



*Hiram Walker-Gooderham & Worts Limited*

ANNUAL REPORT-1972





**BY APPOINTMENT  
TO HER MAJESTY QUEEN ELIZABETH II  
SUPPLIERS OF "CANADIAN CLUB" WHISKY  
HIRAM WALKER & SONS LIMITED**

*The photograph on the cover is the entrance to the Head Office of Hiram Walker-Gooderham & Worts Limited, at the distillery of Hiram Walker & Sons Limited, Walkerville, Ontario.*

*The colour photograph on pages 10 and 11 was taken at Villnoss Valley near Bolzano, Italy.*

# *Hiram Walker-Gooderham & Worts Limited*

Walkerville, Ontario, Canada, incorporated December 31, 1926, under the laws of Canada

## **BOARD OF DIRECTORS**

C. F. H. CARSON, Q.C., LL.D.	CHARLES T. FISHER III	ALLEN T. LAMBERT
F. CAMPBELL COPE, Q.C.	H. CLIFFORD HATCH	JACK MUSICK
RICHARD E. CROSS	JOSEPH JEFFERY, O.B.E., Q.C.	JOHN T. SAPIENZA
A. E. DOWNING	PAUL J. G. KIDD, Q.C.	THOMAS SNELHAM

## **OFFICERS**

H. CLIFFORD HATCH, <i>President</i>	
THOMAS SNELHAM <i>Vice President and Treasurer</i>	PAUL J. G. KIDD, Q.C. <i>Vice President and Secretary</i>
J. D. N. FORD <i>Comptroller</i>	RICHARD M. KIPPEN <i>Assistant Secretary</i>

## **AUDITORS**

PRICE WATERHOUSE & CO.  
*Toronto, New York, London & Buenos Aires*

## **TRANSFER AGENTS**

NATIONAL TRUST COMPANY LIMITED  
*Toronto, Montreal, Calgary & Vancouver*

BANKERS TRUST COMPANY  
*New York*

## **REGISTRARS**

CANADA PERMANENT TRUST COMPANY  
*Toronto, Montreal, Calgary & Vancouver*

MORGAN GUARANTY TRUST COMPANY OF NEW YORK  
*New York*



REPORT OF DIRECTORS  
*for the year ended August 31, 1972*

*To the Shareholders:*

Your Directors have pleasure in presenting this review of your Company's operations for the year ended August 31, 1972 and the related consolidated financial statements. All amounts shown in the report are expressed in United States currency except where otherwise stated.

Sales and Earnings

Sales for the year amounted to \$760,159,211, an increase of 6.5% over the previous year's sales of \$713,605,842. Net income, after extraordinary foreign exchange adjustments of \$2,230,381 (1971: \$2,616,505), was \$54,169,961, an increase of 11.8% over the comparable amount of \$48,433,716 in 1971. Net income per share after the extraordinary item of \$0.13 (1971: \$0.15) was \$3.14 compared with \$2.81 in 1971.

Earnings in 1972 have been affected by the Company's decision to close down its cooperage plant in Peoria, which regrettably had become increasingly uneconomical to operate. The costs incurred in closing this plant, which were charged to 1972 earnings, amounted to approximately \$1,500,000, net of tax.

The Company's United States operations were adversely affected in fiscal 1971 by a strike at its Peoria, Illinois plant and by general economic conditions.

Dividends

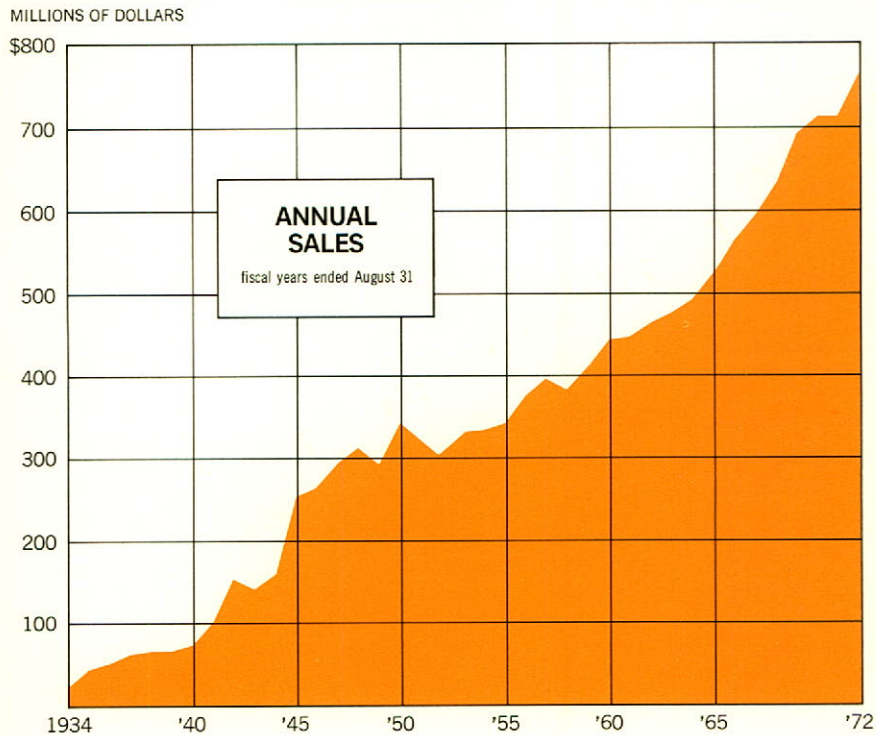
Four quarterly dividends of 30 cents (Canadian currency) per share were paid during the 1972 fiscal year, plus an extra dividend of 25 cents (Canadian currency) per share which was paid on October 15, 1971.



TWO YEARS COMPARED

	1972	1971
NET SALES .....	<b>\$760,159,211</b>	\$713,605,842
NET INCOME* .....	<b>54,169,961</b>	48,433,716
NET INCOME PER SHARE* .....	<b>3.14</b>	2.81
COMMON DIVIDENDS PAID PER SHARE (Expressed in Canadian currency) .....	<b>1.45</b>	1.45
EQUITY PER SHARE .....	<b>25.79</b>	24.11
INVESTMENT IN PROPERTY—NET ..	<b>169,284,299</b>	169,827,917
WORKING CAPITAL .....	<b>287,479,016</b>	249,602,325

\*After deducting extraordinary foreign exchange adjustments of \$2,230,381 and \$2,616,505, or \$0.13 and \$0.15 per share, in 1972 and 1971 respectively.





## The Market

On July 1, 1972 a new class of whisky known as Light Whisky was introduced into the United States market. There has been much speculation both inside and outside the industry about the impact of this new class of spirit on the existing classes. It is too early to define any trend because the consumer has not yet had an opportunity to make his decision. Your Company has introduced in selected markets a Light Whisky known as "Northern Light".

The growing consumer acceptance of imported and domestic specialties continues in the United States and your Company is well placed to profit from its existing strength in these categories.

Frederick Wildman & Sons, Ltd., a small prestigious New York-based importer of fine wines, was acquired in October 1971. This acquisition will enable the Company to benefit from the growing interest of Americans in some of the excellent wines of Europe.

Your Company continued to share in the generally good economic conditions in most markets of the world. Indeed, Canadian Club, Ballantine's and Courvoisier each have set new world-wide sales records.

## Proposals to Shareholders

Two proposals are being recommended to the Shareholders by your Directors.

The first proposal relates to a Stock Option Plan. No further options may be granted or regranted under the Stock Option Plan approved by the Shareholders on December 14, 1962. In order to give the Company flexibility in attracting and retaining quality employees, the Board of Directors believes that the Company should have available a new option plan. As in the prior option plan, the shares used for any options which may be granted will be purchased on the open market. No unissued shares will be used.

The second deals with reclassifying the Company's common shares into two classes of inter-convertible common shares so as to enable those of our Shareholders who care to do so to hold shares on which dividends would be paid out of tax-paid surplus.

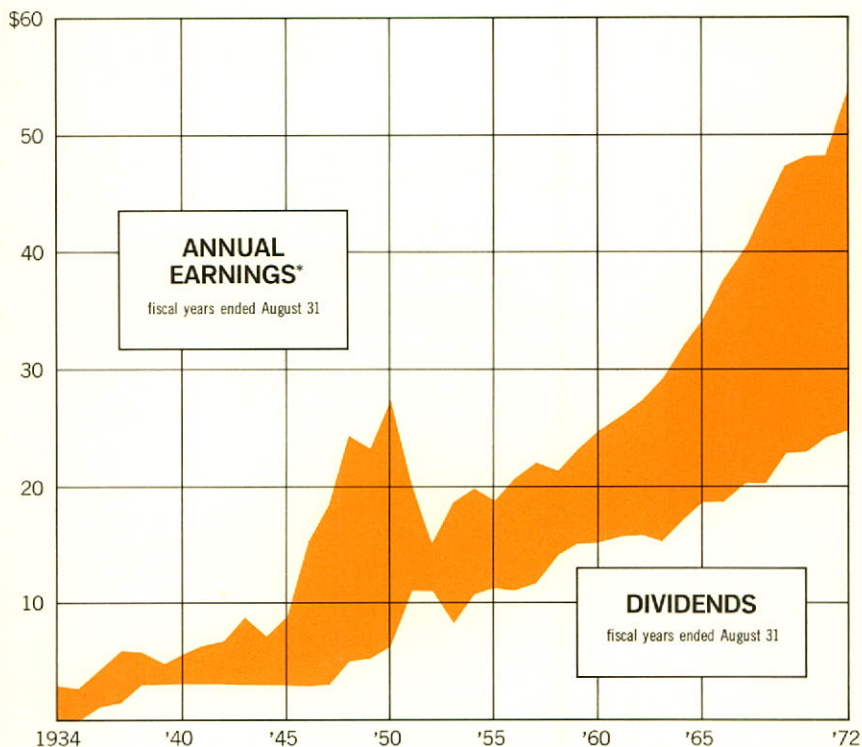
Both these proposals are fully outlined in the accompanying proxy material.



# Hiram Walker-Gooderham & Worts Limited

AND WHOLLY-OWNED SUBSIDIARIES

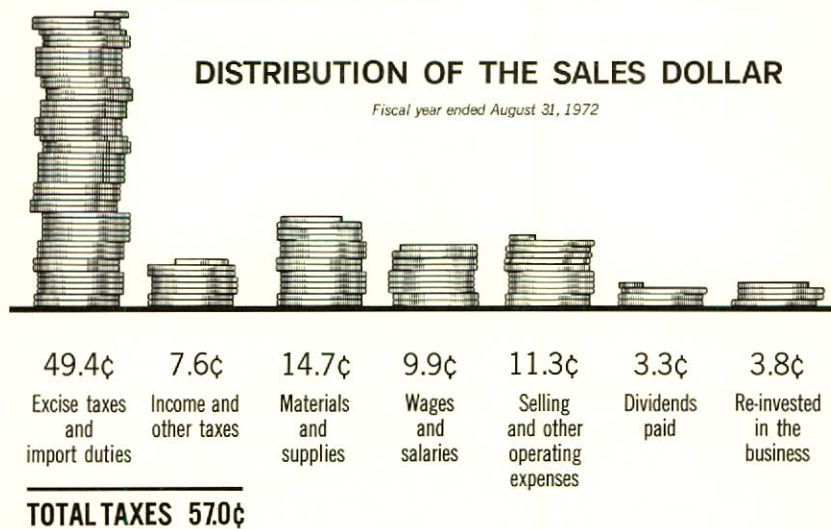
MILLIONS OF DOLLARS



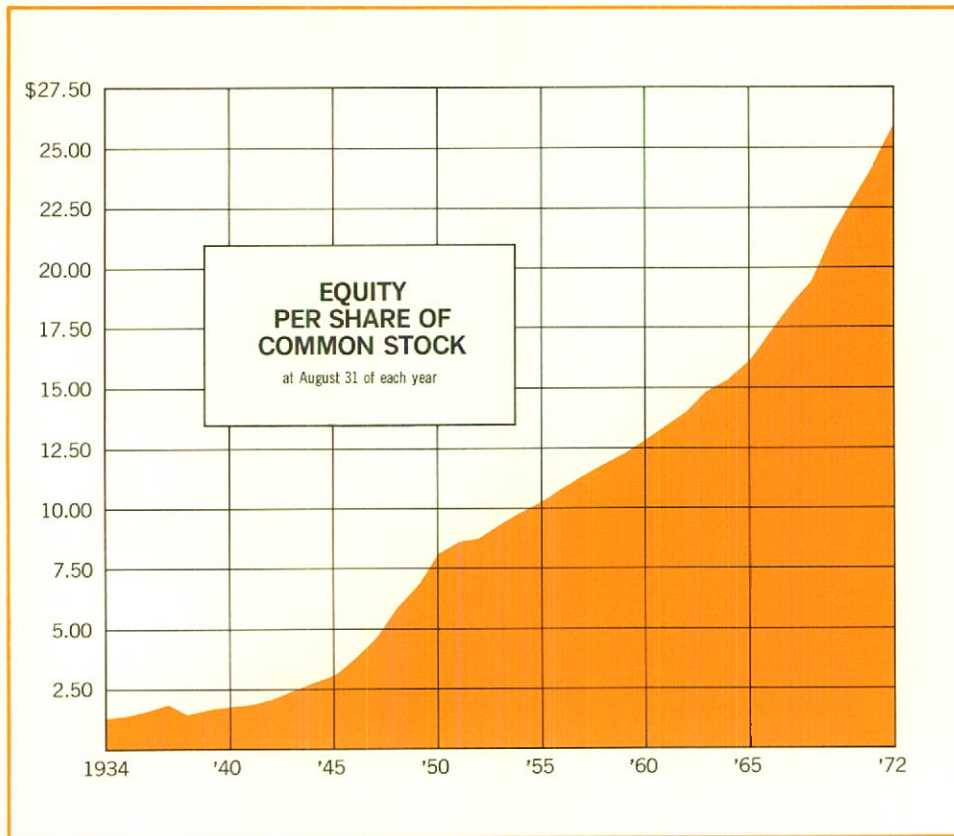
\*After deducting extraordinary foreign exchange adjustments of \$2,616,505 in 1971 and \$2,230,381 in 1972.

## DISTRIBUTION OF THE SALES DOLLAR

Fiscal year ended August 31, 1972







Shareholders and Employees

At its various locations throughout the world, the Company has approximately 7,500 employees. The Directors are proud of the Hiram Walker family and extend their appreciation of continued effort on behalf of the Company and its Shareholders.

The Company has 30,800 Shareholders, of whom 86% are Canadian residents, with most of the others being United States residents. To them also, the Directors extend their thanks for their interest and support.

By Order of the Board of Directors

President

Walkerville, Ontario  
October 17, 1972



COMPANY'S RECORD—1934-1972

FISCAL YEAR ENDED AUG. 31	SALES	NET INCOME		DIVIDENDS			RETAINED EARNINGS AT END OF YEAR
		AMOUNT	PER SHARE*	PREFERENCE AMOUNT	COMMON AMOUNT	COMMON PER SHARE* (CANADIAN CURRENCY)	
1934	\$ 21,071,349	\$ 3,366,267	\$ .19	\$461,131	\$ —	\$ —	\$ 5,594,170
1935	45,353,470	3,165,650	.17	460,818	—	—	8,244,484
1936	54,729,133	4,796,120	.28	460,818	990,000	.07	10,580,959
1937	63,969,514	6,463,633	.35	460,818	1,443,433	.09	15,140,340
1938	67,201,413	6,284,968	.34	460,818	2,896,016	.17	8,576,950
1939	68,325,810	5,295,979	.28	534,092	2,896,016	.17	10,687,311
1940	78,678,677	6,065,664	.32	560,818	2,896,016	.17	13,296,141
1941	102,156,227	6,921,970	.37	560,818	2,896,016	.17	16,761,277
1942	150,492,421	7,123,579	.38	560,818	2,893,549	.17	19,994,448
1943	142,017,948	9,245,143	.50	560,818	2,886,148	.17	25,792,625
1944	167,051,135	7,637,364	.41	560,818	2,886,148	.17	29,813,088
1945	254,618,161	9,411,300	.51	560,818	2,886,148	.17	35,777,422
1946	266,845,903	15,784,699	.88	532,777	2,886,148	.17	48,143,196
1947	294,577,355	18,879,570	1.09	—	3,463,377	.20	63,559,389
1948	310,252,924	24,870,572	1.44	—	5,411,527	.32	83,018,434
1949	294,112,700	23,643,669	1.37	—	5,772,296	.34	100,889,807
1950	343,122,732	27,925,874	1.62	—	6,926,756	.40	121,888,925
1951	328,284,523	20,872,190	1.21	—	11,544,592	.67	131,216,523
1952	306,998,430	15,674,160	.91	—	11,477,633	.67	133,023,990
1953	337,304,847	19,093,424	1.11	—	8,848,930	.50	143,268,484
1954	339,285,815	20,252,490	1.17	—	11,093,631	.63	152,427,343
1955	341,273,232	19,327,468	1.12	—	11,821,662	.67	159,933,149
1956	370,927,502	21,079,312	1.22	—	11,636,949	.67	169,375,512
1957	396,182,157	22,478,161	1.31	—	12,031,458	.67	179,822,215
1958	384,028,204	21,845,494	1.27	—	14,506,584	.82	187,161,125
1959	412,121,674	23,694,387	1.38	—	15,597,593	.88	195,257,919
1960	440,179,873	25,050,258	1.46	—	15,685,430	.88	204,649,946
1961	449,889,391	26,362,652	1.53	—	16,031,356	.93	214,981,242
1962	469,287,365	27,705,832	1.61	—	16,347,124	1.00	226,339,950
1963	478,788,327	29,643,565	1.73	—	15,945,767	1.00	240,037,748
1964	498,174,425	32,173,389	1.87	—	17,506,013	1.10	248,352,856
1965	529,614,946	34,568,348	2.01	—	19,152,431	1.20	263,768,773
1966	565,317,357	38,021,516	2.21	—	19,193,833	1.20	282,596,456
1967	590,349,891	40,799,775	2.37	—	20,707,712	1.30	302,688,519
1968	634,299,454	44,266,500	2.57	—	20,721,868	1.30	318,167,327
1969	690,419,103	47,928,264	2.78	—	23,234,824	1.45	351,685,136
1970	715,379,387	48,693,000	2.82	—	23,492,327	1.45	376,885,809
1971	713,605,842	48,433,716†	2.81†	—	24,761,650	1.45	400,557,875
1972	760,159,211	54,169,961†	3.14†	—	25,183,471	1.45	429,544,365

\*Adjusted for stock splits of four for one in 1947, three for one in 1958 and two for one in 1964.

†After deducting extraordinary foreign exchange adjustments of \$2,616,505 or \$0.15 per share in 1971 and \$2,230,381 or \$0.13 per share in 1972.





HIRAM WALKER  
EST. 1857  
AGED 8 YEARS  
WALKER'S  
De Luxe  
BOURBON  
MILAM, WALKER & COMPANY  
DISTILLERS

Ballantine's  
EST. 1857  
FINEST BLENDED  
SCOTCH WHISKY  
BLENDED & BOTTLED BY  
Ballantine & John, Limited  
Dunblane, Scotland

IMPORTED  
Canadian Club  
Blended Canadian Whisky  
Hiram Walker & Co.  
Walkerville, Ontario, Canada  
THIS WHISKY IS 6 YEARS OLD  
MAY BE PROOF







## CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Expressed in United States currency

	<u>Year ended August 31</u>	
	<u>1972</u>	<u>1971</u>
NET SALES .....	<b>\$760,159,211</b>	\$713,605,842
Dividends and interest:		
Non-consolidated subsidiary companies .....	<b>1,084,463</b>	1,051,271
Other .....	<b>1,878,695</b>	1,904,611
Sundry income .....	<b>2,526,593</b>	2,768,066
	<b><u>765,648,962</u></b>	<u>719,329,790</u>
 COST AND EXPENSES:		
Cost of products sold .....	<b>522,751,971</b>	491,521,444
Selling and general expenses .....	<b>119,442,253</b>	109,040,272
Interest on bank loans .....	<b>7,758,278</b>	8,017,319
Depreciation .....	<b>12,574,586</b>	9,894,921
Foreign exchange adjustments .....	<b>1,308,166</b>	509,135
Provision for income taxes:		
Current .....	<b>34,268,775</b>	39,559,915
Deferred .....	<b>11,144,591</b>	9,736,563
	<b><u>709,248,620</u></b>	<u>668,279,569</u>
 INCOME BEFORE EXTRAORDINARY ITEM .....	<b>56,400,342</b>	51,050,221
 EXTRAORDINARY FOREIGN EXCHANGE ADJUSTMENTS .....	<b>2,230,381</b>	2,616,505
 NET INCOME .....	<b>54,169,961</b>	48,433,716
RETAINED EARNINGS:		
At beginning of year .....	<b>400,557,875</b>	376,885,809
	<b>454,727,836</b>	425,319,525
Dividends paid .....	<b>25,183,471</b>	24,761,650
At end of year .....	<b><u>\$429,544,365</u></b>	<u>\$400,557,875</u>

### EARNINGS AND DIVIDENDS PER SHARE

Income before extraordinary item .....	<b>\$3.27</b>	\$2.96
Extraordinary foreign exchange adjustments .....	<b>\$0.13</b>	\$0.15
Net income .....	<b>\$3.14</b>	\$2.81
Dividends paid (Canadian currency) .....	<b>\$1.45</b>	\$1.45

The Notes on pages 16 and 17 are an integral part of these statements.



**CONSOLIDATED STATEMENT OF CHANGES  
IN FINANCIAL POSITION**

Expressed in United States currency

	<u>Year ended August 31</u>	
	<u>1972</u>	<u>1971</u>
<b>FINANCIAL RESOURCES WERE PROVIDED BY:</b>		
Net income after extraordinary item .....	\$ 54,169,961	\$ 48,433,716
Expenses, not requiring outlay of working capital:		
Depreciation .....	12,574,586	9,894,921
Deferred income taxes .....	11,144,591	9,736,563
Working capital provided from operations .....	77,889,138	68,065,200
Government grant for construction .....	—	4,950,000
Other .....	446,947	193,747
	<u>78,336,085</u>	<u>73,208,947</u>
<b>FINANCIAL RESOURCES WERE USED FOR:</b>		
Dividends paid .....	25,183,471	24,761,650
Expenditures for land, buildings and equipment, less disposals ....	12,030,968	36,557,119
Increase in investments and other assets .....	3,244,955	1,994,838
	<u>40,459,394</u>	<u>63,313,607</u>
<b>INCREASE IN WORKING CAPITAL .....</b>	<b>37,876,691</b>	<b>9,895,340</b>
<b>WORKING CAPITAL:</b>		
At beginning of year .....	<u>249,602,325</u>	<u>239,706,985</u>
At end of year .....	<u>\$287,479,016</u>	<u>\$249,602,325</u>

**INCREASE (DECREASE) IN WORKING CAPITAL COMPONENTS**

Cash and short-term investments .....	\$( 3,124,164)	\$ 3,999,823
Accounts receivable .....	(18,880,558)	31,060,209
Inventories .....	17,513,964	34,443,942
Bank loans .....	25,867,891	(53,503,207)
Excise taxes .....	2,971,877	( 5,317,964)
Income and other taxes .....	12,633,605	( 1,521,595)
All other items .....	894,076	734,132
<b>Increase in working capital .....</b>	<b>\$ 37,876,691</b>	<b>\$ 9,895,340</b>

The Notes on pages 16 and 17 are an integral part of these statements.

CONSOLIDATED

Expressed in

ASSETS

	August 31	
	1972	1971
CURRENT ASSETS:		
Cash .....	\$ 10,722,759	\$ 14,260,887
Short-term investments, at cost (approximates market value) .....	5,789,548	5,375,584
Accounts receivable (less allowance—1972 \$2,740,529; 1971 \$2,340,127) .....	99,109,273	117,989,831
Inventories .....	331,057,722	313,543,758
Prepaid expenses .....	9,967,355	9,452,574
Total current assets .....	<u>456,646,657</u>	<u>460,622,634</u>
INVESTMENTS, at cost:		
Investments in non-consolidated subsidiaries .....	5,552,257	5,552,257
Advance to non-consolidated subsidiary .....	735,000	880,000
Other investments:		
With quoted market value (1972 \$3,444,409; 1971 \$1,789,650) ..	1,291,703	1,191,930
Without quoted market value .....	5,024,071	3,707,722
	<u>12,603,031</u>	<u>11,331,909</u>
LAND, BUILDINGS AND EQUIPMENT, at cost .....	279,948,550	270,821,893
Less depreciation .....	110,664,251	100,993,976
	<u>169,284,299</u>	<u>169,827,917</u>
OTHER ASSETS .....	2,156,509	182,676
	<u>\$640,690,496</u>	<u>\$641,965,136</u>

The Notes on pages 16 and 17 are an integral part of these statements.

AUDITORS' REPORT

To the Shareholders of  
HIRAM WALKER-GOODERHAM & WORTS LIMITED:

We have examined the consolidated balance sheet of Hiram Walker-Gooderham & Worts Limited and wholly-owned subsidiaries as at August 31, 1972 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in conformity with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing pro-



## BALANCE SHEET

United States currency

### LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>August 31</u>	
	<u>1972</u>	<u>1971</u>
<b>CURRENT LIABILITIES:</b>		
Bank loans .....	\$101,563,976	\$127,431,867
Notes payable to non-consolidated subsidiary .....	4,081,600	3,960,000
Federal excise taxes .....	16,152,260	19,124,137
Income and other taxes .....	23,868,906	36,502,511
Accounts payable and other accruals .....	23,500,899	24,001,794
Total current liabilities .....	169,167,641	211,020,309
DEFERRED INCOME TAXES .....	26,169,684	15,025,093
<b>SHAREHOLDERS' EQUITY:</b>		
Common shares, without par value		
Authorized .....	21,000,000 shares	
Issued and outstanding .....	17,376,096 shares	
Retained earnings .....	17,330,180	17,330,180
	429,544,365	400,557,875
	446,874,545	417,888,055
Deduct: Common shares held by Trustees and subsidiary company, at cost (1972—105,043 shares; 1971—121,933 shares) .....	1,521,374	1,968,321
	445,353,171	415,919,734
	\$640,690,496	\$641,965,136

*Approved on behalf of the Board*  
H. Clifford Hatch, Director  
Thomas Snelham, Director

cedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at August 31, 1972 and the results of their operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, October 12, 1972

PRICE WATERHOUSE & CO.  
Chartered Accountants



## NOTES TO FINANCIAL STATEMENTS—AUGUST 31, 1972

### 1. CONSOLIDATION POLICY

The consolidated financial statements include only the accounts of wholly-owned subsidiaries; one small subsidiary was acquired during the fiscal year, but its operations are not material in relation to these statements. The Company does not consider that the earnings of its partially-owned subsidiaries are generally available to the parent company, and such earnings are therefore reflected in the consolidated accounts only to the extent of dividends received. Based on exchange rates on August 31, 1972, the financial statements of such subsidiaries disclose that the Company's equity in their accumulated earnings has increased as a result of earnings less dividends since acquisition to August 31, 1972 by approximately \$13,000,000 and the Company's share, \$1,807,000 (1971: \$1,922,000), of the earnings of such subsidiaries for the year ended August 31, 1972 exceeded dividends received by \$774,000 (1971: \$932,000).

### 2. CURRENCY TRANSLATION

The consolidated financial statements are expressed in United States currency and the following principles of exchange translation have been applied generally: inventories on hand and inventory items entering into cost of products sold, properties, accumulated depreciation and related provisions charged against income, investments, and capital stock — at rates appropriate for years of production or acquisition of assets or issue of stock; other current assets and current liabilities — at the rates of exchange on August 31; income and expenses, other than provisions for depreciation and inventory items entering into cost of products sold—at average exchange rates for the year.

Since these financial statements are expressed in United States currency, the devaluation of the United States dollar in December 1971 and a series of devaluations of the Argentine peso which took place between September 20 and November 30, 1971 together had an effect on the United States dollar equivalent of those of the Company's assets and liabilities in France, the United Kingdom and the Argentine that are translated at current exchange rates. The foreign exchange loss of \$2,230,381 in fiscal 1972 re-

sulting from these changes in exchange rates has been included as an extraordinary item in the statement of income.

The net result of all other foreign exchange translations and adjustments has been handled as a normal foreign exchange adjustment and for the fiscal year ended August 31, 1972 was a charge of \$1,308,166 (1971: \$509,135).

Monetary conditions prevailing in the Argentine continue to preclude the immediate payment of cash dividends to foreign shareholders, and such dividends may only be paid in the form of Argentine External Bonds which bear interest and are being redeemed in ten semi-annual instalments. The amount of such bonds held by the Company at August 31, 1972 was \$557,550. The net assets and net income included in the accompanying financial statements and attributable to operations in the Argentine amount to approximately \$13,400,000 (1971: \$11,900,000) and \$2,100,000 (1971: \$2,000,000) respectively after foreign exchange adjustments.

### 3. INVENTORIES

These are valued at not exceeding manufactured or purchased cost and comprise:

	August 31	
	1972	1971
Raw materials and supplies . . . . .	\$ 17,079,341	\$ 22,835,983
Maturing whiskies . . . . .	279,534,579	258,925,969
Finished goods . . . . .	34,443,802	31,781,806
	<u>\$331,057,722</u>	<u>\$313,543,758</u>

### 4. LAND, BUILDINGS AND EQUIPMENT

	August 31, 1972		August 31, 1971	
	Cost	Depreciation	Net	Net
Land . . . . .	\$ 6,633,708	\$ —	\$ 6,633,708	\$ 6,427,463
Buildings . . . . .	142,764,176	47,143,017	95,621,159	95,671,886
Equipment . . . . .	128,504,132	63,521,234	64,982,898	66,792,879
Construction in progress	2,046,534	—	2,046,534	935,689
	<u>\$279,948,550</u>	<u>\$110,664,251</u>	<u>\$169,284,299</u>	<u>\$169,827,917</u>

The companies generally use the straight-line method to provide depreciation over the estimated useful lives of buildings and equipment.

### 5. PENSION PLANS

The Company and its subsidiaries have many pension plans, most of which are trusteed plans,



and some of which are insured plans, covering the majority of their employees, including those in foreign countries. The Company's policy is to fund pension cost accrued. The pension expense in respect of these plans for the 1972 and 1971 fiscal years was \$3,808,000 and \$3,512,000 respectively.

## 6. STOCK OPTION PLAN

The Company's stock option plan, approved by the Shareholders in 1962, provided for the granting of options to purchase 160,000 shares of the issued common shares at 95% of the quoted market price of the shares on the date of grant. Options which lapsed under this plan could be regranted. Options for all 160,000 shares were originally granted prior to September 1, 1970, including options granted to United States employees with terms more restrictive than those outlined above. A portion of the options which lapsed in 1972 and prior years was regranted in April of 1972 at 100% of market value on date of grant. These options become exercisable over a five-year period. No further options may be granted or regranted under this plan.

Information as to options granted, exercised and lapsed for the two years ended August 31, 1972 is shown below:

	Shares	
	1972	1971
Options granted.....	19,000	—
Options exercised.....	16,890	7,650
Options lapsed.....	16,040	—

Options outstanding at August 31, 1972 were as follows:

Date of Grant	Option Price Per Share	Officers and Employee Directors	Total
December 1964.....	\$33.55*	4,200	12,470
April 1972.....	43.69*	3,000	13,500
April 1972.....	43.50	500	5,500
		7,700	31,470

\*Canadian currency

The cost of shares acquired by Trustees for the options granted and the cost of those held by a subsidiary have been deducted from Shareholders' Equity in the Consolidated Balance Sheet.

## 7. REMUNERATION OF DIRECTORS AND OFFICERS

Remuneration paid by the Company or its subsidiaries to its Directors and Officers is set out below. Of the twelve Directors, three are Officers of the Company and two are Officers of subsidiary companies; there are two Officers of the Company who are not Directors.

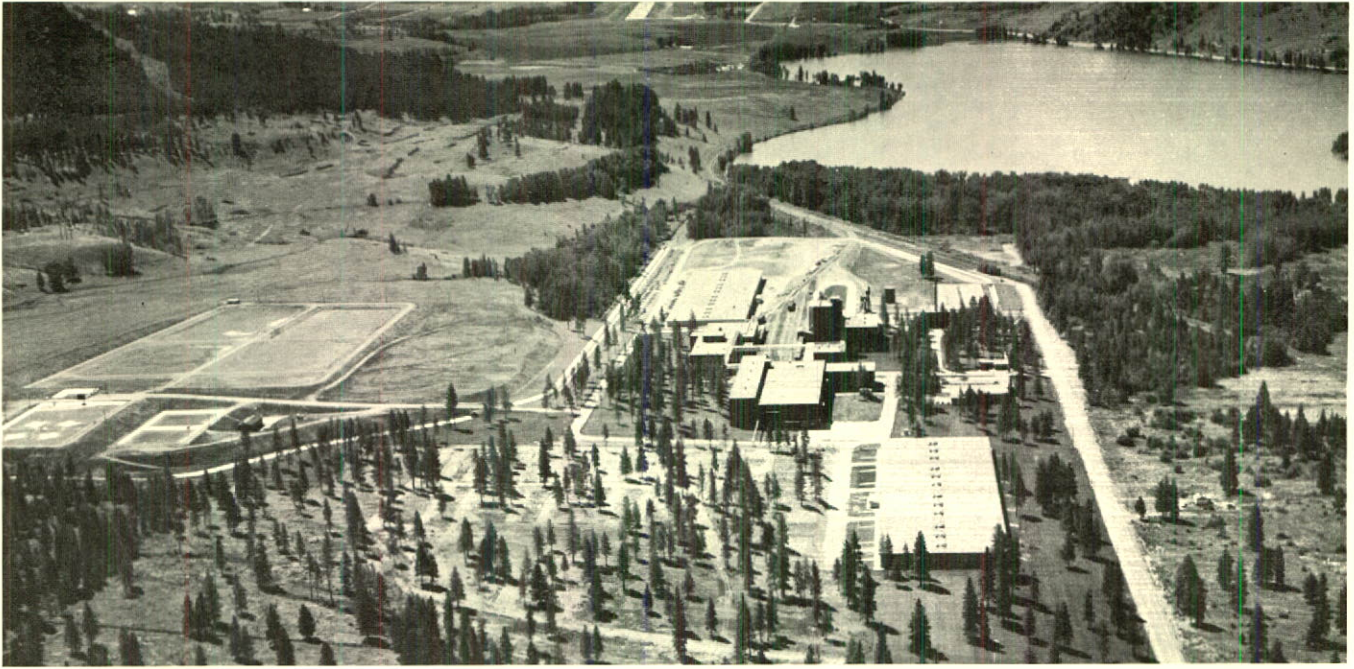
	Paid by	1972	1971
Hiram Walker-Gooderham & Worts Limited:			
As Directors.....	\$	70,167	\$ 66,825
Corby Distilleries Limited (a non-consolidated subsidiary): As Directors of Corby.....		6,238	4,604
Other subsidiaries (none of which are incorporated under the Canada Corporations Act)			
As Directors.....		49,735	47,500
As Officers.....		412,668	404,228
As Officers of subsidiary companies.....		172,962	156,250
		\$711,770	\$679,407

Employment agreements entered into by the Company with four Directors, three of whom are Officers of the Company and one of whom is an Officer of a subsidiary company, provide that, subject to certain restrictions, each of these four Directors will receive \$25,000 annually beginning with his 65th birthday throughout his life or for ten years whichever period shall be the longer. The cost of annuity policies purchased to meet these obligations was \$69,239 (1971: \$69,165) in respect of the three Officers of the Company and \$22,128 (1971: \$22,768) in respect of the Officer of a subsidiary company.

## ANNUAL MEETING

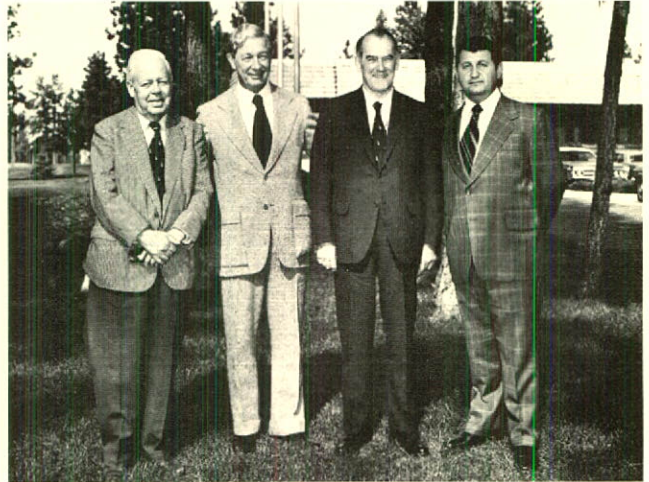
The Annual Meeting of Shareholders called also as a Special General Meeting of Shareholders will be held at the Head Office of Hiram Walker-Gooderham & Worts Limited, Walkerville, Ontario at 2:30 P.M., December 8, 1972. Those Shareholders who are unable to attend the meeting are urged to mail in their proxies.





**BOARD OF DIRECTORS  
MEETS AT OKANAGAN DISTILLERY**

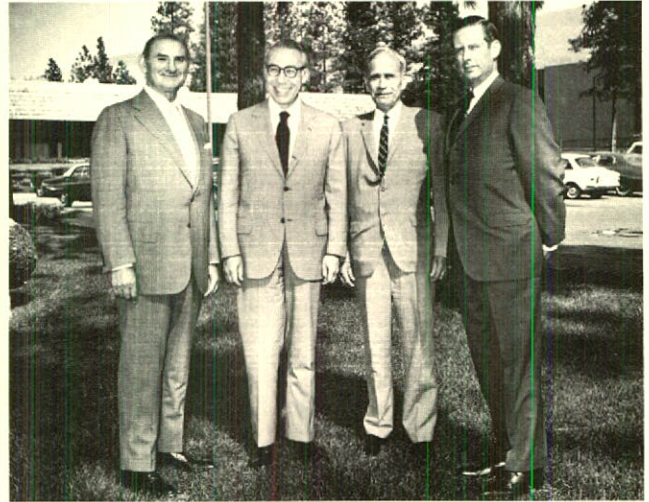
Construction of a new distillery to service markets in Western areas of Canada and the United States and in the Far East was started in the Okanagan Valley of British Columbia in the summer of 1969. The distillery became operational in July 1971 and has one hundred and ninety-six employees, most of whom were engaged in the Okanagan Valley. The Board of Directors held its September 14, 1972 meeting at the new plant.



From the left are Messrs. Carson, Cross and Kidd with Mr. Michael Sekela, plant manager.



Mr. Frank Leeder, general production manager for the Company's Canadian operations, accompanies, from the left, Messrs. Lambert, Snelham, Hatch and Jeffery.



From the left are Directors Musick, Sapienza, Cope and Fisher.

The advertisement shown on the opposite page is appearing in leading magazines in the United States, your company's principal market for Canadian Club. →



# "Flying a kite off a windswept glacier in New Zealand is no game for kids."



BY APPOINTMENT  
TO HER MAJESTY QUEEN ELIZABETH II  
SUPPLIERS OF "CANADIAN CLUB" WHISKY  
HIRAM WALKER & SONS LIMITED  
WALKERVILLE, CANADA



6 YEARS OLD. IMPORTED IN BOTTLE FROM CANADA BY HIRAM WALKER IMPORTERS INC., DETROIT, MICH. 96.8 PROOF. BLENDED CANADIAN WHISKY. © 1972.



"With 18 feet of sail as my wings— I, a rather jittery Jeff Jobe from Seattle—was ready to conquer the sky. Altitude: 8000 feet on New Zealand's

Glacier Dome. Michele helped me into my kite harness. And soon I was racing toward the edge of the ice fall. I had descended 3000 feet in a perfect glide, when an icy blast rocked the kite. And suddenly, I was fighting for my life with a deadly downdraft.



"With some wild maneuvering and miraculous luck, I escaped into smooth air. As I circled, I grimly remembered the first rule of kiting: never fly higher than you'd like to fall.



"That evening, at The Hermitage Hotel, we toasted our adventure with Canadian Club." It seems wherever you go, C.C. welcomes you. More people appreciate its gentle manners and the pleasing way it behaves in mixed company. Canadian Club—"The Best In The House"® in 87 lands.

*Canadian Club*  
Imported in bottle from Canada



# Hiram Walker-Gooderham & Worts Limited

AND WHOLLY-OWNED SUBSIDIARIES

## PRINCIPAL BRANDS MARKETED

### CANADA

#### CANADIAN WHISKIES

Canadian Club • Imperial  
Walker's Gold Crest • Gooderham's  
Bonded Stock • Walker's Special Old  
Barclay's Gold Label • Gooderham's  
Rich and Rare • Barclay's Royal  
Canadian

#### IMPORTED SCOTCH WHISKIES

Ballantine's • Ambassador Deluxe  
Lauder's

#### IMPORTED IRISH WHISKEY

John Jameson

#### LONDON DRY GINS

*Domestic:* Hiram Walker's Crystal  
G & W Extra Dry

*Imported:* Ballantine's

#### VODKAS

Sköl • Hiram Walker's Crystal

#### BRANDY

Barclay's Rare Old

#### RUMS

Maraca

#### LIQUEURS

Hiram Walker's: Apricot Brandy  
Creme de Menthe Green  
Chocolate Mint

#### IMPORTED LIQUEURS

Drambuie • Kahlúa  
Cherry Heering • Bols • Cointreau

### UNITED STATES

#### IMPORTED CANADIAN WHISKIES

Canadian Club • Royal Canadian  
Walker's Special Canadian  
Canadian Rich & Rare

#### IMPORTED SCOTCH WHISKIES

Thorne's 12 • Ballantine's  
Ambassador Deluxe • Old Smuggler  
Lauder's • Grand Macnish

#### IMPORTED IRISH WHISKEY

John Jameson

#### STRAIGHT BOURBON WHISKIES

Walker's Deluxe • Ten High  
Barclay's • G & W Private Stock

#### AMERICAN BLENDED WHISKIES

Imperial • Corby's Reserve • G & W  
Seven Star • William Penn

#### BRANDIES

Hiram Walker's • Barclay's

#### LONDON DRY GINS

*Domestic:* Hiram Walker's Crystal  
Booth's High & Dry • Barclay's  
Five O'Clock

*Imported:* Booth's House of Lords

#### VODKAS

Hiram Walker's Crystal • Barclay's  
Five O'Clock

#### CORDIALS, COCKTAILS & FRUIT FLAVOURED BRANDIES

Hiram Walker's

#### IMPORTED COGNAC

Courvoisier

#### IMPORTED LIQUEURS

Drambuie • Cherry Heering  
Tia Maria

#### IMPORTED FINE WINES

Frederick Wildman & Sons Limited