United States
Pipe and Foundry Company

Thirty-first Report
Fiscal Year 1929
United States
Pipe and Foundry Company

General Offices, Burlington, N. J.

Registrar
Central Hanover Bank and Trust Company
New York

Transfer Agent
Bankers Trust Company
New York
United States
Pipe and Foundry Company

DIRECTORS
N. F. Brady
W. T. C. Carpenter
E. C. Fuller
F. S. Gordon
Chas. C. Harrison, Jr.
B. F. Haughton
D. P. Hopkins
Colgate Hoyt
*George J. Long
H. Vinton Overholt
N. F. S. Russell
Ralph M. Shaw
D. B. Stokes
Frank M. Tait

EXECUTIVE COMMITTEE
N. F. Brady
W. T. C. Carpenter
F. S. Gordon
President Ex-Officio

OFFICERS
N. F. S. Russell, President
W. T. C. Carpenter, First Vice-President
B. F. Haughton, Vice-President
D. P. Hopkins, Vice-President
D. B. Stokes, Vice-President
Chas. R. Rauth, Secretary and Treasurer

*Deceased Jan. 15, 1930.
Excerpt from Minutes of a Meeting of the Board of Directors held January 23, 1930

It is with painful shock and deep sorrow that we note the death on January 15, 1930, of our cherished friend and fellow director, George J. Long.

Mr. Long’s career comprised an integral part of the history of the cast iron pipe industry in this country. Designated as one of the original directors of this corporation upon its inception thirty years ago, he rendered continuous service down to his death. Whether charged with the direct responsibility of an Executive as in the early history of the Company or in co-operating as a Director with the general management in the later years of his life, his keen mind and wide experience made his counsel and opinion a never failing contribution of incalculable value in the administration of the Company’s affairs. Along with those strong and attractive qualities of mind and character which accounted for his eminently successful business career, his never failing kindliness, generous good nature and sympathetic interest in his personal associations and companionships with the members of this Board have deeply endeared him in their love and esteem.

NOW THEREFORE BE IT RESOLVED: That the Board of Directors of United States Pipe and Foundry Company desire to record upon its minutes their deep sense of loss in the death of Mr. Long and to tender to his bereaved family their sincerest sympathy in their sorrow.
Report of

United States
Pipe and Foundry Company
For Year Ended December 31, 1929

TO THE STOCKHOLDERS:

The following is respectfully submitted as the thirty-first Annual Report of your Company covering the twelve months ending December 31, 1929, including the Balance Sheet, Income and Surplus Accounts.

The net profit realized from 1929 operations was $2,581,229.73, compared with $1,812,227.30 for the year 1928.

While bookings for the first six months of 1929 were considerably in excess of the corresponding period in 1928 with higher average prices, shipment of considerable portion of the tonnage was delayed by the buyers' specifications until the summer months of the year. As profits are not realized until shipments are made, the tonnage improvement in the first half of the year was largely reflected in the earnings for the last half.

Continued tightening of the money market, with a consequent lessening of building operations, has adversely affected the tonnages offering in the market since the latter part of 1927. This condition was finally accentuated by the decline of prices in the security markets in October, which had the effect of postponing Public Utility buying and caused a decline in the tonnages booked below what is ordinarily
expected for the last three months of the year. Buying since the first of the year has gradually increased and the offerings are running somewhat in excess of corresponding months of the last year.

Large importations of pipe, mainly from France, continued to affect the tonnages booked. It is estimated that in the portions of the Country where the greatest volume of imports are sold, such imports represent better than twenty per cent (20%) of the business offered.

Plant Account on balance has been reduced during the year by $184,847.74, due to the charging off and scrapping of unused equipment and facilities.

The amount expended in 1929 for repairs to buildings, upkeep of machinery, equipment, tools, etc., was $1,530,598.55. All the producing plants of the Company are in good condition and prepared for efficient operation to capacity if the tonnages are secured.

During the year there have been net charges against the Reserve for Improvements, Additions and New Construction amounting to $212,842.80. These represent to a considerable extent the balance due on improvements started in 1928 at Birmingham and Burlington which were completed in 1929, as well as the remodeling of certain facilities at Scottdale and Bessemer. The balance left in this Reserve Account is $4,069,787.73. During the year there has accrued, through charges against Operating Accounts and minor adjustments, $949,488.27, which has been credited to various Reserve Accounts. Charges against Reserve Accounts amounted to $238,160.92, leaving a net increase in Reserve Accounts for the year of $711,327.35.
In January 1929 the deLavaud unit at the Birmingham shop, making pipe 4'' to 12'' in diameter with a laying length of 18', went into operation and has proved most profitable throughout the year.

In the latter part of 1928 the capital stock of the National Cast Iron Pipe Company of Birmingham, Ala., was acquired by Messrs. James B. Clow & Sons of Chicago, having foundries in Ohio, and shortly thereafter they requested a license to manufacture a larger tonnage of deLavaud pipe than had formerly been granted to the National Company. This license was granted on mutually satisfactory terms.

During the year two very important decisions have been handed down by the Interstate Commerce Commission affecting the freight rates on cast iron pipe from various producing centers. The freight rate tariffs made necessary by these decisions have been worked out by the railroads and if they go into effect will considerably change the production at various plants of your Company. Until they have definitely stood the tests of litigation, your management will not make the changes which may be necessary in your manufacturing facilities.

The Working Capital Account, as of December 31, 1929, is as follows:

**CURRENT ASSETS:**

Cash on deposit, on call, on hand, United States Treasury Notes, United States Liberty and Municipal Bonds at cost, Accounts Receivable and Inventories... $20,308,872.89
United States Pipe and Foundry Company

CURRENT LIABILITIES:

Accounts Payable, Accrued Items and
Dividends payable January 20, 1930 . . . . 1,605,674.23

Net Working Capital .......................... $18,703,198.66

In addition to the United States Treasury Notes, Liberty Bonds and Municipal Securities, your Company owns marketable securities consisting of the Company's own stock and stocks of other corporations, having a market value as of December 31, 1929, of $952,000.00 and a cost value of $997,012.17.

The Company is not a borrower at bank and has no bonded debt. Accounts Payable represent current bills in process of audit for payment, while accrued items represent principally taxes accrued but not yet due. The Company is taking advantage of all discounts allowed on payment of accounts.

On January 23, 1930, your Directors declared dividends on the stocks of the Company, out of surplus earnings available for that purpose, to the first and second preferred stocks of $1.20 per share, payable quarterly, 30c per share, on April 20, July 20, October 20, 1930, and January 20, 1931. Payment of the dividends on the second preferred stock is subject to discontinuance in event of redemption of the second preferred stock before all said dividends are paid. Dividends of $2.00 per share were declared on the common stock, payable 50c per share quarterly on the same dates.

It would seem that business for 1930 should show an increase in tonnage over 1928 or 1929, in that apparently funds are now available for municipal water works financing.
United States Pipe and Foundry Company

which have not been available, due to the conditions in the
money market, over the last two years.

The loyal co-operation of the officers, their staffs and
employees, and the efficient service rendered by them during
the past year are gratefully acknowledged.

By order of the Executive Committee.

N. F. S. RUSSELL,
President.

Burlington, N. J.,
March 4, 1930.
United States Pipe
Balance Sheet,

ASSETS

Current Assets:
Cash on deposit, on call and on hand........... $ 8,118,830.16
Securities, consisting of U. S. Treasury notes, U. S. Liberty and municipal bonds, at cost (market value $5,148,000)... 5,268,261.79
Accounts and Notes Receivable................. $ 4,349,382.10
Less: Reserve for Doubtful Accounts........... 4,201,426.15
Inventories of raw materials, manufactured product, etc............ 2,720,354.79
20,308,872.89

Other Securities, consisting principally of company's own stocks, at cost (market value $952,000)...... 997,012.17

Property and Plant:
To December 31, 1928................. 29,409,580.97
Net deduction during year 1929... 184,847.74
Less: Reserve for Depreciation.... 23,076,368.22

Fire Insurance Fund:
Cash and Sundry Securities, at cost 31,681.91
Company's First Preferred Stock, at cost (market value $247,000).... 291,100.00 322,781.91
Deferred Charges....................... 15,925.96
$44,720,961.15

INCOME ACCOUNT
Year Ended December 31, 1929

Total Earnings, after deducting cost of operating and maintenance of plants ($1,530,598.55 expended for upkeep of tools, machinery, buildings and equipment), expenses of sales and general offices and provision for taxes and doubtful accounts........... $ 2,758,926.75

Other Income, consisting of interest, discount and miscellaneous items, net of deductions.................. 743,751.35
Less: Allowance for Depreciation.................. 3,502,678.10
Net Profit for the year 1929.................. $ 2,581,229.73
and Foundry Company
December 31, 1929

LIABILITIES

Current Liabilities:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$695,982.01</td>
</tr>
<tr>
<td>Dividends Payable January 20, 1930</td>
<td>533,892.30</td>
</tr>
<tr>
<td>Accrued Taxes, etc.</td>
<td>375,799.92</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>$1,605,674.23</strong></td>
</tr>
</tbody>
</table>

Reserves:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Improvements, Additions and New Construction</td>
<td>4,069,787.73</td>
</tr>
<tr>
<td>For Fire Insurance</td>
<td>322,781.91</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>4,392,569.64</strong></td>
</tr>
</tbody>
</table>

CAPITAL

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Capital Stock:</td>
<td></td>
</tr>
<tr>
<td>First Preferred Stock:</td>
<td></td>
</tr>
<tr>
<td>600,000 shares without par value (annual dividend $1.20 cumulative, $21 per share payable in dissolution or redemption)</td>
<td>9,300,000.00</td>
</tr>
<tr>
<td>Second Preferred Stock:</td>
<td></td>
</tr>
<tr>
<td>180,000 shares without par value (annual dividend $1.20 cumulative, $21 per share payable in dissolution or redemption)</td>
<td>2,700,000.00</td>
</tr>
<tr>
<td>Common Stock:</td>
<td></td>
</tr>
<tr>
<td>600,000 shares, par value $20 per share</td>
<td>12,000,000.00</td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24,000,000.00</td>
</tr>
</tbody>
</table>

*The capital stock stated above includes new shares corresponding to 48 shares of old preferred stock and 5 shares of old common stock not yet deposited for exchange.

SURPLUS

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, December 31, 1928</td>
<td>$14,277,248.85</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
</tr>
<tr>
<td>Dividends on Preferred Stocks</td>
<td>$935,761.30</td>
</tr>
<tr>
<td>Dividends on Common Stock</td>
<td>1,200,000.00</td>
</tr>
<tr>
<td><strong>Total Deduct</strong></td>
<td><strong>2,135,761.30</strong></td>
</tr>
<tr>
<td>Profit for the year ended December 31, 1929</td>
<td>2,581,229.73</td>
</tr>
<tr>
<td>Balance, December 31, 1929</td>
<td></td>
</tr>
<tr>
<td>Working Capital Reserve</td>
<td>12,000,000.00</td>
</tr>
<tr>
<td>Balance of Profit and Loss Account</td>
<td>2,722,717.28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,722,717.28</strong></td>
</tr>
</tbody>
</table>

We have audited the accounts of the UNITED STATES PIPE and FOUNDRY COMPANY for the year ended December 31, 1929, and we certify that the above balance sheet and income and surplus accounts, in our opinion, show correctly the company's financial condition as of December 31, 1929, and the results of its operations for the year ended that date.  
LYBRAND, ROSS BROS. & MONTGOMERY,  
Accountants and Auditors.

New York, January 24, 1930.