

**NATIONAL
STEEL CAR
CORPORATION
LIMITED**

**NINTH
ANNUAL
REPORT**

**JUNE THIRTIETH
- 1929 -**

HAMILTON - ONTARIO - CANADA

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NATIONAL STEEL CAR CORPORATION LIMITED

NINTH ANNUAL REPORT

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HAMILTON - ONTARIO - CANADA

BOARD of DIRECTORS

ROBERT J. MAGOR, Chairman

HUGH N. BAIRD

GLYN OSLER, K.C.

RUSSELL D. BELL

W. E. PHIN

D. B. DEWAR

HENRY H. PIERCE



OFFICERS

ROBERT J. MAGOR	- - - - -	PRESIDENT
HUGH N. BAIRD	- - - - -	VICE-PRESIDENT
ROBERT S. HART	- - - - -	HAMILTON MANAGER
DANIEL T. MAIN	- - - - -	MONTREAL MANAGER
CHARLES W. ADAM	- - - - -	SECRETARY-TREASURER
ABRAM VAN HASSELL	- - - - -	ASSISTANT SECY.-TREAS.



DEPOSITARIES

THE CANADIAN BANK OF COMMERCE, HAMILTON, ONTARIO, CANADA

THE CANADIAN BANK OF COMMERCE

NEW YORK CITY

CAPITAL AND SURPLUS

June 30th, 1929

PARTICULARS	AMOUNT
CAPITAL AND SURPLUS at June 30th, 1928.....	\$2,170,022.82
ADD:—Profit from operations for the year ending June 30th, 1929, after providing for Dominion income tax, but before deducting interest on mortgage bonds and provision for depreciation of plant.....	\$602,229.54
DEDUCT:—Interest on Mortgage Bonds.....	28,558.36
	<hr/> 573,671.18
DEDUCT:—Provision for depreciation of plant.....	212,135.65
NET PROFIT FOR THE YEAR	361,535.53
	<hr/> 2,531,558.35
ADD:—Sale of additional 30,000 shares of Capital Stock at \$75.00 per share.....	2,250,000.00
	<hr/> 4,781,558.35
DEDUCT:—Dividends paid.....	130,000.00
	<hr/>
CAPITAL AND SURPLUS June 30th, 1929.....	<u><u>\$4,651,558.35</u></u>

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on hand and in bank.....	\$ 26,656.97
Accounts and bills receivable, less reserve	1,496,273.42
Cash surrender value of life insurance policy.....	72,500.00
Sundry Investments.....	4,126.00
Inventories of raw materials and supplies, work in process and finished stock.....	3,365,043.55
	<u>\$ 4,964,599.94</u>
DEFERRED CHARGES.....	62,743.85
PATENTS AND GOODWILL.....	1.00
LAND, BUILDINGS, PLANT AND EQUIPMENT.....	5,698,249.88
	<u>\$10,725,594.67</u>

We have examined the books and accounts of the National Steel Car Corporation for the year ended June 30th, 1929. The cash and bank balances have been verified with the depositaries, and we have taken all reasonable precautions to ensure the accuracy of the figures as at June 30th, 1929, have been taken up on the books. The inventories of the materials remaining at the close of the year have been taken during the year of the materials remaining at the close of the year as shown in the above balance sheet in accordance with the book inventories of the company.

On this basis, we certify that, in our opinion, the balance sheet is a true and correct statement of the company as at June 30th, 1929, according to the books and as shown by the books of the company.

Toronto, July 23, 1929

Approved on behalf of the Board:

HUGH N. BAIRD, Director

D. B. DEWAR, Director

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

June 30th, 1929

LIABILITIES

CURRENT LIABILITIES:

Bank loan (secured).....	\$2,328,249.41
Accounts payable.....	1,969,277.81
Accrued Wages, etc.....	100,867.30
Reserve for contingencies.....	50,888.93
	<u>\$ 4,449,283.45</u>

RESERVE FOR DEPRECIATION OF PLANT..... 1,624,752.87

CAPITAL AND SURPLUS:

(As per statement attached)	
Represented by 130,000 shares of Capital	
Stock without nominal or par value ..	4,651,558.35
	<u>\$10,725,594.67</u>

National Steel Car Corporation, Limited, for the year ending
confirmed either by actual count or by certificates from
auditors to satisfy ourselves that all outstanding liabilities

Following the usual practice, physical inventories were
completed at the completion of each order, and the inventories are stated in
inventory figures which have been certified to by responsible

Above balance sheet sets forth the true financial position
to the best of our information and the explanations given to us,

PRICE, WATERHOUSE & CO.,
Chartered Accountants

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

TO THE SHAREHOLDERS:

Statement of Capital and Surplus reflecting operations for the fiscal year ended June 30th, 1929, and Balance Sheet at June 30th, 1929, are submitted herewith.

Although the plant construction work interfered somewhat with production and costs from March to June, nevertheless the total value of products manufactured and shipped during the period under review was \$7,961,615.60. Of this, \$6,696,310.83 represented railway and street car equipment, and \$1,265,304.77 represented materials other than rolling stock.

The equipment purchased by the Canadian railroads during the last quarter of 1928 and the first quarter of 1929 was greatly in excess of purchases for similiar equipment, over a like period, for a number of years past. As the fiscal year of your Corporation ended on June 30th last, it will be realized that by far the greater bulk of the orders secured is still on the order books and will be produced during the first few months of the current fiscal year.

An operating profit of \$602,229.54 was made after charging full maintenance expenses to operations, as compared with an operating profit of \$534,849.55 for the fiscal period ending June 30th, 1928.

Due to the increased amount of business received and the fact that the plant is now operating to capacity, the total current assets have increased from \$1,548,764.83, as shown in the last statement, to \$4,964,599.94, and the current liabilities have increased from \$468,806.73 to \$4,449,283.45.

The net working capital has decreased from \$1,079,958.10 to \$515,316.49. This is accounted for by the redemption of \$160,000.00 of bonds on July 4th, 1928, and \$700,000.00 on March 7th, 1929, making a total of \$860,000.00 redeemed during the period under review after, of course, giving effect to the net profit and other items.

Your Directors are particularly pleased to report that the above payment made on March 7th last was the final redemption payment of a total of \$2,000,000.00 which was the amount of original bond issue made January 1st, 1920.

The \$28,558.36 item of bond interest represents the last payment on this account and is a reduction from \$54,969.90 paid last year.

The complete elimination of bond interest will result in a substantial saving in fixed charges.

:: NATIONAL STEEL CAR CORPORATION, LIMITED ::

The provision for depreciation amounting to \$212,135.65 brings the total up to \$1,624,752.87, which represents a liberal reserve in this account.

As the plant improvement program was laid before you in a circular letter mailed on January 16th, 1929, your Directors feel that it is hardly necessary to refer again in detail to all the ramifications of same. It is sufficient to say that the improvements authorized have been made, and went into operation last month, and the results are fully up to expectations.

The expenditure upon improvements has increased capital assets (which includes land, buildings, equipment, etc.) from \$3,385,708.34 to \$5,698,249.88.

The proceeds from the sale of the 30,000 shares of stock and the profit from the year's operations have increased the capital and surplus account from \$2,170,022.82 to \$4,651,558.35.

The changes in the capital structure of your Corporation that have taken place since the last report are the complete elimination of the bonds and the increase from 100,000 shares of capital stock of no par value, to 130,000 shares of the same class of security.

Your Directors feel that your Corporation now has an ideal capitalization, as complete ownership of the capital and current assets of all kinds rests in the hands of the owners of one class of security.

In addition to the improvements, your property has been fully maintained during the year and is operating in an efficient and economical manner.

Your Directors again desire to express their appreciation of the loyal services of the officers and employees during the year.

Respectfully submitted on behalf of the Directors,

ROBERT J. MAGOR,
Chairman and President.

July 27th, 1929.

JANUARY
1930
NATIONAL
STEEL CAR
CORPORATION
LIMITED

It is with deep regret that we record the death on June 3rd, 1929, of Brigadier-General the Honourable Sir John Morison Gibson, K.C.M.G., M.A., LL.D., LL.B., K.C., who for many years has been a member of your Board of Directors, and who was connected with this industry from the very inception of the original company in 1912.

