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*TWENTY-FIFTH
ANNUAL
REPORT*

GYPSUM, LIME AND ALABASTINE,

CANADA, LIMITED

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**GYPSUM, LIME AND ALABASTINE,
CANADA, LIMITED**

DIRECTORS

C. GORDON COCKSHUTT, Chairman

P. P. TYLER

J. E. McCONNELL

R. A. BRYCE

S. G. DIXON, K.C.

W. H. COOPER

GEORGE H. DOBBIE

OFFICERS

P. P. TYLER President and Managing Director

J. E. McCONNELL Vice-President

S. G. DIXON, K.C. Vice-President

F. ANDREWS Comptroller and Treasurer

S. H. J. REID Secretary

BANKERS

BANK OF MONTREAL

TRANSFER AGENT

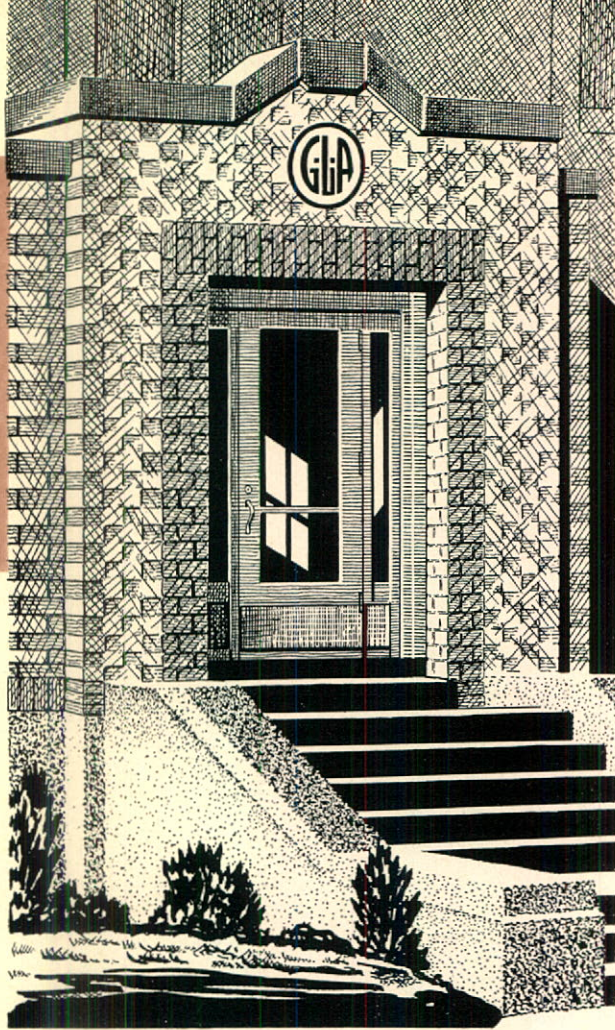
MONTREAL TRUST COMPANY, TORONTO

REGISTRAR

NATIONAL TRUST COMPANY, LIMITED, TORONTO

AUDITORS

CLARKSON, GORDON & CO.



ANNUAL REPORT

OF THE DIRECTORS

1951
FOR THE YEAR ENDED NOVEMBER 30

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

TO THE SHAREHOLDERS:

YOUR Directors submit herewith the annual report of the Company's operations, together with the Auditors' report and accompanying Consolidated Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1951.

An all time record was again established in both sales and profits. The net profit for the year after deducting all charges other than Income Taxes, amounted to \$3,238,234.78 or \$7.36 per share. This was an increase of \$248,040.99 over the previous year. Deduction for Federal and Provincial Income Taxes amounted to \$1,625,000.00 or \$3.69 per share. It is to be noted that this is more than double the amount of the dividends paid to shareholders during the year. After taxes there remained a net profit of \$1,613,234.78 or \$3.67 per share, transferred to Surplus Account.

Changes in the application of the Income Tax Act allowed an increase of \$792,528.77 in the reserve set up for Depreciation and Depletion. This compares with \$666,484.99 the previous year. Serial bonds in the amount of \$100,000.00 were retired on November 1, 1951 and provision for the retirement of a further \$100,000.00 due November 1, 1952 is shown in the Balance Sheet under "Current Liabilities".

Total expenditures on Capital Account amounted to \$604,307.01. They include the completion of certain projects referred to in last year's Annual Report. The principal expenditures during 1951 were for additions to the Plaster Mill and Board Plant at Caledonia, Ontario and for a modern type lime kiln at St. Marc, P.Q. There were also additions and improvements at other Company plants. Plans have been approved for the enlargement and further mechanization during 1952 and 1953 of the mining and quarrying operations at Caledonia and Beachville. Reserves of gypsum and limestone will be substantially increased and with the installation of the latest type of equipment the cost of production will be reduced. A new hydrating lime plant is also under construction at Beachville.

Working Capital having been increased by \$987,234.14, reserves maintained and funded debt reduced, your Directors declared two quarterly dividends of fifty cents per share payable March 1st and June 2nd, 1952.

Comparative figures tabled below show the progress made by your Company during the past six years.

	FIXED ASSETS	DEPRECIATION & DEPLETION	WORKING CAPITAL	EARNED SURPLUS	INCOME TAX	NET PROFIT	PER SHARE
1946	\$7,080,846.	\$2,996,850.	\$2,001,506.	\$2,201,751.	\$ 775,000.	\$ 581,970.	\$1.32
1947	7,680,885.	3,558,633.	2,205,959.	2,698,132.	835,000.	848,415.	1.93
1948	8,333,420.	4,199,803.	2,917,448.	3,413,263.	929,300.	1,155,173.	2.63
1949	9,762,424.	4,840,477.	2,929,691.	4,289,144.	928,000.	1,390,037.	3.15
1950	10,427,840.	5,496,638.	3,992,246.	5,435,278.	1,228,000.	1,762,194.	4.00
1951	10,859,297.	6,219,535.	4,979,479.	6,344,444.	1,625,000.	1,613,234.	3.67

Your Directors face the outlook for 1952 with cautious optimism. Governmental action in restricting credit to prospective home owners has been largely responsible for a reduction in the number of new houses started in recent months. The housing shortage is still acute and it is hoped that plans will be formulated to improve what is generally acknowledged to be a very serious situation. The development of the Defence programme and the expansion of industry all across Canada has increased the demand for the Company's limestone and lime products.

The Directors record with the deepest regret the death of George A. Dobbie, Chairman of the Board and President of the Company.

During the years an experienced staff of executives and employees has been built up and they have, in no small measure, contributed to the results achieved during the year. The Directors wish to acknowledge their loyal co-operation and support.

Submitted on behalf of the Board of Directors.

P. P. TYLER
President and Managing Director.

Consolidated Balance Sheet

G Y P S U M, L I M E

AND ITS WHOLLY-OWNED

November 30, 1951

Assets

CURRENT:

Cash on hand and in banks	\$ 1,375,380.37	
Government of Canada bonds at cost (approximate market value \$1,953,650)	1,998,156.25	
Accounts receivable less reserves	1,372,791.44	
Inventories as determined and certified by the management—work in process valued at cost and other inventories valued at the lower of cost or market	2,073,811.52	
Prepaid expenses and sundry deposits	26,847.24	
Life insurance—cash surrender value	36,708.00	
Refundable portion of taxes on income due March 31, 1952	15,754.76	
		<u>\$ 6,899,449.58</u>

DEFERRED AND SUNDRY:

Repair parts, stores and deferred development expenditures	\$ 548,457.01	
Cash in hands of trustee for the bondholders	76,959.91	625,416.92
		<u>625,416.92</u>

FIXED (revalued and written down by the management as at November 30, 1934 with subsequent additions at cost):

Land, buildings, machinery and equipment	\$ 9,016,656.85	
Mines, mine development and quarries	1,842,639.94	
	<u>\$10,859,296.79</u>	
Less reserves for depreciation and depletion	6,219,534.54	4,639,762.25
		<u>\$12,164,628.75</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Gypsum, Lime and Alabastine, Canada, Limited, and its wholly-owned subsidiary, Standard Lime Company, Limited, as at November 30, 1951 and the statements of consolidated profit and loss and earned surplus for the year ended that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures of Gypsum, Lime and Alabastine, Canada, Limited and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

The accounts of Standard Lime Company, Limited, included in the consolidated statements, were examined and reported upon by other independent accountants.

AND ALABASTINE, CANADA, LIMITED

(Incorporated under the Companies Act, Canada)

SUBSIDIARY STANDARD LIME COMPANY, LIMITED

Liabilities

CURRENT:

Accounts payable and accrued charges	\$	886,914.38
Accrued interest on bonds		4,062.50
Taxes payable		928,992.81
Serial bonds maturing November 1, 1952		100,000.00
	\$	<u>1,919,969.69</u>

RESERVE FOR CONTINGENCIES AND FLUCTUATION IN INVENTORY VALUES..... 300,000.00

FUNDED DEBT:

First mortgage and collateral trust bonds—

Authorized \$3,000,000 whereof \$2,000,000 were issued in series of 1946

Serial 2¾% bonds due \$100,000 annually November 1, 1953 to 1956

(1952 instalment shown in current liabilities)..... \$ 400,000.00

20-year 3½% bonds due November 1, 1966..... 1,000,000.00 1,400,000.00

CAPITAL AND SURPLUS:

Capital—

Authorized 500,000 common shares of no par value

Issued 440,043 common shares of no par value..... \$ 2,200,215.00

Earned surplus..... 6,344,444.06 8,544,659.06

\$12,164,628.75

Approved on behalf of the Board.

C. GORDON COCKSHUTT, *Director*

P. P. TYLER, *Director*

In our opinion the accompanying consolidated balance sheet and statements of consolidated profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at November 30, 1951 and of the results of their operations for the year ended on that date, according to the best of our information, the explanations given to us and as shown by the books of the company and the audited accounts of the subsidiary.

CLARKSON, GORDON & Co.
Chartered Accountants.

HAMILTON, CANADA, January 29, 1952.

GYPSUM, LIME AND ALABASTINE, CANADA, LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY STANDARD LIME COMPANY, LIMITED

Statement of Consolidated Profit and Loss

FOR THE YEAR ENDED NOVEMBER 30, 1951

OPERATING PROFIT for the year before deducting interest on funded debt, depreciation and depletion		\$4,057,685.90
Deduct:		
Interest on funded debt	\$ 51,270.75	
Provision for depreciation and depletion	792,528.77	843,799.52
		<hr/>
		\$3,213,886.38
Add income from investments		24,348.40
		<hr/>
PROFIT before income taxes		\$3,238,234.78
Provision for income taxes		1,625,000.00
		<hr/>
NET PROFIT FOR THE YEAR		<u>\$1,613,234.78</u>

NOTE: The expenses for the year include the following charges:

Remuneration of executive officers and legal fees	\$ 59,747.94
Directors' fees	3,750.00

Statement of Consolidated Earned Surplus

FOR THE YEAR ENDED NOVEMBER 30, 1951

Balance at credit November 30, 1950	\$5,435,278.08
Add net profit for the year	1,613,234.78
	<hr/>
	\$7,048,512.86
Deduct dividends to December 1, 1951 at \$1.60 per share	704,068.80
	<hr/>
Balance at credit November 30, 1951	<u>\$6,344,444.06</u>

A BRIEF OUTLINE OF COMPANY HISTORY

This is the 25th Annual Report of Gypsum, Lime and Alabastine, Canada, Limited. The year 1951 is, however, the 65th Anniversary of the business. It was in 1886 that the original plant on the banks of the Grand River, at Paris, Ontario, was built, and the manufacture of water paints was commenced under the name "The Alabastine Company, Paris, Limited".

In the beginning ALABASTINE was the principal product. This powdered "water paint" soon achieved a world-wide popularity, and still ranks among the most effective decorative materials known. It has since been supplemented by a complete line of water-mixed paints which share its characteristics of being economical, easy to apply and pleasing in appearance.

The Alabastine Company owned and operated a gypsum mine and plant at Caledonia, Ontario, some thirty miles down the Grand River Valley from Paris. In 1915 a merger was entered into with the Crown Gypsum Company at Lythmore, Ontario, to form the Ontario Gypsum Company. This company not only continued to supply gypsum to the Alabastine Mill at Paris, but it soon developed a market for GYPROC wallboard, plasters and other gypsum materials for use in the field of construction. At this time it was decided to enter the lime business, which fitted so well from a merchandising standpoint with the marketing of gypsum products and in 1915 a lime plant at Elora was purchased. In 1925 a gypsum plant was erected at Montreal East to serve the Quebec-Maritimes market, and a gypsum quarry in Nova Scotia was added to the list of company properties. A stucco manufacturing company, Toronto Builders' Supplies Limited, was then acquired and in 1927 a charter was taken out, under the name Canada Gypsum and Alabastine Limited, formed by merging the Alabastine Company, the Ontario Gypsum Company, and Toronto Builders' Supplies Limited.

To serve the western market the Company purchased, in 1928, the plants and quarries of the Manitoba Gypsum Company Limited at Winnipeg and Gypsumville, Manitoba, and the British Columbia Gypsum Company Limited at New Westminster, and Falkland, B.C. Further expansion was made in 1929, with the purchase of three lime plants at Beachville, Hespeler and Milton in Ontario and the business of the Standard Lime Company Limited, which operated several plants and quarries in the province of Quebec. By an amendment to its charter in the year 1930, the corporate name was changed to Gypsum, Lime and Alabastine, Canada, Limited. Today, with seventeen plants from Coast to Coast, Gypsum, Lime and Alabastine, Canada, Limited, and its subsidiary, Standard Lime Company, Limited, are rendering service to Canada's building trades, to all types of industry, and to the public generally.

HEAD OFFICE

PARIS, ONTARIO

GENERAL SALES OFFICE

Gypsum House, 50 Maitland Street

TORONTO 5, ONTARIO

DISTRICT SALES OFFICES

BRITISH COLUMBIA

509 Richards St.

VANCOUVER

PRAIRIES

Sargent & St. James Sts.

WINNIPEG

ONTARIO

50 Maitland St.

TORONTO

QUEBEC-MARITIMES

905 University Tower

MONTREAL

GYPSUM MINES, MILLS AND QUARRIES

NEW WESTMINSTER, B.C.

Plaster Mill and Wallboard Plant

WINNIPEG, MAN.

Plaster Mill and Wallboard Plant

FALKLAND, B.C.

Gypsum Quarry

CALGARY, ALTA.

*Plaster Mill and
Gyproc Wool Insulation Plant*

GYPSUMVILLE, MAN.

Gypsum Quarry

CALEDONIA, ONT.

*Gypsum Mine, Plaster Mill,
Wallboard Plant and
Gyproc Wool Insulation Plant*

MONTREAL EAST, QUE.

Plaster Mill and Wallboard Plant

BADDECK, N.S.

Gypsum Quarry

WATER PAINT MILL

PARIS, ONT.

LIMESTONE QUARRIES AND LIME PLANTS

HESPELER, ONT.

BEACHVILLE, ONT.

MILTON, ONT.

TORONTO, ONT.
(Stucco Products Plant)

JOLIETTE, QUE.

ST. MARC, QUE.

STE. EMELIE, QUE.
(Sand & Gravel)

MONTREAL, QUE.
(Sand Lime Brick Plant)

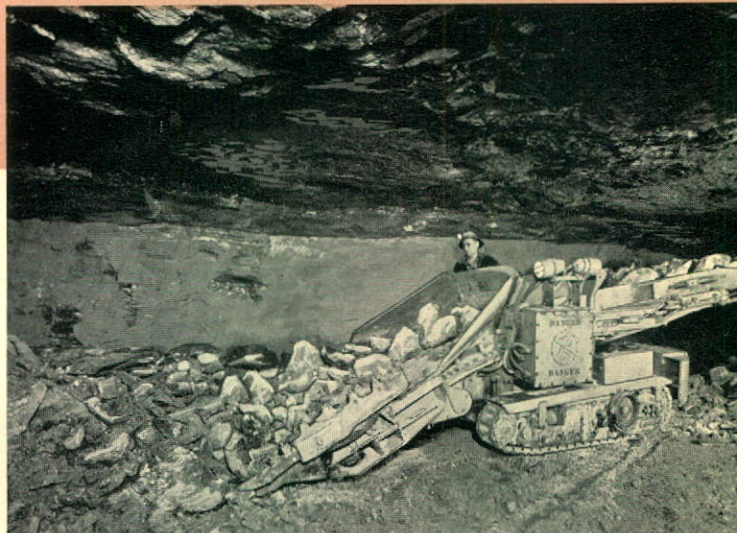
WHAT



MEANS TO CANADA

A business enterprise will endure and prosper only to the extent that it renders useful service and contributes to the economic welfare of the community. With its record of 65 years' successful operation G. L. A. may well be proud of its progress and look forward with confidence to the future.

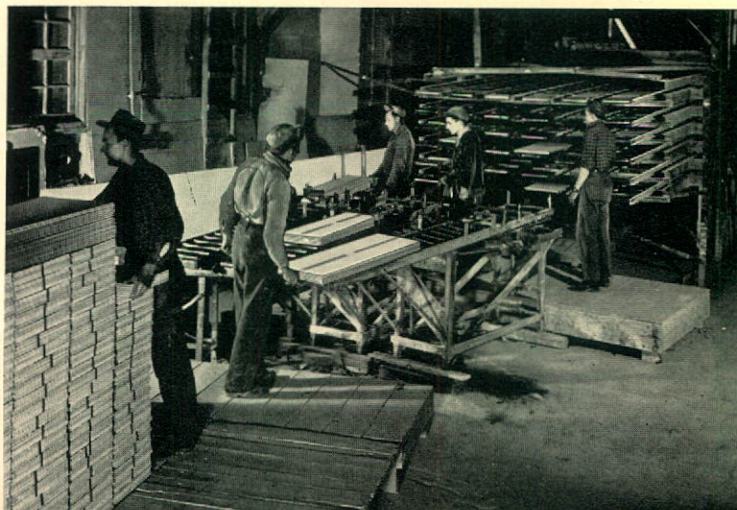
The Company is a leading producer of non-metallic minerals, obtaining limestone and gypsum rock from its mines and quarries, and processing these and other basic raw materials into a large range of products. These materials and finished products are for the most part heavy and bulky in relation to their value, consequently the cost of transportation is a major factor in determining the distance they may be economically shipped. This explains why the Company operates seventeen plants across Canada, each strategically located as to raw material supply and a market for the goods it manufactures. In the successful operation of these separate local plants, G. L. A. directly and indirectly contributes to the economic well-being of every section of Canada. At each plant, the Company's payroll helps to support the commercial and social life of the community, and with its mines and quarries is developing Canada's natural resources by transforming inert rock into useful products.



Loading Gypsum rock in the mine at Caledonia



A busy corner of the limestone quarry at Beachville



Bundling Gyproc Lath as it leaves the drier at the Caledonia Wallboard plant



A "10,000 tonner" discharging a cargo of gypsum rock at Montreal East.



Limestone and Lime Cars leaving Beachville Plant



Loading a car of Gyproc Wallboard at New Westminster

To the Transportation Industry G. L. A. is an important source of traffic and revenue. Each year during the St. Lawrence River navigation season, gypsum rock from Nova Scotia is brought by shipload to the Company's plant at Montreal East, where it is used in the manufacture of gypsum wallboard, sheathing, lath and plaster for shipment to all parts of the Quebec-Maritimes market.

At the Caledonia gypsum plant transportation is principally outward, since the basic raw material, gypsum rock, is brought into the plant directly from the huge mine above which it stands. Yet even here the incoming materials and supplies represent impressive tonnage and require the daily unloading of many freight cars and trucks. Caledonia serves the extensive Ontario market, and shipments are made into every corner of the province.

Gypsum for the Winnipeg plant is delivered from the Company's quarry at Gypsumville, Manitoba, 162 miles to the north west. Rock to supply the plants at Calgary, Alberta and New Westminster, B.C. is obtained from the G. L. A. mountain quarries near Falkland, B.C., some 290 miles by rail from the coast, and 784 miles from Calgary. Transporting this large tonnage of gypsum rock means the daily movement of many cars by the railroads. The Company's limestone quarries and plants, and those of its subsidiary, Standard Lime Company Limited, also require the continuous use of special-type railway cars for the movement of limestone, lime, brick, sand and gravel.

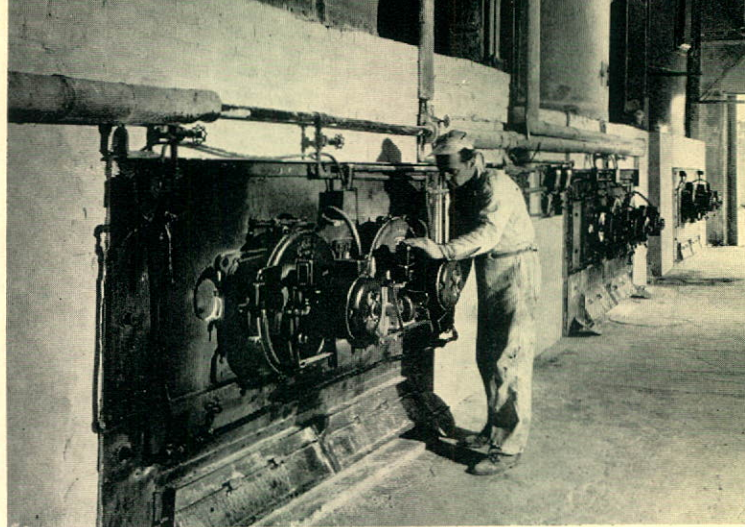
Many industries derive support from G. L. A. Transportation has been mentioned; others deserve a word. G. L. A. is one of Canada's large buyers of paper, which is used as a surface covering for gypsum wallboard, lath, sheathing and mineral wool; also in the form of shipping bags and containers for

plaster, lime, insulation and water paints. The Company's extensive purchases of paper contribute in some measure to the prosperity of Canada's pulp and paper industry. Fuel oil, coal, coke and electricity provide heat for processing lime and gypsum, and power to run the Company's many plants. Thus G. L. A. as a consumer of fuel and power shares with other industries in the development and operation of the coal mines, oil fields, and electric power plants, both public and privately-owned throughout the country.

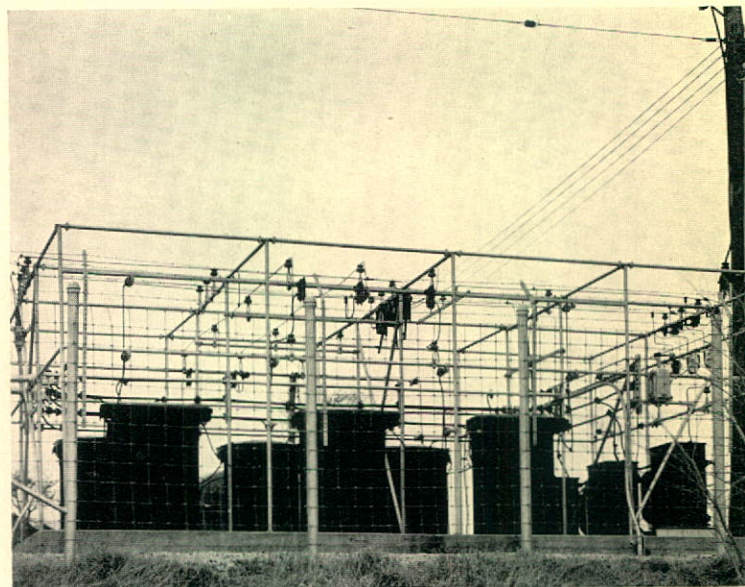
But all the beneficent results of the Company's mining, quarrying and manufacturing activities are subordinate to the main achievement, which is producing useful goods, at low cost, to make living conditions better for Canadians. What is more important to Canada's economy at the present time than providing essential materials for housing and for buildings of all kinds to keep pace with the growing needs of our increasing population?

GYPSUM serves in construction as a wall-board; a sheathing; a lath on which to apply plaster; a base-coat and a finishing plaster; a tile or block for fireproofing structural steel, and for pre-cast or poured fireproof roofs. LIME too is a valuable building material. As a component of mortar it binds masonry units into unified walls, and it forms the major ingredient of the familiar white "putty coat finish" on plastered walls and ceilings. INSULATION has become indispensable for all habitable buildings and wherever temperatures are to be controlled, and GYPROC WOOL is a recognized leader in this field. G.L.A. WATER PAINTS demonstrate their utility when construction reaches the final stages, and the magic of colour enhances the interior design. Wherever men build, there you find G. L. A. Products serving the needs of Canada's construction industry.

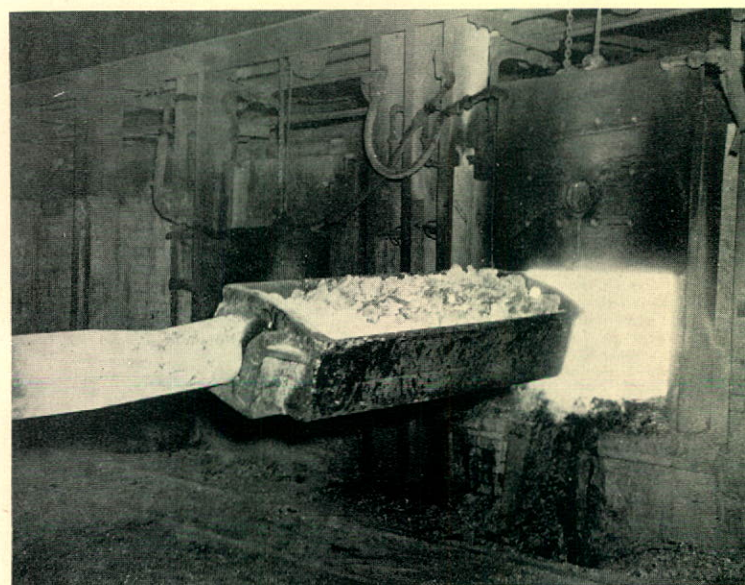
Distribution is made through a chain of some twenty-five hundred retail builders'



Oil-Fired Gypsum Kettles at the Montreal East Plant



Transformer installation at the G.L.A. Caledonia Plant



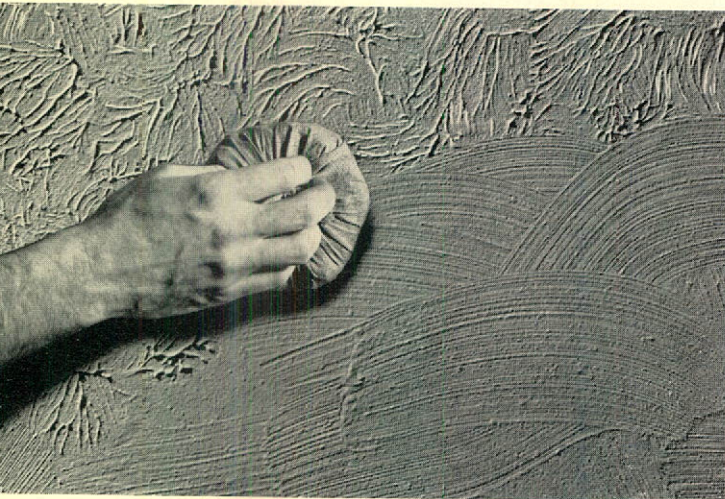
Feeding G.L.A. Lime to Open Hearth Furnace in the "Dofasco" Steel Mill at Hamilton



Gyproc Sheathing makes sturdy fire-safe external walls



Gyproc Lath and Plasters produce trouble-free walls and ceilings



Gyptex Texture Paint is popular with Decorators

supply dealers located in almost every city, town and village of any size across Canada. Every dealer is called on regularly by one of the Company's salesmen, each in charge of a local territory in which he resides. The G. L. A. salesman is on the job wherever building is going on, giving assistance to dealers and contractors; checking with architects; and in general rendering a personal service to all who are interested in the Company's products.

As a chemical, LIME is essential in many important processes, and is required by almost every type of industry. G. L. A. specializes in providing the right size, type and quality of limestone or lime to suit these exacting demands. Few people realize to what extent their lives are influenced by the part that lime plays in the mining and the pulp and paper industries and in the manufacture of thousands of articles that are in daily use. As Canada's largest supplier of limestone and lime, we are proud of our reputation for maintaining high quality and dependable service in this branch of the Company's operations.

We of G. L. A. derive keen satisfaction from the knowledge that all divisions of the business perform useful service, and that in the operation of our plants and in the marketing of our products, the Company is making a worthwhile contribution to Canada's economic welfare.

Typical Housing Development—this is a group of 200 homes near Weston, Ontario



