

National Steel Car Corporation, Limited

HAMILTON
ONTARIO
CANADA



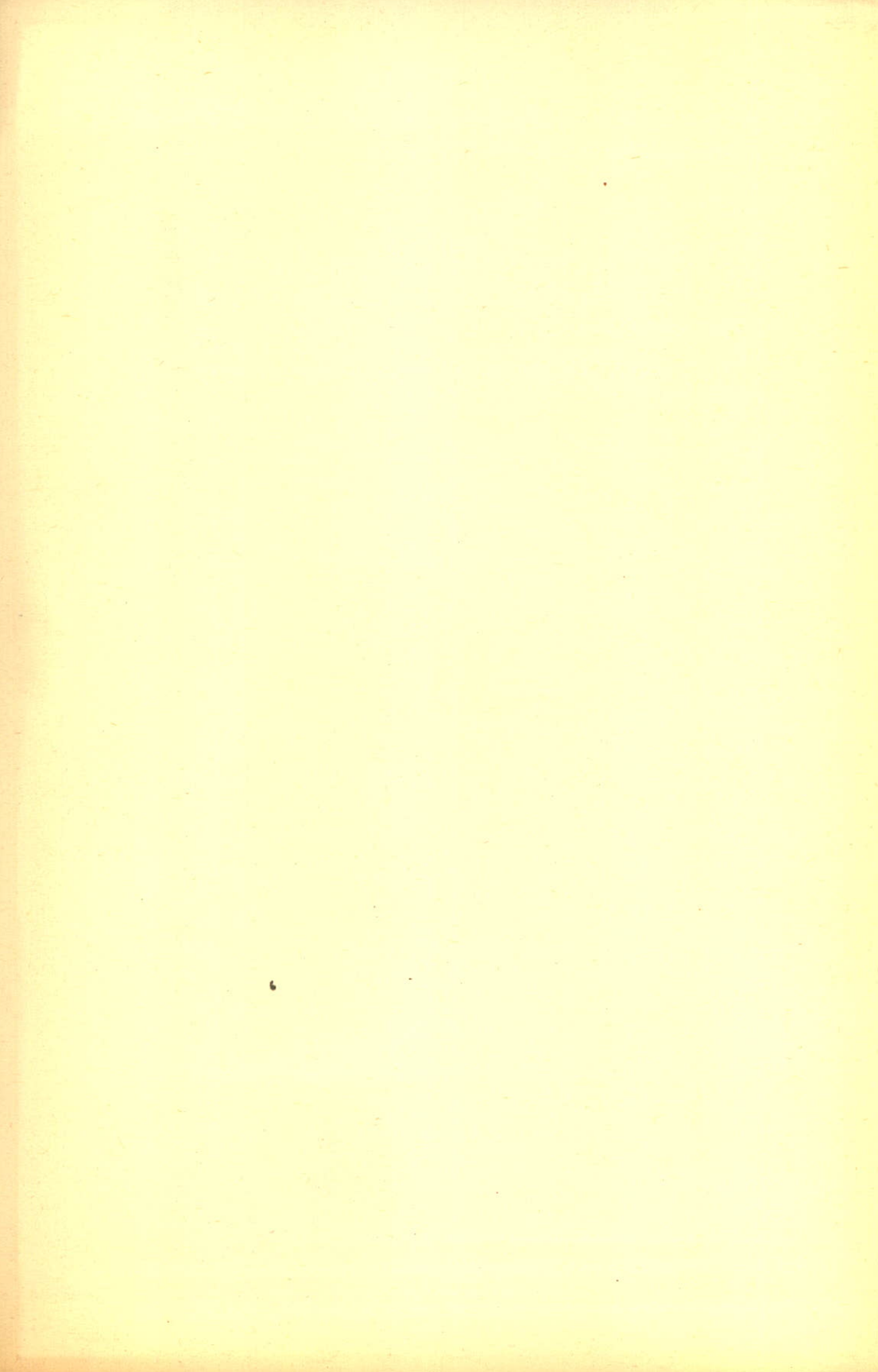
THIRD ANNUAL REPORT

JUNE THIRTIETH : : : NINETEEN-TWENTY-THREE

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National Steel Car Corporation, Limited

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THIRD ANNUAL REPORT

JUNE THIRTIETH ; : ; NINETEEN-TWENTY-THREE

BOARD of DIRECTORS

ROBERT J. MAGOR, CHAIRMAN
LESTER B. CHURCHILL HENRY H. PIERCE
D. B. DEWAR
SIR JOHN M. GIBSON DONALD SYMINGTON



OFFICERS

ROBERT J. MAGOR - - - PRESIDENT
DONALD SYMINGTON - - VICE-PRESIDENT
LESTER B. CHURCHILL - SECRETARY-TREASURER
CHARLES W. ADAM - - ASST. SECY.-TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA
THE CANADIAN BANK OF COMMERCE
NEW YORK CITY

CAPITAL AND SURPLUS

June 30th, 1923

PARTICULARS	AMOUNT
CAPITAL AND SURPLUS:	
as at July 1st, 1922.....	\$2,513,950.45
NET PROFIT for the year ending June 30th, 1923, before providing for depreciation on buildings, ma- chinery and equipment, and interest on Mortgage Bonds and Borrowed money.....	\$142,887.93
DEDUCT:	
Reserve towards depre- ciation of buildings, machinery and equip- ment.....	\$97,384.26
Interest on bonds.....	104,100.00
Interest on borrowed money.....	59,416.72
	<hr/> 260,900.98
NET LOSS for year.....	118,013.05
BALANCE, June 30th, 1923.....	<hr/> \$2,395,937.40

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 24,805.85
Accounts and Bills Receivable.....	2,552,477.71
Sundry Investments.....	11,811.00
Inventories of raw materials and supplies work in progress and finished cars and trucks at Factory and Branches.....	2,686,692.67
	<hr/> \$5,275,787.23
FRENCH REPUBLIC AND PARIS, LYONS AND MEDITERRANEAN RAILWAY COMPANY CLAIMS.....	263,477.84
DEFERRED CHARGES.....	176,990.73
PATENTS AND GOODWILL.....	1.00
LANDS, BUILDINGS, PLANT AND EQUIPMENT.....	3,291,431.46
	<hr/> \$9,007,688.26

We have examined the books and accounts of the Company ending 30th June, 1923. The cash and bank balances have been verified from the depositaries; adequate provision has been made for doubtful accounts to satisfy ourselves that outstanding liabilities as to stocks of raw materials, supplies, work in progress and finished cars are physically inventoried as of June 30th, 1923, but are stated at cost and are certified to by responsible officials of the Company. The expenses during the period when the plant was shut down have been ascertained. An amount of \$97,384.26 has been provided to meet the depreciation accruing during the year.

On this basis, and subject to the realization of the claims of the French Railway Company, we certify that in our opinion the financial position of the Company as at 30th June, 1923, according to the books of the Company, is as shown by the Balance Sheet.

TORONTO, September 8th, 1923.

Approved on behalf of the Board:
D. B. DEWAR, Director.
SIR JOHN M. GIBSON, Director.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

June 30th, 1923

LIABILITIES

CURRENT LIABILITIES:

Accounts payable.....	\$2,034,922.72	
Bills payable.....	31,081.39	
Accrued wages, etc.....	76,505.54	
Bank loans, (secured).....	1,909,089.57	
		\$4,051,599.22

FIRST MORTGAGE SIX PER CENT. GOLD BONDS:

Authorized.....	\$3,000,000.00	
Issued.....	\$2,000,000.00	
Less—Repayments.....	290,000.00	
		1,710,000.00
		850,151.64

RESERVE FOR DEPRECIATION.....

CAPITAL AND SURPLUS:

(As per statement attached)

Represented by 100,000 shares of Capital Stock without nominal or par value (Sub- ject to realization of French Republic and Paris, Lyons and Mediterranean Railway Company claims).....	2,395,937.40
	\$9,007,688.26

The National Steel Car Corporation, Limited, for the year have been confirmed either by actual count or by certificates for bad debts and we have taken all reasonable precautions of 30th June, 1923 have been taken up on the books. The finished product, which are priced at or below cost were not taken in accordance with book inventories which have been taken. The deferred charges include a proportion of the company's profits which will be written off against profits on current contracts towards meeting depreciation of buildings, plant and equipment.

The French Republic and Paris, Lyons and Mediterranean Railway on the above balance sheet sets forth the true financial position to the best of our information and the explanations given

PRICE, WATERHOUSE & Co.,

Chartered Accountants

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

TO THE SHAREHOLDERS:

The balance sheet, together with statement of Capital and Surplus for the fiscal year which ended June 30th, 1923, is herewith submitted.

The outstanding first mortgage bonds were reduced by the sum of \$50,000.00 and \$97,384.26 was charged against earnings to the credit of Depreciation Reserve which now stands at the amount of \$850,151.64.

In addition to approximately \$20,000.00 expended during the fiscal year in betterments to plant equipment about the same amount was also expended in segregating the Motor Truck Stores and Production from the Car Shops. The building reclaimed for Car Production purposes has been equipped for the production of Railroad Passenger Cars, this expense was fully charged off to current operating account. Since these alterations were made considerable amount of passenger car work has been turned out.

In addition to this the balance of your works have been maintained in a highly efficient manner which is reflected in the increased production since July 1st, which production during these last three months has exceeded by over thirty per cent. (30%) the highest previous output for any similar period since these works were erected in 1912. The remaining orders now on the books will permit of a continuation of this production until the end of next month and it is to be sincerely hoped that additional equipment will be placed by the railroads without delay, in which event, your works could expect to continue to operate during the winter, which is, of course, highly desirable particularly on account of giving employment to so many men. Operating at present basis represents a production of between thirty and thirty-five million dollars worth of equipment per annum, but actually, due to the scarcity of orders, the total production for the last fiscal year only amounted to \$4,392,771.18.

However, notwithstanding the small amount of business placed, after a close investigation it is apparent that if all the

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

additions and replacements of equipment necessary on lines operated in Canada by both Canadian and American Railways were purchased from the car builders in this country there would be sufficient to permit of continuous operations.

Due to the situation in Europe, outside of keeping the matter alive, no concerted effort has been put forth to prosecute the Paris, Lyons and Mediterranean Railways and French Government claim. However, active steps have been taken in the submitting of a claim to the Honorable Wm. Pugsley, Commissioner of the Royal Commission, appointed by the Canadian Government for the investigation of Illegal Warfare Claims. As two of the three ships chartered to transport this car equipment to France were sunk by German submarines it is felt that your corporation's claim is well founded.

Conditions abroad at present make it impossible to secure any orders for equipment as all governments and railroads in foreign countries are jealously endeavoring to protect their own manufacturing industries and do all in their power to keep such business as they have to place within their own borders, as they naturally appreciate the fact that the extent of railroad purchases reflects the prosperity of the country.

In regard to domestic conditions, only limited purchases have been made but the general impression is that considerable equipment is required. In view, however, of the lack of any definite indications it is impossible to arrive at any concrete conclusions as to what may be expected in the way of additional orders.

Your Directors again express appreciation of the services of all employees during the past year.

For the Directors,

Robert J. MAGOR,
President.

