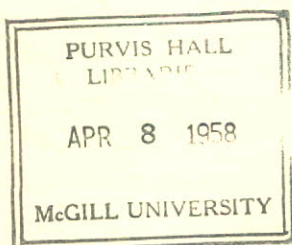


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Annual Report 1957

THE FOUNDATION COMPANY
OF CANADA
LIMITED




Our Distinguished Clientele

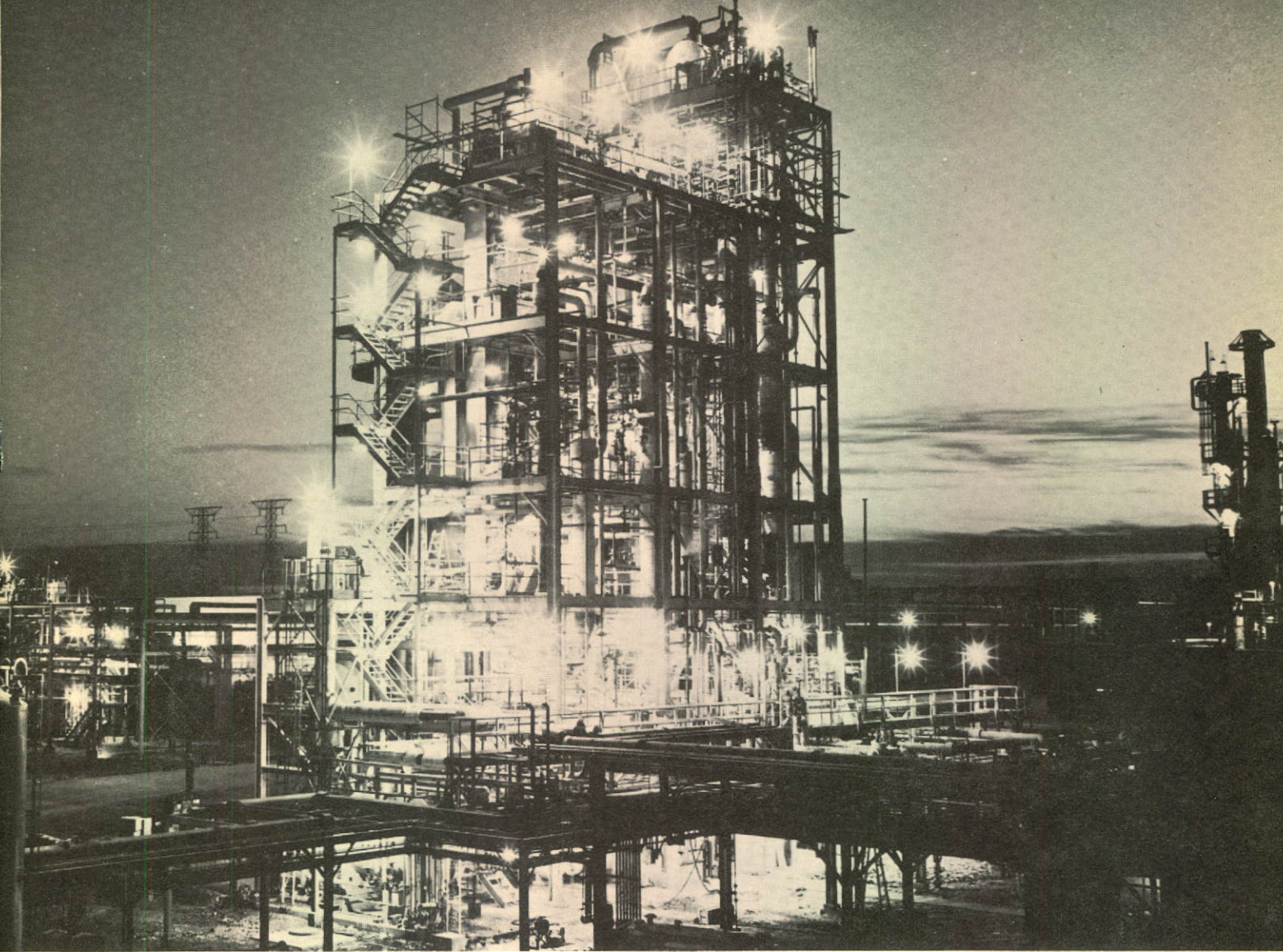
**A PARTIAL LIST OF CLIENTS FOR WHOM WE
CARRIED OUT LARGER PROJECTS IN 1957**



Abitibi Power & Paper Company, Limited
Alberta Pool Elevators Limited
Algoma Steel Corporation, Limited
Anglo-Canadian Wire Rope Company Limited
Atlas Asbestos Company Limited
Atomic Energy of Canada Limited
Bell Asbestos Mines Ltd.
Bell Telephone Company of Canada, The
Bell Truck Cartage, Reg'd.
British American Oil Company Limited, The
Burns & Co. Limited
Calgary, City of
Calgary Public School Board
Calgary Separate School Board
Canada Cement Company Limited
Canada Steamship Lines Limited
Canadawide Investments Limited
Canadian Broadcasting Corporation
Canadian Copper Refiners Limited
Canadian General Electric Company Limited
Canadian General Transit Company, Limited
Canadian Industries Limited
Canadian International Paper Company
Canadian Johns-Manville Co., Limited
Canadian Kodak Company Limited
Canadian National Railways
Canadian Oil Companies, Limited
Canadian Schenley Ltd.
Canadian Tube & Steel Products Limited
Canit Construction Ltd.
Carbide Chemicals Company
Cochrane Dunlop Hardware Limited
Copper Rand Chibougamau Mines Ltd.
Davie Shipbuilding Limited
Defence Construction (1951) Limited
Department of Highways of Ontario
Department of Public Works, Canada



Department of Transport, Canada
Mrs. C. L. de Wiechers
Dominion Bridge Company Limited
Dominion Rubber Company Limited
Dominion Textile Company Limited
Falconbridge Nickel Mines Limited
Federal Electric Corporation
Fraser Companies Limited
Halifax, Board of School Commissioners
Halifax, City of
Hilton Mines, The
Hinde and Dauch Paper Company of Canada,
Limited
Hydro-Electric Power Commission of Ontario, The
Hygrade Containers Limited
Imperial Oil Limited
International Harvester Company of Canada, Limited
International Nickel Company of Canada, Limited, The
Kingsway Transports Limited
Linde Air Products Company
Loblaws Groceries Company Limited



*A night view of part of the new plant of Carbide Chemicals Company, Montreal East.
Owners' Construction Engineer: J. C. Alderman.*

London Board of Education
London Township School Area No. 2
Maclean-Hunter Publishing Company, Limited
Maritime Central Airways Limited
Mannesmann Tube Company, Ltd., The
Maritimes Mining Corporation Limited
McColl-Frontenac Oil Company Limited
Molson's Brewery Limited
National Harbours Board
Neelon Steel Limited
New Brunswick Electric Power Commission, The
Noranda Copper and Brass Limited
Northern Electric Company Limited
Nova Scotia Trust Company, The
Oakville Public Utilities Commission
Ontario Cancer Institute
Principal Investments Limited
Provincial Transport Co.
Quebec Iron and Titanium Corporation

Rolland Paper Company Limited
St. John's Convalescent Hospital
St. Lawrence Seaway Authority, The
St. Mary's Memorial Hospital
Simpsons-Sears Limited
Somerville Limited
Stair Buildings Limited
Steep Rock Iron Mines Limited
Stratford Shakespearean Festival Foundation of
Canada
Three Sixty-Six Bay Limited
Thurso Pulp and Paper Company
Toronto, Municipality of Metropolitan, The
Triad Realties Limited
Trudeau's Dry Cleaning & Dye Works Ltd.
Western Electric Company Incorporated
Western Knapp Engineering Co., Division of Western
Machinery Company
Woodgreen Foundation, The



RICHARD ELLARD CHADWICK

In 1911, as a young engineer, Richard Ellard Chadwick left his home in Toronto to journey to New York. There he joined The Foundation Company which, at the time, carried out the construction of practically all of the foundations for skyscrapers in Lower Manhattan. The soft clay of the area made the substructures of heavy, tall buildings a major engineering problem. One of the great buildings under construction in New York at that time was the Woolworth Building and young Chadwick worked on the foundations of that famous structure.

The company also operated in other cities and regions where difficult foundation problems were encountered and had opened an office in Montreal. As Richard Chadwick showed unusual promise, the company sent him back to Canada where he became Chief Engineer and, in 1919, General Manager of The Foundation Company Limited with head office in Montreal.

In 1924, Mr. Chadwick was successful in persuading the New York directors to start a Canadian

company with Canadian shareholders. He sought the assistance of his friend, Mr. V. M. Drury, who headed a Montreal financial house and, as a result, The Foundation Company of Canada Limited was formed with Mr. Chadwick as Vice-President and General Manager.

In 1929, again with Mr. Drury's aid, the Canadian assets of the New York company were purchased, thus creating a wholly-Canadian company, and Mr. Chadwick became President and General Manager. He continued in this capacity until 1952 when he assumed the less arduous position of Chairman of the Board. Subsequently, he also became President of the newly-formed Foundation of Canada Engineering Corporation Limited, a wholly-owned subsidiary.

Richard Chadwick has been a great builder in the fullest sense of the word. Under his direction and through his vision, The Foundation Companies have grown into the largest construction group in Canada with offices from coast to coast and subsidiaries in other fields allied with heavy engineering and construction.

After forty-seven years of building Canada, Mr. Chadwick has decided to retire from office. At the forthcoming Annual Meeting of your Company, Richard Ellard Chadwick, P.Eng., will become Consulting Engineer to The Foundation Companies.

Every member of this group of Companies is thankful for Mr. Chadwick's guidance in the past and appreciative of the opportunity to be able to consult him in the future. We all wish him many years of useful life and good health to enjoy some of the fruits of a leisure which he so richly deserves.

President.

THE FOUNDATION COMPANY
OF CANADA
LIMITED

TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report of your Company for the year ending December 31, 1957, including the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss and Retained Earnings. The report of Price Waterhouse & Co., who have audited the accounts, is appended hereto.

The profit for the year 1957, before depreciation and income taxes, was \$5,305,347, after transferring \$500,000 to reserve for contingencies, compared with \$4,723,644 for 1956. Net profit, after depreciation and income taxes, was the highest in the history of your Company, being \$1,828,467, compared with \$1,681,669 for 1956.

The depreciation write-off on capital assets has been particularly large this year owing to heavy purchases of equipment to service both land and marine operations. This depreciation amounted to \$1,476,880 and was calculated at the maximum rate

allowed under income tax regulations.

The net additions to the capital assets of the Company made during the year amounted to \$2,141,974 and included \$781,555 chargeable to real estate, \$936,432 chargeable to construction equipment, \$360,782 chargeable to marine equipment and \$63,205 chargeable to office equipment, furniture and fixtures. These additions included payments on the new head office building for Foundation Engineering in Toronto, a new office, warehouse and machine shop under construction for Construction Equipment Co. Limited in Vancouver and a new 1280 H.P. harbour tug now being built for Foundation Maritime Limited of Halifax.

Your Directors considered that additional capital would be advantageous and in June 1957 your Company offered rights to its shareholders allowing the purchase of one common share at \$17.50, for each four shares held. A total of 116,748



Financial Highlights

| | 1957 | 1956 | 1955 | 1954 | 1953 |
|---------------------------------|--------------|--------------|-------------|-------------|-------------|
| PROFIT | | | | | |
| —before depreciation and taxes | \$5,305,347* | \$4,723,644* | \$3,058,154 | \$2,472,463 | \$2,224,018 |
| DEPRECIATION | 1,476,880 | 1,179,975 | 907,244 | 678,111 | 649,605 |
| TAXES — on income | 2,000,000 | 1,862,000 | 995,000 | 820,000 | 666,567 |
| NET PROFIT | | | | | |
| —after depreciation and taxes | 1,828,467 | 1,681,669 | 1,155,910 | 974,352 | 907,846 |
| DIVIDENDS PAID | 524,409 | 414,773 | 363,666 | 314,277 | 255,970 |
| DIVIDENDS PAID per share | 1.00 | .90 | .80 | .72½ | .60 |
| REINVESTED IN BUSINESS | 1,304,058 | 1,266,896 | 792,244 | 660,075 | 651,876 |
| WORKING CAPITAL | 11,268,855 | 9,353,124 | 5,321,767 | 4,642,559 | 4,339,200 |

*After transferring \$500,000 to reserve for contingencies.

available unissued shares were offered and one hundred per cent subscription was attained. The sum of \$2,043,090 was realized.

During the year dividends amounting to \$524,409 were paid to the holders of 583,743 outstanding shares. The rate of dividend was \$1.00 per share.

Construction Operations

Your Company was successful in closing a greater volume of new business during the year than in any previous year. All construction offices were busy and nearly every section of Canada supplied work of various kinds.

Building construction contracts consisted of offices, manufacturing plants, warehouses, retail stores, truck and air transport terminals, schools, hospitals, one theatre and one broadcasting centre. Work was carried out for the steel, pulp and paper, printing, mining, electrical and service industries, as well as a number of agencies at many levels of government.

Heavy engineering construction projects carried out during the year included hydro-electric developments, wharves, bridges and like structures.

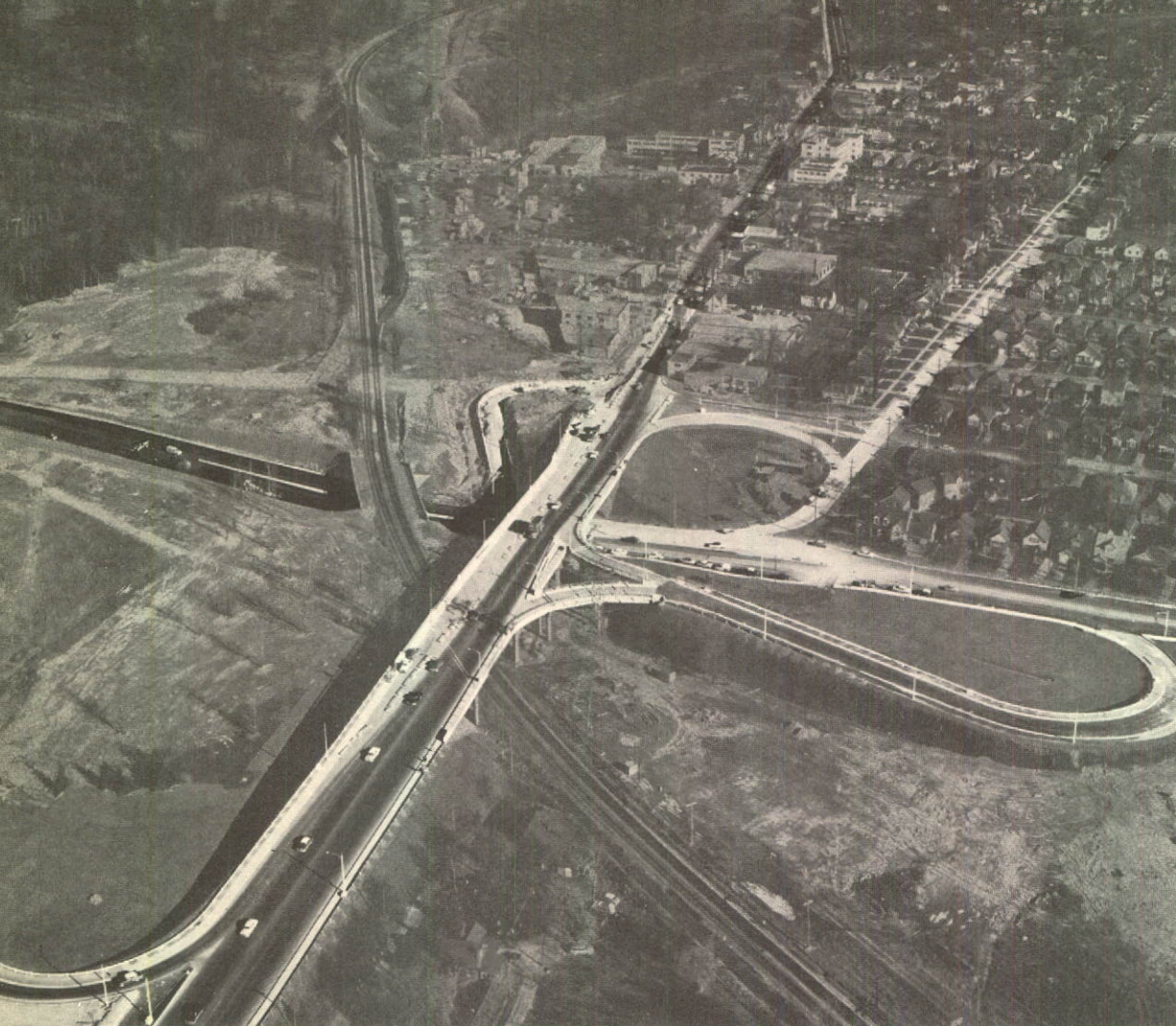
Work on the DEW Line within the Arctic Circle was completed on schedule in spite of intense hardships. It is reported that the DEW Line is the largest project ever completed on schedule for the United States Air Force. Upon the completion of the con-

struction work, your Company was engaged to carry out maintenance and modifications to the Line for its first year of operation.

The atomic reactor at Chalk River was completed during the year. Work is continuing on the atomic reactor in Bombay, India, on the large development in Northern Manitoba for the mining and smelting of nickel and on various wharves and harbours. During the year your Company constructed twenty-eight reinforced concrete cribs for harbour installations, each crib weighing about 4,000 tons. In the last six years, one hundred and fifteen reinforced concrete cribs have been built or are now under construction.

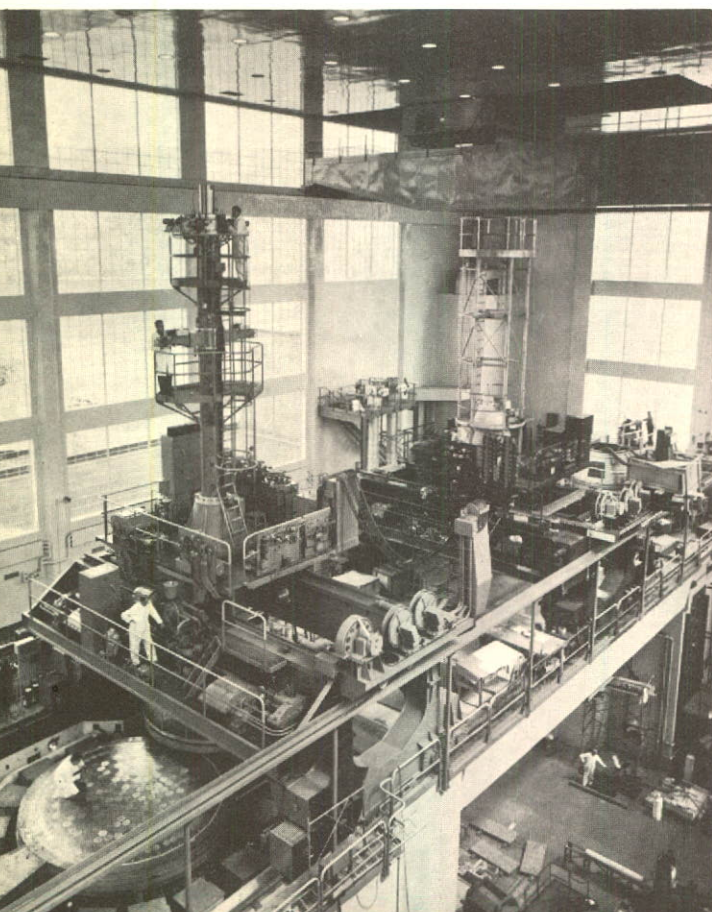
The Mechanical Installation Department has continued to grow and has carried out work in the fields of pulp and paper, mining, chemistry and atomic energy and for manufacturing industries and process establishments. This department has recently acquired what is believed to be the only complete set of special instruments in Canada for the optical alignment and re-alignment of paper machines and other similar equipment, thus allowing increased production.

So far the St. Lawrence Seaway project has been a disappointing venture for practically all the contractors working on it on both the Canadian and American sides of the River. These contractors are among the largest and most experienced in North



The Photographic Survey Corp. Ltd.

*Tri-level interchange at Dundas Street West and Royal York Road for The Municipality of Metropolitan Toronto.
Consulting Engineers: M. M. Dillon and Co. Limited.*



*Completed installation of
nuclear reactor and auxiliary equipment
for Atomic Energy of Canada Limited,
Chalk River, Ontario.
Consulting Engineers:
C. D. Howe Company Limited.
Associate Architect:
P. Dobush.*

America. Unforeseen subsoil conditions were encountered throughout the entire project causing extra costs.

Your Company has managed and substantially completed two large St. Lawrence River developments for Iroquois Constructors Limited at Iroquois, Ont., both ahead of schedule. One of them was the Iroquois lock and was the first unit of the St. Lawrence Waterways to be opened to navigation.

Your Company has also supplied important levels of its organization to Iroquois Constructors Limited for the Canadian half of the Barnhart Island power house near Cornwall, Ont., and to United Waterways Constructors Ltd. for the lock construction programme at Upper Beauharnois, P.Q. In both these joint-venture companies, your Company has a twenty-five-per-cent interest.

Engineering Services

Foundation of Canada Engineering Corporation Limited, otherwise known as FENCO, had a very good year during the first three quarters, and an average year thereafter. With offices in Vancouver, Toronto and Montreal, FENCO is well located to cater to those branches of engineering in which it specializes. Over 40,000 square feet of space in the three offices house more than three hundred graduate engineers, technicians and staff.

Larger and more suitable office and draughting-room space in Vancouver was required and has been occupied. In Toronto the owner required the leased space which FENCO occupied in that city and, as a consequence, a three-storey building at 8 Spadina Road was purchased.

The organization of the company into technical divisions, working through the regional offices, has undergone further development with a Standards and Development Division being added to coordinate and channel specialized knowledge and experience for the maximum advantage of the company.

The Marine Structures Division has been most active. Work on the Deas Island four-lane highway tunnel crossing under the Fraser River in British Columbia has been in progress for two years and is nearing completion. This is a Fenco-Christiani joint undertaking. In addition, FENCO has worked on a total of twenty-six harbour developments, ranging from a complete rehabilitation of one of Canada's Atlantic ports to single wharves for various industries.

The Transportation Division is continuing with the Don Valley Parkway for The Municipality of Metropolitan Toronto, which project is being designed by Fenco-Harris. The Burnaby Freeway, a four-lane traffic artery with eighteen overpasses, is another large project. This is the section of the Trans-Canada Highway through the centre of Vancouver to Port Mann, B.C.



Terminal buildings for Kingsway Transports Limited, Montreal. Consulting Engineer: Brian R. Perry.

*Office and warehouse for International Harvester Company of Canada, Limited, Montreal.
Architects: Kyles & Kyles. Consulting Architect: Philip Goodfellow.*



Plant for Canadian General Electric Company Limited, Halifax. Consulting Engineers: Hanks & Irwin.



The Bridge Division has completed or has under way several bridges for the Province of Ontario, including the Burlington Skyway and the three-and-one-half-mile-long combined causeway and bridge across Rainy Lake. In New Brunswick two Trans-Canada Highway bridges over the St. John River at Fredericton and Hartland are well advanced and the plans for the Trans-Canada Highway suspension bridge at Revelstoke, B.C., are complete.

The Mining and Metallurgical Division has been active in Newfoundland and Ontario in connection with various iron, steel and base-metal developments, including the expansion of steel-making facilities at Sault Ste. Marie, Ont.

The Forest Products Division has completed the working drawings for a complete 200-ton bleached kraft mill and for the addition of a high-yield sulphite plant to an existing mill.

Design and Build

In the fields of mining, metallurgy, pulp and paper, chemistry, other specialized industries and marine structures, your Company has had a good deal of success in providing its clients with a "turn-key" job. The structure is designed and built, the process machinery and equipment is installed and the plant turned over to the owners ready to run. Many of the contracts secured in this construction field are for repeat clients.

Constructora Dominico-Canadiense, C. por A.

During the year a new company, Constructora Dominico-Canadiense, C. por A. (CANDO), was incorporated under the laws of the Dominican Republic, with head office in Ciudad Trujillo. This company has an authorized capital of RD\$500,000, of which shares having a total value of RD\$50,000 have been issued to date. Your Company has the controlling interest in this new subsidiary which is authorized to carry out all types of construction and engineering services in the Dominican Republic. One engineering contract has already been completed by this new company.

Chemiebau Canada Limited

Chemiebau Canada Limited was organized by your Company and other interests to secure contracts to build plants in Canada for the production of chemicals by the patented processes of Chemiebau Dr. A. Zieren G.M.B.H. of Nieder-Marsberg, Germany. A contract was secured to build a sulphuric acid plant in the Province of Quebec and is now under way. Design of structures is being done by Foundation of Canada Engineering Corporation Limited.

Marine Services

In the year under review your Company's marine equipment was fully employed. The eight tugs comprising the harbour fleet of Foundation Maritime Limited were engaged at Halifax, Seven Islands and Port Alfred. At Halifax and Seven Islands the level of activity was high but, unfortunately, activity and earnings at Port Alfred were seriously affected by a strike of workers in that area which greatly curtailed operations for the second successive year.

The new 1280 H.P. diesel tug, FOUNDATION VICTOR, built in a leading Canadian shipyard, has proved to be an unqualified success and has given an excellent performance. A sister ship has been ordered for delivery in June 1958. More powerful tugs are the order of the day in all ports. At Seven Islands the tugs are regularly moving ore carriers of up to 45,000 dead-weight tons.

Twenty marine casualties were handled by your Company during the past year with the tugs, FOUNDATION FRANCES, FOUNDATION JOSEPHINE II and FOUNDATION VERA, carrying out the major part of the operations. These casualties included groundings, vessels short of fuel, machinery breakdowns and one sinking. The vessels attended were of British, Greek, Italian, Liberian, Norwegian, German, Swedish, Finnish, Panamanian as well as Canadian registry.

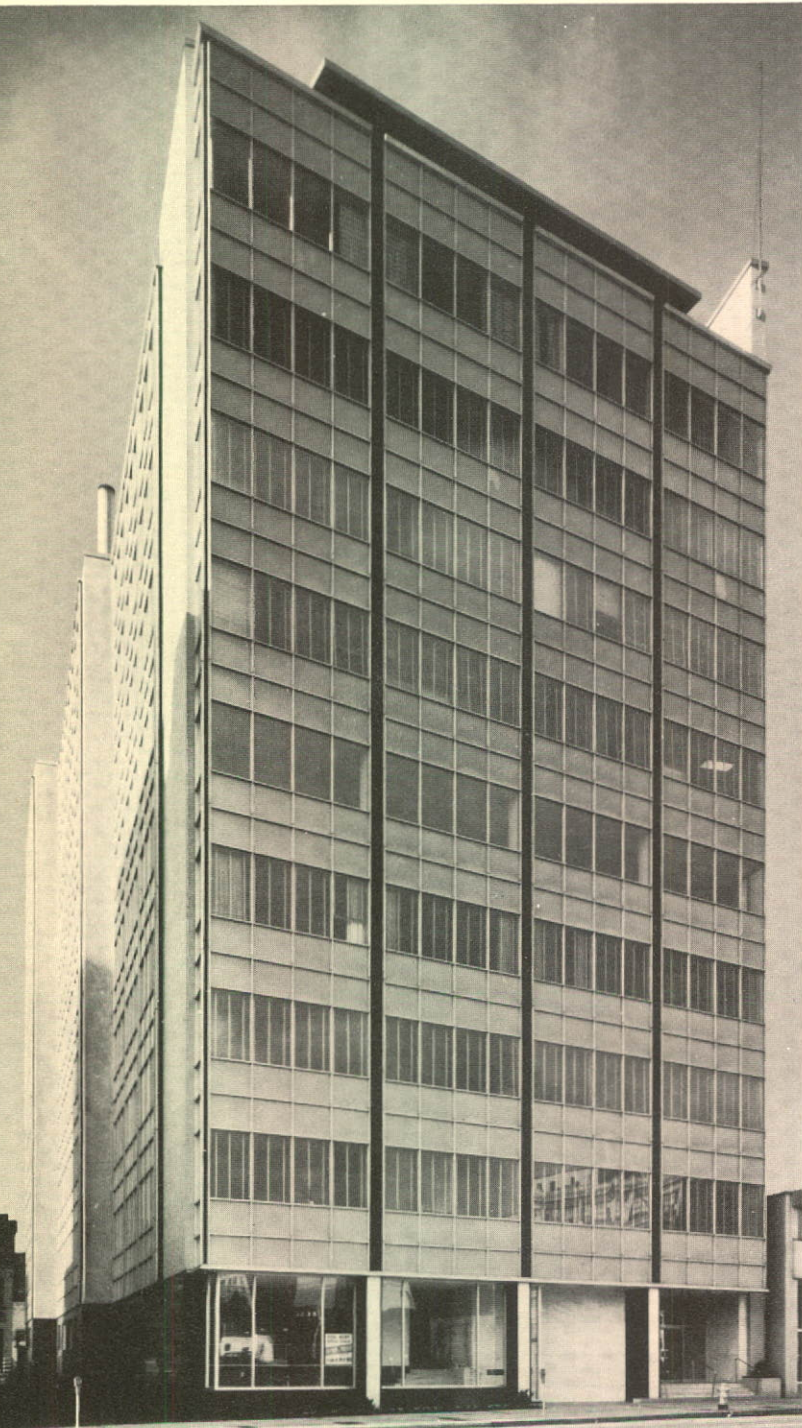
Three outstanding salvage operations during the year were the refloating of two ships from extremely precarious positions on rocky, exposed shores and the raising of a vessel from the floor of Halifax Harbour by the powerful derrick boat, FOUNDATION SCARBORO. A total of 92,295 gross tons were salvaged.

Various towage operations were carried out from Eastern Canadian ports to points as far west as the Port of Montreal.

The ocean-going salvage tug, FOUNDATION FRANCES, normally stationed at Halifax, has reached the end of her economic life and has been replaced. Your Company has acquired a 3000 H.P. diesel ocean-going salvage rescue tug, built in 1952, which has been named FOUNDATION VIGILANT. This tug, with an operating range of 12,000 miles is to be stationed on the East Coast during the winter months and in the River and Gulf of St. Lawrence during the summer and is the most powerful salvage tug in Eastern Canada.

Equipment Sales and Services

Construction Equipment Co. Limited, a wholly-owned subsidiary, had an increased volume of business during the year and earnings were satisfactory. It supplies the parent and subsidiary companies with plant and equipment besides selling, rent-

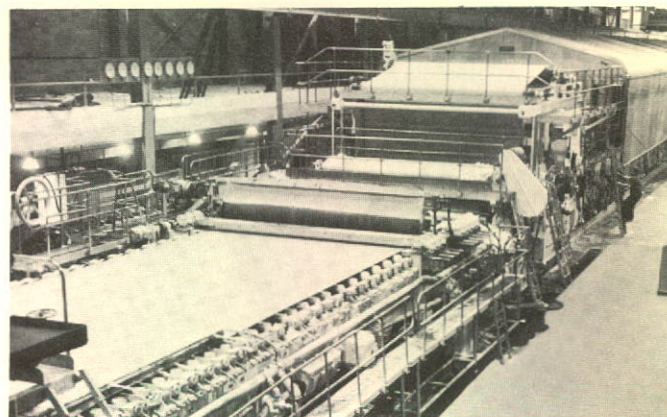


*Office Building in Toronto for Canadawide Investments Limited.
Architect: Peter Caspari.*



The Photographic Survey Corp. Ltd.

Aerial view of completed 2600 ft. wharf for St. Lawrence Cement Company, Clarkson, Ontario. Designing Engineers: FENCO.



*Completed installation of number 7 Paper Machine for Rolland Paper Company Limited, St. Jerome, Quebec.
Consulting Engineer: Charles T. Main Inc.*

ing and repairing equipment and selling supplies to other contractors, to industry and to public bodies.

This company continued its long-term expansion programme. A new property at Calgary came into operation. The repair shop at Dorval, P.Q., was increased in length and the utility services improved. At Burnaby, B.C., near Vancouver, construction has been commenced on a building to house offices, warehouse and repair shop. The purchase option on the formerly-rented premises in Winnipeg, Man., was exercised to safeguard the continuity of the business at this location. A small sales office, with warehouse space, was rented in Quebec City to improve service in that area. At Halifax, a new fabricating shop was erected during the year to provide the increased shop facilities required in that area.

National Materials Handling Ltd. had a successful first full year of operation and continues to operate from offices in Edmonton and Toronto. This company specializes in various types of materials-handling equipment for industry including pneumatic conveying equipment.

United States Subsidiary Company

Atlantic Tug & Equipment Company Inc. continued to operate from company-owned property at Syracuse and Massena, N.Y.,

and from leased premises at Utica and Albany. This company has maintained its volume and profits were satisfactory.

General Services

Geocon Ltd, a wholly-owned subsidiary, had an unsatisfactory year's business. While sales were higher, the margin of profit was less than in the previous year.

This company was forced to vacate the office and warehouse it occupied in Toronto and a new office and warehouse building of modest design was constructed in that city. An office and soils laboratory have been opened in Vancouver, B.C., in rented premises.

The Soils Engineering Division and the Gunitite and Pressure Grouting Division undertook work from Newfoundland to British Columbia.

The Butler Pre-engineered Steel Building Division, with offices in Montreal, Quebec and London, Ont., had a fair volume of business and this Division is prepared to undertake the erection of buildings for a variety of industries.

The Refractory Division made progress in the field of gun-applied refractories in a number of oil refineries.

Outlook

The volume of construction in Canada in 1957 was the highest in the country's history, being seven to eight per cent higher

than the record year of 1956. Basic construction costs averaged about two per cent higher than in the previous year. Construction wages increased at a higher percentage rate than did materials.

The economy of Canada entered into an adjustment period during the fourth quarter of the year and the demand for engineering and construction services declined accordingly. It must be realized, however, that 1956 was a boom construction year in which Canada was trying to accomplish too much in too short a time; therefore, the year 1957 brought a correction that was bound to come. Consequently, there is less carry-over into 1958.

The year 1958 should be a good, average year and your Company is confident its services will be in demand.

It will always be necessary for your Company to make yearly capital expenditures in order to replace worn-out machinery and equipment and to progress with technological advances. Heavy expenditures have been made during the last few years but it is anticipated that by the end of 1958 your Company's capital expenditures will decrease.

Undergraduate Scholarships in Engineering

The scholarship plan to aid Engineering students in the four Maritime Provinces,

which has been an outstanding success, has been continued. From the seven universities in those provinces, there are ten scholarship students, each receiving \$1,000 a year and now in their final two years of Engineering at either the Nova Scotia Technical College in Halifax or the University of New Brunswick at Fredericton. As an employer of a large number of graduate engineers, your Company is investing in the future of these young men and women now entering the Engineering profession.

Directors

Mr. Charles M. Drury, C.B.E., D.S.O., Q.C., was elected a director of your Company in February 1958. Mr. Drury had an outstanding war record, was Chief of UNRRA Mission to Poland at the end of the war and was Deputy Minister of National Defence from 1948 to 1955. He is President and Managing Director of Provincial Transport Co.

Staff

With deep regret the death is reported of two outstanding members of the organization. They have been sorely missed.

Robert J. Lawson, Assistant Secretary-Treasurer, died in April 1957. He joined the Company as a storekeeper in 1926.

Lewis J. Barron, District Construction Manager at Halifax, died in March 1957. He joined the Company in 1942 as an engineer.

Management Changes

Mr. William J. Daly was appointed Treasurer and Comptroller in April 1957. He joined the Company in 1943 as an accountant.

Mr. Emory T. Grearson, B.Com., C.A., was appointed Secretary and Assistant Treasurer in April 1957. He joined the Company in 1956 as Assistant Secretary-Treasurer.

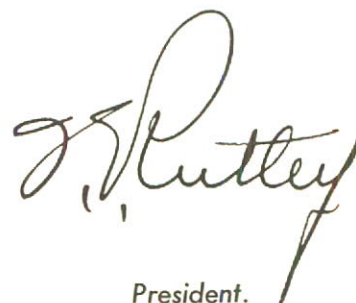
Mr. James A. Marshall, B.Sc., was appointed District Manager, Construction at Halifax in January 1958. He joined the Company in 1949 as an engineer.

Mr. A. G. Hyde, B.Eng., was appointed President of the wholly-owned subsidiary, Geocon Ltd, in April 1957. He joined the Company in 1949 as an engineer.

Personnel

A company's progress depends on its personnel and in this regard your Company is most fortunate. The skill and enthusiasm of all ranks of the component organizations that go to make up The Foundation Companies has brought wide recognition that your Company is a leader in its field. This, in turn, has resulted in the co-operation of its shareholders and the goodwill of its clients and of the public. Your Directors would like to take this opportunity to record their indebtedness to the employees.

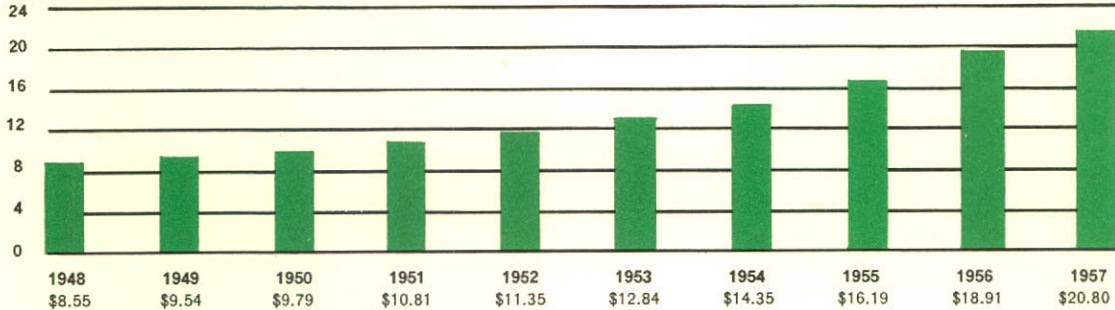
Montreal, February 15, 1958



President.

Common Stock Equity per Share

IN DOLLARS

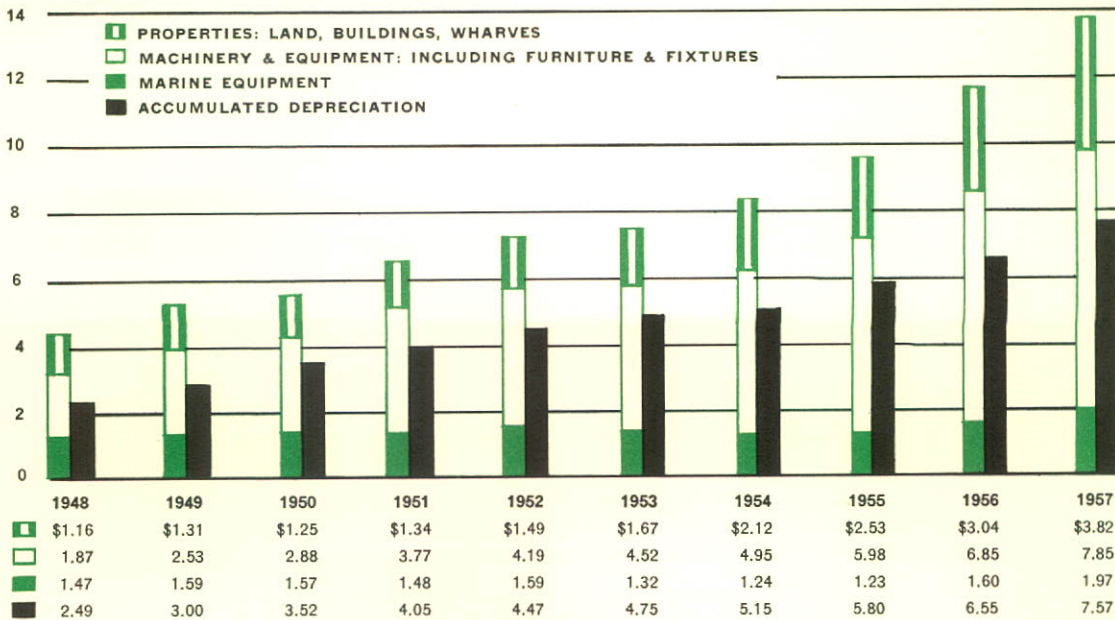


Values for 1950 and prior years adjusted for split of 4 to 1 effected in 1951.

Investment in Capital Assets

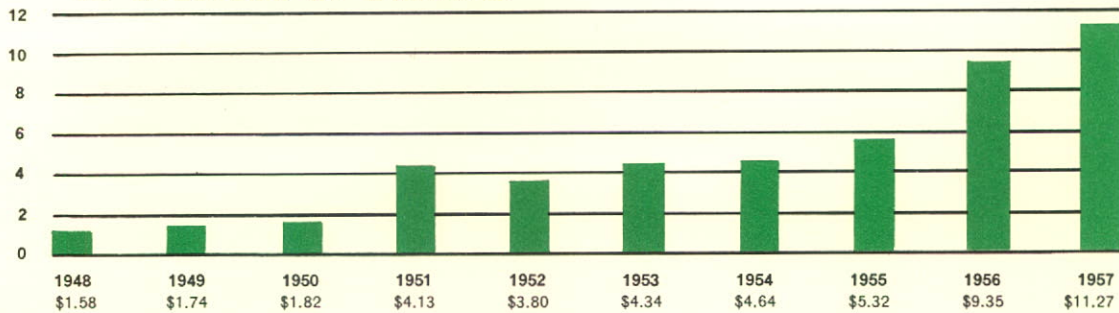
(PROPERTIES AND EQUIPMENT)

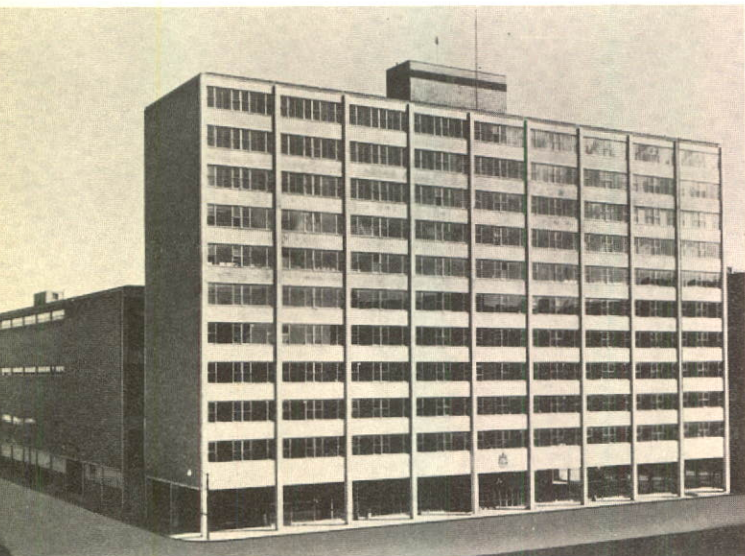
IN MILLIONS OF DOLLARS



Working Capital

IN MILLIONS OF DOLLARS





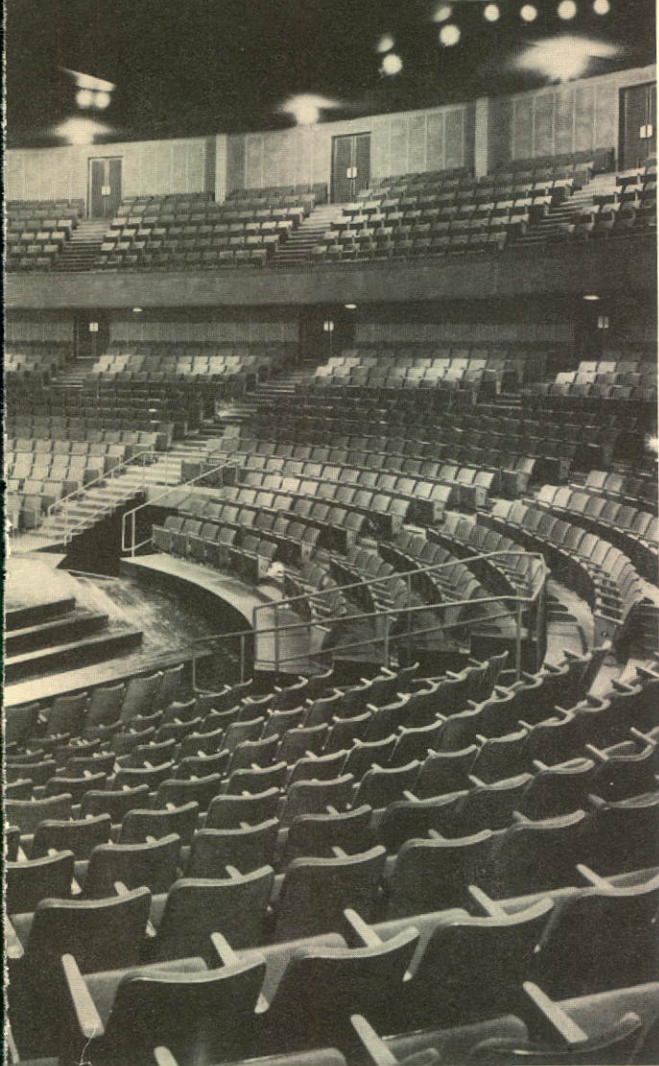
*General Post Office Building, Winnipeg, for
the Department of Public Works, Canada.
Architects:
Green, Blankstein, Russell & Associates.*



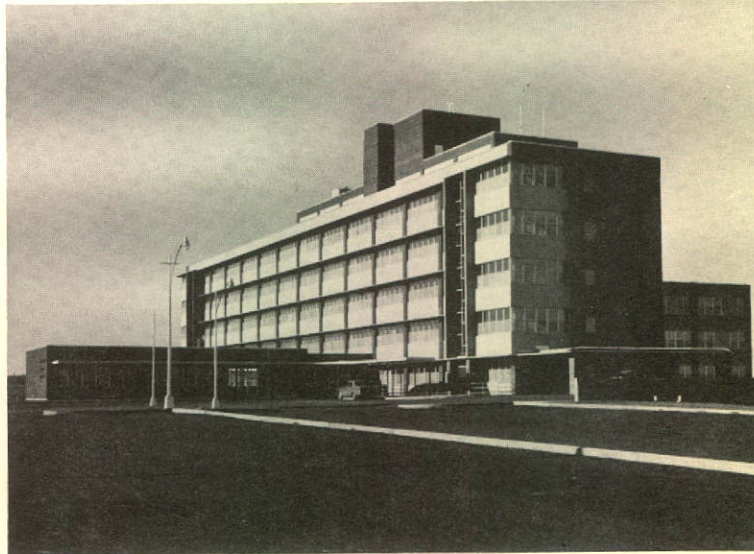
*Interior of Theatre for the Stratford Shakespeare Festival
Architects: Rounthwaite*

*A completed DEW Line Radar Site in
Canada's Eastern Arctic. The scenery is typical
and illustrates the obstacles overcome
during construction.*





Shakespearean Festival Foundation of Canada.
Swaine & Fairfield.



General Hospital at Medicine Hat, Alberta.
Architects: Rule, Wynn & Rule.

Container plant for
Hygrade Containers Limited, Etobicoke, Ontario.
Designing Engineers: FENCO.





Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

| | | |
|--|--------------|--------------|
| Cash | \$ 1,667,500 | |
| Deposits on contracts | 769,737 | |
| Government of Canada bonds at cost (quoted value \$730,088) including \$517,864 deposited as security on Government contracts | 741,960 | |
| Accounts receivable, less allowance for doubtful accounts \$219,588 | 13,307,872 | |
| Contract costs, less progress billings | 900,578 | |
| Merchandise, tools and supplies, valued at the lower of cost or market | 6,216,743 | |
| Prepaid expenses | 117,370 | |
| | | \$23,721,760 |
| ADVANCE TO AN ASSOCIATED COMPANY | | 350,000 |
| INVESTMENTS IN SHARES OF ASSOCIATED COMPANIES, at cost | | 458,049 |
| CAPITAL ASSETS, at cost: | | |
| Land, buildings and wharves | \$ 3,821,733 | |
| Construction equipment | 7,370,428 | |
| Marine equipment | 1,966,066 | |
| Furniture and fixtures | 479,867 | |
| | | |
| | \$13,638,094 | |
| Accumulated depreciation | 7,569,153 | |
| | | 6,068,941 |
| UNAMORTIZED DEBENTURE DISCOUNT | | 52,785 |
| | | \$30,651,535 |

Signed on behalf of the Board:

R. E. CHADWICK }
L. J. McGOWAN } Directors.

**AUDITORS' REPORT TO THE SHAREHOLDERS,
THE FOUNDATION COMPANY OF CANADA LIMITED:**

We have examined the consolidated balance sheet of The Foundation Company of Canada Limited and its wholly-owned subsidiary companies as at December 31, 1957 and the related consolidated statement of profit and loss and retained earnings for the year then ended, and have obtained all the information and explanations which we required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above consolidated balance sheet and related consolidated statement of profit and loss and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the companies as at December 31, 1957 and the results of their operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the companies.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

MONTREAL, March 13, 1958.

THE FOUNDATION COMPANY OF CANADA LIMITED

AND WHOLLY-OWNED SUBSIDIARY COMPANIES

DECEMBER 31, 1957

LIABILITIES

CURRENT LIABILITIES:

| | | |
|--|-------------------|--------------|
| Bank loans | \$ 3,229,232 | |
| Accounts payable and accrued liabilities | 7,921,589 | |
| Dividend payable January 17, 1958 | 145,936 | |
| Income taxes payable | 1,156,148 | |
| | <u> </u> | \$12,452,905 |

| | | |
|--|--|---------|
| PROGRESS BILLINGS ON CONTRACTS, less costs | | 955,974 |
|--|--|---------|

LONG-TERM OBLIGATIONS:

| | | |
|--|-------------------|-----------|
| 4½% Sinking fund debentures, Series "A", maturing in 1976, with annual sinking fund instalments of \$200,000 each due 1959 to 1975 | \$ 3,600,000 | |
| Mortgages payable | 88,750 | |
| | <u> </u> | 3,688,750 |

| | | |
|-------------------------------------|--|-----------|
| RESERVE FOR CONTINGENCIES | | 1,410,000 |
|-------------------------------------|--|-----------|

CAPITAL STOCK AND RETAINED EARNINGS:

| | | |
|---|-------------------|------------|
| Capital stock (Note 1) — | | |
| Authorized — 600,000 common shares of no par value | | |
| Issued — 583,743 shares | \$ 4,166,974 | |
| Retained earnings, per statement attached | 7,976,932 | |
| | <u> </u> | 12,143,906 |

CONTINGENT LIABILITIES (Note 3)

\$30,651,535

NOTES TO FINANCIAL STATEMENTS — DECEMBER 31, 1957

NOTE 1—Under the company's Employees' Stock Option Plan, 50,000 of its unissued shares were set aside to satisfy purchase-options, expiring in 1959. Up to December 31, 1957, 38,595 of these shares have been issued, including 6,069 shares issued during 1957 for \$80,508. In addition, rights to subscribe for shares, issued to shareholders in 1957, were taken up in full, resulting in the issue of 116,748 shares for \$2,043,090.

NOTE 2—Profits on cost plus fee work are recorded on the basis of the fee billing terms of the contracts. The completed-contract method of accounting is used for other contracts.

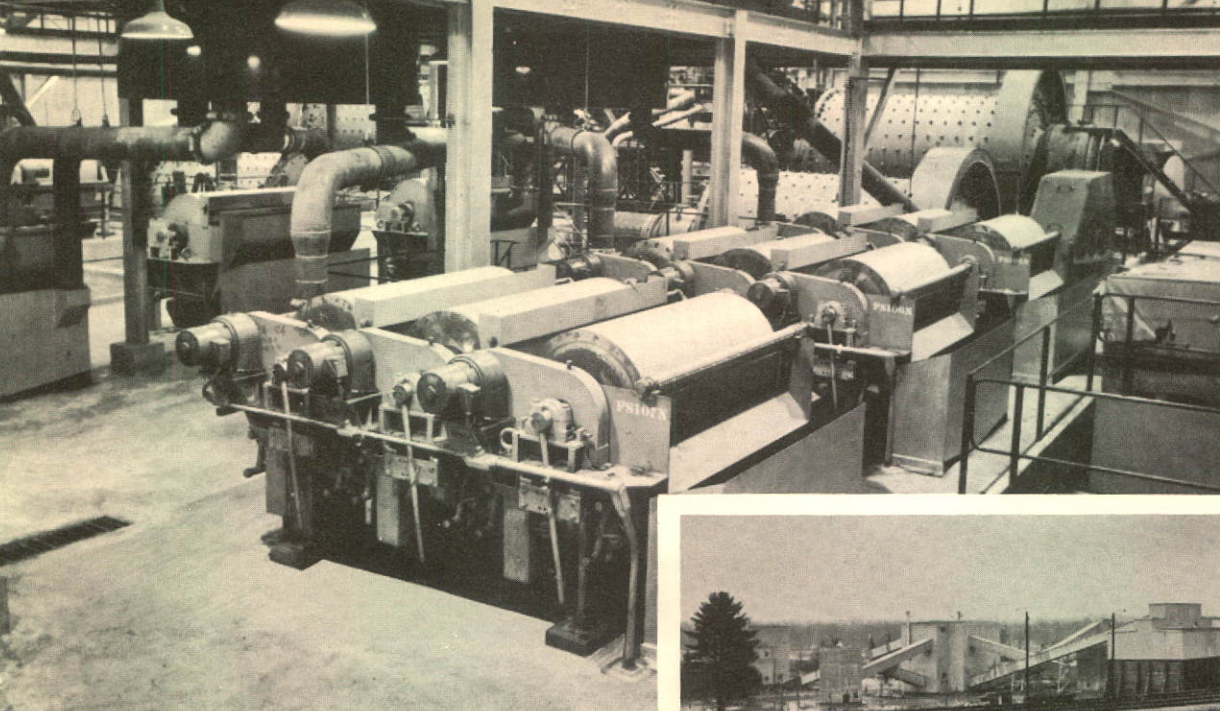
NOTE 3—Contingent liabilities at December 31, 1957 were as follows:

- Guarantee of balances owing by customers on conditional sales agreements and other instalment sales—\$2,979,663.
- Guarantee of loans to associated companies—\$2,326,964.
- Possible liability as a co-guarantor under an associated company's performance bond; also the usual liability, undeterminable in amount, as contractors in respect of construction contracts.

*Consolidated Statement of Profit and Loss
and Retained Earnings*

FOR THE YEAR ENDED DECEMBER 31, 1957

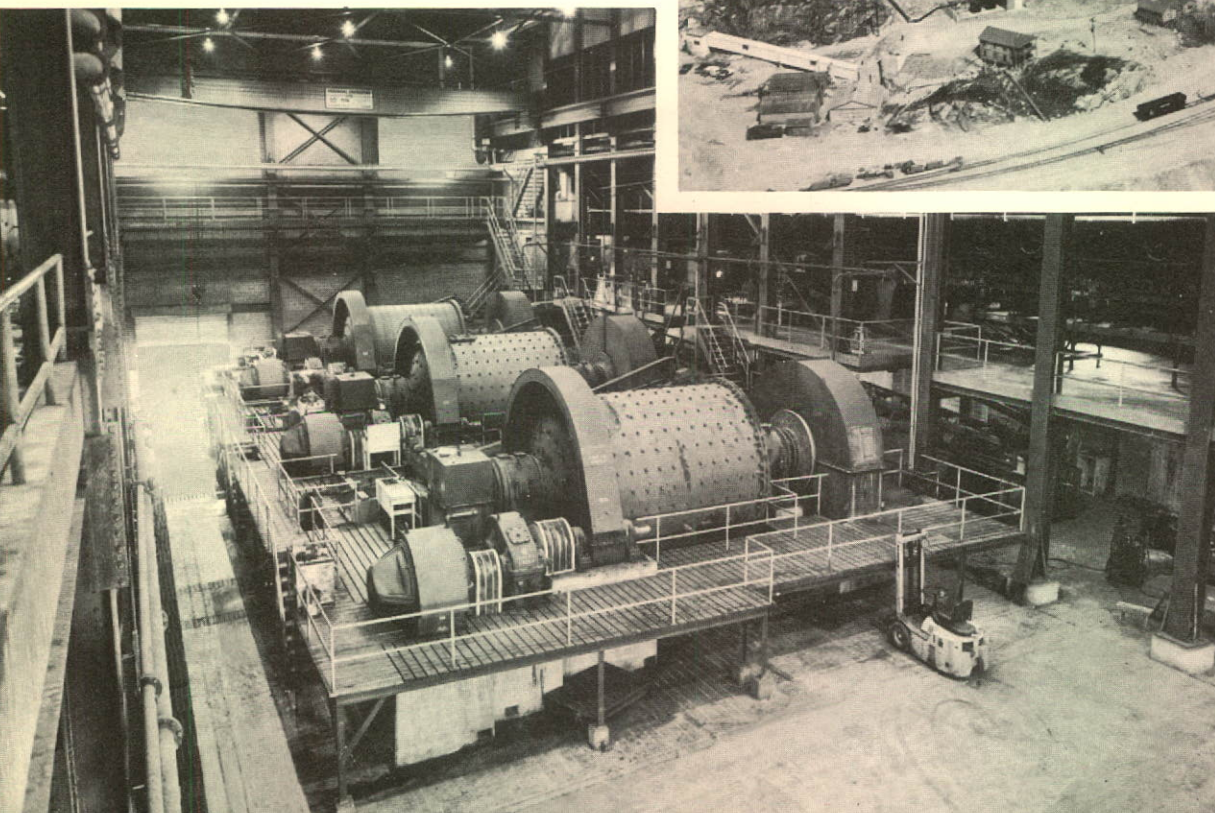
| | | |
|--|-------------|-------------|
| Operating profit for the year before taking into account the items shown below | \$6,055,009 | |
| Net gain on disposals of capital assets | 350,225 | |
| Income from investments | 25,344 | |
| | | \$6,430,578 |
| DEDUCT: | | |
| Remuneration of directors and executive officers | \$ 298,348 | |
| Directors' fees | 14,954 | |
| Legal expenses | 21,756 | |
| Contribution to pension plan | 113,849 | |
| Depreciation | 1,476,880 | |
| Interest and discount on long-term obligations | 176,324 | |
| | | 2,102,111 |
| Profit before providing for income taxes | | \$4,328,467 |
| Provision for income taxes | | 2,000,000 |
| Profit for the year | | \$2,328,467 |
| Transfer to reserve for contingencies | | 500,000 |
| Balance of profits for the year | | \$1,828,467 |
| Retained earnings at December 31, 1956 | | 6,672,874 |
| | | \$8,501,341 |
| Dividends aggregating \$1 per share | | 524,409 |
| Retained earnings at December 31, 1957 | | \$7,976,932 |



*Ore beneficiation plant for
The Hilton Mines, Bristol, Quebec.
Consulting Engineers:
Western Knapp Engineering Co.
The pictures show the mechanical installation
of equipment in the wet mill building
and a view of the plant.*



*Mill for Falconbridge Nickel Mines Limited,
Levack, Ontario. Designing Engineers: FENCO.
The large picture shows
the installation of Ball Mills.*

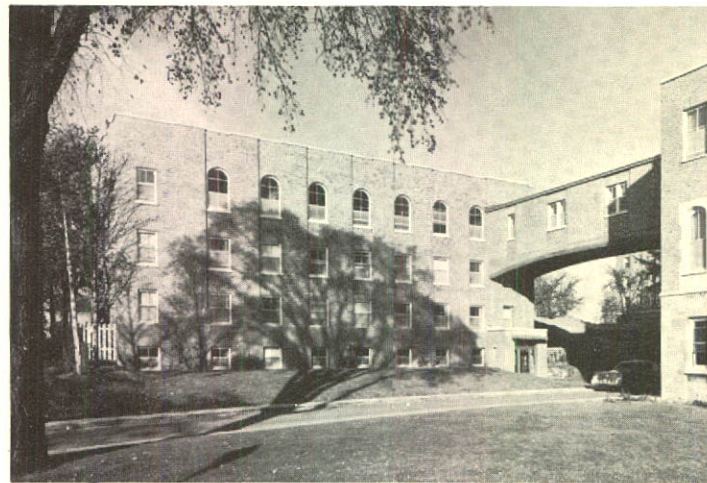




H. R. Oakman, Peterborough

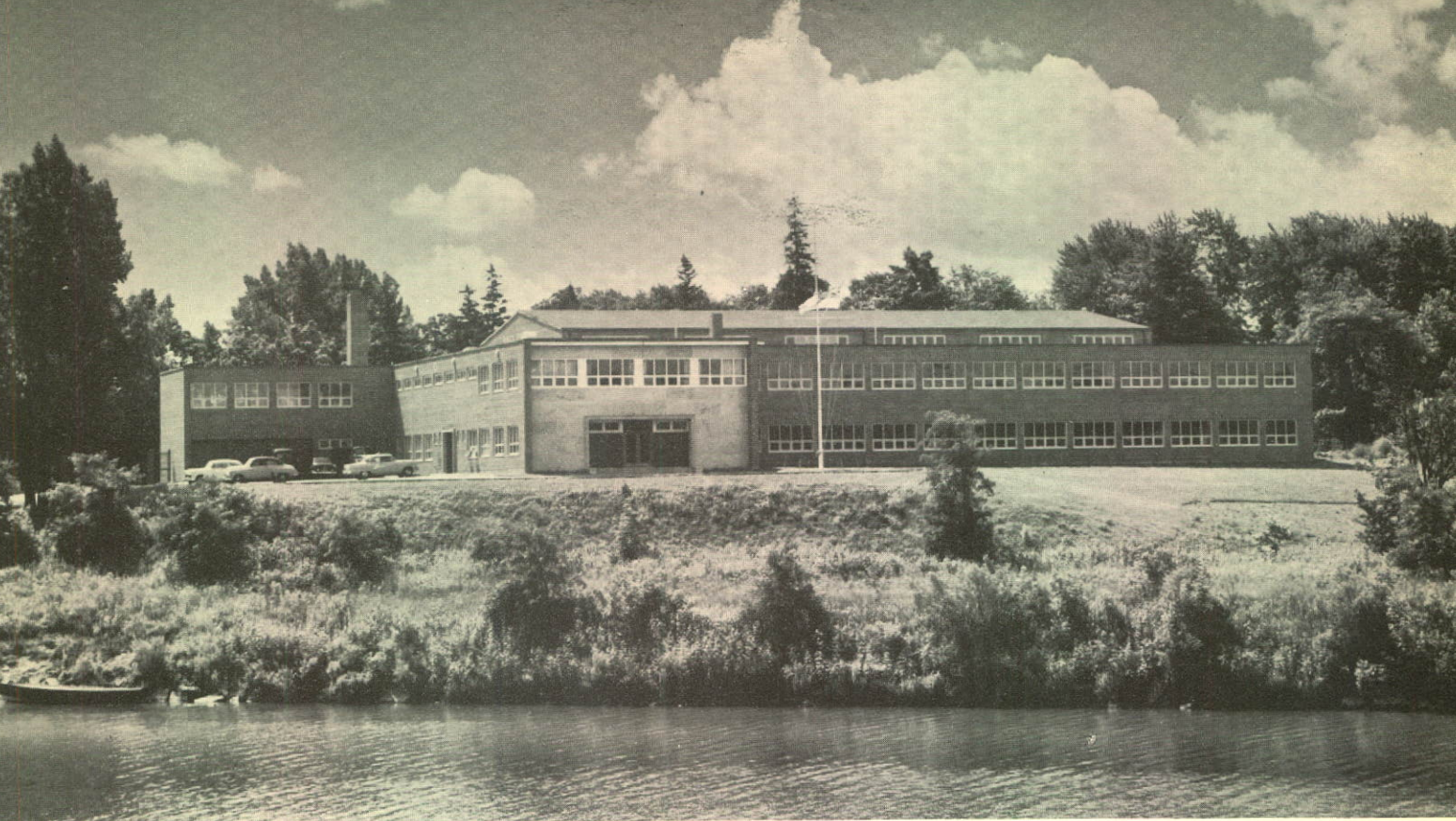
Partially completed Kraft Mill for Thurso Pulp and Paper Company, Thurso, Quebec. Consulting Engineer: E. A. Charlton. Architects: Durnford, Bolton, Chadwick & Ellwood. Designing Engineers: FENCO.

Addition to Sisters' Residence, St. Mary's Memorial Hospital, Montreal. Architect: Edward J. Turcotte.



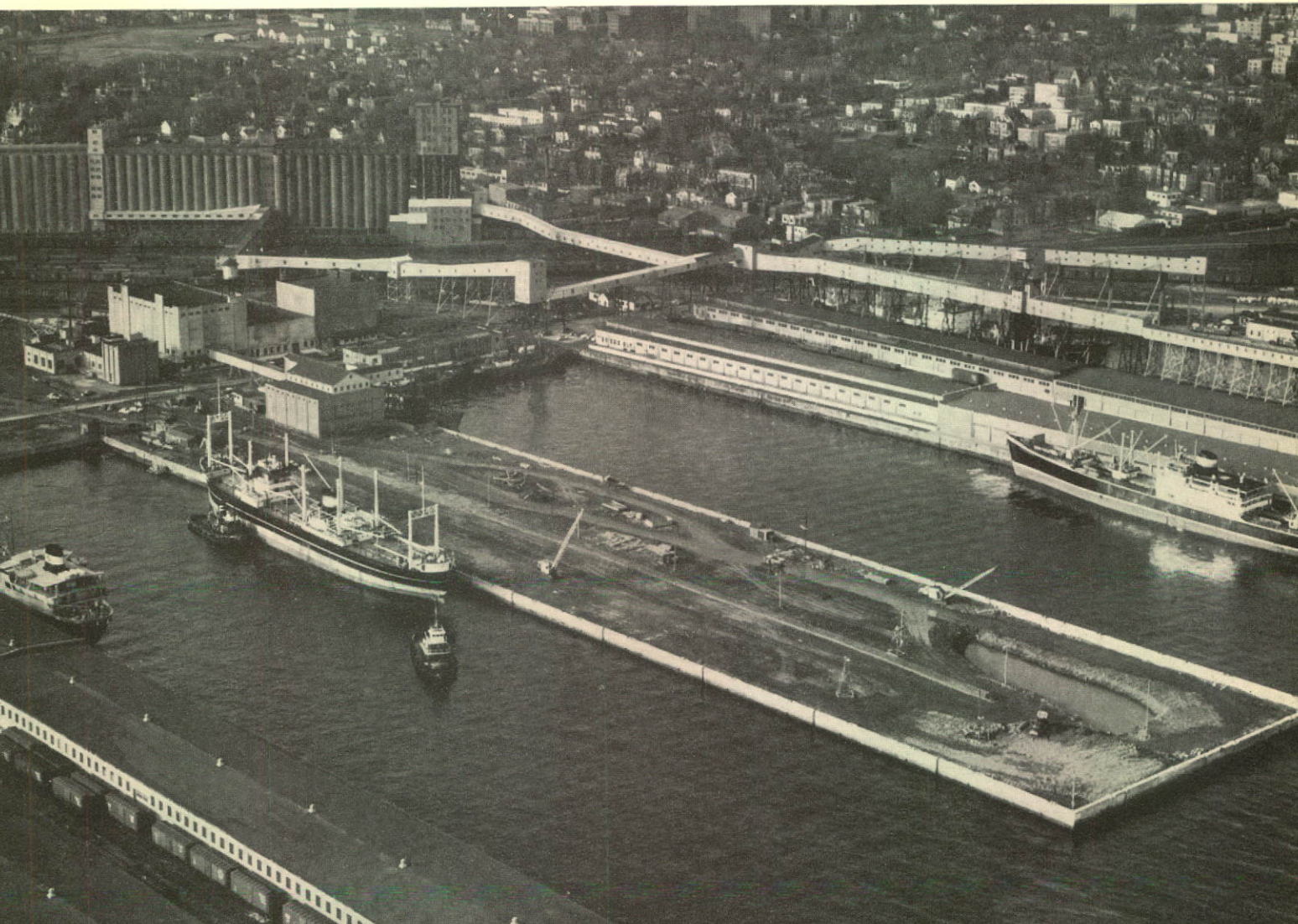
The new office of Construction Equipment Co. Limited in Calgary. Architects: K. C. Stanley & Company Ltd.

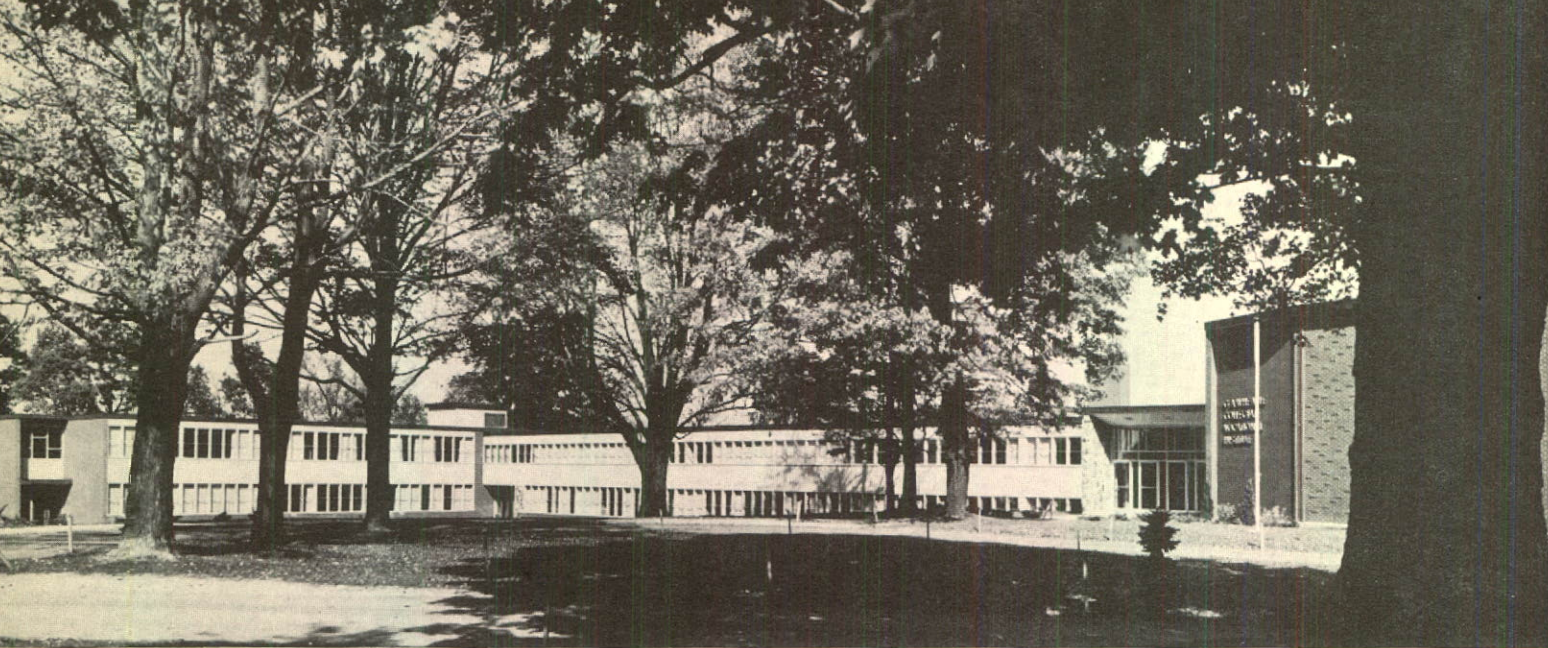




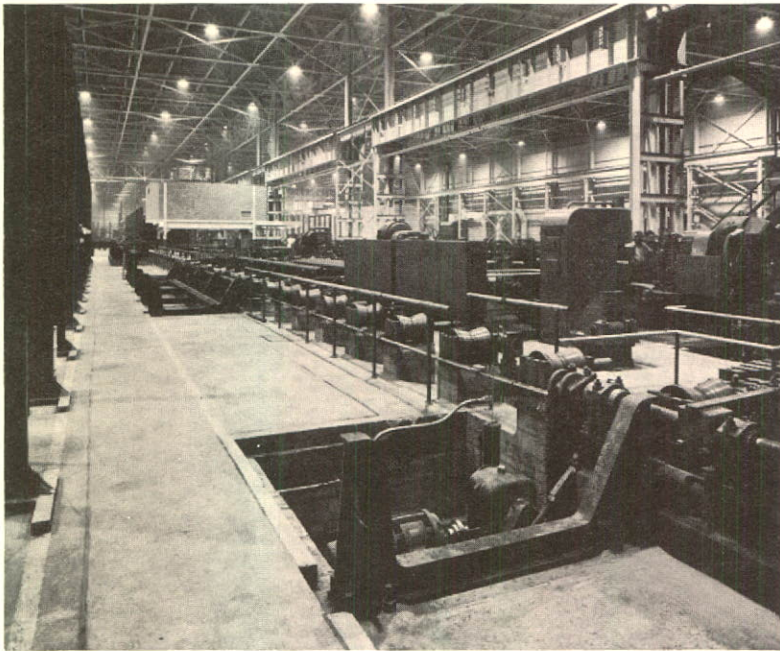
H.M.C.S. PREVOST, London, Ontario for Defence Construction (1951) Limited. Architects: Shore & Moffat.

*Pier A-1 Halifax for National Harbours Board. Chief Engineer: L. R. Stratton.
At left Foundation tugs BANSOCOT and FOUNDATION VICTOR prepare to undock a ship.*





*G. A. Wheable Collegiate
Vocational Institute, London, Ontario
for the London Board of Education.
Architect: R. D. Schoales.*



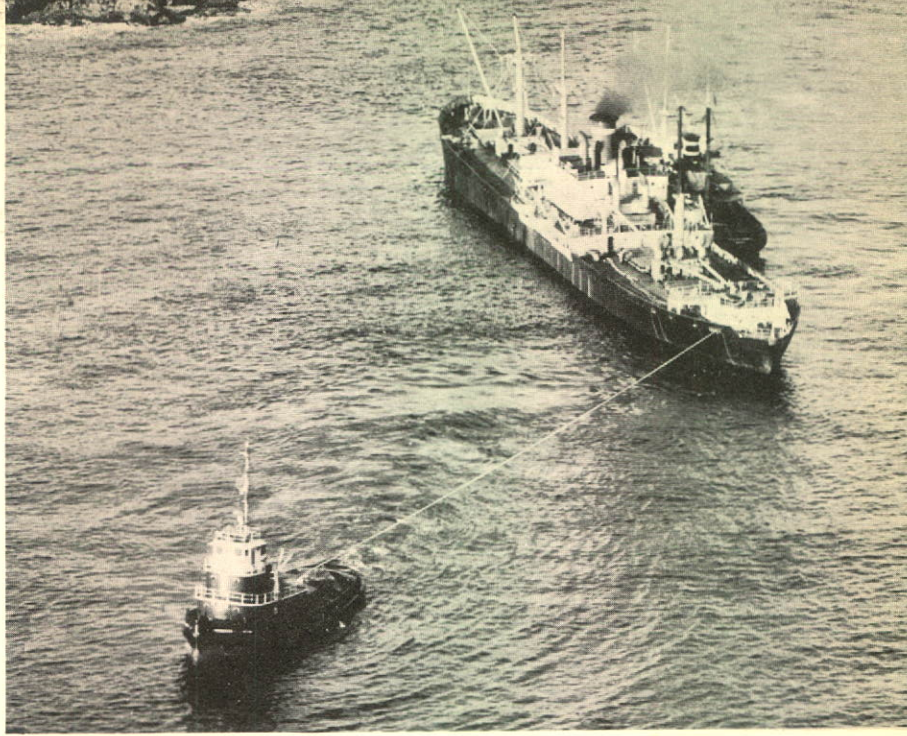
*Equipment installation for
Mannesmann Tube Company, Ltd.,
Sault Ste. Marie, Ontario.
Designing Engineers: FENCO.*

*Carmelite Sisters Home for the Aged,
Medicine Hat, Alberta.
Architects: Rule, Wynn & Rule.*

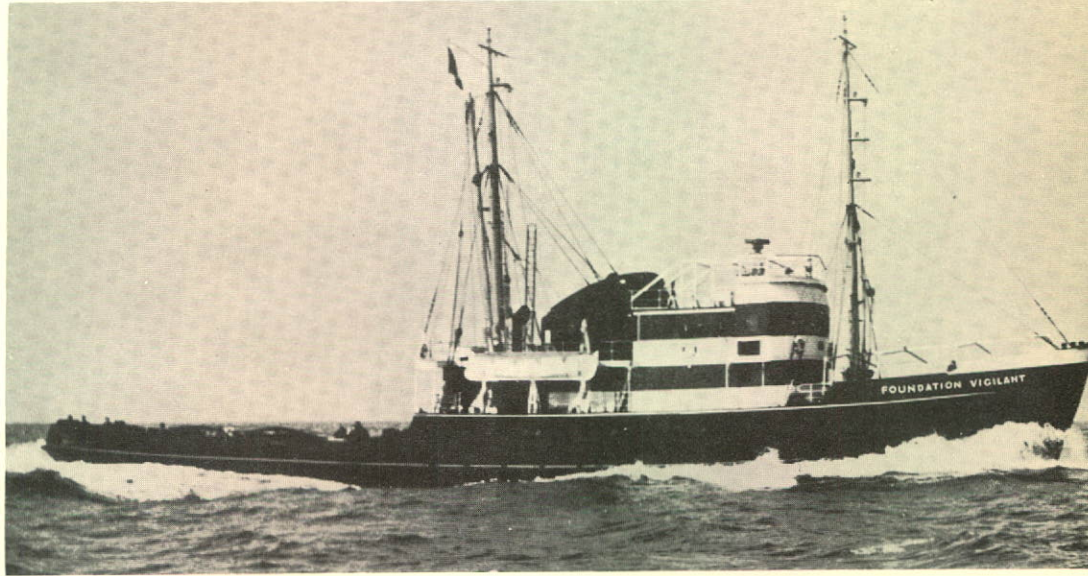




A casualty being refloated from its grounded position on Scatarie Island, N.S. by FOUNDATION VICTOR and FOUNDATION JOSEPHINE II.



FOUNDATION VIGILANT, a newly acquired 3000 H.P. diesel ocean salvage tug.



Derrick vessel FOUNDATION SCARBORO lifting a casualty from the bottom of Halifax harbour.

National Defence Photo by RCN





Aerial view showing construction of the Deas Island Tunnel under the Fraser River designed by FENCO in collaboration with Christiani & Nielsen for the British Columbia Toll Highways and Bridges Authority. At each shore are the approach ramps and in the foreground the six 18,500 ton prefabricated tunnel elements which will be floated from their drydock and sunk in position in the river.

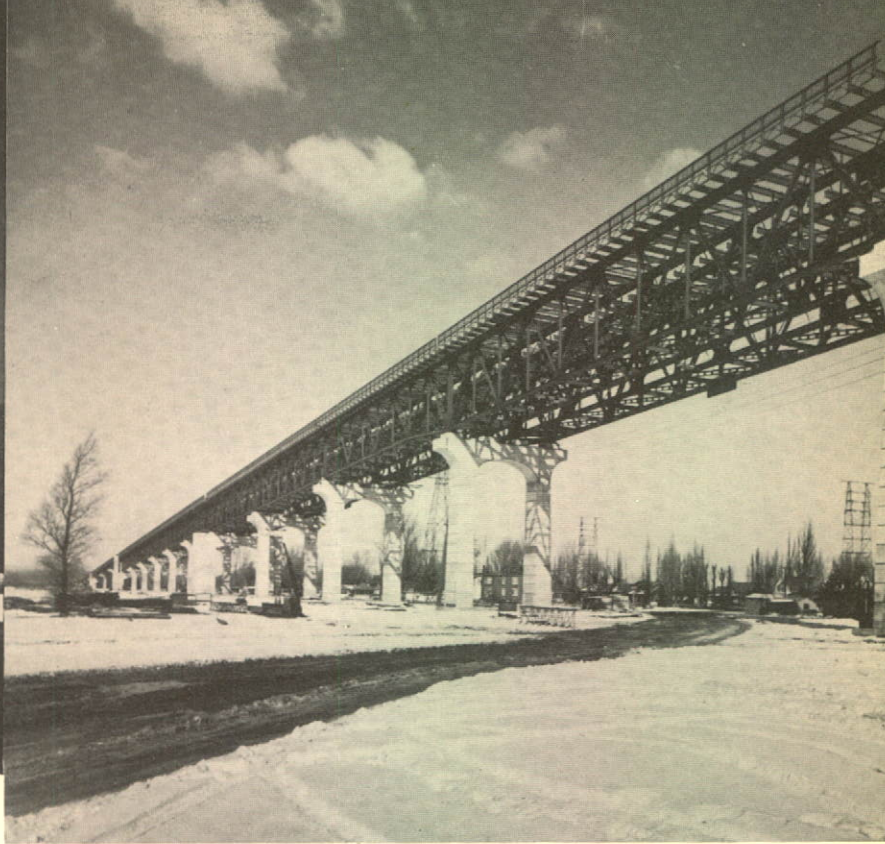


**GEOCON
LTD**

*Reconstruction of
dam piers by the gunite process
for Anglo-Newfoundland
Development Company Limited,
Grand Falls, Nfld.*



*The new head office of FENCO
at 8 Spadina Road, Toronto.*



*A progress picture of the Burlington Skyway designed by
FENCO for the Department of Highways of Ontario.
Consulting Engineer: Dr. P. L. Pratley.
Consulting Architects: William R. Souter & Associates.*

FENCO



*Butler Buildings for
Industrial Shipping Ltd.,
Mahone Bay, N.S.*

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1900 SHERBROOKE ST. WEST,
MONTREAL

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TRANSFER AGENT: Montreal Trust Company

*As at April 1st, 1958

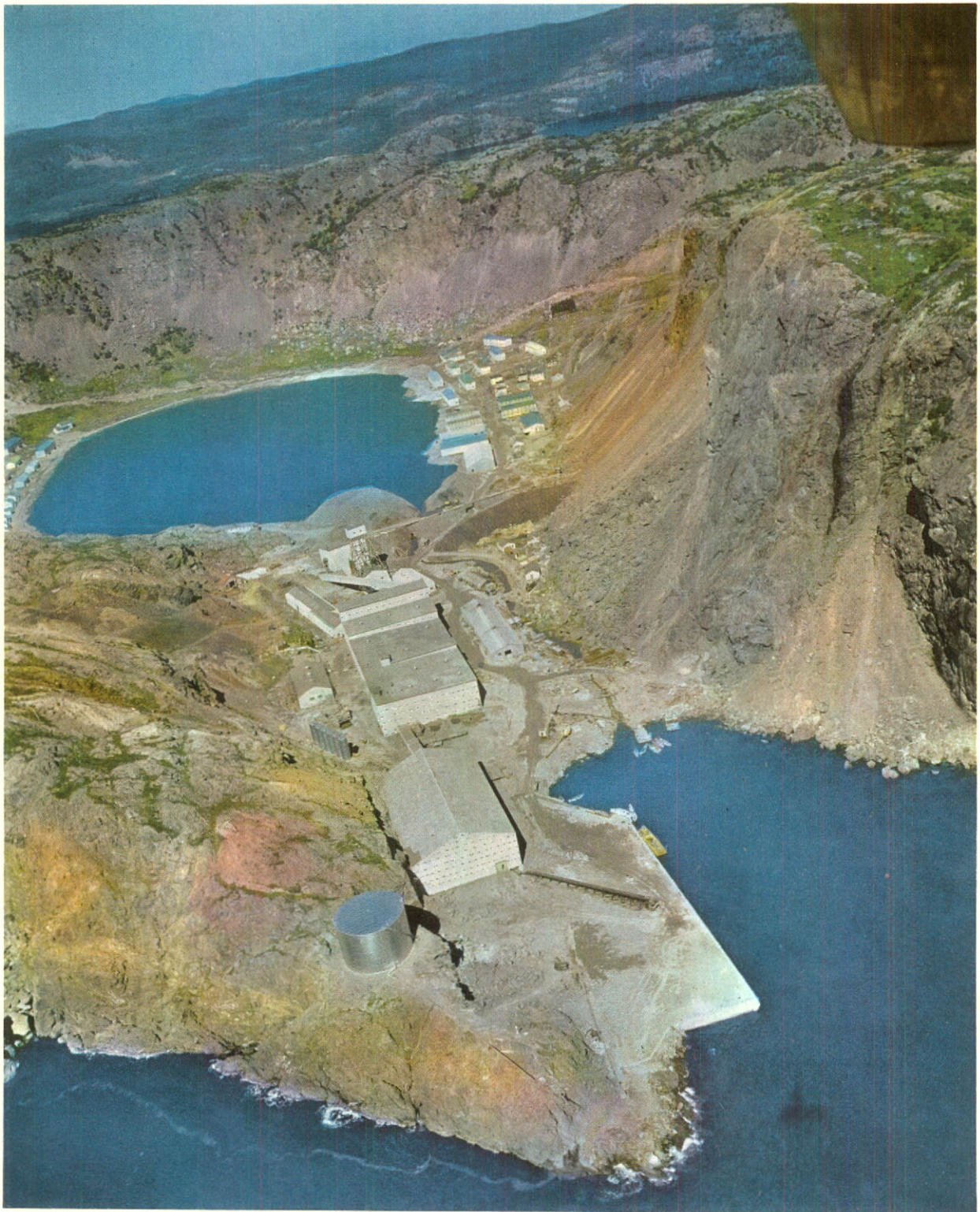
REGISTRAR: The Royal Trust Company



*Beechwood Hydro-Electric Development on the St. John River for The New Brunswick Electric Power Commission.
Consulting Engineers: Shawinigan Engineering Co., Limited.*

*Construction of Iroquois Lock for The St. Lawrence Seaway Authority. Chief Engineer: Gordon Murphy.
Excavation of Iroquois Point (middle right) for the Hydro-Electric Power Commission of Ontario. Chief Engineer: Dr. Otto Holden.
These projects are sponsored by Foundation for Iroquois Constructors Limited.
The Photographic Survey Corp. Ltd.*





*Aerial view of mining development for Marilimes Mining Corporation Limited, Tilt Cove, Nfld.
Metallurgical Consultants: M. J. Boylen Engineering Offices.
Designing Engineers: FENCO.*

*Front Cover: The Stratford Shakespearean Festival Foundation of Canada Theatre.
Architects: Rounthwaite & Fairfield.*