GLOSSARY INTERNATIONAL HARVESTER COMPANY OF CANADA LIMITED—*Con.*

FINANCIAL STATEMENTS AND REPORT—*Con.*

REFERENCE:	TERM:	EXPLANATION:
Exhibit B.	Working Capital.	The working, quick or current assets of the Company including cash, securities, stock in trade and raw materials, accounts receivable, etc. all net of current liabilties.
		As distinguished from fixed capital such as that invested in plant, buildings and real estate.
	Fixed Assets.	Land, buildings, plant and machinery with improvements.
Exhibit B.	Invested Capital.	In the case of this Company the sum of the different accounts which reflect an equity to the parent U.S.A. Company, e.g.
		1. Capital stock. 2. Current account. 3. Certain reserves unused. 4. Surplus.
Schedule 1 To Exhibit B.	Deferred Charges.	Insurance, taxes and similar expenses unexpired at date of this Balance Sheet.
Schedule 5 To Exhibit B.	Special Maintenance Reserve.	A reserve set aside out of the profits of the more prosperous years to provide for unusual maintenance items. Unused at December 31/35 and therefore a part of the surplus in reality.
	Fire Insurance Fund.	The Company carries its own fire insurance on Warehouses and branches. It charges its expense accounts with the premiums and credits this reserve. The losses are charged up and the balance remaining is the surplus of premiums reserved over actual losses.
		At December 31/35 over $1,000,000 of a credit, really a part of surplus also.

GLOSSARY INTERNATIONAL HARVESTER COMPANY OF CANADA LIMITED—*Conc.*

FINANCIAL STATEMENTS AND REPORT—*Conc.*

REFERENCE:	TERM:	EXPLANATION:
Exhibit C. and Schedules related thereto	Direct Materials.	The cost of materials, used directly in production of implements, machines or parts.
	Direct Labour.	The same as Direct Materials.
	Prime Cost.	The total of prime labor cost and prime material cost.
	Factory Burden or Factory overhead.	The expenses at aching to the operation of the factory but not definitaly al.ocatable to the cost of production as direct material or direct labor, include:
		1. Rental charges. 2. Insurance and Taxes. 3. Supervision. 4. Clerical 5. Depreciation and upkeep. 6. Factory and Machinery. 7. Experimental work. 8. Watchmen. 9. Draughtsmen. 10. Truckers. 11. Janitors. 12. Oilers, etc. 13. Abrasives.
		In International Harvester Company a proportion of every expense from the President down is included in Burden which is therefore an all-inclusive expense.

[Mr. Walter Macdonald.]