounts Receivable are substantially reduced with corresponding increases in Cash and Investments. All properties, including those shut down, have been well maintained, and although further economies have had to be effected in salaries and general expenses, the organization has been kept practically intact, and the Company is in a favorable position to take advantage of the anticipated expansion in business.

Traffic on the Canadian railroads is now showing signs of substantial improvement. The movement of the large crop

seriously taxed their resources, and this, together with the general improvement in business, has emphasized the need for additional Rolling Stock of all kinds. The uncertain position of the Canadian National Railways has now been clarified by the conclusion of litigation between the Government and the Grand Trunk Railway and by the definite constitution of a Board of Directors controlling the combined national systems under the authority of a distinguished railway administrator as chairman. It is hoped that early action will now be taken to provide the large renewals of Rolling Stock and Motive Power which the Canadian railways will undoubtedly require.

Your Directors desire to record their appreciation of the efficient services rendered by all Employees during the year.

For the Directors,

W. W. BUTLER,

President.

November the Twenty-third,

Nineteen hundred and Twenty-two.

