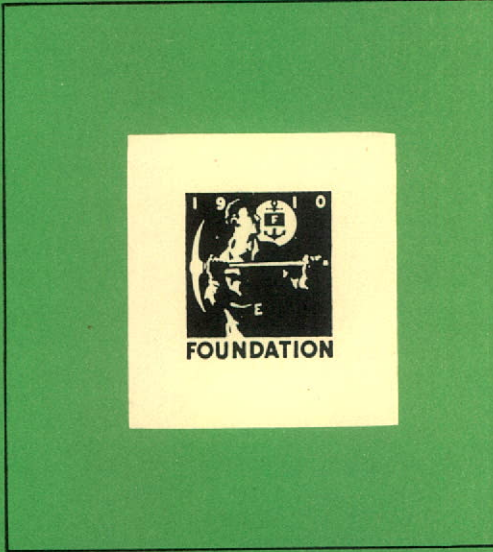


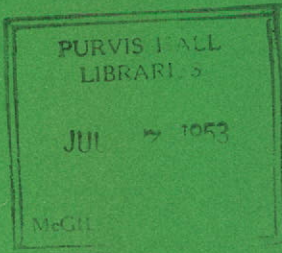
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THE FOUNDATION COMPANY
OF CANADA
LIMITED

Annual Report

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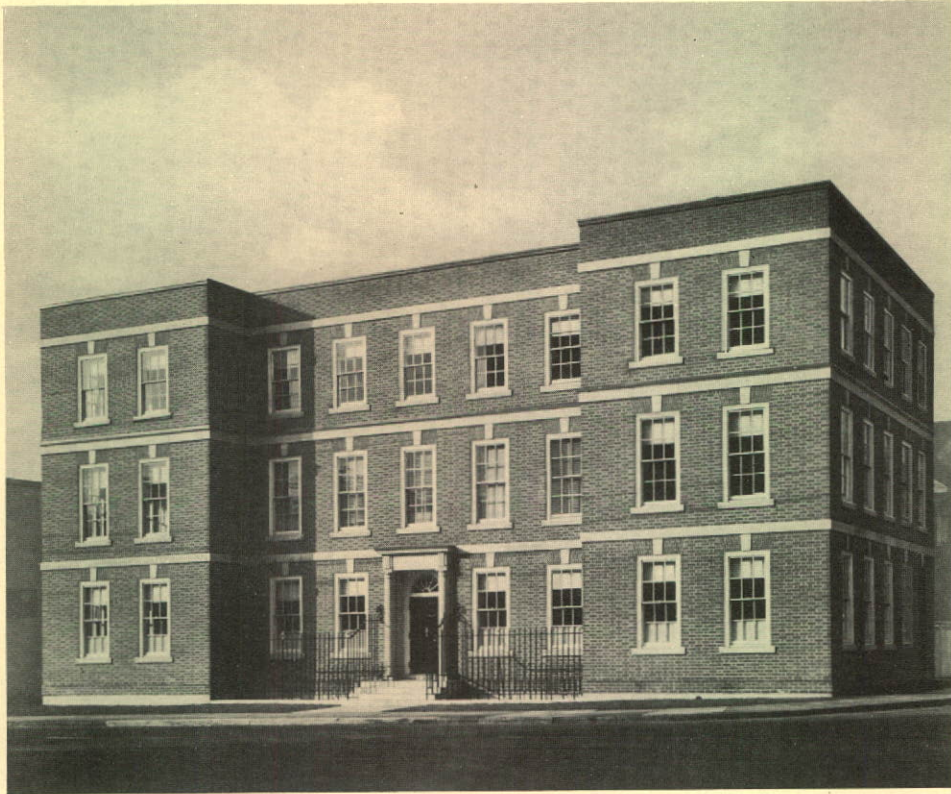
OUR
DISTINGUISHED
CLIENTELE

FOR WHOM WE WORKED IN 1950

Marine-salvage contracts are not included in the following, it being contrary to the policy of this Company to publicize the names of ships that have required salvage services or their owners or operators. Ship-repair contracts and towing and docking contracts are not included nor are clients for whom the Company has served as engineers but not as builders. Customers of the Company's subsidiaries engaged in the plant-sales, plant-rental and plant-servicing business are not included.

Abitibi Power & Paper Company, Limited
Algoma Steel Corporation Limited
Aluminum Company of Canada, Limited
Anglo-Canadian Wire Rope Co. Limited
Bank of Canada
Banque Canadienne Nationale
Bell Telephone Company of Canada, The
Brown Corporation
Burns & Company (Eastern) Limited
Calgary Power Ltd.
Canada Steamship Lines Limited
Canadian Car & Foundry Company, Limited
Canadian Fairbanks-Morse Co., Limited, The
Canadian General Electric Company Limited
Canadian Johns-Manville Co., Limited
Canadian Kodak Company Limited
Canadian National Railways
Canadian Schenley Ltd.
Dominion of Canada
Dominion Stores Limited
Dominion Textile Co., Limited
Empire Life Insurance Company, The
Foster, Harry E., Advertising Limited
General Foods, Limited
General Steel Wares Limited
Grand & Toy Limited
Gurney Foundry Company Limited, The
Halifax Board of School Commissioners
Hudon & Orsali Limitee
Hydro-Electric Power Commission of Ontario, The
Hygrade Food Products Inc.
Liquor Control Board of Ontario, The
Loblaws Groceries Company Limited
London Board of Education
London Syndicate, The
Louisburg Fisheries Limited
Maclaren, James, Company Limited

Manitoba, Province of, Department of Mines and Natural Resources
Marathon Paper Mills of Canada Limited
Maritime Electric Company Limited
McGill University
Molson's Brewery Limited
Monsanto (Canada) Limited
Montmorency Distillery Ltd.
Montreal, City of, Rosemount Centre
Montreal Pipe Line Company, Limited
National Harbours Board
Noranda Mines, Limited
Northern Electric Company Limited
Nova Scotia Power Commission
Plummer Memorial Public Hospital, The, Sault Ste. Marie
Provincial Transport Co.
Pullman, J., Esq.
Rolph-Clark-Stone, Limited
Russel-Hipwell Engines Limited
Sherwin-Williams Co. of Canada, Limited, The
Simcoe High School Board
Simonds Canada Abrasive Company Limited
Simpsons, Limited
Soldiers' Memorial Hospital, Tillsonburg
Smith, Howard, Paper Mills Limited
Spruce Falls Power & Paper Company Limited
Steinberg's Wholesale Groceries Limited
Sterling Clothing Co. Limited
Sudbury Daily Star, The
Sudbury Public School Board, The
Tillsonburg District High School Board
Toronto, City of
Upper Thames River Conservation Authority
Western Assurance Company and British American Assurance Company
Young Men's Christian Association, Montreal
Young Men's Hebrew Association, Montreal
Zeller's Limited



FOUNDATION BUILDING
Head office of The Foundation Company of Ontario Limited,
1220 Bay Street, Toronto.



THE FOUNDATION COMPANY
OF CANADA
LIMITED

1900 SHERBROOKE ST. WEST, MONTREAL



Annual

FINANCIAL HIGHLIGHTS

	1950	1949
PROFIT — before depreciation and taxes	1,068,419	1,505,256
DEPRECIATION	622,661	675,150
TAXES — on income	201,715	379,327
NET PROFIT after depreciation and taxes	244,043	450,779
DIVIDENDS PAID	160,740	160,740
WORKING CAPITAL	1,817,224	1,742,027
REINVESTED IN BUSINESS	83,303	438,070

Report

T O T H E S H A R E H O L D E R S O F

THE FOUNDATION COMPANY
OF CANADA
LIMITED

Your Directors present herewith the Annual Report of your Company for the year ending December 31, 1950, together with the accompanying Financial Statements, certified by the Company's Auditors, Messrs. Price Waterhouse & Company.

The profits resulting from the year's operations were considerably less than those of the previous year, being before depreciation and taxes \$1,068,419 compared with \$1,505,256, plus an additional sum of \$47,800, being profit on disposal of capital assets. Net profit after depreciation and taxes on income was \$244,043 compared with \$450,779 for the previous year.

The Company has followed its customary practice of writing off to depreciation reserve in respect of its capital assets the maximum allowable under Income Tax regulations. This has resulted, in the last two years, under the amended Income Tax Act, in a depreciation write-off well over twice the average of the five years prior to 1949.

Gross additions to Capital Assets during the year amounted to \$272,320, practically all of it being purchases of additional construction equipment. There were no additions to the Company's marine fleet. On the contrary, one salvage tug, "Security", was scrapped. There were no important additions to the item of Real Estate, comprising land, buildings and wharves. On account of the heavy write-off to Depreciation Reserve, net Capital Assets show a decrease of \$243,937.

Net Current Assets as of December 31, 1950, were \$1,817,224 as compared with \$1,742,027 at the close of the previous year.

During the year 1950, your Company paid its usual dividends of \$1.40 per share plus an extra dividend of 50 cents.

► **C O N S T R U C T I O N** The year 1950 commenced with the reasonable expectation that the volume of business offering would be somewhat less than the record volume of 1949 and that there might be some reduction in costs. Somewhat better than normal conditions prevailed in the industry during the first half of the year but the outbreak of war in Korea brought about a period of rapidly-increasing costs.

There were increases in the delivered prices of materials generally and in some wage scales but probably the greatest factor contributing to the rapid increase in the cost of construction has been the seemingly-endless delays due to shortages of materials generally and, in particular, steel and Portland cement, both basic commodities entering into almost every construction operation. Another contributing factor was the railway strike in the third quarter of 1950 which left us with the alternative of either suspending work completely on certain operations in outlying areas or trucking for distances well beyond the economic limit of that mode of transportation for heavy bulk commodities.

An unavoidable characteristic of the construction business is that a contractor in tendering a fixed price for a piece of work in effect guarantees the cost of his materials and his wage scale for the life of the operation. The alternative is some sort of escalator provision in the agreement or some one of the various types of cost-plus-fee contracts. A period of rising prices is therefore a particularly difficult one for the construction industry and can quickly result in serious losses on fixed-price contracts.

In December last the United States Government banned the use of copper, and consequently also brass of which copper is a component, in a great many items entering into the construction of a building. In the same month the Canadian Government prohibited the procurement of steel for a long list of types of construction regarded as unessential to the current defence programme. It is reasonable to suppose that some similar form of control will be extended to the use of the non-ferrous metals in the building trades. The inevitable result would seem to be that new construction during 1951 is going to be largely

confined to undertakings classed as defence projects or otherwise given special permits on the grounds of essentiality in the public interest.

Among the classes of construction which your Company in the past has had in substantial volume, now fairly effectively banned through lack of steel, might be mentioned buildings for the liquor trade, chain and department stores and office buildings. Work for industrial and heavy manufacturing projects and that for the producers or processors of steel and the non-ferrous metals, including asbestos, will presumably be classed as a part of the defence programme. Power developments, both steam and hydraulic, are currently being granted priorities. The situation in regard to construction for the pulp and paper

New arena built for Noranda Mines, Limited,
Noranda, Quebec. Parabolic arches are a new design feature
introduced by Foundation engineers.

Architects, Allward & Gouinlock



industry appears to be obscure but it would seem improbable that our Government would interfere with this business which is an important item in our export trade.

Your Company is fortunate in having had on its books at the close of 1950 a fairly large volume of unfinished business classed as a part of the defence programme, most of it on contracts that afford reasonable protection against further inflation. It is confidently hoped that this will to some extent carry us through the unavoidable lag between the initiation of a war economy and its reaching the actual construction stage.

▶ **MARINE SERVICES** Your Company's marine-salvage units operating in the lower river and gulf of St. Lawrence and in the Atlantic out of Halifax, St. John's and the Bermudas, have had what might be regarded as a normal year.

Twenty-one marine casualties aggregating 81,181 tons were successfully dealt with, as compared with the same number in 1949 and nineteen in 1948. These wore the flags of eight different states and it is worthy of note that none of them were of Canadian registry. The figures should demonstrate the fallacy of the argument frequently put forward by ill-informed groups for a Canadian Government coast guard to presumably do this work for foreign account at the expense of the already hard-pressed Canadian taxpayer. As matters stand, the service is paid for either in sterling or United States dollars by those who benefit from it.

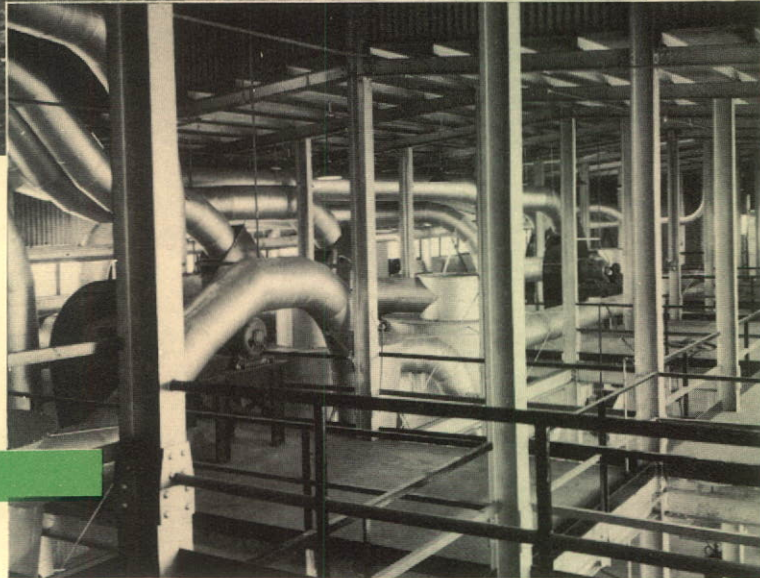
Seventeen of the twenty-one casualties with which we were concerned were delivered in Canadian ports or waters, affording considerable business to this country's ship-repairing establishments. One casualty, delivered at Port Everglades, Florida, for initial inspection, had then to be turned over to an American tug for further towage to New Orleans, it not being permissible under United States law for our tug to operate between two successive United States ports.

Except in waters contiguous to the United States, your Company has suffered little from foreign competition. On the contrary, we have enjoyed close co-operation with the ships of the United States Coast Guard. This applies, too, to those of our own Government and we have had valuable assistance from the Air-Sea Rescue Service of the Royal Canadian Air Force.



Munro Mine mill built
for Canadian Johns-Manville
at Matheson, Ont.
Chief Engineer, E. J. Shoffner

Interior view of
mill building.



Gross revenues from your Company's docking-tug services were disappointing, being considerably below those of 1949. Despite continuously rising prices, operating costs were held to approximately the 1949 figure. However, your Company deemed it proper to grant pay increases to its marine operating personnel as from January 1st last and as from the same date put into effect an increased rate schedule in respect of both its docking tugs in Halifax and its coastal tug services.

► **ENGINEERING** Your Company's Engineering Departments, in both Montreal and Toronto, were fully engaged during the year. The results of their efforts, in so far as construction is concerned, will be largely reflected in the Company's 1951 business rather than in that of 1950.

The Company has continued its traditional policy, in so far as engineering design is concerned, of working under the direction of or in collaboration with a qualified architect or engineer either commissioned by or in the employ of the client instead of assuming the functions of an architect or an engineer-in-chief.

The work executed by your Company's Engineering Department has consisted generally of structural and mechanical design and in a great many instances the Company's engineers have been engaged as consultants on foundation design, the bearing capacities of soils, including subsoil investigation, and other special foundation problems.

For some years your Company has had in effect a plan under which it takes into its employ each year, for the summer months, a selected group of engineering students from the principal universities of Canada with the expectation that those who show proficiency in the Company's specialties will continue under the plan throughout their college courses and, upon graduation, join the Company's permanent staff. This gives us each year a small but efficient group of engineering graduates with three summers' experience in the different branches of the Company's business. The plan has proven most successful.

As of December 31, 1950, your Company had on its technical staff one hundred and twenty-seven graduate engineers or architects from thirteen Canadian, eight United States, six British and nine non-British European universities and colleges.

▶ **EQUIPMENT SALES AND SERVICES** Your Company's subsidiary, Construction Equipment Company Limited, with plants in Toronto, Montreal (Dorval) and Halifax, engaged in the business of selling, renting and servicing construction equipment, had a satisfactory year. While an unforeseen period of inflation can result in serious losses in the construction industry, it is correspondingly beneficial, profitwise, to a merchandizing organization carrying a sizable inventory of readily-salable goods.

Equipment sales in 1950 reached an all-time high due in part to the easing of foreign exchange and import controls. This situation may not prevail during 1951 as American manufacturers, for whom Construction Equipment Company acts as distributor in Canada, may find themselves booked with priority orders under Government direction with limited capacity available for export through normal trade channels.

► **DIRECTORS AND PERSONNEL** Your Directors regret to report the death on August 20, 1950, of one of their number, Mr. Douglas Argyle Campbell, of Montreal. Mr. Campbell was elected to your Board on July 11, 1940, and his wise counsel will be greatly missed.

On January 24, 1951, Mr. Ralph P. Bell, O.B.E., B.A., D.C.L., of Mahone Bay, Nova Scotia, was elected a Director of the Company, filling the vacancy resulting from the death of Mr. Campbell. Mr. Bell is President of National Sea Products Limited, Halifax.

Your Directors take this opportunity of expressing their appreciation of the loyalty and the untiring efforts of the Company's staff.

R. E. Chadwick, M.E.I.C.,
President.

Montreal, March 28, 1951



View of entrance.



Bank of Canada building,
Montreal.

Architects,
*Fetherstonhaugh, Durnford,
Bolton and Chadwick*

THE FOUNDATION
OF CANADA
LIMITED

AND WHOLLY-OWNED CANADIAN

ASSETS

CURRENT ASSETS:

Cash in banks and on hand	\$	570,874.87	
Deposits on contracts		226,291.50	
Accounts receivable, less reserve		4,958,632.23	
Investment in Government of Canada bonds, at cost, of which \$48,000 is deposited as guarantee for fulfilment of Govern- ment contracts		98,203.75	
(quoted value — \$96,853)			
Investment in uncompleted contracts, at cost		409,713.61	
Inventory of merchandise, tools and supplies on hand, valued by the management at the lower of cost or market		653,875.56	
Prepaid expenses		55,061.20	\$ 6,972,652.72
			<hr/>

CAPITAL ASSETS, AT COST:

Real estate (land, buildings and wharves)	\$	1,253,842.94	
Construction equipment		2,785,418.75	
Marine equipment		1,567,841.21	
Furniture and fixtures		98,648.59	
	\$	5,705,751.49	
Goodwill		1.00	5,705,752.49
			<hr/>

OTHER ASSETS:

Long-term advances (secured)	\$	36,546.51	
Subsidiary company not consolidated —			
Investment, at cost	\$252,640.00		
Advances	100,000.00	352,640.00	389,186.51
			<hr/>
			\$13,067,591.72
			<hr/>

Signed on behalf of the Board:

R. E. CHADWICK }
V. M. DRURY } Directors.

TO THE SHAREHOLDERS OF
THE FOUNDATION COMPANY OF CANADA LIMITED:

We have examined the consolidated balance sheet as at December 31, 1950 and its wholly-owned Canadian subsidiary companies and the related accounts for the year then ended, and have obtained all the information and explanations given to us and as shown by the books of the companies. In our opinion, the above consolidated balance sheet is a true and correct statement of the combined affairs of the companies as at December 31, 1950 and the surplus presents fairly the results of the combined operations for the year then ended. We report that the operations of the subsidiary company not consolidated have been reflected in the above accounts, but has been provided for in the consolidated statements.

In our opinion, the above consolidated balance sheet is a true and correct statement of the combined affairs of the companies as at December 31, 1950 and the surplus presents fairly the results of the combined operations for the year then ended. We report that the operations of the subsidiary company not consolidated have been reflected in the above accounts, but has been provided for in the consolidated statements.

MONTREAL, March 22, 1951.



B A L A N C E S H E E T

31, 1950

FOUNDATION COMPANY

CANADA

LIMITED
AND SUBSIDIARY COMPANIES

LIABILITIES

CURRENT LIABILITIES:

Bank loans	\$ 2,062,000.00	
Accounts payable and accrued liabilities	2,801,125.98	
Accrued interest on debentures	5,625.00	
Dividend payable January 19, 1951	29,610.00	
Reserve for income taxes	182,067.42	
3% Serial debentures due August 1, 1951	75,000.00	\$ 5,155,428.40

THREE PER CENT SERIAL DEBENTURES:

Maturing in equal annual instalments on August 1, 1952 to 1956	375,000.00
--	------------

RESERVES:

Depreciation	\$ 3,520,115.65	
Uncompleted contracts	325,487.89	
Marine and fire insurance	77,369.53	
Guarantee reserve	100,970.52	
Employees' additional pensions	200,000.00	4,223,943.59

CAPITAL STOCK AND SURPLUS:

Capital stock —		
Authorized—150,000 common shares of no par value		
Issued — 84,600 shares	\$ 710,000.00	
Capital surplus —		
Arising from the purchase, redemption and cancellation of the preferred stock of a subsidiary company	20,000.00	
Earned surplus, per statement attached	2,583,219.73	3,313,219.73

CONTINGENT LIABILITIES:

Guarantee of loans of the United States subsidiary company — \$150,000 (U.S.)	
Guarantee of balances owing by customers on conditional sales agreements — \$129,322	
	\$13,067,591.72

December 31, 1950 of The Foundation Company of Canada Limited and consolidated statement of profit and loss and earned surplus for the year then ended, according to the best of our information and the procedures as we considered appropriate. The financial statements of the subsidiary companies have been accepted by us for inclusion in the consolidated statement of profit and loss and earned surplus of the company. The consolidated statement of profit and loss and earned surplus for the year then ended, according to the best of our information and the procedures as we considered appropriate. The financial statements of the subsidiary companies have been accepted by us for inclusion in the consolidated statement of profit and loss and earned surplus of the company. The consolidated statement of profit and loss and earned surplus for the year then ended, according to the best of our information and the procedures as we considered appropriate. The financial statements of the subsidiary companies have been accepted by us for inclusion in the consolidated statement of profit and loss and earned surplus of the company.

PRICE WATERHOUSE & CO.,
Auditors.



C O N S O L I D A T E D S T A T E M E N T
O F P R O F I T A N D L O S S A N D E A R N E D S U R P L U S

For the Year Ending December 31, 1950

**THE FOUNDATION COMPANY
 OF CANADA
 LIMITED**

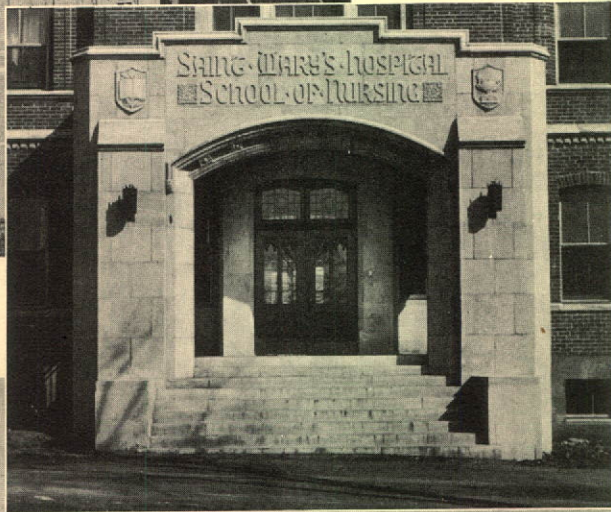
AND WHOLLY-OWNED CANADIAN SUBSIDIARY COMPANIES

Operating profit for the year before taking into account the items shown below		\$ 1,158,058.49
Profit on disposal of capital assets		56,061.11
Income from investments		4,429.65
		\$ 1,218,549.25
DEDUCT:		
Executive officers' remuneration	\$ 88,826.53	
Directors' fees	6,068.34	
Legal expenses	3,093.28	
Company's contribution to pension plan	37,329.05	
Provision for depreciation	622,661.16	
Interest on debentures	14,812.50	772,790.86
Profit before providing for income taxes		\$ 445,758.39
Provision for income taxes		201,715.00
Profit for the year		\$ 244,043.39
Earned surplus, balance December 31, 1949		2,499,916.34
		\$ 2,743,959.73
Dividends of \$1.90 per share		160,740.00
Earned surplus, balance December 31, 1950		\$ 2,583,219.73

Nurses' Residence,
St. Mary's Hospital, Montreal.
Architect, E. J. Turcot



Front entrance.



Mail order building, Simpsons Limited, Toronto.
Architect, F. S. Corley
Consulting Engineers, Margison & Babcock



Loblaw Groceteria, Sudbury, Ont.
Architects, Parrott, Tambling & Witmer



Steinberg's Food Market, Montreal.
Architects, Meyerovitch & Bernstein



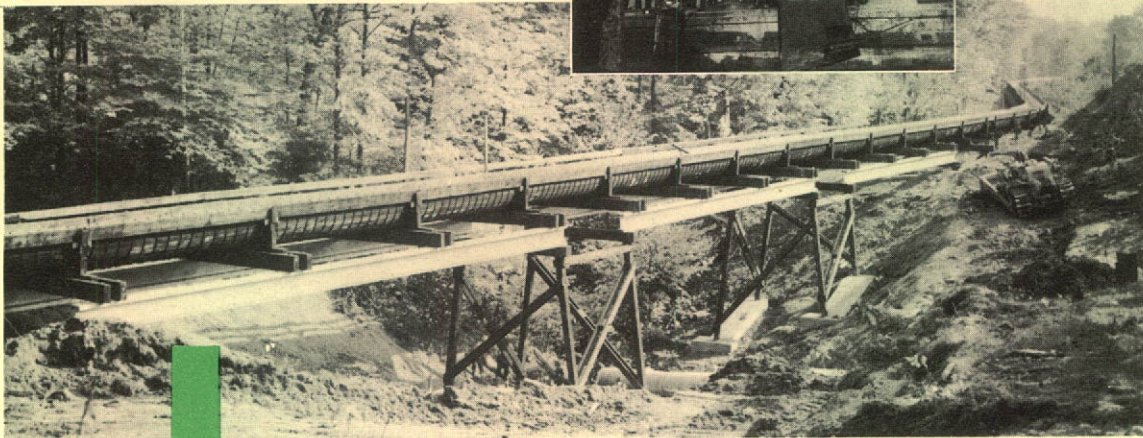
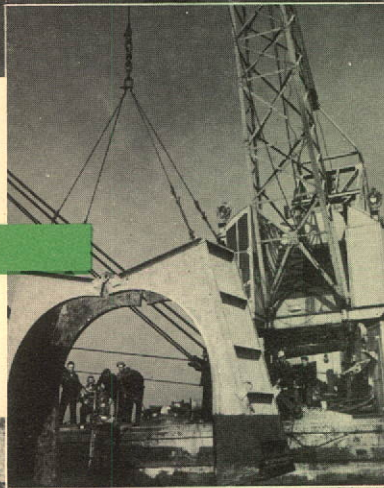
St. Agnes School, Halifax, N.S.
Architect, W. W. Downey

Aerial view of Powell Wharf,
Saguenay Terminals, Port Alfred, Que.

*Designed and built by Foundation
W. L. Pugh, Chief Engineer
H. G. Acres & Company, Consulting Engineers*



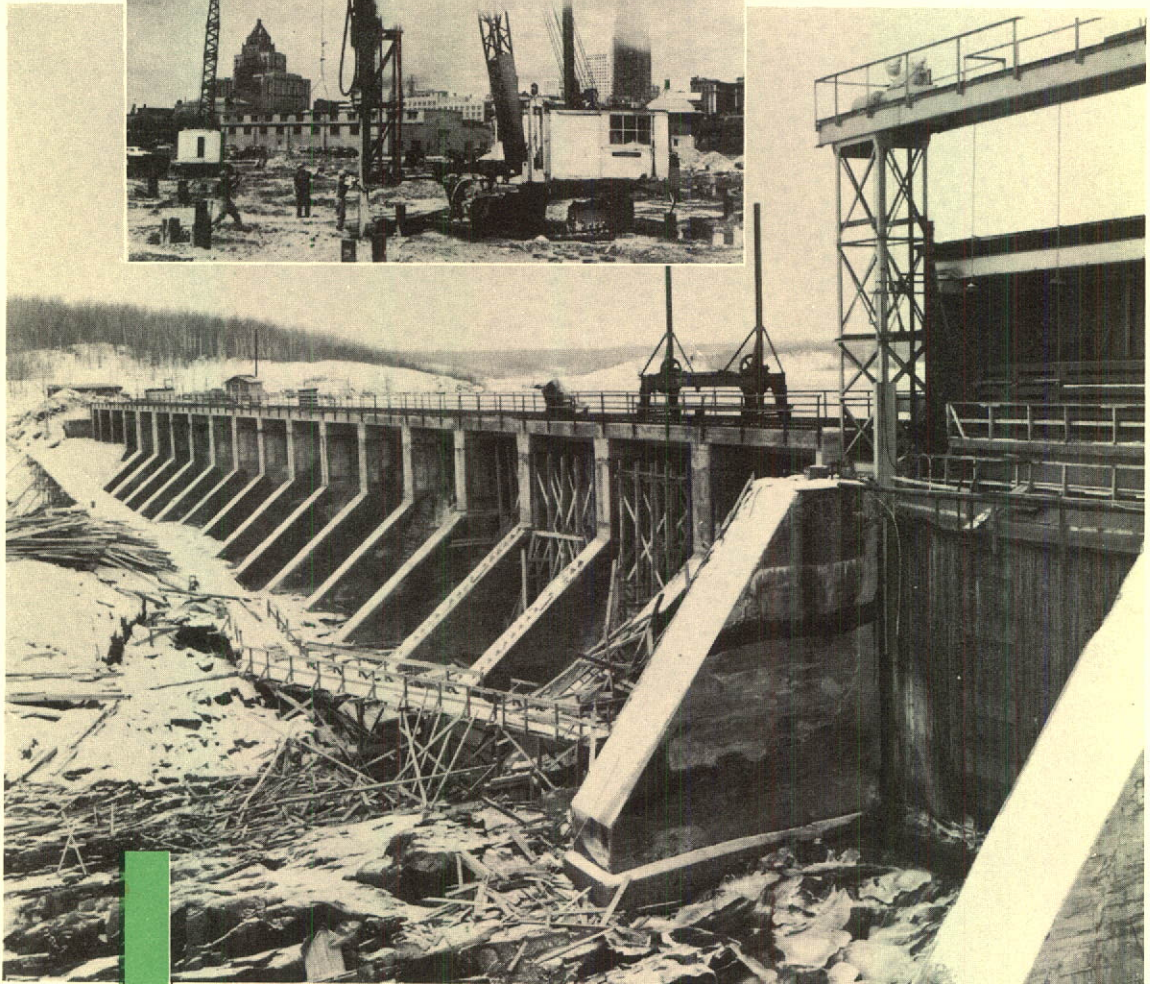
Laying sewage outlet conduit for
Dept. of Works, City of Toronto.



Wood flume alterations,
The James Maclaren Co. Limited,
Buckingham, Que.
D. W. O'Shea, Engineer



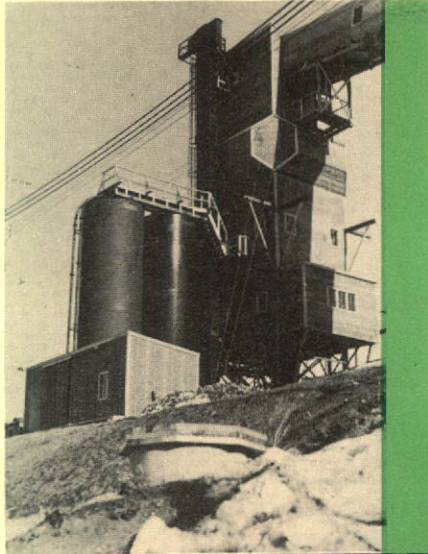
Driving piles for warehouse,
Liquor Control Board of Ontario.
Equipment was specially designed
by Foundation's engineers.
Architects, Mathers and Haldenby



Dam rehabilitation, Abitibi Power and Paper Company Limited,
Iroquois Falls, Ont.
H. G. Acres & Company, Consulting Engineers

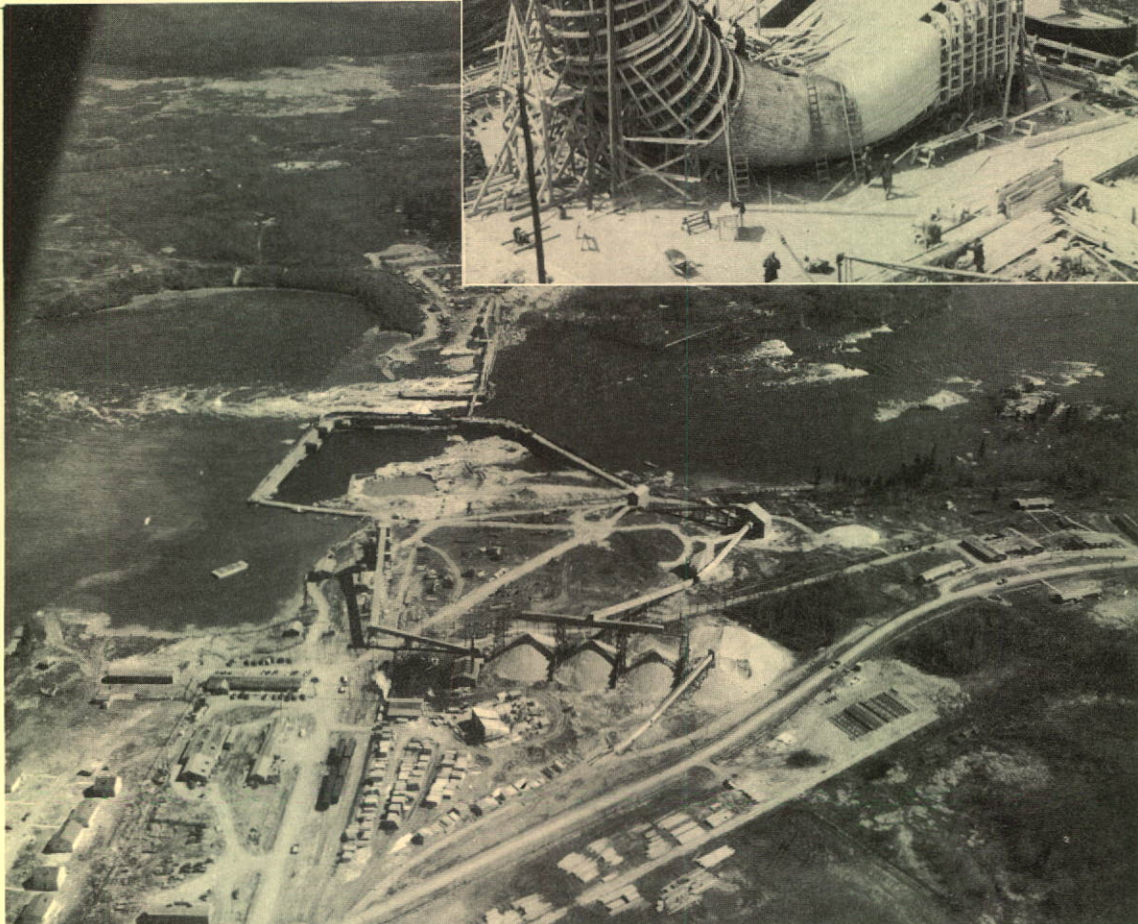
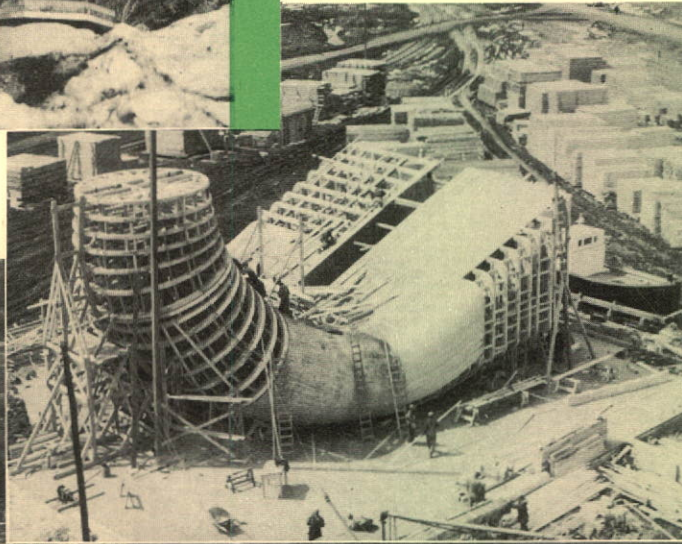
Scene of Pine Falls
power development
on Winnipeg River,
Department of Mines
and Natural Resources,
Province of Manitoba.

H. G. Acres & Company, Consulting Engineers

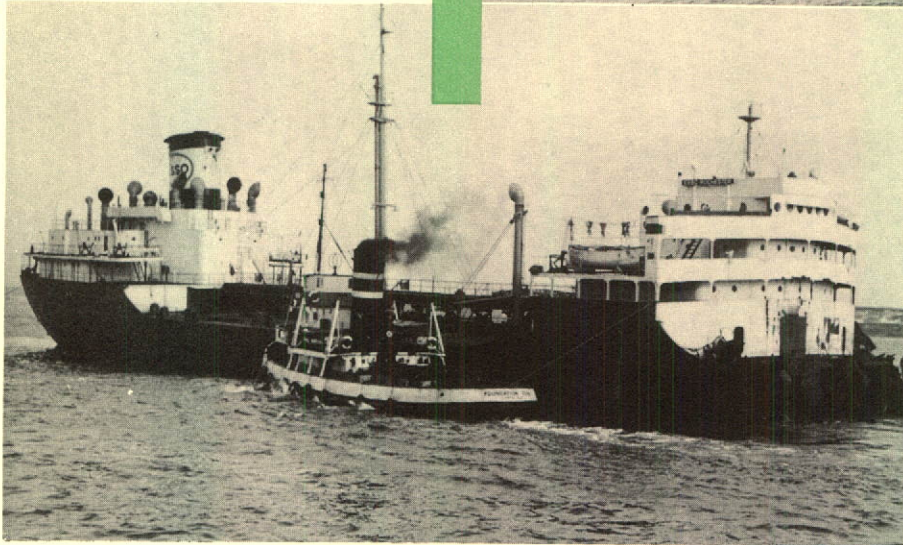
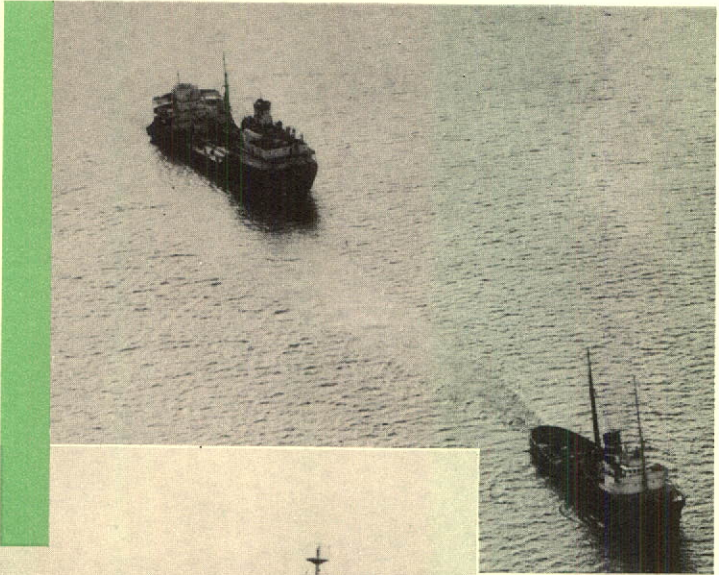


Concrete mixing plant.

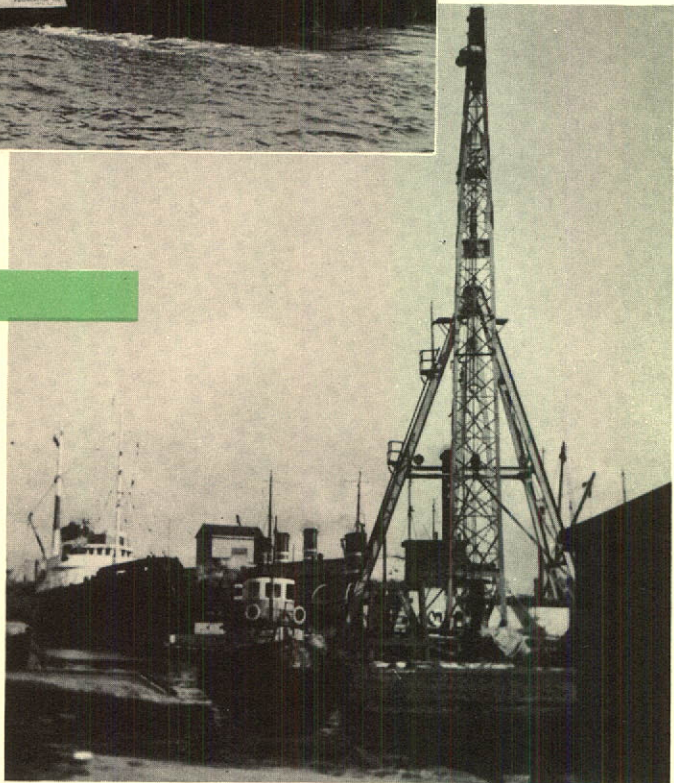
Construction of
draft tube forms,
each requiring 162,000
bd. ft. of lumber.



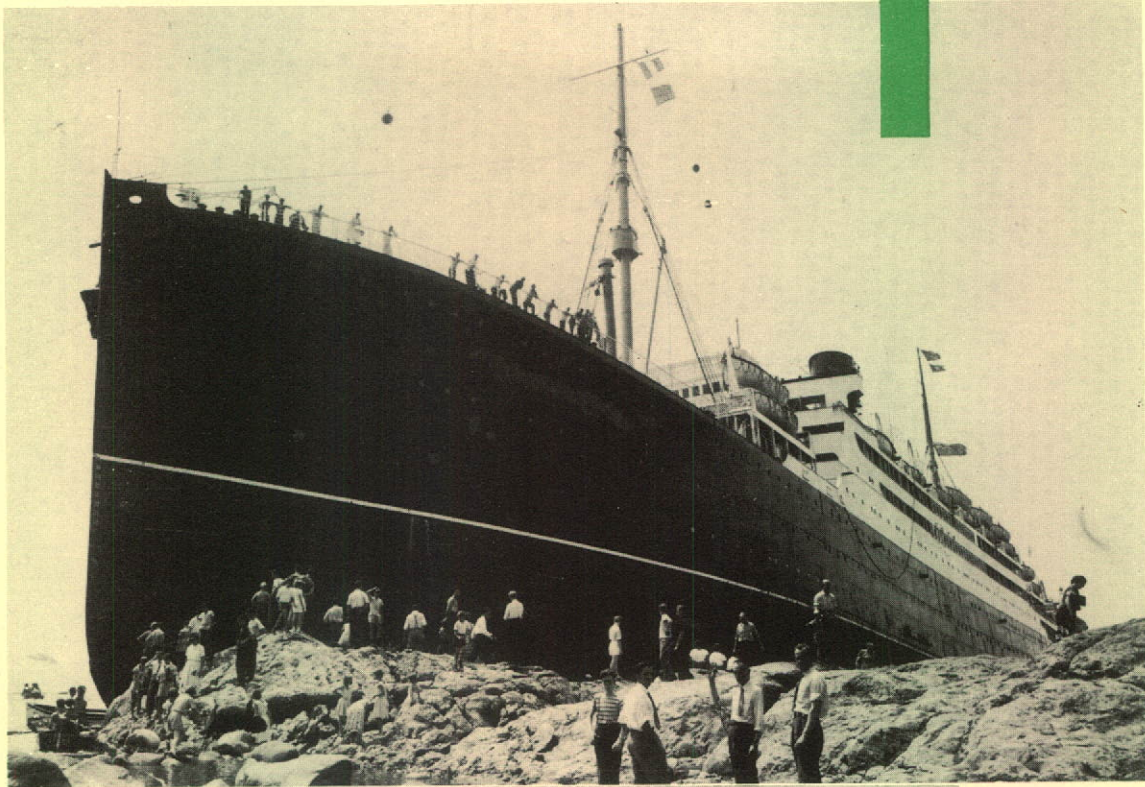
Salvaging of
stern section of tanker
which was broken in two
by a heavy storm.



Foundation Maritime Limited wharf,
Halifax, N.S.



Luxury liner, hard aground
on rocky shore . . .



. . . is successfully refloated
by Foundation's marine
salvage crew.



BOARD OF DIRECTORS

W. F. Angus
V. M. Drury
F. G. Rutley

L. J. McGowan
W. F. Macklaier, K.C.
Ralph P. Bell

R. E. Chadwick
G. MacG. Mitchell
V. G. Younghusband

OFFICERS

R. E. Chadwick, President
V. M. Drury, Vice-President
F. G. Rutley, Vice-President & General Manager
V. G. Younghusband, Vice-President
W. U. Smick, Vice-President
H. C. Link, Secretary-Treasurer
S. A. MacLeod, Asst. Secretary-Treasurer

OPERATING DEPARTMENT

A. R. Thomson,
Vice-President

J. F. Masterson,
Manager, Special Projects

R. J. Griesbach, B.Sc.,
General Superintendent

J. F. Benjafield, B.Sc.,
District Superintendent

F. W. Douglas, B.A.Sc.,
Office Engineer

K. E. Larson,
Internal Auditor

H. E. Younghusband,
Purchasing Agent

G. C. Welton,
Insurance Supervisor

ENGINEERING DEPARTMENT

R. F. Shaw, B.Eng.,
Vice-President

W. Griesbach, B.Sc.,
Chief Engineer

Per Hall, B.Sc.,
Asst. Chief Engineer

L. R. Marengo, B.Sc., C.E.,
Structural Engineer

A. T. Jeffrey, B.A.,
Supervisor, Mechanical Electrical Design

G. G. Leroux, B.Eng.,
Supervisor, Engineering Design

G. B. Pope,
Supervisor, Industrial Design

J. M. Thomas, B.Sc.,
Supervisor, Engineering Research

HEAD OFFICE

Foundation Building
1900 Sherbrooke St. West
MONTREAL, QUE.



**THE FOUNDATION COMPANY
OF ONTARIO
LIMITED**

FOUNDATION BUILDING, 1220 BAY ST., TORONTO

L. J. McGowan, Vice-President and General Manager
F. P. Gahagan, Assistant General Manager — Construction
H. E. P. Warren, Assistant to Vice-President
R. J. Lawson, Secretary

W. E. Hickey, B.Eng.
District Engineer, Design

L. H. Rowe
General Superintendent

H. W. H. Casperd, B.Sc.
District Engineer, Construction

D. H. McLaren, B.A.Sc.
District Manager
428 Richmond St., London

J. P. Lockett
Manager, Toronto District
1220 Bay St., Toronto

F. W. Maund
District Manager
166 Douglas St., Sudbury

P. A. Reid
Assistant Treasurer

J. G. Reid
Purchasing Agent

W. J. Daly
Cost Accountant

W. S. Malcolmson, B.A.Sc., Consultant

FOUNDATION MARITIME LIMITED
FOUNDATION BUILDING, 135 LOWER WATER ST., HALIFAX

A. G. Sullivan, Vice-President and General Manager
H. C. Milroy, Assistant Secretary

Captain R. Featherstone, M.B.E.
Salvage Superintendent

D. A. Pettigrew, B.Com.
Accountant

T. H. Potter, B.A.Sc., Construction Manager

J. J. Dyer, Chief Estimator

J. D. Young, Assistant General Superintendent

E. F. McManus, B.Eng., Office Engineer

E. C. Penney, Construction Accountant

