

**CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED**

**TWENTY-SIXTH
ANNUAL
REPORT
1935**

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	HON. E. C. SMITH, ST. ALBANS,* VT.
H. W. BEAUCLERK, MONTREAL	HON. LORNE C. WEBSTER, SENATOR, MONTREAL
W. W. BUTLER, MONTREAL	MARK WORKMAN, MONTREAL
F. H. CLERGUE, MONTREAL	

*Deceased — April 6th, 1935.

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	L. A. PETO, <i>Vice-President,</i> <i>Comptroller & Treasurer.</i>
A. C. BOURNE, <i>Secretary</i>	



SOLICITORS

WAINWRIGHT, ELDER & MCDUGALL, MONTREAL

BANKERS

BANK OF MONTREAL
THE ROYAL BANK OF CANADA



GENERAL OFFICES

621 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED



BOARD OF DIRECTORS

W. F. ANGUS	HON. C. P. BEAUBIEN	H. W. BEAUCLERK
W. W. BUTLER	F. H. CLERGUE	V. M. DRURY
	HON. LORNE C. WEBSTER	

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	L. A. PETO, <i>Vice-President,</i>
A. C. BOURNE, <i>Secretary</i>	<i>Comptroller & Treasurer.</i>



THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

W. F. ANGUS	HON. C. P. BEAUBIEN	H. W. BEAUCLERK
W. W. BUTLER		V. M. DRURY

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, <i>Vice-President</i>	W. S. ATWOOD, <i>Vice-President</i>
A. D. NEALE, <i>Vice-President</i>	L. A. PETO, <i>Vice-President,</i>
A. C. BOURNE, <i>Secretary</i>	<i>Comptroller & Treasurer</i>



AGENCY OF CANADIAN CAR & FOUNDRY COMPANY, LIMITED

BOARD OF DIRECTORS

W. F. ANGUS	W. W. BUTLER	F. H. CLERGUE
V. M. DRURY	T. S. WYLLY, NEW YORK	

OFFICERS

W. W. BUTLER, *President*
L. A. PETO, *Vice-President*
A. C. BOURNE, *Secretary and Treasurer*

**Canadian Car & Foundry Company, Limited
and wholly owned Subsidiary Companies**

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**CONSOLIDATED STATEMENT OF EARNED SURPLUS
AND PROFITS, SEPTEMBER 30, 1935.**

Combined net operating losses for the Fiscal Year ending September 30, 1935, before charging depreciation		\$ 485,090.97
ADD:		
Fees of Directors and Executive Committee . . .	\$12,025.00	
Salaries of Officers	88,365.00	
Legal Expenses	3,043.92	103,433.92
		\$ 588,524.89
LESS:		
Dividend received from partly owned subsidiary	\$27,518.00	
Interest on Investments	22,113.42	
Profit on Investments	41,637.50	91,268.92
		497,255.97
Loss for the Fiscal Year before charging depreciation		497,255.97
Surplus at September 30, 1934		2,357,129.74
SURPLUS carried forward September 30, 1935		\$1,859,873.77

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

September 30, 1935

ASSETS	LIABILITIES
CAPITAL ASSETS:	CAPITAL STOCK:
Real Estate, Buildings, Machinery and Patents at depreciated reproductive values as appraised in 1930 by the Canadian Appraisal Company, Limited, plus the cost of subsequent additions..	Preference:
\$17,926,931.73	Seven per cent cumulative and participating.
LESS: Reserve for depreciation provided since above date	Authorized and issued 300,000 shares of \$25 each
725,451.46	\$ 7,500,000.00
17,201,480.27	LESS: Purchased for
DEPOSITED with The Royal Trust Company as guarantee under Workmen's Compensation Act of Quebec—Government Bonds.....	retirement
4,000.00	16,885 shares of \$25 each
	422,125.00
	Outstanding
	283,115 shares of \$25 each
	7,077,875.00
	(Dividends in arrear \$990,902.50)
INVESTMENTS IN AND ADVANCES TO PARTLY OWNED SUBSIDIARY COMPANY:	Ordinary:
Investment at Cost	Authorized 400,000 shares of no par value.
288,930.00	Issued* 365,800 shares
Current Account	9,145,000.00
292,358.21	16,222,875.00
CURRENT ASSETS:	CURRENT LIABILITIES:
Inventories of manufactured and partly manufactured product, materials and supplies, certified by responsible officials of the company, valued at cost or market prices, whichever were lower (less reserve)	Accounts Payable and Payrolls
1,565,292.80	\$ 455,908.18
Accounts Receivable (less reserve)	Provision for Dominion, Provincial and other Taxes
296,552.64	580,941.63
Bonds and Other Securities:	OPERATING AND MISCELLANEOUS RESERVES:
(Market values at September 30, 1935)	266,000.00
Dominion of Canada Bonds	CAPITAL SURPLUS:
\$ 3,120.00	Balance at September 30, 1934
Miscellaneous Investments	868,787.91
222,310.00	Minor Adjustments during year—Net
Company's Own Shares held by Associated Companies	869,867.47
5,274.00	EARNED SURPLUS: as per attached statement
230,704.00	1,859,873.77
Cash in Bank	\$19,799,557.87
90,494.06	
2,183,043.50	
DEFERRED CHARGES:	
118,675.89	
\$19,799,557.87	

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Canadian Car & Foundry Company, Limited, and its wholly owned Subsidiary Companies for the year ending September 30, 1935, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet at September 30, 1935, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Canadian Car & Foundry Company, Limited, and its wholly owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of these companies. As explained in the Annual Report of the Directors no charge for depreciation has been made against the past year's operations.

In accordance with the provisions of the Companies Act 1934, we also report that the profits of a partly owned subsidiary company have been included in the above accounts only to the extent of the dividends declared and received therefrom, the balance of profits being carried forward on the books of the subsidiary company.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, November 16th, 1935.

Approved on behalf of the Board:

W. W. BUTLER,
Director

L. A. P'ETO,
Vice-President and Comptroller

W. F. ANGUS,
Director

TWENTY-SIXTH ANNUAL REPORT

Year Ended September 30, 1935



TO THE SHAREHOLDERS:

Your Directors submit herewith the Twenty-Sixth Annual Report of your Company and its wholly owned Subsidiaries, Canadian Steel Foundries, Limited, and The Pratt & Letchworth Company, Limited, covering combined operations for the year ended September 30th, 1935.

During the year the physical assets of these Subsidiary Companies were formally acquired by the Parent Company, so that now all of your properties are operated under the name of the Canadian Car & Foundry Company, Limited. The identities of these Subsidiary Companies are being maintained under greatly reduced Capital, for convenience in retaining patents and various valuable manufacturing rights.

In the month of September last, your Company received orders for freight cars from both the Canadian Pacific Railway Company and the Canadian National Railways. These orders arrived too late to have any beneficial effect on operations in the year now under review, and the improvement in the results of this year as compared with last, is mainly attributable to an increase in the output of miscellaneous product.

Your Directors hope that the car orders recently obtained from the Railways, the first since December 1930, are an indication that the Railways have now reached the point where a steady replacement of Rolling Stock will be undertaken.

The policy of your Directors in maintaining your properties in good condition throughout the depression, has enabled the resumption of operations in the car departments without any extensive program of repairs and renovations, and no further reserves for depreciation have been provided.

Recent purchases of materials for use in the construction of cars are reflected by an increase in the value of inventories on hand, and

the ratio of current assets to current liabilities is now approximately three and three-quarters to one.

The operations of the Canadian General Transit Company, Limited, in which your Company owns a controlling interest, continue to be satisfactory.

Your Directors regret to announce the death of the Hon. E. C. Smith of St. Albans, Vt., on April 6th, 1935. Governor Smith had been a member of your Board of Directors from July 1918 continuously up to the time of his death. An appropriate Resolution of sympathy and regret was adopted at a meeting of the Board of Directors held on April 29th, 1935.

Your Directors take this opportunity of expressing their appreciation of the loyal and efficient services rendered by the officers and employees throughout the year.

For the Directors,

W. W. BUTLER,
President.

Montreal, November 16th, 1935.

