

THIRTY-THIRD ANNUAL REPORT

OF

THE NEW YORK  
AIR BRAKE COMPANY

---

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1922



NINETEEN TWENTY THREE

THIRTY-THIRD ANNUAL REPORT  
OF  
THE NEW YORK  
AIR BRAKE COMPANY

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FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 1922

THIRTY-THIRD ANNUAL REPORT

OF

THE NEW YORK

AIR BRAKE COMPANY

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1912

## DIRECTORS

John W. Cutler	-	New York City, N. Y.
Frederick S. Flower	-	Watertown, N. Y.
Scott R. Hayes	-	New York City, N. Y.
Charles A. Starbuck	-	New York City, N. Y.
Andrew V. Stout	-	New York City, N. Y.
Richard B. Sheridan	-	New York City, N. Y.
John C. Thompson	-	New York City, N. Y.



## THE NEW YORK AIR BRAKE COMPANY

General Offices, 165 Broadway, New York, N. Y.

Chicago Office, Peoples Gas Building

## EXECUTIVE OFFICERS

Charles A. Starbuck	-	-	-	-	President
John C. Thompson	-	-	-	-	Vice President
Scott R. Hayes	-	-	-	-	Vice President
Richard B. Sheridan	-	-	-	-	Vice President
E. A. Johnson	-	-	-	-	Asst. Treasurer
A. V. Smith	-	-	-	-	Asst. Secretary
Charles B. Leeser	-	-	-	-	Comptroller

## LAW DEPARTMENT

Cadwalader, Wickersham and Taft      New York City, N. Y.

## REGISTRARS

Empire Trust Company      -      -      New York City, N. Y.

## TRANSFER AGENTS

The New York Air Brake Company      New York City, N. Y.

## FACTORIES

Watertown—New York      B. J. Minnier, Resident Manager

## AUDITORS

Ernst and Ernst      -      -      -      New York City, N. Y.

## THE NEW YORK AIR BRAKE COMPANY

165 Broadway

## TO THE STOCKHOLDERS:

The 33d Annual Report of the New York Air Brake Company, covering the business of the Company for the calendar year 1922, and offering a summary of conditions at the close of business, December 31st is hereby submitted:

Our business showed a gradual increase, encouraging but not large, until the month of June when we reached the largest volume shipped since the month of March, 1920. During the balance of the year, our shipments and bookings of new business grew rapidly with total sales for the year aggregating \$6,711,461.89, as compared with total sales for the year 1921 of \$2,434,743.95, and besides we are carrying over into the year 1923 a very substantial amount of unfilled orders.

In view of the slow but gradual growth in our volume of business during the first six months of 1922, it was not possible for us to reach a balanced manufacturing basis, until we were well into the year's operations. As a whole, however, we feel that the year has been a good one and especially so when we consider the amount of unfilled business we now have on our books for the ensuing year. The cost of operation of our plant and the resulting profits, under the conditions, were on a much

better basis during the last six months, and we feel that with the production running into a larger volume that our costs and turnover of our inventories will be more satisfactory during the year 1923.

Our Balance Sheet at the close of the year 1921 showed an indebtedness slightly exceeding FIVE MILLION DOLLARS, which was largely represented by notes payable in the form of short-time loans carried by our Banks. This heavy indebtedness made the financing of our enlarged volume of business most difficult and in view of this situation, it was decided to strengthen the company's capital position by financing the indebtedness into a permanent form and, further, to provide ample working capital and place the company in a strong credit position. The Stockholders have already been fully advised as to the new financing whereby we sold our entire new issue of 100,000 SHARES OF NO PAR VALUE CLASS "A" STOCK. The cash proceeds of the sale of this issue were paid into the Treasury of the Company, and all of our banking obligations were promptly liquidated. We had a cash balance on December 31st, 1922, aggregating \$1,827,996.93, without any bank loans.

In the Balance Sheet at the close of December 31st, 1922, which is hereby submitted, duly certified by Messrs. Ernst & Ernst, Accountants, all extraordinary charges have been written off including the cost of the new financing and the changes in the Charter of the Company, whereby our previous issue of 100,000 shares of Common Stock, having the par value of \$100.00 each, were converted into 200,000 shares of Common Stock with no par value. It will be noted from the Balance Sheet that, after



providing for liberal depreciation, the company's financial position is now very strong in liquid assets, and we have a sufficient working capital to provide properly for an enlarged volume of business.

We wish to announce that Mr. Scott R. Hayes, who has been associated with our Company for many years, has been made Vice-President in charge of Sales, and that Mr. R. B. Sheridan has been appointed Vice-President and Director. We have also added to our Board of Directors, Mr. J. W. Cutler and Mr. Andrew Stout, as representatives of the Banking group who underwrote the new securities.

C. A. STARBUCK,

President.

## BALANCE SHEET

## THE NEW YORK AIR BRAKE COMPANY

December 31, 1922

## ASSETS

Cash on Hand and On Deposit - -	\$1,827,996.93	
Accounts Receivable - - - -	2,277,323.69	
Securities - - - - -	7,038.01	
Inventories - - - - -	2,361,720.74	\$ 6,474,079.37
Miscellaneous Accounts and Investments	242,357.27	
Land, Buildings, Machinery and Equip- ment (based upon independent Ap- praisal, May 1921) Less Deprecia- tion since that date - - -	6,445,436.24	
Interest in Beebe's Island Corporation Water Power Rights and Develop- ments - - - - -	1,509,516.71	
Patents, Trade Name, etc. - -	5,502,708.75	
Other Equipment and Fixtures, Less Depreciation - - - -	173,792.00	
Deferred Charges - - - -	123,234.43	13,997,045.40
		<u>\$20,471,124.77</u>

## BALANCE SHEET

## THE NEW YORK AIR BRAKE COMPANY

December 31, 1922

## LIABILITIES

## Current Accounts Payable, Royalties

and U. S. Government - - \$715,675.14

Accrued Accounts not due - - 67,740.77

Dividends - - - - - 102,507.25 \$ 885,923.16

Deferred Credit - - - - - 5,000.00

First Mortgage 6% Gold Bonds - - - - - 3,000,000.00

Reserve for Contingencies - - - - - 500,000.00

## Capital and Surplus:

Class "A" Stock, No Par Value,

100,000 Shares - - - 5,000,000.00

Common Stock, No Par Value,

200,000 Shares - - - 11,080,201.61 16,080,201.61

\$20,471,124.77

*Income and Profit and Loss Account*

## THE NEW YORK AIR BRAKE COMPANY, NEW YORK CITY

For the year ended December 31, 1922

Net Sales for the year	-	-	-	-	-	-	\$ 6,711,461.89
Cost of Manufacturing, Labor, Materials and all Direct							
Costs of Manufacture including Repairs, Renewals							
Depreciation, etc.	-	-	-	-	-	-	4,502,825.89
							\$ 2,208,636.00
Incomes from Investments, Interest, Commissions, etc.	-						34,354.64
							<u>\$ 2,242,990.64</u>
GROSS INCOME							
Taxes, Federal Income, Local, Fran-							
chise, etc.	-	-	-	-	-	\$ 56,504.20	
Royalties	-	-	-	-	-	437,996.68	
Administrative Expense	-	-	-	-	-	353,278.26	847,779.14
							<u>\$ 1,395,211.50</u>
LESS							
Interest Paid	-	-	-	-	-	\$ 229,394.21	
Bond Interest and Discount	-					200,787.43	
Taxes Paid at source	-	-	-	-	-	4,259.79	
Sundry Charges	-	-	-	-	-	2,028.87	436,470.30
							<u>\$ 958,741.20</u>
BALANCE							
Capital and Surplus January 1, 1922						\$11,457,457.07	
LESS: Dividends	-	-	-	-	-	84,000.00	11,373,457.07
							<u>\$12,332,198.27</u>
EXTRAORDINARY CHARGES							
Reserve for Contingencies	-	-	-	-	-	\$ 500,000.00	
Net charge not applicable to Oper-							
ations, including cost of financing						701,539.16	
Special charge off in liquidation of Assets						50,457.50	1,251,996.66
							<u>\$11,080,201.61</u>
Balance represented by 200,000 shares,							
No par Common Stock, December 31, 1922							



New York, March 7, 1923.

WE HEREBY CERTIFY that we examined the books of account and records of THE NEW YORK AIR BRAKE COMPANY, at December 31, 1922 and in our opinion, based upon our examination and information submitted to us, the Annexed Balance Sheet shows the financial condition of the Company and that the relative income and profit and loss account for the year is correct

ERNST & ERNST

# THE NEW YORK AIR BRANCH

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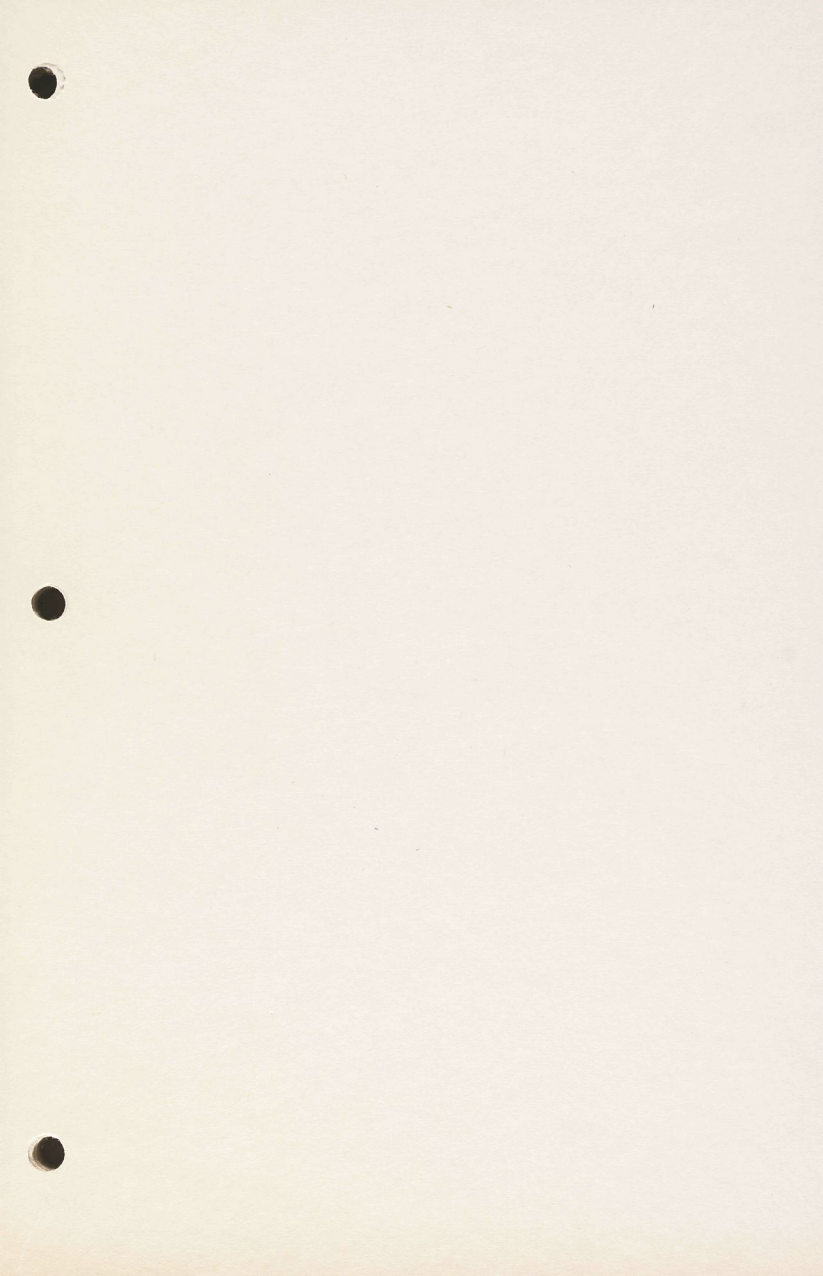
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JUN 30 1952

CHASE POMEROY & CO.  
STATISTICAL DEPT.

THIRTY-FOURTH ANNUAL REPORT

OF

THE NEW YORK  
AIR BRAKE COMPANY

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FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1923



NINETEEN TWENTY FOUR

THIRTY-FOURTH ANNUAL REPORT

OF

THE NEW YORK  
AIR BRAKE COMPANY

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FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1923

THIRTY-FOURTH ANNUAL REPORT

OF

THE NEW YORK  
AIR BRAKE COMPANY

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1953



## DIRECTORS

Le Roy W. Baldwin	-	New York City, N. Y.
James H. Benedict	-	New York City, N. Y.
John W. Cutler	- -	New York City, N. Y.
Frederick S. Flower	-	Watertown, N. Y.
B. J. Minnier	- -	Watertown, N. Y.
Charles A. Starbuck	-	New York City, N. Y.
Andrew V. Stout	-	New York City, N. Y.
Richard B. Sheridan	-	New York City, N. Y.
John C. Thompson	-	New York City, N. Y.

## THE NEW YORK AIR BRAKE COMPANY

General Offices, 165 Broadway, New York, N. Y.

Chicago Office, Peoples Gas Building

## EXECUTIVE OFFICERS

Charles A. Starbuck	-	-	-	-	President
John C. Thompson	-	-	-	-	Vice President
Richard B. Sheridan	-	-	-	-	Vice President
B. J. Minnier	-	-	-	-	Vice President
E. K. Conneely	-	-	-	-	Vice President
E. A. Johnson	-	-	-	-	Asst. Treasurer
A. V. Smith	-	-	-	-	Asst. Secretary
Charles B. Leeser	-	-	-	-	Comptroller

## LAW DEPARTMENT

Cadwalader, Wickersham and Taft      New York City, N. Y.

## REGISTRARS

Empire Trust Company      -      -      New York City, N. Y.

## TRANSFER AGENTS

The New York Air Brake Company      New York City, N. Y.

## FACTORIES

Watertown—New York      B. J. Minnier, Resident Manager

## AUDITORS

Ernst and Ernst      -      -      -      New York City, N. Y.

THE NEW YORK AIR BRAKE COMPANY  
165 Broadway

New York, March 7th, 1924.

TO THE STOCKHOLDERS:

The Thirty-fourth Annual Report of The New York Air Brake Company, covering the business for the calendar year 1923 and a summary of conditions at the close of business, December 31st, is herewith submitted:

In our last year's report we drew attention to the marked increase in business which began in June, 1922, and this increase has continued through 1923. Orders received and shipments made in our standard line of product have exceeded all previous records, and this has permitted our plants to operate most efficiently in regard to production, overhead charges and turnover of inventories.

The net profits for the year, after providing for all bond interest, depreciation and royalties, and creating a reserve of \$325,000.00 for federal taxes, payable during 1924, amounted to \$2,526,487.81

The usual conservative policy with respect to charges for repairs, maintenance and renewals has been maintained, and, with the increased plant operations during the year, has demanded a larger amount to be written off as depreciation, which accounts for the reduction in the plant account over the amount carried last year

The company's working capital has been substantially increased. The current assets now aggregate \$8,550,102.98, with current accounts payable (not all due) amounting to \$547,970.54 and other payments to be made on account of dividends declared but not due and Federal taxes, amounting to \$736,591.01.

Looking forward to the retirement of our First Mortgage, 6% Bonds, due in 1928, there has been set aside a special reserve to the sum of \$500,000.00, and an additional sum of \$500,000.00 so as to increase the present reserve for general contingencies to the sum of \$1,000,000.00

After paying dividends of \$4.00 per share on the Class "A" Stock and \$2.00 per share on the Common Stock, and providing for the payment of the regular quarterly dividend of \$1.00 per share on the Common Stock due on February 2nd, 1924, and a \$1.00 payment on the Class "A" Stock, payable April 1st, 1924, already declared, (aggregating in all the sum of \$1,100,000.00 for dividends actually paid or accrued), there was carried forward to Surplus Account, after the appropriation for special reserves previously referred to, the sum of \$310,722.40, bringing the total book value of our Common Stock and Surplus to the sum of \$11,390,924.01 on December 31st, 1923.

The bookings of new business are encouraging, and the indications are that the year 1924 should show satisfactory results.

Special efforts have been made to place our plants on the highest basis of efficiency, and we can report that satisfactory conditions prevail both in the manufacturing and selling departments.



We announce with deep regret the sudden death of our late Vice-President, Mr. Scott R. Hayes, which occurred in May, 1923, after an association with our company of nine years.

We announce the election of Mr. B. J. Minnier as a director, and his appointment as a Vice-President in charge of manufacturing.

Mr. E. K. Conneely has been appointed Vice-President and Manager of Sales and comes to us with the highest endorsement.

Mr. C. E. Leach has been appointed Assistant Manager of Sales.

Mr. W. N. Brown has been transferred from Watertown to the New York Office and placed in charge of purchases.

We acknowledge the loyalty and support of all members of our organization and particularly the special efforts they put forth during the past year.

C. A. STARBUCK,

President.

## BALANCE SHEET

## THE NEW YORK AIR BRAKE COMPANY

December 31, 1923

## ASSETS

Cash on Hand and On Deposit -	-	\$3,625,087.38	
Accounts Receivable -	- - -	2,400,177.15	
Securities -	- - - - -	550,161.98	
Inventories -	- - - - -	1,974,676.47	\$ 8,550,102.98
Miscellaneous Accounts and Investments		242,641.38	
Land, Buildings, Machinery and Equipment (based upon independent Appraisal May 1921) Less Additions and Accrued Depreciation -	- -	6,069,476.12	
Interest in Beebee's Island Corporation Water Power Rights and Developments -	- - - - -	1,509,516.71	
Patents, Trade Name, etc -	- -	5,502,708.75	
Other Equipment and Fixtures, Less Depreciation -	- - - -	152,223.31	
Deferred Charges -	- - - -	148,816.31	13,625,382.58
			<u>\$22,175,485.56</u>

## BALANCE SHEET

## THE NEW YORK AIR BRAKE COMPANY

December 31, 1923

## LIABILITIES

## Current Accounts Payable Royalties,

etc.	-	-	-	-	-	-	\$445,046.17	
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Accrued Accounts not due	-	-		102,924.37	\$	547,970.54
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Dividends Declared, not due	-	-		411,591.01		
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Federal Taxes, Accrued	-	-		325,000.00		736,591.01
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First Mortgage 6% Gold Bonds, due						
1928	-	-	-	-	-	3,000,000.00

Reserve Appropriated for Contin-						
gencies	-	-	-	-	-	1,000,000.00

Reserve Appropriated for Purchase						
of Bonds	-	-	-	-	-	500,000.00
						1,500,000.00

## Capital and Surplus:

Class "A" Stock, 100,000 Shares,

No Par Value	-	-	-	-	5,000,000.00	
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Common Stock, 200,000 Shares, No

Par Value	-	-	-	-	11,390,924.01	16,390,924.01
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						\$22,175,485.56
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*Income and Profit and Loss Account*

## THE NEW YORK AIR BRAKE COMPANY, NEW YORK CITY

For the year ended December 31, 1923

Gross Profit for year, after deducting cost of Manufacture, Labor and Materials, including Repairs, Renewals, Depreciation, etc.	\$3,592,358.98
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## OTHER INCOME

Interest and Discounts	\$105,820.40	
Rents	29,522.36	
Refund and Sundry Items	285,995.88	421,338.64
GROSS INCOME		\$4,013,697.62

Taxes, Federal Income,		
Local Property, Franchise, etc.	\$376,511.12	
Royalties	413,427.84	
Administrative Expenses	458,397.02	1,248,335.98
		\$2,765,361.64

## LESS

Interest Paid, including pro-rata of bond discount	\$191,991.11	
Taxes paid at source	1,961.13	
Sundry charges	44,921.59	238,873.83
BALANCE		\$2,526,487.81

Capital and Surplus January 1, 1923	\$11,080,201.61
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## LESS DIVIDENDS:

Class "A" Stock 8%	\$400,000.00	
Class "A" Stock 8%		
(payable 4-1-24)	100,000.00	
Class "B" Stock	600,000.00	1,100,000.00
		\$9,980,201.61

## EXTRAORDINARY CHARGES

Reserve for Contingencies	\$500,000.00	
Reserve for Purchase of Bonds	500,000.00	
Special Adjustments and Losses (net)	115,765.41	1,115,765.41
		8,864,436.20
Balance represented by 200,000 shares, No-par Common Stock, December 31, 1923		\$11,390,924.01

New York, March 7, 1924.

WE HEREBY CERTIFY that we examined the books of account and record pertaining to the Assets and Liabilities of THE NEW YORK AIR BRAKE COMPANY, as at December 31, 1923 and in our opinion, based upon our examination and information submitted to us, the Annexed Balance Sheet shows the financial condition of the Company and that the relative income and profit and loss account for the year is correct.

ERNST & ERNST.



# THE NEW YORK PUBLIC LIBRARY

ASTEN LENOX TILDEN FOUNDATION

500 FIFTH AVENUE, NEW YORK 10017

NEW YORK, N. Y. 10017

THE NEW YORK PUBLIC LIBRARY, ASTEN LENOX TILDEN FOUNDATION, 500 FIFTH AVENUE, NEW YORK, N. Y. 10017, IS A NON-PROFIT CORPORATION. THE LIBRARY IS A MEMBER OF THE ASSOCIATION OF AMERICAN LIBRARIES.

LIBRARY OF THE NEW YORK PUBLIC LIBRARY, ASTEN LENOX TILDEN FOUNDATION, 500 FIFTH AVENUE, NEW YORK, N. Y. 10017. THE LIBRARY IS A MEMBER OF THE ASSOCIATION OF AMERICAN LIBRARIES.

THE NEW YORK PUBLIC LIBRARY, ASTEN LENOX TILDEN FOUNDATION, 500 FIFTH AVENUE, NEW YORK, N. Y. 10017, IS A NON-PROFIT CORPORATION. THE LIBRARY IS A MEMBER OF THE ASSOCIATION OF AMERICAN LIBRARIES.

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