

MOODY'S

INDUSTRIALS

EDITED BY JOHN MOODY

1938

AMERICAN AND FOREIGN

Assets (Cont'd.):	1938	1937
Fixed prop. (net)	8,775	8,775
Investments	409,993	399,574
Cash bal., life ins.	5,100	7,500
Prepayments, etc.	20,895	
Total	\$2,376,351	\$1,626,637
Liabilities:		
10% pfd. stock	875,000	564,500
Common stock	\$35,000	\$35,000
6% & 7% deb. pld.	190,000	190,000
Accounts payable	76,561	55,544
Notes payable		22,750
Accr. comm. etc.	51,154	55,555
Prov. for taxes	46,864	51,550
Accr. deb. int.		15,000
Deb. sta. stock, fd.	88,500	
Bal. due on prop.	140,150	
Dividends payable	29,691	25,188
Retain. payable	16,533	11,134
Reserves		
Capital surplus	9,932	
Distrib. surplus	31,350	
Earned surplus	514,676	188,687
Total	\$2,376,351	\$1,626,637
Current assets	\$669,395	\$667,718
Current liabilities	\$81,570	\$83,516
Net curr. assets	\$447,585	\$583,461
* After depreciation: 1938, \$451,646; 1937, \$346,478.		
† Par value: 1938, \$35; 1937, \$100.		
‡ Represented by no par shares: 1938, 125,000; 1937, 100,000.		
§ At lower of cost or market.		
|| Preferred stock purchase reserve.		
|| Accounts certified by McDonald, Currie & Co.		

Franded Debt: Zeller's, Ltd., 6% debenture stock:
Authorized, \$250,000; outstanding, Jan. 31, 1938, \$187,500; retired, \$62,500. Dated Feb. 23, 1932. The issue has no maturity but may be called at company's option in whole or in part at par.

Interest at rate of 6% per annum is only paid if earned or from surplus, if sufficient, and is cumulative. Sinking fund for retirement of debentures of \$12,500 is payable annually from earnings or

from surplus if sufficient. As long as debentures are outstanding, certain restrictions exist as to the amount of notes which the company may issue in ordinary course of business, the amount being restricted to \$227,500 in Dec., 1937.

Capital Stock: 1. Zeller's, Ltd., 6% cumulative preferred—\$1,000,000 (increased from \$750,000 in Aug., 1937); outstanding, \$750,000; in treasury, \$250,000; par \$25 (changed from \$100 par in Dec., 1937, on the basis of four new shares for each old share).

Preferences—Has preference as to assets and cumulative dividends. In liquidation, entitled to 110% and dividends. Callable—After redemption of 6% debenture stock as a whole or in part (pro rata) at any time on 30 days' notice at 110. Preferred stock may also be purchased for the "preferred stock purchase reserve" (which see).

Voting Power—Has one vote per share except in the event that eight quarterly dividends are in default or company has failed to comply with the provisions of the purchase reserve, then, in either of said events, preferred has exclusive voting power until all unpaid dividends on preferred have been paid and until purchase reserve provisions have been complied with.

Reserve—Provides that the company set aside annually beginning on or before Mar. 31, 1938, so long as preferred is outstanding, a sum equal to 10% of net profits less such sum as may be required annually to redeem debenture stock, to be used as follows: (1) So long as debenture stock is outstanding, to redeem the debenture stock; (2) when debenture stock has been retired, the moneys are to be used to purchase preferred stock at not exceeding redemption price; (3) in event no preferred is available for purchase in the open market, the moneys must remain in the reserve until such preferred is available for purchase at prices at or less than redemption price; (4) in event the moneys in the reserve amount to \$50,000,

then the company is relieved from its obligation to set aside further moneys in the reserve, but such obligation is to be revived thereafter when the preferred becomes available for purchase at not exceeding the redemption price and the amount available for purchase of preferred is reduced below \$50,000 by purchase of such shares.

Other Provisions—Bonds, debentures or other securities equal or prior to the preferred, other than notes or obligations issued or assumed by the company in the ordinary course of business or purchase money obligations, may not be created nor may assets as an entirety be sold or disposed of, without consent of two-thirds of preferred and two-thirds of common. Provisions of the preferred or of common may be changed with the consent of two-thirds of each class of shares so affected.

Purpose—Issued for working capital, for acquisition of property in Halifax and for purchase of stock in the New Universal Stores, Ltd., an English company, operating stores in England.

Dividends—Regular dividends paid on \$100 par stock.

On \$50 par stock paid initial dividend of 37½ cents Nov. 1, 1937.

Regular dividends paid quarterly Feb. 1, etc. to stock of record Jan. 14, etc.

Offered (\$390 shares of 6% cumulative preferred stock and 55,800 shares of common stock) in Canada in Sept., 1937, by Greenshields & Co., Montreal, in units of one preferred share and three common shares at \$50 per unit.

2. Zeller's, Ltd., common:

Authorized, 150,000 shares (increased from 100,000 shares in Aug., 1937); outstanding, 125,000 shares; in treasury, 25,000 shares; no par.

No dividends paid in 1936 or 1937.

Transfer Agent: Barclays Trust Co. of Canada, Montreal, Canada. Registered: Chartered Trust & Executor Co., Montreal, Canada. Number of stockholders, Dec. 31, 1937: Preferred, 130; common, 160.

Third Section

AMERICAN INDUSTRIAL COMPANIES

Including bond ratings where complete facts and figures are available

AMERICAN CAR AND FOUNDRY COMPANY

History: Incorporated under the laws of New Jersey, Feb. 20, 1898, and acquired the following plants at time of incorporation: Buffalo Car Mfg. Co., Buffalo, N. Y.; Bessing Mfg. Co., Huntington, W. Va.; Jackson & Woodin Mfg. Co., Services, Pa.; Michigan Peninsular Co., Detroit, Mich.; Niagara Car & Foundry Co., St. Louis, Mo.; Murray, Douglas & Co., Milton, Pa.; Niagara Car Wheel Co., Buffalo, N. Y.; Ohio Falls Car Mfg. Co., Jeffersonville, Ind.; Pennock Bros. (discontinued), Minerva, Ohio; St. Charles Car Co., St. Charles, Mo.; Terre Haute Car & Mfg. Co., Terre Haute, Ind.; the Wells & French Co., Chicago, Ill.; Union Car Co., Depew, N. Y. The company has also acquired from time to time since the incorporation the following plants: Bloomington Car Co., Bloomington, Ill.; Common-Sense Bolster Co., Chicago, Ill.; Indianapolis Car Co., Indianapolis, Ind.; Jackson & Sharp Co., Wilmington, Del., and the Southern Car & Foundry Co., Memphis, Tenn.

Business: Manufactures railway cars of all types, classes and construction; also car wheels, merchant bar iron castings, forgings, interior woodwork, car floats, repair parts motor boats, gasoline engines, street and subway cars, gas-electric commuter cars for railroads, and carburetors. In 1937 company began manufacturing automotive vehicles—motor buses, motor trucks and motor-driven rail cars.

Plants: Manufacturing plants owned and operated consist of the following: Four passenger car plants, 14 freight car plants, 1 tank car plant, 3 wheel foundries, 7 gray iron foundries, 1 malleable iron foundry, 1 brass foundry, 8 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, Mass., 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.

Subsidiaries

(Direction of control shown by indentations. Voting control represents 100% unless otherwise stated in parentheses.)

Carburetor Corp.
Jackson & Sharp Co. (Inactive)
Railway Equipment Co. of Argentina
Railway Equipment Co., Brazil

Railway Equipment Co. of Cuba
American Car & Foundry Securities Corp.
American Car & Foundry Export Co.
American Car & Foundry Co., Ltd. (Eng.)
Brill Corporation (Eng.)

J. G. Brill Co. (89%)
J. G. Brill Co. of Mass.
J. G. Brill Co. of Cal.
J. G. Brill Co. of Ohio
Chas. J. G. Brill Co. (France)
American Car & Foundry Motors Co. (80%)
Hall-Scott Motor Car Co.
A. C. Motors Co. (Ind.)
A. C. F. Motors Co. (N. J.)
Paseco Motors Co.
Paseco Co.

Shipper Car Line Corp. (79%)
Acme Tank Car Co. (75%)
American Welding Co.

American Car and Foundry Export Co., Incorporated August 13, 1913, in Delaware with an authorized capital of \$500,000 (increased to \$2,000,000 in Dec., 1917), to take over foreign business of American Car and Foundry Co.
American 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 capital stock of 100,000 no par shares.

Management (American Car and Foundry Co.): Officers: C. J. Hardy, Pres.; H. W. Wolf, Senior Vice-Pres.; F. A. Stevenson, Wm. H. Hodgcock, W. J. Harris, C. F. Harvey, V. R. Wilcox, Jr., Vice-Pres.; E. G. Wied, Sec. and Asst. to Pres.; L. A. Blackford, Treas.; J. H. Platten, Compt. and Asst. to Pres.; B. S. Block, Aud. General Counsel; Hardy, Stancliffe & Hardy, Directors; H. S. Block, C. J. Hardy, J. H. Wolf, W. A. Dickerson, B. L. Nye, M. A. Stancliffe, W. W. Wolf, F. A. Stevenson, New York; W. A. Cummings, Chicago.
Annual Meetings: Second Thursday in July. Principal Office: 1 Exchange Place, Jersey City, N. J. St. Louis Office, 1558 S. Vandeventer Ave. Chicago Office: Railway Exchange, New York Office: 30 Church St.

Comparative Consolidated Income Account, Years Ended April 30 (1)

(Including wholly owned subsidiaries)

	1937	1936	1935
Sales	\$40,129,978	\$24,823,936	\$17,623,923
Cost of sales (2)	24,031,237	11,237,116	11,162,770
Selling, gen. and admin. exp. (3)	8,504,989	3,131,358	2,197,601
Depreciation, renewals, etc.	1,800,408	1,599,376	1,582,323
Operating profits	509,111	(d) 1,087,817	(d) 2,890,971
Dividends received	29,638	13,561	19,329
Interest from affiliates	225,625	227,307	228,987
Other interest and discount	374,438	237,434	580,901
Royalties	108,879	81,711	.....
Profit on sale of securities	94,783	..	40,881
Miscellaneous other income	87,893	26,716	19,387
Total income	1,530,634	(d) 2,111,785	(d) 1,403,907
Uncollectible accounts	84	15,003	191,603
Royalties paid	79,144	68,308	85,893
Misc. other deductions (3)	97,721	49,138	256,388
Balance	1,405,876	(d) 441,327	(d) 1,909,847
Prov. for Federal income taxes	198,000	140,587	61,967
Net income to surplus	1,210,876	(d) 589,515	(d) 1,908,514
Surplus beginning of year	23,985,041	24,550,567	24,518,071
Preferred dividends	1,167,800	.....	.....
Surplus end of year	\$24,030,818	\$23,985,041	\$24,550,567
Supplementary p. & l. data:			
Maintenance and repairs	\$2,181,088	\$2,779,717	\$2,578,420
Taxes (other than income)	678,003	682,605	812,965

Notes: (1) Taken from reports to Securities and Exchange Commission.

(2) Includes related portions of items under "Supplementary p. & l. information" below statement.
(3) In 1935, includes \$173,340 adjustment of foreign exchange.

Consolidated Income Account, Years Ended April 30

(American Car & Foundry Co., American Car & Foundry Securities Corp. and American Car & Foundry Export Co.)

(For 1937 income account as reported to SEC, see above)

	1936	1935	1934	1933	1932	1931
Net profit, all sources	\$2,197,302	\$604,918	(d) \$1,730,748	(d) \$1,012,452	(d) \$1,494,949	*\$2,524,789
Depreciation, renewals, etc.	2,779,717	2,572,430	1,686,084	1,192,816	1,112,338	1,686,443
Net income	(d) 569,816	(d) 1,968,514	(d) 2,806,832	(d) 2,211,370	(d) 2,577,377	1,494,949
Preferred dividends	.....	.....	.....	.....	2,100,000	2,100,000
Common dividends	.....	.....	.....	.....	1,250,000	1,250,000
Debit for year	\$569,816	\$1,968,514	\$2,806,832	\$2,211,370	\$24,537,377	\$2,524,789

* After \$128,057 Federal taxes.

† Paid from reserve for common dividends.

‡ Before deducting \$189,400 provision for shrinkage in value of securities, \$286,171 provision for unrealized loss on Foreign Ex.

change and \$300,000 provision for depreciation in inventory values.
§ Depreciation, renewals, replacements, repairs, new patterns, staks, etc.

Statistical Record, Years Ended April 30

(Year 1937 based on SEC reports, prior years on company reports)

	Balance for Dividends	Earnings per Share		Div. Paid per Sh.		Price Range		Number of Shares		Signity per Share		Net Assets
		PM.	Com.	PM.	Com.	Preferred	Common	Preferred	Common	Com. Sh.	Curr. Assets	
1928....	\$3,754,555	\$12.82	\$2.76	\$7.00	\$8.00	127 1/2 - 110 1/2	11 1/2 - 8 3/4	300,000	600,000	\$124.45	\$28,269,323	
1929....	2,718,174	8.05	1.93	7.00	8.00	130 - 110 1/2	10 3/4 - 7 1/2	300,000	600,000	129.47	28,278,937	
1930....	2,823,768	17.38	8.44	7.00	8.00	118 - 70	8 3/4 - 3 1/2	300,000	600,000	129.48	28,283,123	
1931....	1,408,467	4.89	(d) 1.16	7.00	8.00	80 1/2 - 50	2 1/2 - 1 1/2	300,000	600,000	128.82	28,283,123	
1932....	(d) 1,577,377	NH	(d) 7.71	8.38	.....	50 - 30	1 1/2 - 3/4	252,000	504,000	117.88	24,536,487
1933....	(d) 2,211,370	NH	(d) 7.07	.....	.....	59 1/2 - 12	3 1/2 - 1 1/2	252,450	504,000	109.95	22,141,407
1934....	(d) 2,577,377	NH	(d) 8.80	.....	.....	64 1/2 - 25	2 1/2 - 1 1/2	252,450	504,000	108.14	20,529,339
1935....	(d) 1,968,514	NH	(d) 6.80	.....	.....	65 - 25 1/2	2 1/2 - 1 1/2	252,450	504,000	111.12	19,120,453
1936....	(d) 1,968,514	NH	(d) 6.80	.....	.....	100 - 35 1/2	2 1/2 - 1 1/2	252,450	504,000	111.78	19,120,453
1937....	1,210,876	4.18	(d) 1.36	4.00	5.36	104 1/2 - 36	7 1/2 - 15 1/2	252,450	504,000	117.03	22,578,715	

† Calendar year records.

‡ Includes all reserves.

Financial and Operating Ratios: See blue paper insert in center of Manual.

Comparative Consolidated Balance Sheet, as of April 30

	1937(1)	1936(1)	1935(1)	1934	1933	1932
Cash	\$4,547,139	\$5,345,916	\$5,479,040	\$5,775,146	\$6,332,964	\$6,331,494
Mkt. secs. (cost or loan) (2)	3,836,048	2,889,950	1,840,107	2,366,139	2,573,921	2,548,489
U. S. Govt. secs. (cost) (3)	1,245,368	2,412,658	4,305,408	4,803,609	4,803,609	4,830,269
Notes receivable (net) (4)	1,838,018	2,372,696	3,441,309	4,650,921	4,767,726	5,154,714
Accounts receivable (net) (5)	4,737,307	4,484,814	1,669,786	2,067,956	2,183,997	2,328,672
Inventories (6)	12,391,801	5,407,818	2,638,058	2,744,140	2,586,493	2,621,784
Total current assets	28,170,672	28,293,850	18,660,880	21,806,981	23,771,812	27,108,994
Securities of affil. (net) (7)	210,876	210,876	215,413	.....	.....	.....
Misc. securities (net) (8)	212,405	160,356	11,127	.....	.....	.....
Res. of affiliates (net) (9)	2,421,806	2,948,787	3,695,473	.....	.....	.....
Property, plant & equipment (10)	75,336,314	75,140,923	72,962,685	71,709,418	71,709,418	71,710,184
Less: Depreciation reserve (10)	7,169,160	6,665,743	8,976,468	2,021,603	1,013,643	815,643
Net property account (10)	68,067,154	67,575,081	63,987,118	68,673,018	70,697,000	71,497,512
Treasury stock (at cost) (11)	532,400	532,400	532,400	532,400	532,400	482,900
Prepaid taxes, insurance, etc.	185,778	189,788	108,893	.....	.....	.....
Total assets	\$97,750,597	\$94,549,028	\$91,214,599	\$92,010,497	\$95,001,972	\$99,090,413
Liabilities:						
Accounts payable	\$4,386,018	\$5,140,664	\$6,044,598	.....	.....	.....
Accrued payrolls	224,287	212,719	108,190	\$945,723	\$630,265	\$1,982,536
Accrued taxes, etc.	674,951	312,610	188,964	.....	.....	.....
Dividends payable	.....	.....	.....	.....	.....	826,000
Total current liabilities	5,285,256	5,665,993	6,261,752	.....	.....	.....
Insurance reserve	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Reserve for common dividends	2,923,495	2,923,495	2,923,495	2,923,495	2,923,495	2,923,495
Reserve for contingencies	2,895,019	2,895,019	1,215,509	.....	.....	.....
Working condit. improve. res.	62,308	62,308	62,308	62,308	62,308	62,308
Preferred stock (\$100 par)	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Common stock (12)	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Earnings surplus	24,030,918	23,985,041	24,550,567	26,518,071	26,528,908	25,087,173
Total liabilities	\$97,750,597	\$94,549,028	\$91,214,599	\$92,010,497	\$95,001,972	\$99,090,413
Net current assets	\$22,875,715	\$18,628,668	\$17,761,090	\$30,389,389	\$22,141,147	\$24,596,489

	1937(1)	1936(1)	1935(1)	1934	1933	1932
Changes in property account:						
Additions at cost	\$105,228	\$178,805	\$190,356			
Retirements or sales	9,215			Not stated	Not stated	Not stated
Other additions			835			
Other reductions	1,830	1,356	1,739			
Changes in depreciation reserve:						
Additions charged to p. & l.	1,600,408	1,592,276	1,562,332	Not stated	Not stated	Not stated
Notes: (1) Taken from reports to Securities and Exchange Commission.						
(2) For 1935 and subsequent years, at cost or less and after deducting reserves: 1935, \$6,375,875; 1936, \$5,088,622; 1937, \$3,837,032. Market value: 1935, \$1,405,657; 1936, \$2,577,454; 1937, \$4,480,984.						
(3) Market value: 1935, \$3,646,732; 1936, \$3,677,344; 1937, \$1,816,876.						
(4) After \$7,387 unearned interest and \$300,000 reserve in 1937, includes notes receivable due beyond one year: 1935, 1936 and 1937, not stated; 1938, \$1,799,329; 1939, \$1,309,616; 1937, \$1,588,668—these notes are carried as current assets because they are readily marketable.						
(5) After \$300,000 reserve in 1937.						
(6) At cost or less and not in excess of market. In 1937 comprised: Finished goods and raw materials, \$12,941,841; operating supplies, \$350,160; total, \$13,291,801.						
(7) At cost or less and after following reserves: 1935, \$1,864,291; 1936, \$1,864,249; 1937, \$1,864,249. Item not stated in prior years, but apparently included in "Marketable securities" as a current asset.						
(8) At cost or less and after following reserves: 1935, \$233,230; 1936, \$247,415; 1937, \$228,078. Item not stated in prior years, but apparently included in "Marketable securities" as a current asset.						

Capital Stock: 1. American Car and Foundry Co. 7% non-cumulative preferred. Authorized, \$80,000,000; outstanding, \$28,945,000; in treasury, \$1,055,000; par \$100. (See note below.) Has preference as to assets and non-cumulative dividends. In liquidation entitled to par.

Not callable. Each preferred share entitled to one vote. Regular dividends paid quarterly, Jan. 1, etc., from organization through July 1, 1933; none thereafter to April 30, 1937 when 4% was paid; Apr. 30, 1938, 2 1/4% of record Apr. 10, 1938.

2. American Car and Foundry Co. common: Authorized, 600,000 shares; outstanding, 589,400 shares; in treasury, 600 shares; no par (changed from \$100 par in Mar., 1935; two new shares issued for each old share). Holders of common entitled to one vote for each two shares held.

Dividends paid on stock (par \$100): 1937, and 1938, 5% each; 1935, 3%; 1936, 3%; 1936 and 1937, 1% each; Apr. 1937, 1/4% each; July, 1937, to April, 1938, inclusive, 1% quarterly; July, 1938, to 1939, incl., 1/4% quarterly; 1937, 1% regular and 1 1/2% extra; Jan., 1938, 1% and quarterly thereafter to July, 1939, incl.; Oct. 1, 1939, 3% and quarterly thereafter to April 1, 1940, incl.

AMERICAN CAR AND FOUNDRY MOTORS COMPANY

(Controlled by The Brill Corp.)

History: Incorporated in Delaware, Dec. 25, 1935. Owns entire capital stock of Hall-Scott Motor Car Co. (Cal.), which manufactures and markets gasoline motors for motor buses, marine engines and equipment, aeroplanes, industrial locomotives and railway motor cars. Also controls the Papego Motors Co. of Ohio, which owns the entire capital stock of the Papego Co. of Ohio. Also controls the A. C. F. Motors Co. of Delaware, which owns the entire capital stock of the A. C. F. Motors Co. of New Jersey. These two companies handle sale of American Car & Foundry Motors Co. products in the one in the east and the other in the states west of the Rocky Mountains. In Feb., 1938, it was reported that all sales activities of this company was coordinated with J. G. Brill Co. A. C. F. Motors Co. of Canada, Ltd. was liquidated Jan. 25, 1938.

Management: Officers: C. J. Hardy, Chairman and Pres.; L. A. Blackford, Vice-Pres. and Treas.; J. H. Platten, Vice-Pres.; H. C. Wick, Sec.; Hardy, Stancilife & Hardy, General Counsel. Directors: H. W. Wolff, C. J. Hardy, N. A. Stancilife, F. C. W. W. Hager, W. C. Dickerman, W. J. Harris, H. C. Wick, J. H. Platten, L. A. Blackford, New York; W. J. Cummings, Chicago. Annual Meetings: First Friday in May. Office: 30 Church St., New York.

CONSOLIDATED INCOME ACCOUNT, YEAR ENDED DEC. 31, 1937	
*Net sales	\$5,625,126
Cost of sales, depred., etc.	5,174,547
Operating profit	450,579
Other income	68,488
Total income	519,067
*Other expenses	228,532
Income taxes, etc.	128,708
Net income	161,827

* Includes \$254,557 sales to affiliated companies.
† Includes \$23,458 interest paid to affiliates.

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF DEC. 31
(American Car & Foundry Motors Co., A. C. F. Motors Co. (Del.), A. C. F. Motors Co. (N. J.), Papego Motors Co. (Ohio), Papego Co. (Ohio), Hall-Scott Motor Car Co.)

	1937	1936	1935
Assets:			
Equipment and equipment	\$1,466,455	\$1,498,922	\$1,568,013
Good-will, patents, etc.	1,428,597	1,428,077	1,428,597
Cash	1,151,756	719,349	849,779
Bills & notes receivable (net) ..	1,118,985	1,395,134	1,227,893
Inventories (cost)	917,759	895,662	675,417
Prepaid accounts	128,758	198,587	201,187
Deferred accounts			
Total	\$5,609,266	\$4,102,391	\$5,955,826

years, but apparently included in "Marketable securities" as a current asset.

(8) After \$4,000,000 reserve in 1935, 1936 and 1937. Item not reported separately in prior years.

(10) In 1937, book value of property account comprised (depreciation reserve in parentheses): Plant and property, undepreciated, \$71,582,673 (\$5,613,002); land, \$45,750; buildings, \$54,601 (\$79,727); patents, \$15,312; machinery and equipment, \$285,988 (\$557,871); land and buildings, to be apportioned, \$52,000; total book value, \$78,335,314 (\$7,135,150); net property account, \$68,046,184.

(11) Comprised: 1935, 7,400 preferred and 600 common shares; subsequent years, 10,550 preferred and 600 common shares.

(12) Represented by 600,000 no par shares which include treasury stock (see note (11) above).

Notes: (a) In consolidating subsidiaries, no adjustments are necessary as intercompany investments are in agreement with exceptions have an aggregate of \$1,399,058 (as of April 30, 1937) undistributed earned surplus which is properly included in consolidated earned surplus.

(b) Contingent Liability at April 30, 1937, \$375,000 for guaranteed bank loan of Hall-Scott Motor Car Co. (an affiliate).

(c) Accounts certified by Ernest W. Ball & Co.

On no par shares paid \$1.50 per share July 1, 1935, and quarterly thereafter to Jan. 1, 1937, incl., Apr. 1, 1937, 7% cents; July and Oct. 1, 1937, 3% cents; none thereafter to June 4, 1937, when 25 cents was paid; none thereafter to May 25, 1938.

Note: Under the articles of incorporation, the board of directors has power to authorize 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.

Subscription Rights: Common stockholders of record Jan. 25, 1938, 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 \$125 per unit, on basis of one unit for every 8 American Car & Foundry Co. common shares held. Rights expired Feb. 15, 1938.

Transfer Agent: Guaranty Trust Co., New York. Registrar: Central Hanover Bank & Trust Co., New York. Listed: Both classes listed on New York Stock Exchange; unlisted trading in common on San Francisco Stock Exchange. Number of stockholders, Dec. 31, 1937: Preferred, 5,904; common, 9,601.

	1937.	1936	1935
Liabilities:			
Preferred stock	\$4,251,779	\$4,251,779	\$4,251,779
Common stock	2,584,420	2,584,420	2,584,420
Loans payable	\$,475,264	\$,475,264	\$,475,264
Accounts payable	775,795	221,009	89,951
Accruals	217,866	225,072	225,072
Federal taxes (est.)	285,219	285,219	285,219
Allowance for contingencies		28,420	31,720
Deficit	5,770,758	5,912,545	5,955,826

Total

Current assets

Current liabilities

Net current assets

† After depreciation: 1937, \$1,313,003; 1936, \$1,228,852; 1935, not stated.

† Represented by 327,712-12/31, no par shares.

Includes \$6,100,064 due to affiliated interests (Hall-Scott Motor Car Co. stock pledged as security).

Includes A. C. F. Motors Co. of Canada, Ltd., liquidated Jan. 25, 1938.

Total current liabilities include \$6,100,064 notes (see *), \$225,000 accrued rental and \$275,988 due affiliated interests or companies.

Notes: (1) Dividends on preferred stock deferred since Sept. 30, 1936. (2) No provision was made in 1937 or 1938 for surplus on undistributed profits of American Car & Foundry Motors Co., as company intends, on advice of counsel, to claim credit under Section 26 (c) of 1938 Revenue Act. (3) Accounts certified by Lybrand, Ross Bros. & Montgomery. (4) At Dec. 31, 1937, A. C. F. Motors Co. (Del.) was contingently liable on \$548,888 for certain notes receivable discounted. (5) 1937 property account includes \$548,978 appraisal appreciation and \$1,017,958 goodwill not recorded on books of Hall-Scott Motor Car Co. and included here for report purposes only.

Capital Stock: 1. American Car & Foundry Motors Co. 7% cum. preferred: Authorized, \$10,000,000; outstanding, \$4,251,779; in treasury, \$129,000; par \$100. Has preference as to assets and dividends. In liquidation entitled to par and dividends. Callable as a whole, or in part by lot or pro rata, at 10% on 60 days' notice. No sinking fund. Voting power 1 vote per share. No sinking fund. Brill Corp. owns 24,097 shares. No dividends paid since Sept. 30, 1936, accruals aggregating \$80.50 per share at Dec. 31, 1937.

2. American Car & Foundry Motors Co. common: Authorized, 600,000 shares; outstanding, 587,712 12/31 shares; no par. Brill Corp. owns 500,000 shares.

Transfer Agent: Manufacturers Trust Co., New York. Registrar: Chase National Bank, New York.