

MOODY'S INDUSTRIAL MANUAL

AMERICAN and FOREIGN

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CAPITAL STRUCTURE

ACF INDUSTRIES, INCORPORATED

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned	Interest Dates	Call Price	Price Range
1-3. 3 1/2% s. f. debentures, due to 1962	E--	\$1,254,000	1960 1959			1960 1959-60
4. 3 1/2-4 1/2% notes payable (subs.) to 1963	E--	2,670,000				
5. 5 1/2% notes payable, due 1962-79	E--	25,000,000				
6. 5 1/2% mortgage notes, due 1974	E--	2,651,000				
7. 4 1/2% equip. Ser. A, to 1975	E--	13,075,000		M&N 1		
8. 4 1/2% equip. Ser. B, to 1980	E--	1,635,000		M&N 1		

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earnings per Sh.	Divs. per Sh.	Call Price	Price Range
1. Common	\$25	1,418,419 shs.	1960 1959	1960 1959		1960 1959-60

① Fiscal years. ② Placed privately. ③ See text. ④ Issued in Nov. 1960.

HISTORY

Incorporated under the laws of New Jersey Feb. 20, 1939 as American Car & Foundry Co. Present name adopted June 1, 1954.

At incorporation acquired 13 railway car building companies and plants. Five others were acquired and consolidated at various times thereafter.

In 1951 organized certain subsidiaries for purpose of financing specific car purchases, rental and sales transactions. Any obligations incurred by such financial subsidiaries are secured by cars and leases thereon and are without recourse to company.

Subsidiaries in this group are SHPX First Corp., SHPX Second Corp., SHPX Third Corp., Amcar Corp., and Car Funding Corp. Business of these companies represents result to date of a venture begun on premise that acquisition of cars to be leased for long terms to industrial users should be financed with a minimum of capital investment and without engaging credit of ACF Industries, Inc. SHPX Fourth Corp. was organized 1959 to finance lease of 2,000 hopper cars to Pennsylvania R.R.

On Apr. 20, 1953, purchased entire capital stock of Avion Instrument Corp. of Paramus, N. J., which conducts research and develops fire control and missile guidance systems, computer elements and other electronic devices. Now operated as a part of ACF Electronics Division.

In May 1954, company through W-K-M Manufacturing Co., Inc., acquired for \$7,150,000 business of W-K-M Co. of Houston, Tex. Manufacturer of high-pressure steel valves for oil field and pipe line equipment. Now operated as W-K-M Division.

In Nov. 1951, company acquired Engineering & Research Corp., Riverdale, Md., producer of electronics and airplane equipment. Now operated as a part of ACF Electronics Division.

In Aug. 1955 acquired all assets of Key Co., for 30,000 ACF common shares. Key produced oil refinery parts and equipment; now operated as part of W-K-M Division.

In Oct. 1957, acquired all assets of Modern Manufacture, Inc., Houston, Tex., for 5,190 ACF common shares. Modern machines small precision items and tooling on a job order basis and is now a part of W-K-M Division.

In May, 1960, acquired 214,500 shares (15% interest) in Republic Aviation Corp. (see general index) at cost of \$5,148,000.

SUBSIDIARIES

This is both an operating and holding company. As of April 30, 1960, 100% of the voting power was held in the following subsidiaries:

Name, place of incorporation and business	SHPX First Corp., N. Y., financing purchases, rentals and sales.	SHPX Second Corp., N. Y., financing purchases, rentals and sales.	SHPX Third Corp., N. Y., financing purchases, rentals and sales.	SHPX Fourth Corp., N. Y., financing purchases and rentals.	Amcar Corp., N. Y., financing purchases, rentals and sales.	Car Funding Corp., N. Y., financing purchases, rentals and sales.
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INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED APRIL 30

(Taken from reports to Securities and Exchange Commission; including wholly owned subsidiaries)

	1960	1959	1958	1957	1956	1955	1954
Sales, less discounts & allowances	\$263,611,000	\$178,726,000	\$297,894,722	\$291,592,193	\$245,555,172	\$190,774,346	\$245,686,903
(Cost of sales)	224,483,000	148,990,000	247,793,811	241,935,419	204,051,590	155,618,370	203,337,822
(Selling, gen. and admin. exp.)	19,920,000	19,000,000	20,355,895	21,212,800	18,493,756	14,466,142	14,219,890
Research & development exp.	1,761,000	1,410,000	1,935,661	2,820,371	3,143,913	1,960,193	
Depreciation & amortization	6,492,000	6,155,000	6,115,602	5,728,299	4,657,379	4,523,197	3,802,773
Operating profits	10,955,000	3,051,000	18,599,319	19,845,301	15,238,501	14,186,439	18,676,512
Interest & other expenses, net	1,032,000	451,000	1,217,867	1,934,691	1,664,321	1,232,459	1,223,339
Misc. other deductions, net	2,281,000	cr 185,000	1,473,053	cr 443,743		cr 101,310	cr 53,703
Balance	7,559,000	2,705,000	15,903,353	18,324,352	14,174,153	13,055,320	17,508,832
Prov. for Fed. Inc. and surtax	3,656,000	991,000	8,057,116	9,291,029	6,165,000	6,200,000	8,558,191
Excess profits taxes							901,415
Prov. for deferred Fed. Inc. taxes							253,806
Net income to surplus	3,933,000	1,711,000	7,851,277	9,033,323	8,009,153	6,855,320	7,778,410
Surplus beginning of year	51,016,000	52,816,000	50,654,001	45,178,035	43,162,412	37,652,640	31,913,003
(Other surplus credits)						7,121,553	
(1 1/2% preferred dividends)						2,026,150	2,026,150
5% preferred dividends				166,933	303,915	623,021	
Common dividends (cash)	3,513,000	3,514,000	5,659,021	4,050,303	4,882,014	4,019,074	3,412,910
(Common dividends (stock))							2,570,412
(Other surplus debits)						1,823,891	
Surplus end of year	\$51,404,000	\$51,016,000	\$52,845,747	\$50,654,001	\$45,778,035	\$43,162,412	\$37,652,640

ACF International Corp., N. Y., owns British and Canadian subsidiaries mentioned below. ACF (Great Britain) Ltd., British licensee and representative.

W-K-M Canada Ltd., Canadian distributor.

BUSINESS AND PRODUCTS

On June 1, 1955, a new organization plan was placed in operation as part of broad program of diversification. At Apr. 30, 1960, company had 6 operating divisions with 11 manufacturing plants, 5 service plants and offices in 12 cities. Each division is headed by its own chief executive with its own management team. Operating groups and their major product or service categories follow:

ACF Electronics Division, the former Avion and Nuclear Products-Erco divisions were merged on Jan. 11, 1960, consolidating all electronics and electro-mechanical activities under one management group; makes flight simulators and other training and check-out devices, radar beacons, infrared devices, navigational instruments and systems, missile components and ground support equipment, aircraft components, ordnance, special purpose analog computers and metal working machinery. In Apr., 1960, sold Reactor Engineering Office to Allis-Chalmers Mfg. Co.

Albuquerque Division, formed April 1, 1959, manages Atomic Energy Commission's South Albuquerque facility and provides support functions to AEC Los Alamos and Livermore Laboratories.

American Car & Foundry Division makes railroad freight, tank, passenger, industrial and mine cars; car components; tanks and pressure vessels; foundry and forge products; heavy-plate pressings; materials handling equipment, marine, land, air; ordnance support equipment; aircraft parts and components, airframe assemblies; specialized industrial equipment; pressed metal specialties and railroad car wheels.

Carlier Carburetor, makes carburetors; fuel filters; fuel pumps; small machine parts, and small metal stampings.

Shippers' Car Line Division, leases more than 17,000 tank and special railroad cars to industry; repairs tank cars and sells freight and tank cars and parts made by American Car and Foundry division to industrial users.

W-K-M Division, makes lubricated plug valves; high-pressure oilfield and pipeline gate valves; multiple completion valves; ball valves; refinery and chemical alloy fittings, return bends and related products.

Capital expenditures in fiscal 1960 totaled \$50,876,000 including \$26,025,000 for car fleets.

Unfilled Orders (\$), June 1:	1960	1959	1958	1957
	119,000,000	131,000,000	133,500,000	118,000,000
	1957	181,000,000	271,000,000	

PRINCIPAL PLANTS & PROPERTIES

Plant locations of operating groups follow:

Albuquerque Division	Albuquerque, N. Mex. (683,000 sq. ft.)
Atomic Energy Commission plant managed by company	
American Car & Foundry Division	Berwick, Pa. (2,054,524 sq. ft.)
Passenger and freight cars, forgings.	

Huntington, W. Va. (414,039 sq. ft.)

Freight cars.

Milton, Pa. (413,458 sq. ft.)

Tank cars, tanks, heavy pressings.

St. Louis, Mo., Car Plant (684,200 sq. ft.)

Freight cars.

ACF Electronics Division

Bladensburg, Md. (33,000 sq. ft.)

Electronics—Research and engineering.

Paramus, N. J. (92,000 sq. ft.)

Electronics—Research and engineering.

Riverdale, Md. (286,720 sq. ft.)

Electronics products.

Carlier Carburetor Division

Olivette, Mo. (208,450 sq. ft.)

Carburetor parts

St. Louis, Mo. (503,000 sq. ft.)

Carburetors, fuel pumps.

Shippers' Car Line Division

East St. Louis, Ill. (25,420 sq. ft.)

Tank car repairs

Milton, Pa. (62,450 sq. ft.)

Tank car repairs

North Kansas City, Mo. (35,350 sq. ft.)

Tank car repairs

Redhouse, W. Va. (21,000 sq. ft.)

Tank car repairs

Smackover, Ark. (13,730 sq. ft.)

Tank car repairs

W-K-M Division

Missouri City, Tex. (500,630 sq. ft.)

High pressure valves and refinery fittings

MANAGEMENT

Officers

W. T. Taylor, Chairman	J. F. Clark, Chmn. Exec. Comm.	R. C. Taylor, President	H. A. Correa, Vice-President	C. A. Fee, Vice-Pres. & Secretary	H. P. Hopkins, Vice-President	W. E. Linger, Vice-President	H. Ben Young, Vice-President	C. H. Pilcher, Vice-President	F. H. Boland, Jr., Vice-President	J. F. Burditt, Treasurer	W. W. Wilson, Comptroller	W. J. Haley, Asst. Secretary	J. L. Farrell, Jr., Asst. Secretary	P. M. Anderson, Asst. Treasurer	W. C. Anderson, Asst. Treasurer	David Ohler, Asst. Treasurer
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Directors

C. M. Brinckerhoff, New York	F. C. Brown, Bloomfield, N. J.	J. F. Clark, New York	R. H. R. Loughborough, New York	D. G. Mitchell, New York	M. I. Peale, Farmingdale, N. Y.	G. G. Simmons, Jr., New York	R. C. Taylor, New York	W. T. Taylor, New York	W. F. Van Deventer, New York	E. W. Williams, Jr., Darien, Conn.
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General Counsel: Hardy, Peal, Barker and Rawlings, New York.

Auditors: Price Waterhouse & Co.

Annual Meeting: Last Thursday in August.

No. of Stockholders: Apr. 30, 1960, 13,850.

No. of Employees: About 13,000.

General Office: 750 Third Ave., New York

17, N. Y.

Corporate Office: 117 Main St., Flemington, N. J.

SUPPLEMENTARY P. & L. DATA

	1960	1959	1958	1957	1956	1955	1954
Maintenance and repairs	\$11,493,000	\$9,370,000	\$10,933,500	\$11,741,134	\$6,511,443	\$6,334,043	\$9,433,297
Amort. of patents	-----	-----	-----	-----	-----	-----	23,014
Replace. in lieu of deprec. on dies ..	-----	-----	-----	-----	-----	-----	1,619,662
Taxes (other than income)	4,691,000	3,748,000	3,935,713	4,023,012	4,790,917	2,924,217	3,001,810
Rents	2,897,000	2,263,000	1,720,914	1,353,503	644,135	694,618	612,347
Royalties	411,000	370,000	597,072	561,146	503,835	591,923	209,976

1960: Includes \$3,410,000 not restricted under loan agreements.

Includes related portions of items shown under "Supplementary p. & l. data" below statement.

On account of accelerated depreciation.

Retired in 1955.

1955-54: \$7 per share out of earnings from preceding year.

1954: 10% stock dividend: 65,908 shares valued at \$39.00 per share, \$2,570,412.

Includes payroll taxes (1960, \$3,213,000).

1955: Provision for price redetermination and other changes relating to prior years: \$1,823,891.

Principal "other surplus credits follow:

1955: Restoration to retained earnings of contingency reserve no longer deemed necessary, \$7,121,583.

Record of Earnings, Years ended April 30 (in \$):

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
1941.....	67,192,012	60,338,909	6,853,103	502,934	7,356,037	2,194,827	5,161,190	-----	699,400	5.23
1942.....	216,356,563	163,272,167	53,084,401	d 2,281,453	47,762,933	33,507,562	9,275,371	799,400	699,400	112.00
1943.....	289,275,689	238,757,619	50,518,070	d 2,087,169	50,430,621	25,374,902	5,055,719	1,193,500	699,400	5.05
1944.....	218,834,833	166,150,439	52,684,394	365,753	23,019,002	17,427,770	5,591,232	1,198,800	699,400	5.95
1945.....	199,755,179	176,164,573	23,590,606	155,709	23,746,315	17,411,174	6,335,141	1,493,500	699,400	7.18
1946.....	118,113,552	110,765,283	7,348,269	1,183,250	8,531,519	3,185,800	5,345,719	1,798,200	699,400	5.54
1947.....	132,620,244	124,793,178	7,826,066	d 59,830	7,922,236	2,745,194	5,176,042	1,798,200	699,400	5.25
1948.....	131,360,756	124,219,389	7,141,367	d 601,820	6,539,547	2,435,885	4,103,662	1,798,200	699,400	3.47
1949.....	219,618,483	209,964,509	9,653,974	d 1,266,033	8,417,876	3,485,762	4,932,114	1,798,200	699,400	4.85
1950.....	147,470,154	146,501,835	968,319	d 409,493	558,826	119,563	449,263	1,798,200	699,400	d 2.65
1951.....	119,657,304	113,711,618	5,945,686	d 1,007,714	4,937,972	2,201,933	2,736,039	1,798,200	699,400	1.03
1952.....	173,904,755	156,711,143	17,193,612	d 2,456,437	14,737,175	7,595,010	7,142,165	1,198,800	699,400	8.61
1953.....	257,209,071	236,702,243	20,506,828	d 2,596,292	17,910,536	8,225,555	9,684,981	1,602,501	699,400	10.10
1954.....	245,086,908	226,410,586	18,676,322	d 1,109,680	17,566,642	9,773,412	7,793,230	1,602,501	725,243	7.93

\$7.23 after renegotiation adjustment.

Includes \$593,400 declared in July 1941, but held up by court action and paid in Feb., 1943.

Includes 10% stock dividend.

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF APRIL 30

(Taken from reports to Securities and Exchange Commission; including wholly-owned subsidiaries)

	1960	1959	1958	1957	1956	1955	1954
ASSETS							
Cash	\$13,724,000	\$14,432,000	\$10,933,501	\$13,151,933	\$13,473,328	\$18,228,165	\$10,110,670
U. S. Govt. secs. (cost)	-----	-----	9,453,792	-----	6,102,855	6,235,033	13,455,781
Notes & accts. receivable	40,859,000	25,501,000	25,633,753	44,815,702	34,550,800	34,094,433	29,945,914
Inventories	52,333,000	50,011,000	55,011,956	66,882,817	53,474,255	47,160,859	41,774,963
Prepaid expenses	1,323,000	1,152,000	1,259,191	2,240,167	945,735	-----	-----
Total current assets	\$107,941,000	\$91,106,000	\$81,582,193	\$127,160,624	108,917,001	105,558,553	93,297,323
Invest., etc. in uncons. subs.	2,817,000	2,926,000	3,205,033	1,511,202	1,390,219	1,727,217	920,700
Long term receivables, etc.	553,000	749,000	722,103	859,601	2,051,235	2,445,949	2,066,713
Property, plant and equipment	145,023,000	144,001,000	137,151,253	132,615,067	127,597,652	121,033,639	103,449,633
Less: Depreciation reserve	73,559,000	72,070,000	69,189,972	66,031,850	62,593,114	57,997,519	55,293,427
Net property account	71,539,000	72,531,000	67,961,317	66,610,187	65,053,533	63,056,000	54,151,236
Intangibles	-----	-----	-----	-----	-----	-----	682,535
Prepaid taxes, insurance, etc.	-----	-----	-----	-----	-----	-----	-----
Total	\$182,883,000	\$167,312,000	\$153,500,557	\$196,471,617	\$177,476,934	\$172,818,603	\$153,103,578
LIABILITIES							
Accounts payable, etc.	\$24,336,000	\$26,162,000	\$16,555,957	\$25,275,534	\$23,746,264	\$21,593,097	\$22,461,444
Accrued taxes	5,824,000	3,123,000	8,293,594	10,158,156	7,689,131	10,290,109	11,855,170
Notes payable (banks)	-----	-----	-----	24,000,000	21,500,000	21,000,000	-----
Dividends payable	-----	-----	-----	-----	1,570,011	1,258,273	-----
Advance contr. payments	-----	-----	-----	-----	-----	-----	558,805
Long term debt due within year	1,401,000	954,000	1,220,000	1,220,000	851,000	851,000	655,000
Total current liabilities	\$1,564,000	30,245,000	26,039,951	70,653,690	55,296,503	54,922,494	35,570,419
Long term debt	50,174,000	16,424,000	5,144,000	6,364,000	7,953,000	8,904,000	6,450,000
Minority interest	-----	-----	-----	-----	-----	-----	2,422
Reserve for contingencies, etc.	-----	-----	-----	-----	-----	-----	7,121,583
Res. for deferred Fed. income taxes	2,064,000	1,906,000	1,756,347	1,429,003	934,462	-----	263,803
7% preferred stock (\$100 par)	-----	-----	-----	-----	6,873,350	23,519,655	30,000,000
5% preferred stock (\$50 par)	35,461,000	35,451,000	35,447,605	35,317,856	31,504,175	21,432,950	18,149,350
Common stock (\$25 par)	32,216,000	32,210,000	32,207,005	32,052,972	29,037,465	20,877,291	19,456,503
Capital surplus	51,404,000	51,016,000	52,845,747	50,654,091	45,778,035	43,162,412	37,632,640
Total capital stock & surplus	119,031,000	118,677,000	120,500,359	118,024,919	113,243,026	103,592,525	105,283,493
Less: Treasury stock	-----	-----	-----	-----	-----	-----	1,013,150
Net capital stock & surplus	119,031,000	118,677,000	120,500,359	118,024,919	113,243,026	103,592,525	104,215,343
Total	\$182,883,000	\$167,312,000	\$153,500,557	\$196,471,617	\$177,476,934	\$172,818,603	\$153,103,578
Net current assets	\$76,389,000	\$60,851,000	\$55,452,247	\$56,506,931	\$53,650,495	\$50,666,063	\$39,716,911
PROPERTY ACCT.—ANALYSIS							
Additions at cost	\$8,790,000	\$11,276,000	\$8,889,243	\$8,342,492	\$7,156,597	\$14,584,457	\$9,667,822
Retirements or sales	8,231,000	3,761,000	4,171,747	3,091,505	3,402,562	2,910,875	7,251,235
Other additions	cr 59,000	cr 65,000	cr 181,219	cr 233,571	2,759,973	cr 69,647	cr 14,731
DEPREC. RESERVE—ANALYSIS							
Additions charged to p. & l.	\$6,433,000	\$6,000,000	\$5,931,323	\$5,494,728	\$5,160,901	\$4,453,550	\$3,809,457
Retirements or sales	4,944,000	3,180,000	2,875,175	1,998,982	2,012,757	1,754,428	5,024,055
Other additions	-----	-----	91,944	-----	1,363,421	-----	63,035

1956: Represents additions to fixed assets through acquisition of Key Co.

1955: Transferred to earned surplus.

Includes unbilled charges (1960, \$6,520,000).

At cost or less and not in excess of market.

1960: comprises \$15,000 cost of capital stock of SHPX, \$2,706,000 paid by ACF Industries, Inc. to a subsidiary of SHPX First Corp. for option to purchase railroad cars at depreciated book value less amount paid for options, and \$96,000 representing installment notes receivable from a company in SHPX group.

Relating to accelerated amortization of facilities under certificate of necessity.

	Book Values	Reserves
Land & Impr.	\$3,565,000	-----
Structures	22,363,000	\$16,415,000
Mach. & equip.	58,323,000	-----
Railroad cars	50,310,000	27,114,000
Constr. in prog.	537,000	-----
Total	\$145,093,000	\$13,559,000

Comprises 10,550 preferred shares at 1954-51; and following common shares: 1954, 726; 1953, 600; 1952-51, 600.

1955: Represents related reserve of additions to fixed assets through acquisition of Modern Manufacture, Inc.

1956: Represents related reserve of addi-

tions to fixed assets through acquisition of Key Co.

1955: After crediting \$154,034 upon acquisition of another company.

1957: After crediting \$2,965,506 resulting from conversion of preferred stock into common stock.

1955: After crediting \$3,210,172 resulting from issuance of common stock in amounts in excess of par value.

1955: After crediting \$1,420,791 resulting from issuance of common stock in amounts in excess of par value.

1954: After crediting \$922,712 excess of average market value of \$39 per share over \$25 par value of common distributed as a dividend.

Depreciation Policy: Depreciation on railroad cars acquired prior to Oct. 1956 and other fixed assets acquired prior to 1954 is being provided by the "straight-line" method. Depreciation on railroad cars acquired subsequent to Sept. 1956 and other fixed assets acquired subsequent to 1953 is being provided by "declining balance" method.

Maintenance costs and dies, patterns, small tools, etc., are charged to operating expenses. Additions and betterments are charged to

property accounts. With exception of railroad cars, original cost of normal property retirements less salvage is charged to depreciation reserve. When railroad cars are retired, asset and accumulated depreciation amounts are removed from accounts and resultant gain or loss is reflected in income account.

General Notes

(a) Consolidated statements include all subsidiaries except SHPX First Corp. and its subsidiary companies.

(c) Fiscal 1960 pension contribution totaled \$2,555,000 (1959, \$1,825,000). In 1959, policy changed by not taking maximum allowable as tax deduction. Unfunded past service benefits, at Apr. 30, 1960, \$24,800,000.

SHPX First Corp. and Subsidiaries (not consolidated):

	1960	1959
Apr. 30: R.R. car rentals ..	\$9,435,000	\$7,173,000
Oper. expenses	1,312,000	1,221,000
Depreciation	4,067,000	2,926,000
Operating profit	4,026,000	3,032,000
Other income	183,000	107,000
Total income	4,209,000	3,150,000
Interest paid	1,070,000	1,075,000
Fed. income taxes ..	1,395,000	1,058,000
Net income	1,233,000	1,008,000

Consolidated Balance Sheet, as of Apr. 30:		
Assets:	1960	1959
Cash	\$1,281,000	\$1,033,000
U. S. Govt. secur.	3,410,000	2,368,000
Nts. & accts. rec.	110,000	143,000
Prepaid expenses	25,000	11,000
Tot. cur. assets	\$1,850,000	\$3,550,000
Int. in car lse. pay.	93,000	206,000
Other assets	2,019,000	1,358,000
Railroad cars	(3,621,000)	41,655,000
Less: Deprec. res.	13,937,000	9,573,000
Net prop. acct.	43,684,000	31,782,000
Total assets	\$56,655,000	\$36,936,000

Liabilities:		
	1960	1959
Notes payable	\$5,513,000	\$3,843,000
Due to affil.	171,000	73,000
Accts. pay. & accr.	291,000	94,000
Accr. Fed. state, etc., taxes	574,000	52,000
Total cur. liab.	\$6,552,000	\$4,042,000
Notes payable	21,315,000	21,315,000
Due to affiliates	55,000	205,000
Future deliv. under car. pur. op.	2,706,000	2,706,000
Res. for defer. inc. taxes	5,031,000	4,290,000
Cap. stk. (par \$100)	15,000	15,000
Earned surplus	5,556,000	4,363,000
Total liabilities	\$56,655,000	\$56,936,000

\$2,705,000 in 1960 and 1959, for options to purchase these cars at any time at their net depreciated book value, with privilege of applying this amount to purchase price thereof. Equal amounts are shown as assets in company's consolidated balance sheets.

Secured long term debt, principally at 3½% and 5½% interest, summarized as follows:

\$3,533,000 collateral notes due serially to Sept. 1, 1961.

\$20,635,000 chattel mortgage notes due serially to Apr. 1, 1970, \$97,000 equipment trust certificates due serially to July 1, 1961, \$177,000 promissory notes due serially to Aug. 26, 1957, \$17,674,000 equipment notes due serially to Aug. 10, 1974.

Above includes \$5,513,000 portion due within one year.

FINANCIAL & OPERATING DATA

Statistical Record, Fiscal Years		
	1959	1958
Earned per share—common	\$2.77	\$1.21
Dividends per share—common	\$2.50	\$2.50
Price Range—common	\$2-35½	\$7-46½
Net tangible assets per sh.—common	\$53.95	\$53.63
Number of shares—preferred	1,418,449	1,418,074

Financial & Operating Ratios		
	1959	1958
Current assets—current liabilities	3.42	3.01
% cash & sec. to curr. assets	12.71	15.85
% inventory to curr. assets	48.50	51.89
% net curr. assets to net worth	64.14	51.23
% property depreciated	50.70	49.84
% ann. depr. & amort. to gross prop.	4.47	4.26
Capitalization:		
% Suts. and other long term debt	20.22	12.16
% preferred stock	79.78	87.84
% common stock & surplus	5.01	3.57
Sales—inventory	6.50	7.01
Sales—receivables	368.49	248.41
% sales to net property	141.14	106.82
% sales to total assets	2.15	1.02
% net inc. to total assets	3.50	1.44

Analysis of Operations		
	1959	1958
Sales	100.00	100.00
Cost of sales	85.16	83.37
Sell., gen. & adm. exp.	8.22	11.43
Deprec., renew., etc.	2.46	3.44
Operating profits	4.16	1.70
Income deductions	1.23	0.19
Net income before income taxes	2.93	1.51
Income taxes	1.59	0.55
Net income	1.49	0.96

Calendar years. Also 10% in stock.

LONG TERM DEBT

1. Shippers' Car Line Corp. sinking fund debenture 3½%, due 1961.

AUTHORIZED—\$5,450,000; outstanding, Apr. 30, 1960, \$410,000.

ASSUMED—ACF Industries, Inc.

DATED—April 1, 1946.

MATURITY—April 1, 1961.

INTEREST—A&O 1 at office of trustee.

TRUSTEE—Chemical Bank N. Y. Trust Co., New York.

CALLABLE—As a whole or in part at any time at 103½ to Mar. 31, 1949 and ¼% less each year thereafter.

Also callable for sinking fund, which see.

SINKING FUND—\$410,000 annually Apr. 1. In addition, company may make option payments in multiples of \$5,000 up to \$223,000.

Callable for sinking fund at 100 on any April 1.

DIVIDEND RESTRICTION—Same as series C, below.

OFFERED—(\$5,450,000) Sold privately April 1, 1946 to Equitable Life Assurance Society.

2. Shippers' Car Line Corp., debenture 3½%, series B, due 1962.

AUTHORIZED—\$3,500,000; outstanding, April 30, 1960, \$600,000.

ASSUMED—By ACF Industries, Inc.

DATED—July 1, 1947.

MATURITY—July 1, 1962.

INTEREST—J&J 1 at office of trustee.

TRUSTEE—Chemical Bank N. Y. Trust Co., New York.

CALLABLE—As a whole or in part at any time at 103 to June 30, 1950 and ¼% less each year thereafter.

Also callable for sinking fund, which see.

SINKING FUND—\$300,000 annually July 1.

SECURITY—Not secure by any lien.

DIVIDEND RESTRICTION—Same as series C, below.

OFFERED—(\$3,500,000). Sold privately July 1, 1947.

3. Shippers' Car Line Corp. debenture 3½%, series C, due 1963.

AUTHORIZED—\$2,500,000; outstanding, Apr. 30, 1960, \$244,000.

ASSUMED—By ACF Industries, Inc.

DATED—Apr. 1, 1948.

MATURITY—Apr. 1, 1963.

INTEREST—A&O 1 at office of trustee.

TRUSTEE—Chemical Bank N. Y. Trust Co., New York.

CALLABLE—As a whole or in part at any time at 103 to Mar. 31, 1949 and ¼% less each year thereafter.

Also callable for sinking fund, which see.

SINKING FUND—\$244,000 annually Apr. 1.

DIVIDEND RESTRICTION—Cash dividends are restricted to lower of (a) consolidated net income after Apr. 30, 1956, plus \$5,500,000 or (b) amounts which would not reduce current assets below 175% of current liabilities. At Apr. 30, 1960, \$9,416,000 of retained earnings were not so restricted.

OFFERED—(\$2,500,000). Sold privately April 1, 1948.

4. Notes Payable: Outstanding, \$2,670,000

4% notes due serially to 1969. Other details not reported.

5. Term Loans: Outstanding, Apr. 30, 1960, \$25,000,000 5¼% notes payable annually May 1, 1962-79.

Agreement restricts cash dividends to amount by which consolidated net earnings for year ended Apr. 30, 1961 and 85% of net earnings thereafter exceed \$1,442,000 and any dividends declared after Apr. 30, 1960.

Proceeds to restore working capital expended for fixed assets, including additions to leased fleet of Shippers Car Line division.

6. Mortgage Notes: Outstanding, Apr. 30, 1960, \$2,654,000 5¼% chattel mortgage notes due Aug. 1, 1974. Proceeds for general funds.

7. ACF Industries, Inc. equipment 4¼%, series A, due serially to 1975.

Authorized, \$3,075,000; outstanding, \$3,075,000. Held privately.

Dated Nov. 1, 1960; due \$205,000 annually to Nov. 1, 1975. Interest M&N 1 at United States Trust Co., New York, trustee. Coupon, \$1,000; fully registered, \$1,000 and multiples, C&R interchangeable.

Secured on 538 tanks cars costing \$6,050,000. Unconditionally guaranteed as to principal and interest by ACF Industries, Inc.

Issued for acquisition of tank cars.

8. ACF Industries, Inc. equipment 4¼%, series B, due 1960.

Authorized, \$1,635,000; outstanding, \$1,635,000. Held privately.

Dated Nov. 1, 1960; due Nov. 1, 1960. Interest M&N 1 at United States Trust Co., New York,

trustee. Coupon, \$1,000; registerable as to principal; fully registered, \$1,000 and multiples, C&R interchangeable.

Callable in part for sinking fund annually beginning May 1, 1961 and as a whole at any time on or after Nov. 1, 1970 as provided. Annual sinking fund, each May 1, 1961-79, of rental sufficient to redeem \$1,750 series B certificates.

For security, guaranty and purpose, see series A certificates above.

CAPITAL STOCK

1. ACF Industries, Inc. common stock; par \$25.

AUTHORIZED—1,675,000 shares; outstanding, Apr. 30, 1960, 1,418,449 shares; in treasury, 19,238 shares; reserved for options, 74,455 shares; par \$25 (changed from \$100 par in March, 1925, 2 no par shares issued for each \$100 share and to \$25 par in Sept., 1952, share for share).

Dividend Record (in \$)

(Calendar Years)

(\$100 par shares)

1933... Nil 1909... \$1.00 1901-02 \$2.00

1903... 4.00 1904... 1.00 1905-06 Nil

1907-08 5.00 1909-16 2.00 1917-18 8.00

1919... 9.00 1920-24 12.00 1925... 6.00

(no par shares, after 2 for 1 split)

1925... 3.00 1926-30 6.00 1931... 2.75

1932-36 Nil 1937... 0.25 1938-40 Nil

1941-42 Nil 1943... 4.00 1944... 2.50

1945-49 3.00 1950... Nil 1951... 2.00

1952... 0.75

(\$25 par share)

1952... 0.75 1953... 5.00 1954... 4.75

1955... 3.75 1956-57 4.00 1958... 2.67½

1959-60 2.50

(Also 10% in stock, Sept. 25, 1952.)

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS—Full rights.

LISTED—New York Stock Exchange; unlisted trading on Boston and Pacific Coast Stock Exchanges.

TRANSFER AGENT—Morgan Guaranty Trust Co., New York.

REGISTRAR—Hanover Bank, New York.

Stock Options: Outstanding, Apr. 30, 1960, options held by key executive and managerial employees on 53,350 common shares at prices from \$11.87½ to \$59.25 per share.

INDEX AND RATINGS

Users of this Manual should consult the general Index on blue paper in the front of the volume for alphabetical record of all statements in both the domestic and foreign sections. For convenience, Moody's Ratings are also shown in the Index. Bonds of domestic and Canadian companies and dollar bonds of foreign companies are tabulated with interest rate, also maturity date, interest payment dates, call price, etc.

ALLEGHENY LUDLUM STEEL CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Charges Earned	Interest Dates	Call Price	Price Range
1. Conv. sub. deb. 4s, 1931	Baa	\$16,190,000	1930 11.47	1933 16.07	[A&O 1	1930 111-92 1/2
2. Notes payable		27,845,000				1932-60 123 1/2-85

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh.	Divs. per Sh.	Call Price	Price Range
1. Common	\$1	3,553,470 shs.	1930 \$2.25	1933 \$2.92	1930 \$2.50	1932-60 56 1/2-82 1/2

[Placed privately.] Subject to change, see text. [Range since Issuance.] Range since 2-for-1 split in 1930; range from 1932 and to the split in 1936, 70 1/2-85.

HISTORY

Incorporated in Pennsylvania as Allegheny Steel Co., May 6, 1923, as a consolidation of the former Allegheny Steel Co. (formed in Pennsylvania, 1913, succeeding Allegheny Steel & Iron Co., incorporated in 1909) and West Penn Steel Co. (incorporated in Pennsylvania in 1916). In 1936 acquired West Leechburg Steel Co.

Present name adopted upon consummation of merger on Aug. 16, 1939, of Allegheny Steel Co. and Ludlum Steel Co. Under the merger plan, holders of Ludlum Steel common received for each share one share of Allegheny Ludlum Steel Corp. The preferred and common stock of Allegheny Steel Co. remained unchanged, but the name of the company was changed. Full details of the merger appear in Moody's 1939 Industrial Manual.

Ludlum Steel Co. was incorporated in New Jersey in 1893 as Ludlum Steel & Spring Co., to take over a crucible steel business founded in New Jersey in 1854. The name was changed to Ludlum Steel on Mar. 26, 1915.

In 1936 acquired Paul R. Repath, Inc., Los Angeles, maker of electrical steel laminations now operated as a division of Arnold Engineering Co.

In 1939 formed Allegheny Ludlum International S.A., Geneva, Switzerland to promote sale of products overseas and to engage in other activities.

SUBSIDIARIES

This is principally an operating company. At Dec. 31, 1957, the following proportions of voting power were held in the following subsidiaries:

Allegheny Coal & Coke Co. owns a coal mine adjacent to Brackenridge plant of parent company, which in 1955 was leased to coal mining company for 10 years with options. Under lease 4 major plants will be supplied with coal requirements for term of lease. Capital stock: 159 shares; par \$50. All owned by Allegheny Ludlum Steel Corp.

The Wallingford Steel Co., Conn. Plant at Wallingford, Conn., is a finishing plant devoted to production of stainless and carbon steel strip and welded tubing. Capital Stock: Outstanding, 23,000 shares; par \$25. Allegheny Ludlum Steel Corp. owns 98%.

Arnold Engineering Co. manufactures small transformer cores and permanent magnets and produces and sells electrical steel and electrical alloy laminations and carbon steel pressed stampings. Plant at Marengo, Ill. Capital stock: Outstanding 500 shares; par 100. All owned by Allegheny Ludlum Steel Corp.

Forging & Casting Corp.—Inactive.

Darwin & Milner, Inc., operates a small tool steel warehousing business. All owned by Allegheny Ludlum Steel Corp.

Allegheny Ludlum International S.A., Geneva, Switzerland.

Affiliates: In Feb., 1955 company and Arthur D. Little, Inc., Cambridge, Mass., jointly formed Nuclear Metals, Inc. to serve as contractor-operator of an atomic energy metallurgical research laboratory formerly operated by Massachusetts Institute of Technology at Cambridge.

During 1959, Nuclear Metals built and occupied at Concord, Mass., a modern metallurgical research laboratory. Building, housing administrative, laboratory and metals processing facilities, is located on a campus-type site, with land available for future expansion. New building replaces older AEC facilities formerly used by Nuclear scientists and technicians in Cambridge, Mass.

Nuclear specializes in field of nuclear metals and nuclear fuel elements. It is equipped for research, development and prototype manufacture of metals, alloys, ceramics and cermets, and its staff includes experts on the metallurgy of uranium, beryllium, zirconium and similar metals.

Early in 1939 Tectron, Inc. (see general index) acquired, for cash over 80% of Allegheny Ludlum holding of Nuclear Metals, which now approximates 5%.

Titanium Metals Corp. of America 50% owned (National Lead Co. holds remaining 50%) formed in Mar., 1950 to distribute titanium metal and alloy products. Plants at Henderson, Nev. and Toronto, Ohio. Company in 1950 had \$28,523,000 (1959, \$23,227,000) sales and earnings of \$1,023,000 (1959, \$55,000). Allegheny Ludlum equity in net assets at Dec. 31, 1950, \$11,167,256.

Continuous Metalcast Corp. 35% owned—Owns patents, etc. to process for continuous casting of ferrous and non-ferrous metals. Nuclear Metals Co. (5% owned) operates atomic energy laboratory at Concord, Mass.

BUSINESS

Company is a leading producer of stainless steel, furnishing a complete range of stainless materials in hot rolled and cold finished sheet and strip, plates, bars and extrusions, forgings and castings, seamless and welded tubing and wire. It also produces electrical and magnetic steels, superalloys, Carnet cemented carbides, tool and die steels and a wide variety of other special metals. Through a subsidiary, Titanium Metals Corp. of America, is a leading producer of titanium sponge, titanium metal and its alloys.

Capacity for production, as of Dec. 31, 1950: Finishing Capacity: Net Tons

Bars, hot rolled (includes tool steels)	86,580
Bars & wire, cold finished (incl. tool steels)	26,500
Plates	12,000
Sheets, hot rolled	553,000
Strip, hot rolled	100,000
Sheets, cold rolled	294,000
Strip, cold rolled	228,440
Seamless tubes	3,000
Castings	5,440
Welded tubing	2,300
Forging, billets	8,600

Company is engaged in research and development aimed at providing new metals and improved manufacturing methods. In 1950, the Research Center at Brackenridge, Pa. was placed in full operation where Center has 121,000 sq. ft. of buildings on 13-acre site. Facilities include a metallurgical laboratory, a chemical laboratory, and a metals-processing laboratory, which is, in effect, a pilot plant for melting, rolling and finishing steel and other metal products. Through research company has become an important factor in super-alloys for jet aircraft and missiles, new types of stainless steels, improved types of silicon electrical steels, vacuum-melted alloys of many types. Also in hot extrusion of steels and in development of continuous casting process. Its affiliate, Titanium Metals Corp. of America, is active in research and development of special metals for nuclear energy field, including zirconium, uranium, columbium, tungsten and molybdenum.

Production, years ended Dec. 31 (net tons):

	Steel Melted	Shipments
1950	477,747	501,705
1951	469,785	296,126
1952	418,254	259,535
1953	495,260	352,933
1954	606,918	453,822
1955	625,195	464,231
1956	431,068	305,203
1957	680,619	537,341
1958	569,921	467,830
1959	817,033	616,960
1960	701,569	617,710
1961	562,813	323,275
1962	462,805	427,970
1963	411,107	351,263
1964	563,197	305,003
1965	381,000	354,915
1966	410,191	372,172

PRINCIPAL PLANTS & PROPERTIES

Brackenridge, Pa.—Plant comprises 100 acres of land and 100 buildings with a floor space of 2,263,000 square feet. This plant is equipped with 5 open hearth furnaces and 13 electric melting furnaces. Products include plates, sheets, strip, laminations and semi-finished steels. A 56-inch continuous hot strip mill was completed and placed in operation during 1953, and a new tandem cold rolling mill went into production in Sept., 1954.

West Leechburg, Pa.—Plant consists of 49 acres of land and 23 buildings with a floor space of 791,000 square feet. This plant does not have any steel making capacity, but is equipped for the finishing of steel, products being concentrated in strip and stampings of stainless, alloy and carbon steels. Bagdad plant addition at W. Leechburg Works consists of 100,000 sq. ft. industrial plant on 90 acre site.

Watervliet, N. Y.—Plant consists of 57 acres of land and buildings with floor space of about 517,700 square feet. This plant is equipped with three electric furnaces. Principal finished products are stainless and valve steel bars and high temperature super alloys and

seamless tubing. In 1952 company's first hot extrusion press was designed and installed at plant. Also, added in 1955, facilities for consumable electrodes and induction vacuum melting of steels, superalloys and zirconium. Capacity, 2,000,000 lbs. per mo.

Dunkirk, N. Y.—Plant comprises 89 acres of land, with buildings having a floor space of about 712,000 square feet. Contains three electric furnaces. Principal finished products are stainless and tool steel bars and stainless wire and forgings.

Wallingford Steel Co., Wallingford, Conn.—This is a finishing plant, devoted to conversion of hot rolled stainless steel and carbon steel strip and welded tubing. Plant has about 324,200 square feet of floor space.

Forging and Casting Div. Plant, At Ferndale (Detroit), Mich.—Manufactures tool steel and special steel forgings and castings. Plant has 89,900 square feet of floor space.

Los Angeles Forgo Plant: Produces about 1,000 net tons of forgings annually. Plant has 24,000 square feet of floor space.

Carnet Division, at Ferndale (Detroit), Mich.—Manufactures carbide tool tips and other carbide alloy products. Plant has 30,200 square feet of floor space. Also, a new plant at Bad Axe, Mich., 20,000 sq. ft.

Arnold Engineering Co.—Plant located at Marengo, Ill. Manufactures small transformer cores and permanent magnets. Plant has 100,000 square feet of floor space.

Pacific Division of Arnold Engineering Co. (Los Angeles)—Electrical steel and electrical alloy laminations and carbon steel pressed stampings. Has about 35,000 square feet of floor space.

Coal Properties: Allegheny Coal & Coke Co.'s mine at Brackenridge. Company also owns about 1,550 acres of coal lands in Westmoreland County, Pa., close to Brackenridge plant.

Company also maintains warehouses in 12 and sales offices in 22, cities in the U. S.

Capital Improvement Program: Company has spent approximately \$60 million during period 1950-60, for improvement of plants and facilities designed to broaden the range of products, increase production, reduce costs and improve the quality of products. Capital spending in 1950 was \$17 million with rate of spending for 1951 expected to be less than half that of 1950. Major projects brought into operation in 1950 were a new 100,000-sq.-ft. plant for producing silicon electrical steel strip, at Bagdad, Pa., near W. Leechburg Works; two large continuous furnaces for bright-annealing stainless steel strip, one at W. Leechburg, and one at Wallingford, Conn.; and a large consumable electrode vacuum melting furnace at Watervliet, N. Y.

MANAGEMENT

Officers:

H. G. Batcheller, Chairman
E. J. Hanley, President
C. W. King, Exec. Vice-President
E. F. Andrews, Vice-Pres. (Purchases)
R. M. Arnold, Vice-President
E. B. Cleborne, Vice-President
M. J. Graham, Vice-Pres. (Production)
J. E. Groves, Vice-Pres. (Ind. Relations)
Emil Kern, Vice-Pres. (Engineering)
R. A. Lincoln, Vice-Pres. & Tech. Dir.
W. B. Pierce, Vice-President (Sales)
T. A. Wheeler, Vice-Pres. (Planning)
R. S. Ahlbrandt, Treasurer
S. A. McCaskey, Jr., Secretary
W. A. Kirkpatrick, Controller

Directors:

R. M. Arnold, Chicago
H. G. Batcheller, Pittsburgh
A. B. Bowden, Pittsburgh
E. B. Cleborne, Wallingford, Conn.
E. J. Hanley, Pittsburgh
C. B. Jansen, Pittsburgh
C. W. King, Pittsburgh
W. J. Kyle, Jr., Pittsburgh
Malcolm W. Leech, Pittsburgh
F. B. Lounsbury, Albany, N. Y.
J. A. Martino, New York
S. F. Teele, Boston
N. F. Towner, Albany, N. Y.

General Counsel: Buchanan, Ingersoll, Rodewald, Kyle & Buerger, Pittsburgh.

Auditors: Peat, Marwick, Mitchell & Co.

No. of Stockholders: Dec. 31, 1950, 19,833.

No. of Employees: Dec. 31, 1950, 12,073.

Executive Office: 2009 Henry W. Oliver Bldg., Pittsburgh 22, Pa.