



MOODY'S

INDUSTRIALS

JOHN MOODY

1939

AMERICAN ~~AND~~ FOREIGN

Capital Stock: 1. Forging & Casting Corp. 6½% class A cum. preferred: Authorized, 25,000 shares; outstanding, 17,744 shares; in treasury, 5,606 shares; par \$10. Has preference as to assets and dividends. Callable as a whole or in part at \$11 per share and shall be redeemed at par on the first Monday of June, 1949. Before dividends can be declared on any stock junior to this stock, the corporation (pursuant to the provisions of an agreement with Ludlum Steel Co.—Merged with Allegheny Ludlum Steel Corp.) shall apply 15% of the net earnings of the corporation since Jan. 1, 1932 to the redemption of class A preferred stock.

WALLINGFORD STEEL COMPANY

(Controlled by Allegheny Ludlum Steel Corp.)

History: Incorporated in Connecticut in 1922. Manufactures and sells cold rolled strip steel of both stainless and carbon types. Plant at Wallingford, Conn., consists of cold rolling mills, box type annealing furnaces and continuous picklers. Number of employees, May 15, 1936, 125.

Management: Officers: H. G. Batcheller, Chairman; E. B. Cleborne, Pres.; (vacancy); Vice-Pres., I. J. Morris, Treas.; N. F. Townner, Sec.; G. J. Griffin, Asst. Treas.; W. H. Grinold, Asst. Sec. Directors: E. B. Cleborne, H. G. Batcheller, A. F. Dohn, G. J. Griffin, W. H. Grinold, F. B. Lounsberry, C. D. Morris, N. F. Townner. Office: Wallingford, Conn. **Financials:** Company's accounts are consolidated (to Dec. 31, 1937, incl.) with those of Ludlum Steel Co. (see Moody's 1938 Industrial Manual). In 1938, accounts are consolidated with Allegheny Ludlum Steel Corp. (see above). For latest separate statements reported (for 1935) see Moody's 1937 Industrial Manual.

Regular dividends paid.

2. Forging & Casting Corp. class B common: Authorized, 60,000 shares; outstanding, 52,400 shares; no par. As of Dec. 31, 1938, Allegheny Ludlum Steel Corp. owned 86.44% of outstanding stock.

Dividends paid: 1933, none; 1934, 55 cents; 1935, none. For dividend restrictions see No. 2 above.

Note: There was also authorized 25,000 \$10 par shares of class A cumulative (8%) preferred.

Capital Stock: 1. Wallingford Steel Co. common: Authorized and outstanding, 28,000 shares (increased Nov. 1936 by offering of 900 shares to stockholders); par \$25. On Dec. 31, 1938, Allegheny Ludlum Steel Corp. owned 77.11% of outstanding stock.

Dividends paid: 1933, \$3.25; 1934, \$4; 1935, \$5; later dividends, if any, not reported.

Stock dividend of 100% paid Apr. 12, 1934. Number of stockholders, May 15, 1936, 54.

Capital Increase Approved—Subscription Rights: On Nov. 20, 1936 it was announced that stockholders had voted to increase capital from \$600,000 to \$750,000 by issuance of 6,000 new shares \$25 par value stock at par. Stockholders of record Nov. 17 had the right to subscribe; subscriptions payable Dec. 10, 1936.

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-Penninsular 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.; Terr. Haute Car & Foundry 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: Bloomsburg Car Mfg. Co., Bloomsburg, Pa.; Common-Sense Bolters Co., Chicago, Ill.; Indiana Mills & Foundry Co., Indianapolis, Ind.; Jackson & Sharp Co., Wilmington, Del., and the Southern Car & Foundry Co., Memphis, Tenn.

As of Jan. 1, 1939, acquired entire capital stock of American Welding Co., a former wholly-owned subsidiary of Shippers' Car Line Corp. (79% owned). See under Shippers' Car Line Corp. in appended statement for details of transaction.

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 1927 company began manufacturing automotive vehicles—motor buses, motor trucks and motor-driven rail cars.

Number of employees, Jan. 2, 1939, 4,512. **Plants:** 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; 16 shops and 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.

Subsidiaries

(Direction of control shown by indentations. Voting control represents 100% unless otherwise stated in parentheses.) Carter Carburetor Corp. Jackson & Sharp Co. (inactive) Railway Equipment Co. of Argentina

Railway Equipment Co., Brazil

Railway Equipment Co. of Cuba

American Welding Co.

American Car & Foundry Investment Corp.

American Car & Foundry Export Co.

American Car & Foundry Co., Ltd. (Eng.)

Brill Corporation (58%)

J. G. Brill Co. (98%)

J. G. Brill Co. of Mass.

J. G. Brill Co. of Mo.

J. G. Brill Co. of Ohio

Cle J. G. Brill Co. (France)

American Car & Foundry Motors Co. (69%)

Half-Smidt Motor Car Co.

A. C. F. Motors Co. (Del.)

A. C. F. Motors Co. (N. J.)

Fagen Motors Co.

Fageol Co.

Shippers' Car Line Corp. (79%)

Acme Tank Car Corp. (75%)

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 Car and Foundry Investment Corp.: Incorporated as American Car and Foundry Securities Corp. 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. Present title adopted in July, 1938. 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. Wolff, Senior Vice-Pres.; F. A. Stevenson, W. E. Hedgcock, W. J. Harris, O. F. Harvey, W. C. Willoughby, Vice-Pres.; W. M. Hager, New York; H. C. Wick, Sec. and Asst. to Pres.; L. A. Blackford, Treas.; J. H. Platten, Compt. and Exec. Asst. to Pres.; E. S. Block, Aud.

General Counsel: Hardy, Stancilife & Hardy. **Directors:** W. M. Hager, C. J. Hardy, J. S. Hoyt, W. C. Dickerman, E. L. Nye, N. A. Stancilife, H. W. Wolff, F. A. Stevenson, New York; W. J. Cummings, Chicago.

Annual Meeting: Second Thursday in July.

Principal Office: 1 Exchange Place, Jersey City, N. J.

St. Louis Office: 205 Olive St.

Chicago Office: Railway Exchange.

New York Office: 30 Church St.

Comparative Consolidated Income Account, Years Ended April 30

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

	1938	1937	1936	1935
Sales	\$47,674,815	\$40,136,278	\$24,852,036	\$17,428,622
Cost of sales (2)	42,954,798	34,521,837	21,235,119	15,339,370
Selling, gen. and adn. exp. (2)	3,729,108	5,504,922	3,111,258	2,897,501
Depreciation, renewals, etc.	1,591,324	1,600,408	1,593,276	1,622,322
Operating profits	299,384	509,111	(d)1,087,617	(d)2,390,571
Dividends received	21,127	22,633	13,661	18,828
Interest from affiliates	317,634	323,093	327,307	328,087
Other interest and discount	213,475	374,433	327,424	580,991
Royalties	98,807	108,679	81,711	.....
Profit on sale of securities	90,910	94,793	.....	40,521
Miscellaneous other income	34,408	87,892	25,719	19,237
Total income	1,075,746	1,520,634	(d)311,785	(d)1,402,907
Uncollectible accounts	4,211	94	15,502	191,502
Royalties paid	65,039	72,144	65,206	55,932
Misc. other deductions (3)	49,390	39,721	49,136	256,208
Balance	967,106	1,408,676	(d)441,628	(d)1,906,547
Prov. for Fed. inc. and surtax	203,998	198,000	140,887	61,967
Net income to surplus	753,407	1,210,676	(d)582,515	(d)1,068,514
Surplus beginning of year	24,020,918	23,968,041	24,550,567	26,519,071
Preferred dividends	723,626	1,167,800	.....	.....
Surplus end of year	\$24,050,700	\$24,020,918	\$23,968,041	\$24,550,567
Supplementary p. & l. data:				
Maintenance and repairs	\$2,276,042	\$2,161,088	\$2,779,717	\$2,573,430
Taxes (other than income)	839,580	673,602	482,605	313,865

(3) In 1935, includes \$172,340 adjustment of foreign exchange.

(2) Includes related portions of items under "Supplementary P.&L. data" below statement.

Comparative Consolidated Balance Sheet, as of April 30

(1935-38 from SEC reports—prior years from company's annual reports; including wholly-owned subsidiaries)

Assets:	1938	1937	1936	1935	1934	1933
Cash	\$10,039,629	\$4,547,139	\$5,345,918	\$5,478,060	\$3,775,146	\$6,328,366
Mkt. sec. (cost or less) (2)	1,523,565	3,826,046	2,369,950	1,340,107	2,265,129	2,372,921
U. S. Govt. sec. (cost) (3)	17,191	1,245,363	3,412,555	3,408,509	4,302,609	4,302,609
Notes receivable (net) (4)	1,983,115	1,883,018	2,272,698	3,141,309	5,650,961	4,763,728
Accounts receivable (net) (5)	3,151,931	4,377,307	4,434,914	1,669,786	2,067,095	3,162,397
Inventories (6)	6,625,834	12,291,801	5,407,918	8,625,058	3,744,140	2,836,498
Total current assets	23,569,765	28,170,672	23,293,850	18,660,830	21,805,081	23,771,512
Securities of affil. (net) (7)	94,432	210,873	210,873	215,419	Not stated	Not stated
Misc. securities (net) (8)	177,729	212,405	160,255	11,127	Not stated	Not stated
Rec. of affiliates (net) (9)	2,597,033	2,431,305	2,643,767	2,638,472	71,703,618	71,709,700
Property, plant & equipment (10)	72,583,809	72,285,314	73,140,833	72,962,585	2,031,602	1,012,642
Less: Depreciation reserve (10)	8,760,474	7,169,150	5,568,742	3,975,466	Not stated	Not stated
Net property account (10)	64,703,335	66,066,164	67,572,091	68,987,118	69,672,016	70,837,060
Treasury stock (at cost) (11)	533,400	533,400	533,400	533,400	533,400	533,400
Prepaid taxes, insurance, etc.	112,115	126,778	129,793	108,283	Not stated	Not stated
Total assets	\$91,792,808	\$97,750,597	\$94,549,028	\$91,214,599	\$92,010,497	\$95,001,972
Liabilities:						
Accounts payable	\$1,067,113	\$4,386,018	\$3,140,664	\$604,596	\$945,722	\$630,265
Accrued payrolls	111,667	234,287	213,719	106,190	Not stated	Not stated
Accrued taxes, etc.	568,532	674,651	312,810	188,964	Not stated	Not stated
Total current liabilities	1,747,311	5,294,957	3,667,192	899,740	945,722	630,385
Insurance reserve	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserve for common dividends	2,333,645	2,333,495	2,333,495	2,333,495	2,333,495	2,333,495
Reserve for contingencies	1,598,944	3,889,019	2,368,091	1,218,599	Not stated	Not stated
Working condit. improve. res.	62,208	62,208	62,208	62,208	62,208	62,208
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
Earned surplus	24,060,700	24,020,918	23,968,041	24,560,557	26,513,071	29,856,568
Total liabilities	\$91,792,808	\$97,750,597	\$94,549,028	\$91,214,599	\$92,010,497	\$95,001,972
Net current assets	\$21,822,454	\$22,875,716	\$19,626,658	\$17,761,090	\$20,859,359	\$23,141,147
Changes in property account:						
Additions at cost	\$294,100	\$105,226	\$179,605	\$190,356	Not stated	Not stated
Retirements or sales	2,700	9,215	.....	.....	Not stated	Not stated
Other additions	.....	.....	.....	.....	Not stated	Not stated
Other reductions	67,905	1,630	1,356	1,729	Not stated	Not stated
Changes in depreciation reserve:						
Additions charged to p. & l.	1,591,324	1,600,408	1,593,276	1,582,322	Not stated	Not stated

(2) For 1935 and subsequent years, at cost or less and after deducting reserves: 1935, \$6,373,675; 1936, \$5,086,622; 1937, \$3,627,032; 1938, \$5,900,773. Market value: 1935, \$1,403,687; 1936, \$2,577,424; 1937, \$4,390,094; 1938, \$1,603,556.

(3) Market value: 1935, \$3,646,732; 1936, \$3,677,344; 1937, \$1,316,876; 1938, \$18,473.

(4) After 1935, unearned interest and \$300,000 reserve in 1938. Includes notes receivable due beyond 1937: 1933 and 1934, not stated; 1935, \$1,799,329; 1936, \$1,800,515; 1937, \$1,588,669; 1938, \$1,651,965—these notes are carried as current assets because they are readily marketable.

(5) After \$200,000 reserve in 1938.

(6) At cost or less and not in excess of market. In 1938, comprised: Finished goods and raw materials, \$6,686,841; operating supplies, \$238,692; total, \$6,925,534.

(7) At cost or less and after following reserves: 1935, \$1,864,231; 1936, \$1,884,249; 1937, \$1,884,249; 1938, \$1,900,664. Items 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, \$232,280; 1936, \$347,415; 1937, \$236,078; 1938, \$236,158. Item not

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

(9) After \$4,000,000 reserve in 1935, 1936, 1937 and 1938. Item not reported separately in prior years.

(10) In 1938, book value of property account comprised (depreciation in parentheses): Plant and property, unclassified, \$71,688,973 (\$8,091,602); land, \$58,760; buildings, \$642,873 (\$98,657); patents, \$71,918; machinery and equipment, \$1,005,300 (\$650,216); total book value, \$73,468,809 (\$8,760,474); net property account, \$64,703,335.

(11) Comprises 10,560 preferred and 600 common shares in all years.

(12) Represented by 600,000 no par shares which include treasury stock (see note (1) above).

Notes: (a) In consolidating subsidiaries, no adjustments are necessary as intercompany investments are in agreement with exception that subsidiaries have an aggregate of \$1,026,958 (as of April 30, 1938) undistributed earned surplus which is properly included in consolidated earned surplus.

(b) Contingent liability at April 30, 1938, \$375,000 for guaranteed bank loan of Hall-Scott Motor Car Co. (an affiliate).

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

Statistical Record, Years Ended April 30

(Years 1937-38 based on SEC reports; prior years on company reports)

	Balance	Earned per Share	Div. Paid per Sh.	Preferred	Common	Number of Shares	Equity per	Net
	Pfd.	Com.	Pfd.	Com.		Preferred	Common	Curr. Assets
1929....	\$2,715,174	\$1.03	\$7.00	\$6.00	120 - 110%	106 1/2 - 75	300,000	\$378,987
1930....	5,363,765	17.88	.....	.....	116 - 70	82 1/2 - 24 1/2	300,000	35,026,186
1931....	1,932,347	6.44	7.00	2.50	82 - 20%	37 - 4 1/2	300,000	12,292
1932....	2,577,277	NH	(d) 7.71	5.25	50 - 15	59 1/2 - 8 1/2	292,600	24,596,487
1933....	(d) 1,270,270	NH	(d) 7.07	.....	59 1/2 - 15	33 1/2 - 12	289,450	109,955
1934....	(d) 3,306,832	NH	(d) 6.68	.....	65 - 25 1/2	33 1/2 - 10	289,450	108,134
1935....	(d) 1,968,514	NH	(d) 6.46	.....	100 - 57 1/2	60 - 30	289,450	111,773
1936....	(d) 582,515	NH	(d) 4.35	.....	104 1/2 - 36	34 1/2 - 15 1/2	289,450	105,066
1937....	1,210,676	4.18	(d) 1.36	4.00	57 1/2 - 27	.....	289,450	21,822,454
1938....	1,531,407	2.60	(d) 2.12	2.50	.....	.....	.....	.....

† Calendar year records.

‡ Includes all reserves.

Financial and Operating Ratios, Years Ended April 30

Percentage Analysis of Operations:

	1938	1937	1936	1935	1934	1933
Curr. assets + curr. liab.	13.49	5.32	6.35	20.73	23.04	37.73
% cash & sec. to curr. assets	49.25	34.14	48.20	54.78	47.43	54.70
% inventory to curr. assets	28.96	43.63	23.22	19.44	17.17	11.93
% net curr. to total assets	22.77	23.48	20.76	19.47	22.57	24.36
% property depreciated	11.92	9.79	7.72	16.6	2.83	1.41
% ann. depr. to gross prop.	2.17	2.19	2.18	2.17	.....	.....
Capitalization:						
% preferred stock	35.69	35.71	35.73	35.48	34.67	33.40
% common stk. & surplus	64.30	64.29	64.27	64.52	65.33	66.60
Sales-inventory	6.88	8.27	4.60	4.80	.....	.....
Sales-receivables	9.28	6.41	3.68	3.22	.....	.....
% sales to net property	73.68	60.75	36.78	25.26	.....	.....
% sales to total assets	51.94	41.06	26.28	19.11	.....	.....
% net inc. to total assets	0.82	1.24	0.62	2.08	3.59	2.33
% net income to net worth	0.90	1.44	0.69	2.33	3.82	2.46
Fixed chgs., times earned	.....	.....	.....	.....	.....	.....
Pfd. div., times earned	0.37	0.60	nil	nil	.....	.....

Capital Stock: 1. American Car and Foundry Co. 7% non-cumulative preferred:

Authorized, \$30,000,000; 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, 1932; none thereafter to April 20, 1937

when 4% was paid: Apr. 23, 1938, 2 1/2% (stock of record Apr. 16); none thereafter to Mar. 25, 1939.

2. American Car and Foundry Co. common:

Authorized, 600,000 shares; outstanding, 599,400 shares; in treasury, 600 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.

* Deficit.