

# 29<sup>th</sup> ANNUAL REPORT

JUNE 30, 1949

## NATIONAL STEEL CAR CORPORATION LIMITED

HAMILTON • ONTARIO • CANADA

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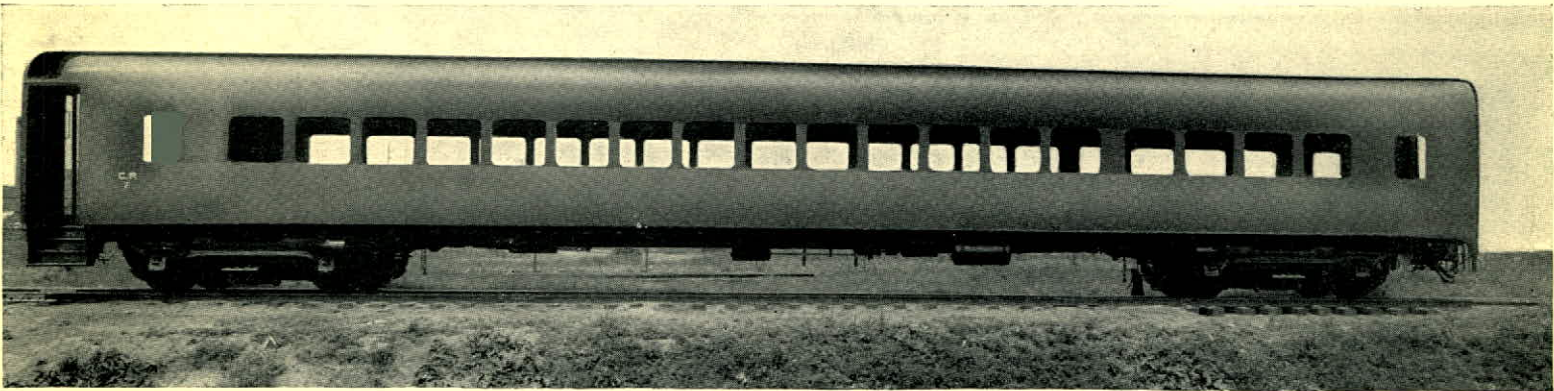




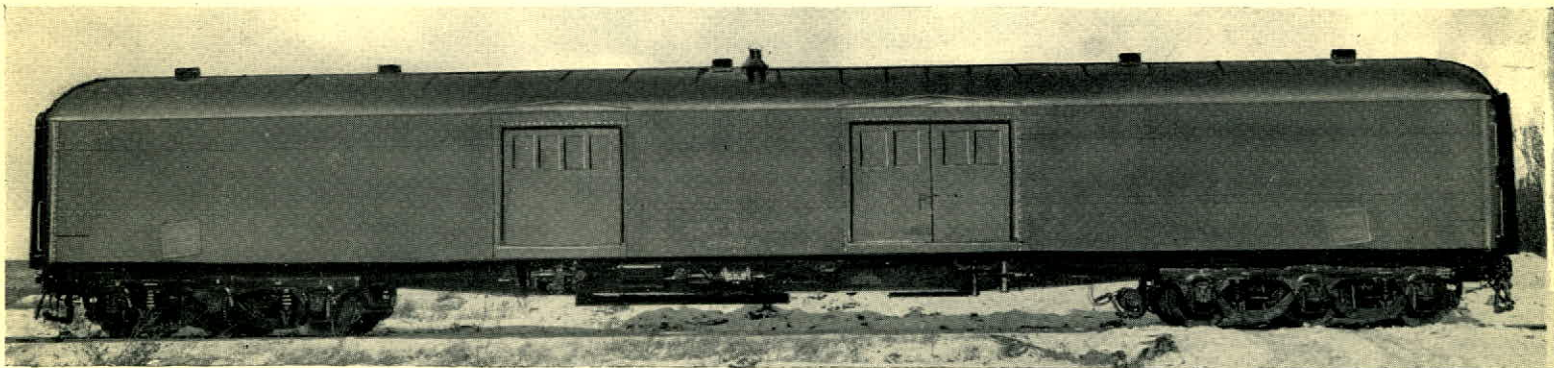
# 29<sup>th</sup> ANNUAL REPORT

JUNE 30, 1949

## NATIONAL STEEL CAR CORPORATION LIMITED



All welded steel passenger coach frame



Steel baggage and express car

HAMILTON • ONTARIO • CANADA

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# NATIONAL STEEL CAR CORPORATION, LIMITED

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## BOARD OF DIRECTORS

HUGH N. BAIRD, Chairman

ROBERT S. HART	GLYN OSLER, K.C.
RUSSELL D. BELL	LEO C. McCLOSKEY
A. VAN HASSEL	LOUIS L. LANG

## OFFICERS

HUGH N. BAIRD	- - - - -	Chairman
ROBERT S. HART	- - - - -	President
A. VAN HASSEL	- - - - -	Vice-President
O. H. ANDERSON	- - - - -	Vice-President
A. W. FRASER	- - - - -	Vice-President
GLYN OSLER, K.C.	- - - - -	Executive Director
H. J. FARNAN	- - - - -	Secretary-Treasurer
J. A. KENDALL	- - - - -	Asst. Secy.-Treas.

## BANKERS

THE CANADIAN BANK OF COMMERCE

## TRANSFER AGENTS

NATIONAL TRUST COMPANY, LIMITED  
Toronto          Montreal          Vancouver

BANKERS TRUST COMPANY  
New York

## SOLICITORS

BLAKE, ANGLIN, OSLER & CASSELS          -          Toronto, Ontario, Canada

## HEAD OFFICE

HAMILTON          -          ONTARIO          -          CANADA

## EXECUTIVE AND SALES OFFICE

437 ST. JAMES ST., MONTREAL, QUEBEC



## NATIONAL STEEL CAR CORPORATION, LIMITED

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To the Shareholders:

Your Directors submit herewith Consolidated Balance Sheet as at June 30, 1949, and Statements of Profit and Loss and Surplus for the year ended on that date, covering operations of National Steel Car Corporation, Limited, and its subsidiaries.

Operating profit and investment income for the year, before providing for depreciation, depletion, income and excess profits taxes, etc., amounted to \$3,591,485.58, as against \$2,593,003.20 last year. After provision of \$220,083.92 for depreciation of buildings, machinery and equipment and depletion of timber properties, as compared with \$176,809.98 last year, and provision of \$1,304,400.00 for Dominion income and excess profits taxes and Provincial income taxes, as compared with \$913,000.00 for the previous year, the net profit for the year was \$2,067,001.66, as compared with \$1,503,193.22 for the year ended June 30, 1948.

Current assets at June 30, 1949, amounted to \$12,174,549.99. Current liabilities were \$2,117,443.23, leaving net current assets of \$10,057,106.76 compared with net current assets of \$9,021,913.12 at June 30, 1948, being an increase of \$1,035,193.64.

Inventories of raw materials, supplies, work in process and finished stock of \$3,162,690.88 is to cover orders on hand. During the year inventories have been reduced \$1,698,022.84, consistent with the policy of the Company.

It is with regret that production operations, of necessity, had to be suspended for some weeks on account of labor controversy, but I am pleased to be able to advise that settlement has been effected and it is reasonable to assume maintained progress will continue without interruption.

We have on hand orders for a substantial volume of domestic business which will occupy us until about the end of this calendar year. The Railway Companies, our most important customers, need additional equipment, but we must recognize that their ability to place orders to provide the additional equipment, so necessary for the business of the country as well as for themselves, will depend upon early relief from the conditions under which their railway revenues are insufficient to provide for costs of efficient operation and a reasonable margin of profit.

Export business and the development thereof will depend largely upon satisfactory monetary terms and conditions of sales being made possible.

Your property continues to be fully maintained and is being efficiently and economically operated.

On behalf of the Directors, I sincerely thank our staff, and they are entitled to credit for diligent attention to their duties throughout the period under review.

Respectfully submitted on behalf of the Directors.

H. N. BAIRD,  
Chairman.

September 7th, 1949.

**NATIONAL STEEL CAR  
AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET**

**ASSETS**

**CURRENT ASSETS:**

Cash in bank and on hand .....	\$ 996,742.67	
Guaranteed investment certificate (repayable on ten days' notice) .....	1,000,000.00	
Dominion of Canada and other marketable securities, at cost and accrued interest (Market value \$6,564,825.00) .....	6,578,512.05	
Accounts receivable (including refundable portion of excess profits taxes recoverable within a year, \$112,836.10) .....	378,390.64	
Cash surrender value of life insurance policies .....	58,213.75	
Inventories of raw materials, supplies, work in process, and finished stock, determined from the records in accordance with the company's usual procedure, valued at the lower of cost or market .....	3,162,690.88	
<b>TOTAL CURRENT ASSETS .....</b>	<b>12,174,549.99</b>	

REFUNDABLE PORTION OF EXCESS PROFITS TAXES ..... 220,023.68

PREPAID INSURANCE, TAXES, ETC. .... 67,790.97

PATENTS AND GOODWILL ..... 1.00

**FIXED ASSETS:**

Land and timber properties .....	\$ 763,969.28	
Buildings, machinery and equipment .....	8,699,760.10	
	<u>9,463,729.38</u>	

\$ 21,926,095.02

*NOTE: The fixed assets of National Steel Car Corporation, Limited are valued on the basis of the book value of the predecessor company, from whom they were acquired in December, 1919, plus subsequent additions at cost. The fixed assets of the subsidiary company are valued on the basis of cost to that company.*

APPROVED ON BEHALF OF THE BOARD:

LOUIS L. LANG, Director.

L. C. McCLOSKEY, Director.



**CORPORATION, LIMITED**  
**LIARY COMPANY**  
**Balance Sheet, JUNE 30, 1949**

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accrued liabilities .....	\$ 1,011,437.28
Dominion and Provincial income taxes .....	814,239.95
Other taxes payable or accrued .....	28,516.00
Dividend payable July 15, 1949 .....	263,250.00

TOTAL CURRENT LIABILITIES .....	-----	\$ 2,117,443.23
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**RESERVES:**

For depreciation of buildings, machinery and equipment .....	\$ 6,537,744.57	
For depletion of timber properties .....	152,459.43	
	-----	6,690,204.00

**CAPITAL AND SURPLUS:**

Capital Stock—		
Authorized—		
1,000,000 shares without nominal or par value		
Issued for cash—		
702,000 shares .....	\$ 5,092,500.00	
Earned surplus—		
Per statement attached .....	8,025,947.79	
	-----	13,118,447.79
		-----
		\$ 21,926,095.02

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the consolidated balance sheet of National Steel Car Corporation, Limited, and its subsidiary company as at June 30, 1949, and the related statements of profit and loss and earned surplus for the year ending 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. In our opinion, the above consolidated balance sheet and related statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company and its subsidiary as at June 30, 1949, and the results of the companies' operations for the year ending 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.

Toronto, August 11, 1949.

PRICE, WATERHOUSE & CO.,  
Chartered Accountants.

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# NATIONAL STEEL CAR CORPORATION, LIMITED

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## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDING JUNE 30, 1949

## NATIONAL STEEL CAR CORPORATION, LIMITED

AND ITS SUBSIDIARY COMPANY

Operating profit for the year ending June 30, 1949, before providing for depreciation, depletion, taxes on income, etc. ....		\$ 3,646,140.10
<b>Deduct—</b>		
Executive officers' salaries .....	\$ 118,960.00	
Directors' fees .....	7,000.00	
Legal fees .....	15,972.53	
Loss on disposal of fixed assets and investments (net) .....	7,302.46	
		<u>149,234.99</u>
		\$ 3,496,905.11
<b>Add—Income from investments .....</b>		<u>94,580.47</u>
<b>Profit before providing for depreciation, depletion, and taxes on income .....</b>		\$ 3,591,485.58
<b>Deduct—Provision for:</b>		
Depreciation of buildings, machinery and equipment .....	\$ 162,542.35	
Depletion of timber properties .....	57,541.57	
		<u>220,083.92</u>
<b>Profit before providing for taxes on income .....</b>		\$ 3,371,401.66
<b>Deduct—Provision for:</b>		
Dominion income tax .....	\$ 1,070,000.00	
Provincial income taxes .....	234,400.00	
		<u>1,304,400.00</u>
<b>NET PROFIT FOR THE YEAR .....</b>		<u><u>\$ 2,067,001.66</u></u>



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**NATIONAL STEEL CAR CORPORATION, LIMITED**

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**CONSOLIDATED STATEMENT OF EARNED SURPLUS**  
**FOR THE YEAR ENDING JUNE 30, 1949**  
**NATIONAL STEEL CAR CORPORATION, LIMITED**  
**AND ITS SUBSIDIARY COMPANY**

Balance as at June 30, 1948 .....		\$ 6,865,120.15
<b>Add—</b>		
Adjustment of prior years' taxes on income .....	\$ 34,320.28	
Refundable portion of excess profits taxes previously carried as a separate item, now transferred .....	349,931.32	
Net profit for the year .....	2,067,001.66	
		<u>2,451,253.26</u>
		\$ 9,316,373.41
<b>Deduct—</b>		
Adjustment of depreciation reserves to conform with amounts recognized for tax purposes .....	\$ 61,925.62	
Dividends declared during the year .....	1,228,500.00	
		<u>1,290,425.62</u>
Balance as at June 30, 1949 .....		<u>\$ 8,025,947.79</u>







