United States
Pipe and Foundry Company

Thirty-second Report
Fiscal Year 1930
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
Excerpt from Minutes of a Meeting of the Board of Directors Held April 17, 1930

It is with profound sorrow that we record the death on March 27, 1930, of our cherished associate, Mr. Nicholas F. Brady.

To attempt to recite or memorialize Mr. Brady's many and varied activities would necessarily be a recital of the development and progress of our country during the last twenty-five years. His life was identified with and a part of the industrial development of his generation.

Mr. Brady was elected a member of the Board of Directors of this Company in 1908, succeeding his father on the Executive Committee in 1913, serving continuously on this Committee until the time of his death. His wide and varied experience, combined with a naturally keen acumen and foresight, as well as an unswerving integrity, all combined to make his judgment extremely safe and sound when called upon to consider the various financial and commercial problems of this Company. His unostentatious and gentle demeanor and his kindly consideration of others, which were such lovable and marked characteristics, engendered and maintained such an esteemed friendship through our years of association with him that the Company and the individual members of this Board regard his death as an irreparable loss.

NOW, THEREFORE, BE IT RESOLVED: That the Board of Directors of the United States Pipe and Foundry Company desire to record upon the minutes their deep sense of loss in the death of Mr. Brady and to tender to his family their sincere sympathy in their sorrow.
It is with deep sorrow that we record the death, on June 25, 1930, of our cherished friend and fellow Director, Mr. Benjamin F. Haughton.

Mr. Haughton's active business career of over fifty years was largely spent in the cast iron pipe business, commencing with the Addyston Pipe and Steel Company.

He became a Director of this Company upon its organization, and was elected the first Secretary. Shortly thereafter he was elected Treasurer, and filled both positions until April 1922, when he resigned the office of Secretary, becoming Vice-President and Treasurer. The office of Treasurer he resigned in April 1929, but retained the office of Vice-President until his death, and was active in the affairs of the Company up to the day before he passed away. His services to the Company were marked by strict devotion to duty, and his ripened experience and judgment had much to do with the early development and growth of this Company and the establishment of the Company's reputation with its banking connections, customers and those from whom it purchased material. His genial personality, never failing kindliness and sympathetic interest were constantly evidenced in his daily relations with all those with whom he came in contact and had greatly endeared him not only to the Board of Directors of this Company, but to his fellow members of the Company's staff and all the Company's employees.

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

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

Executive Committee
W. T. C. Carpenter
F. S. Gordon
Frank M. Tait
President Ex-Officio

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

*Deceased June 25, 1930
Report of

United States
Pipe and Foundry Company
For Year Ended December 31, 1930

TO THE STOCKHOLDERS:

The following is respectfully submitted as the thirty-second Annual Report of your Company covering the year ending December 31, 1930, including the Balance Sheet, Income and Surplus Accounts certified by the Company’s Accountants.

Business conditions during the year 1930 are too well known to require extended comment. After the severe decline in stock values in the Fall of 1929 there was an industrial setback; in the endeavor to overcome this, great efforts were made by public and corporation officials. A Spring recovery in volume seemed to indicate that these efforts would be successful, but overproduction in important commodities and manufactured articles, the serious drought and a great number of unfavorable international developments, brought drastic declines in the prices of many commodities and a realization that the world was in a major business depression. With this realization came a rapid decline in the volume of business, starting in the early Summer and continuing until the new year.

This Company’s business reflected these changes in business sentiment—a satisfactory volume in the first half of the year was followed by a light volume in the Fall. In
United States Pipe and Foundry Company

view of these conditions, net earnings for the year of $2,881,046.22, as compared with $2,581,229.73 for 1929, can be considered as a satisfactory result.

Turning to the Balance Sheet, it will be noted that during the year the second preferred stock was retired, partially by the cancellation of some of said shares owned by the company and partially with money provided from available funds of the Company.

The Working Capital Account shows a balance as of December 31, 1930, 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...

$18,046,112.13

CURRENT LIABILITIES:
Accounts Payable, Accrued Items and Dividends payable January 20, 1931...

1,520,052.62

Net Working Capital...

$16,526,059.51

a decrease from December 31, 1929, of $2,177,139.51.

During the year reserves have been maintained in accordance with the usual practice of the Company. Provision for depreciation of active and inactive plants and the amortization of deLavaud patents, required the sum of $873,279.73 to be set aside from earnings. There has been expended for upkeep of tools, machinery, buildings and equipment, the sum of $1,298,275.11 which has been taken...
from current income. This item fluctuates with the volume and character of the business and is somewhat less in 1930 than in 1929. All producing plants of the Company are in good condition and prepared for efficient operation to capacity if the tonnages are secured.

Reserve for Improvements, Additions and New Construction has been charged with $525,579.38 during 1930. This represents miscellaneous facilities provided at various plants and the construction and equipment of a research laboratory in connection with the general office at Burlington, N. J.

References have been made in previous Annual Reports to the problem confronting the management of the Company, due to changing conditions in operating processes, in raw material assembly costs and in plant locations for advantageous shipping. Assembly costs and advantageous locations for shipping are, in a large measure, determined by the freight rate structure being set up by the Interstate Commerce Commission. During 1930 decisions of this Commission have been translated into rates which have made it advisable to transfer tonnage, resulting in the closing of one shop.

Pipe as made by the deLavaud process is gradually displacing pipe made in “pits,” especially in pipe diameters under 24". This is resulting in a concentration of output in fewer operating plants and the obsolescence in these diameters of “pit cast” plants. The capital aspect of such obsolescence is being studied by a Committee of the Board of Directors.

In the early part of the year a license was granted, on mutually satisfactory terms, to the Lynchburg Foundry
United States Pipe and Foundry Company

Company, of Lynchburg, Va., to manufacture pipe under the deLavaud process patents.

On January 22, 1931, your Directors declared the following dividends on the stock of the Company, out of earnings available for that purpose. $1.20 per share on the first preferred stock, payable quarterly, 30c per share, on April 20, July 20, October 20, 1931, and January 20, 1932 and $2.00 per share on the common stock, payable quarterly, 50c per share on the same dates.

While the volume booked in the last quarter of 1930 was low, the volume for the first two months of this year is better, and your management hopes that the volume for the year 1931, barring new unfavorable developments, will compare favorably with the volume of 1930 and be better distributed throughout the year.

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.

Burlington, N. J.,
March 2, 1931.

N. F. S. RUSSELL,
President.
BALANCE SHEET

INCOME ACCOUNT

SURPLUS
ASSETS

Current Assets:
Cash on deposit, on call and on hand .................. $ 4,533,406.30
Securities, consisting of U. S. Treasury Notes, U. S. Liberty and Municipal Bonds, at cost (market value $8,558,850) .................................................. 8,630,081.59
Accounts and Notes Receivable ....... $ 2,783,408.04
Less: Reserve for Doubtful Accounts ..................... 143,546.67
Inventories of raw materials, manufactured product, etc........................................... 2,242,762.87
Other Investments and Advances, including treasury stock (Preferred) and stocks of subsidiaries, at cost. 900,412.04

Property and Plant:
To December 31, 1929 .................. 29,224,733.23
Net deduction during year 1930 .. 97,446.10
Less: Reserve for Depreciation .. 29,127,287.13
22,036,209.90

Fire Insurance Fund:
Cash and Sundry Securities, at cost 25,390.44
Company’s First Preferred Stock, at cost (market value $311,400). 321,739.50
Deferred Charges ........................................ 19,513.66
Cash on deposit for redemption of Second Preferred Stock 10,094.70
$41,359,472.37

INCOME ACCOUNT

Year Ended December 31, 1930

Total Earnings, after deducting cost of operating and maintenance of plants ($1,298,275.11 expended for upkeep of tools, machinery, buildings and equipment), expenses of sales and general offices and provision for taxes and doubtful accounts .......... $ 3,005,638.87

Other Income, consisting of interest, discount, dividends $76,562.70 on Treasury Preferred Stock, etc ........ 748,687.08
Less: Allowance of Depreciation ................................ 873,279.73
Net Profit for the year 1930 .................. $ 2,881,046.22
and Foundry Company
December 31, 1930

LIABILITIES

Current Liabilities:
Accounts Payable.......................... $ 574,479.80
Dividends Payable January 20, 1931 479,943.00
Accrued Taxes, etc........................... 465,629.82 $ 1,520,052.62

Reserves:
For Improvements, Additions and New Construction........... 3,544,208.35
For Fire Insurance................................... 347,129.94 3,891,338.29

CAPITAL

Capital Stock:
First Preferred Stock:
Authorized 600,000 shares, outstanding 599,810 shares without par value (annual dividend $1.20 cumulative, $21 per share payable in dissolution or redemption).................. 9,297,055.00

Common Stock:
600,000 shares, par value $20 per share........................................... 12,000,000.00

Surplus...................................................... 14,651,026.46 35,948,081.46

$41,359,472.37

SURPLUS

Balance, December 31, 1929.......................... $14,722,717.28

Deduct:
Dividends on Preferred Stocks........... $ 827,877.30
Dividends on Common Stock.......... 1,200,000.00
Redemption price Second Preferred Stock, in excess of stated value thereof.............. 924,859.74 2,952,737.04

11,769,980.24

Profit for the year ended December 31, 1930........... 2,881,046.22

Balance, December 31, 1930:
Working Capital Reserve.............. 12,000,000.00
Balance of Profit and Loss Account .... 2,651,026.46 $14,651,026.46

We have audited the accounts of the UNITED STATES PIPE and FOUNDRY COMPANY for the year ended December 31, 1930, 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, 1930, and the results of its operations for the year ended that date.

LYBRAND, ROSS BROS. & MONTGOMERY,
Accountants and Auditors.

New York, January 21, 1931.