

# MOODY'S

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# INDUSTRIALS

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JOHN MOODY

1926

FOR KEY TO RATINGS SEE PAGES VII TO X

## AMERICAN CAR AND FOUNDRY COMPANY

**History:** Incorporated under the laws of New Jersey, Feb. 20, 1899, and acquired the following plants at time of incorporation: Buffalo Car Mfg. Co., Buffalo, N. Y.; Ensign Mfg. Co., Huntington, W. Va.; Jackson & Woodin Mfg. Co., Berwick, Pa.; Michigan-Peninsular Co., Detroit, Mich.; Missouri Car & Foundry Co., St. Louis, Mo.; Murray, Dougal & Co., Milton, Pa.; Niagara Car Wheel Co., Buffalo, N. Y.; Ohio Falls Car Mfg. Co., Jeffersonville, Ind.; Pennock Bros. (dismantled), Minerva, Ohio; St. Charles Car Co., St. Charles, Mo.; Terre Haute Car & Mfg. Co., Terre Haute, Ind.; since the incorporation the following plants: Bloomsburg Car Mfg. Co., Bloomsburg, Pa.; Common-Sense Bolster Co., Chicago, Ill.; Indianapolis Car Co., Indianapolis, Ind.; Jackson & Sharp Co., Wilmington, Del., and the Southern Car & Foundry Co., Memphis, Tenn. Manufacturing plants owned and operated consist of the following: Four passenger car plants, 14 freight car plants, 1 tank car plant, 9 wheel foundries, 7 grey iron foundries, 1 malleable iron foundry, 1 brass foundry, 2 rolling mills and forges; also an architectural wood-working mill and a plant for building and repairing car floats and light capacity vessels. Works and store yards cover over 600 acres of ground. The plants at Berwick, Buffalo, Jeffersonville, Huntington, St. Charles, Madison, Detroit, St. Louis and Chicago are equipped for the construction of steel freight cars; the plants at Berwick, Jeffersonville and St. Charles being especially equipped for the construction of all-steel passenger cars. Controls the Sligo Furnace Co., which owns the entire \$300,000 stock of the Sligo & Eastern Ry.

Also owns a substantial interest in the Pacific Car & Foundry Co. and controls Brill Corp. (see appended statement), incorporated Jan. 26, 1926, to consolidate J. G. Brill Co. and American Car & Foundry Motors Co., latter formerly controlled by American Car & Foundry Co. In Feb., 1926, acquired entire class B voting stock (35,000 shares) of Shippers' Car Line Corp., formerly Shippers Car Line, Inc.

Annual capacity of plants: 125,000 freight cars, 1,850 passenger cars, 1,500,000 chilled cast-iron car wheels, 105,000 tons grey iron castings, 230,000 tons merchant bar, 30,300 tons forgings for sale in addition to forgings used by company in its own shops.

**Business:** Manufactures cars of all types, classes and construction; also car wheels, merchant bar iron, castings, forgings, interior woodwork, car floats, repair parts and various other articles.

**American Car and Foundry Export Co.:** Incorporated August 13, 1913, in Delaware with an authorized capital of \$500,000, to take over the foreign business of the American Car and Foundry Co.

**American Car and Foundry Securities Corp.:** Incorporated, in Delaware, Jan. 24, 1925, to take over, hold, handle and dispose of stocks, bonds, equipment trust notes and other securities owned by American Car and Foundry Co. Latter company owns the entire \$10,000,000 capital stock.

**Brill Corp.:** For statement, see subsequent page.

**Shippers Car Line Corp.:** Incorporated in 1926 to acquire entire property and assets of Shippers Car Line, Inc., and all stock of American Welding Co., builder of welded tanks and chemical containers. Engaged in buying, selling and leasing of tank cars. Owns 1,040 steel tank cars and a 26 acre plant at Milton, Pa. Capital stock: Preferred, 17,000 shares; class A common, 3,400 shares; class B voting common, 35,000 shares, latter all owned by American Car & Foundry Co.

**Management:** (American Car and Foundry Co.) **OFFICERS:** W. H. Woodin, Pres.; W. M. Hager, Asst. to Pres.; J. M. Buick, W. C. Dickerman, W. F. Kingston, N. A. Doyle, G. R. Scanland, H. W. Wolff, Vice-Pres.; S. A. Mallette, Treas.; H. C. Wick, Sec.; Chas. J. Hardy, General Counsel. **DIRECTORS:** Gerald L. Hoyt, W. H. Woodin, W. M. Hager, C. J. Hardy, J. S. Hoyt, J. M. Buick, W. C. Dickerman, G. R. Scanland, New York; C. R. Woodin, Berwick, Pa.; H. W. Wolff, Chicago. **GENERAL AUDITORS:** Audit Co. of New York. **ANNUAL MEETING:** Second Thursday in July. **MAIN OFFICE:** 1 Exchange Place, Jersey City, N. J. **ST. LOUIS OFFICE:** 915 Olive Street. **CHICAGO OFFICE:** Railway Exchange. **NEW YORK OFFICE:** 165 Broadway.

## Comparative Production, Years Ended April 30

	1924	1923	1922	1921	1920
New cars .....	45,645	40,870	13,362	27,012	50,006
Rebuilt cars .....	11,902	20,017	22,712	18,610	2,795
Wheels, castings, bar iron, etc. (tons) .....	286,391	287,059	169,791	279,792	336,716

## Comparative Income Account, Years Ended April 30

	1925	1924	1923	1922	1921	1920
Net revenues from all sources	\$9,781,085	\$10,786,574	\$10,633,562	\$9,051,721	\$13,212,816	\$14,382,565
Renewals, repairs, etc. ....	3,616,981	4,481,607	4,419,951	2,468,401	4,661,961	3,981,373
Net income .....	\$6,164,104	\$6,304,967	\$6,213,611	\$6,583,320	\$8,550,855	\$10,401,192
Preferred dividends .....	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Common dividends .....	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Reserve for dividend .....	.....	.....	.....	.....	.....	3,600,000
Surplus .....	\$464,104	\$604,967	\$513,611	\$883,320	\$2,850,855	\$1,101,192
Earned per share, preferred.	\$20.55	\$21.02	\$20.71	\$21.94	\$28.50	\$34.67
† Earned per share, common..	6.77	14.02	13.71	14.94	21.50	27.67

† Prior to 1925, based on \$100 par.

## Comparative Condensed Balance Sheet, as of April 30

	1925	1924	1923	1922	1921	1920
<b>ASSETS:</b>						
Property and plants .....	\$73,289,438	\$73,359,828	\$72,758,547	\$72,301,695	\$71,875,643	\$68,517,847
Securities of other companies at cost or less .....	6,869,389	6,257,206	5,536,721	5,764,050	5,992,332	3,679,615
Cash in banks and on hand...	7,696,679	7,590,726	5,536,611	6,811,358	11,474,439	10,034,399
U. S. Govt. securities .....	14,085,864	8,656,864	2,146,813	18,527,824	5,008,850	33,737,050
Materials on hand .....	15,210,356	16,533,747	29,111,487	9,080,826	14,010,061	15,007,108
Accounts and notes receivable.	8,576,596	11,918,598	15,023,070	8,399,478	28,301,833	8,573,807
Total .....	\$125,728,322	\$124,316,969	\$130,113,249	\$120,885,231	\$136,663,158	\$139,549,826

## INVESTMENT COUNSEL

Clients of our Service receive our direct personal counsel upon their individual investment problems. It is our aim to serve our clients, in respect to their investment problems, in the same manner as would professional counselors in any other field who are retained upon an annual basis. The cost of this Service is moderate when compared with the direct benefits received. Let us tell you about it.

MOODY'S INVESTORS SERVICE

35 Nassau Street, New York

LIABILITIES:	1925	1924	1923	1922	1921	1920
Preferred stock .....	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
Common stock .....	*30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Accounts and bills payable...	13,032,317	12,272,809	18,547,721	8,455,083	21,694,593	15,624,106
Provision for taxes.....	875,000	680,000	748,092	1,119,785	4,123,412	7,950,000
Dividends payable July 1....	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000
U. S. R.R. Admin. advances..	.....	.....	.....	.....	.....	6,334,855
Insurance reserve .....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Res. for gen. overhauling, etc.	212,642	212,642	254,846	1,196,778	1,586,721	3,085,011
Employees reserve .....	140,794	148,052	164,091	228,698	256,864	405,141
Reserve for com. dividends...	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
Surplus account .....	37,742,569	37,278,466	36,673,499	36,159,887	35,276,568	32,425,713
Total .....	\$125,728,322	\$124,316,969	\$130,113,249	\$120,885,231	\$136,663,158	\$139,549,826
				* Represented by 600,000 no par shares.		
Current assets .....	\$52,438,884	\$50,957,141	\$57,354,702	\$48,583,536	\$64,787,515	\$71,031,979
Current liabilities .....	15,332,317	14,377,809	20,720,813	10,999,368	27,243,005	31,333,961
Working Capital.....	\$37,106,567	\$36,579,332	\$36,633,889	\$37,583,668	\$37,544,510	\$39,698,018

Table B—Stock Records

	Rate of Dividend	Authorized	Outstanding	Five Year Average Income	Dividend Requirement	Salability	Rating
1. Am. Car & Fdy. Co. 7% non-cum. pfd. ....	7% Qu. Ja. 1	\$30,000,000	\$30,000,000	\$6,763,371	\$2,100,000	High	Aaa
2. Am. Car & Fdy. Co. common.....	\$6 per sh.	600,000 sh.	600,000 sh.	4,663,371	3,600,000	"	A

**1. American Car and Foundry Co. 7 % non-cum. preferred:** Authorized, \$30,000,000; outstanding, \$30,000,000; par \$100. (See note below.) Has preference as to assets and dividends. In liquidation entitled to par. Not callable. Each preferred share entitled to one vote. Regular dividends paid quarterly Jan. 1, etc., since organization.

**2. American Car and Foundry Co. common:** Authorized, 600,000 shares; outstanding, 600,000 shares; no par (changed from \$100 par in Mar., 1925; two new shares issued for each old share). Holders of common entitled to one vote for each two shares held. Dividends paid on old stock (par \$100): 1901 and 1902, 2% each; 1903, 3%; 1904, 3%; 1905 and 1906, none; Jan. and April, 1907,  $\frac{1}{2}$ % each; July, 1907, to April, 1908, inclusive, 1% quarterly; July, 1908, to 1916, incl.,  $\frac{1}{2}$ % quarterly; 1917, 1% regular and 1% extra; Jan., 1918, 2% and quarterly thereafter to July, 1919, incl.; Oct. 1, 1919, 3% and quarterly thereafter to April 1, 1925, incl. On no par shares paid \$1.50 per share July 1, 1925, and quarterly thereafter to April 1, 1926, incl.

Transfer Agent: Guaranty Trust Co., New York. Registrar: Central Union Trust Co., New York. Both classes listed on New York and Amsterdam Stock Exchanges.

**NOTE:** Under the articles of incorporation, the board of directors has power, independent of the stockholders, to mortgage, sell or otherwise dispose of any or all of the property of the company, but no sale of all the property may be made without the assenting vote of at least two-thirds of the Board of Directors.

PRICE RANGE:	1925	1924	1923	1922	1921	1920	1919
Preferred ..	128 -120%	125 -118%	125%-117	126%-115½	116½-108	116½-105%	119-113
Common ....	*115%- 97½	200¼-153½	189 -148¼	201 -141	151¼-115¼	147%-111	148%- 84%

\* No par shares; prior years \$100 par.

**Subscription Rights:** Common stockholders of record Jan. 29, 1926, were given right to subscribe for 150,000 class A and 75,000 class B shares of the Brill Corp. in units of 2 class A shares and one class B share at \$122 per unit, on basis of one unit for every 8 American Car & Foundry Co. common shares held. Rights expired Feb. 15, 1926.

## THE BRILL CORPORATION

(Controlled by American Car & Foundry Co.)

**History:** Incorporated in Delaware, Jan. 26, 1926 and acquired over 95% of outstanding preferred and common stock of J. G. Brill Co., and 67% of common stock of American Car & Foundry Motors Co., latter in turn owning entire capital stock of Hall-Scott Motor Car Co. (of Cal.) and over 90% of capital stock of Fageol Motors Co., of Ohio. Hall-Scott Motor Car Co. manufactures and markets gasoline motors for motor buses, trucks, marine equipment and aeroplanes. Fageol Motors Co. of Ohio manufactures the Fageol bus and has exclusive right for its sale throughout United States east of the Rocky Mts. and in important foreign territories.

**Details of Acquisition:** The stock of American Car & Foundry Motors Co. was transferred to Brill Corp., by American Car & Foundry Co. (N. J.), latter agreeing to purchase or underwrite sufficient class A shares of Brill Corp. to complete consolidation and provide additional working capital. As consideration, American Car & Foundry Co. (N. J.) received \$1,500,000 in cash and all authorized class B shares of Brill Corp. not required for exchange for stock of J. G. Brill Co., under the plan. American Car & Foundry Co. (N. J.) thus acquired more than a majority of voting class B stock of The Brill Corp. Holders of preferred and common stock of J. G. Brill Co. were offered right to exchange for stock of The Brill Corp., or receive \$110 cash for each share of preferred and \$125 cash for each share of common. For full details of exchange of stock see under J. G. Brill Co. on a subsequent page.

**Management:** OFFICERS: W. H. Woodin, Chairman; S. M. Curwen, Pres.; G. R. Scanland, Vice-Pres.; H. C. Wick, Sec.; S. A. Mallette, Treas. DIRECTORS: W. H. Woodin, G. R. Scanland, W. M. Hager, C. S. Sale, New York; F. A. Lewis, W. C. Mason, E. P. Rawle, S. M. Curwen, Philadelphia, Pa. ANNUAL MEETING: Last Thursday in Feb. in New York. OFFICE: 165 Broadway, New York.

**Capital Stock: 1. The Brill Corp. 7 % cum. preferred:** Authorized, \$8,500,000; outstanding, \$3,750,000; par \$100. Has preference as to assets and dividends. In liquidation entitled to par and dividends. Callable at any time at 110 on 30 days' notice. Has no voting power, except that consent of at least 75% of outstanding preferred is required before any security having priority or on a parity with preferred stock can be created. Initial dividend paid June 1, 1926.

**2. The Brill Corp., class A common:** Authorized, 225,000 shares; to be outstanding, 225,000 shares; no par. Has second preference as to non-cumulative dividends of \$4 per share; any dividends earned but not paid must be paid before any payments are made on class B; participates equally with class B up to \$6 per share after class B common has received \$2 per share in any year. In liquidation, entitled to \$50 per share and dividends and after class B has received \$10 per share, class A is entitled to an additional \$10 per share. Callable at any time after Jan. 26, 1929, at \$60 per share, but only, if after such redemption, total net assets equal not less than twice outstanding preferred. Has no voting power.

**3. The Brill Corp. class B common:** Authorized, 400,000 shares; outstanding, 400,000 shares; no par. Has sole voting power except as noted under preferred (No. 1). Controlling interest held by American Car & Foundry Co. Transfer Agent: Equitable Trust Co., New York. Registrar: Chase National Bank, New York. Quoted in New York Curb Market.