

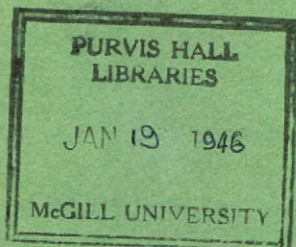
DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED

AND SUBSIDIARY COMPANIES

∞

ANNUAL  
REPORT  
1-9-4-0

✓







DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED

AND SUBSIDIARY COMPANIES



ANNUAL  
REPORT  
1-9-4-0

## PRODUCTS

THAT HAVE ASSUMED AN ADDED IMPORTANCE

DUE TO WAR-TIME NEEDS

CRUDE TAR  
REFINED TAR  
SPECIAL TAR  
ROAD BUILDING TAR

⊙

WOOD PRESERVING OILS  
FLOTATION OILS  
DISINFECTANT OILS

⊙

COAL TAR ACIDS  
PHENOL  
CRESOL  
ORTHO-CRESOL  
META PARA CRESOL  
XYLENOLS  
CRESYLIC ACID

⊙

CRUDE NAPHTHALENE

⊙

BITUMINOUS PAINTS  
WATERPROOFING COMPOUNDS  
BITUMINOUS CEMENTS

⊙

SHINGLE STAINS

⊙

ROOFING PITCH  
PAVING PITCH  
BRIQUETTING PITCH  
ELECTRODE PITCH

⊙

PITCH COKE

⊙

TARRED FELTS  
TARRED SHEATHINGS

Pitch coke, a product manufactured at all our refineries, is used extensively for the manufacture of abrasives which are needed for the machine tool, automotive, and aviation industries.

The electro-metallurgical industry in Canada has required a large increase in carbon electrodes for which pitch is used as a binder.

Your Company is the only Canadian manufacturer of coal-tar acids which include phenol or carbolic acid, cresol and cresylic acid. These products are used for the manufacture of synthetic resins, varnishes and disinfectants. With supplies difficult to obtain from elsewhere every effort is being made to supply Canadian requirements from our Toronto refinery.

Plans are in course of preparation for the erection of an addition to our chemical refinery to enable manufacture of certain chemicals not heretofore produced in Canada.

## THE TAR & CHEMICAL DIVISION

SYDNEY - MONTREAL - TORONTO - SAULT STE. MARIE  
WINNIPEG - VANCOUVER - DULUTH

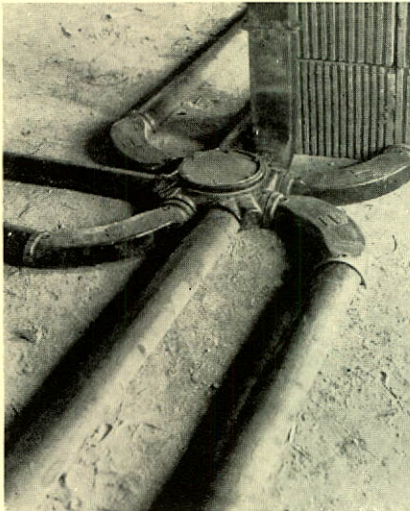


# CORNWALL FIBRE CONDUIT

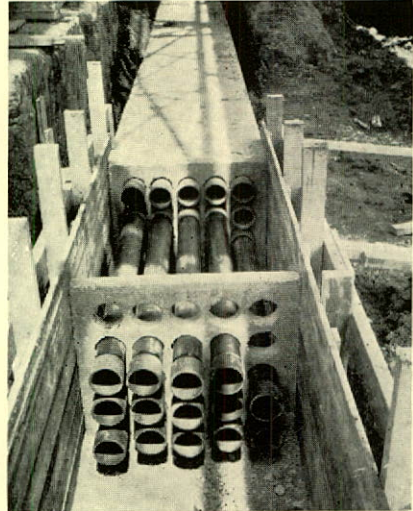
PROVIDES THE ULTIMATE

PROTECTION FOR CABLES

SUPPLYING CANADIAN INDUSTRY WITH VITAL  
ELECTRICAL POWER



Typical Underfloor Installation



Typical Underground Installation

CORNWALL FIBRE CONDUIT has played an important part in providing protection for power, lighting and communication cables in Canada's expanding War Industries.

## FIBRE CONDUIT DIVISION



CORNWALL · ONTARIO



# DOMINION TAR & CHEMICAL COMPANY LIMITED

CANADA CREOSOTING COMPANY, LIMITED  
ALEXANDER MURRAY & COMPANY, LIMITED  
CANADA ROOF PRODUCTS, LIMITED  
AMERICAN TAR & CHEMICAL COMPANY  
ALBERTA WOOD PRESERVING COMPANY, LIMITED  
INDUSTRIAL MINERALS, LIMITED  
THE DOMINION SALT COMPANY, LIMITED

ANNUAL REPORT  
FOR THE YEAR ENDED 31st DECEMBER, 1940

### *Directors*

SIR HERBERT S. HOLT	-	-	-	-	-	Montreal
J. H. GUNDY	-	-	-	-	-	Toronto
RUSSELL D. BELL.	-	-	-	-	-	Montreal
LIONEL O. P. WALSH	-	-	-	-	-	Montreal
ALBERT E. WHITMORE	-	-	-	-	-	Regina
ANDREW HOLT	-	-	-	-	-	London, Eng.
J. A. KILPATRICK	-	-	-	-	-	Montreal
H. R. MacMILLAN	-	-	-	-	-	Vancouver
A. O. PONDER	-	-	-	-	-	Montreal
L. L. BROWN	-	-	-	-	-	Montreal

### *Officers*

<i>President</i>	-	-	-	-	-	LIONEL O. P. WALSH
<i>Vice-President</i>	-	-	-	-	-	A. O. PONDER
<i>Vice-President</i>	-	-	-	-	-	L. L. BROWN
<i>Secretary and Treasurer</i>	-	-	-	-	-	D. S. THOMAS

### *General Offices of the Company*

Fourth Floor, Canada Cement Company Building,  
Montreal, Que.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders:

Your directors submit herewith a consolidated statement, duly audited, of the affairs of your Company and its subsidiaries for the fiscal year ended the 31st of December, 1940.

The earnings before debenture interest, depreciation and income taxes at \$1,902,774.30 compare with \$1,482,549.06 in 1939, an increase of \$420,225.24. Profitable operation of the Alberta salt works and earnings on a salt works in Ontario acquired early in the year, referred to later, represent part of the increase. A contribution to the year's earnings came from all departments as a result of direct and indirect supplies for the War effort. The provision for depreciation has been increased to take care of the new properties.

The net profit for the year, before income taxes, amounts to \$1,301,438.65 and in the previous year was \$924,942.39. After a provision for Dominion and Provincial income and excess profits taxes of \$714,198.06 in 1940 and \$295,347.93 in 1939, there was left a net of \$587,240.59 compared with \$629,594.46 a year ago.

The parent company purchased the assets of three subsidiaries on the basis of the appraised values of the fixed properties and the capital surplus arising therefrom has been written off Goodwill. A further appropriation from earned surplus for the same purpose reduces the Goodwill by the total amount of \$750,000.00 to \$2,500,000.00.

The \$200,000.00 of Serial Debentures falling due in November were paid off, and \$1,500.00 par value of the Preference Shares of Alberta Wood Preserving Company, Limited, and \$25,484.00 par value of the Preference Shares of Industrial Minerals Limited were purchased. Expenditures on extensions and improvements to plants, together with the value of the new property acquired, amounted to \$1,035,312.03.

During the year opportunity was taken to round out the Company's interest in the salt industry by the acquisition of the entire capital stock of The Dominion Salt Company, Limited.

The net result of the above transactions amounts to a reduction in the working capital of \$538,214.58 to \$2,418,351.09.

Under War conditions it is impossible to predict the course of your business with any degree of certainty, but barring unforeseen conditions your directors feel that the year's business will be satisfactory.

Your directors desire to record their appreciation of the continued loyalty and excellent work of the officers and staff.

On behalf of the board,

LIONEL O. P. WALSH,  
President.



# DOMINION TAR & CHEMICALS AND SUBSIDIARIES

## CONSOLIDATED

### ASSETS

	<u>As at 31st Dec., 1939</u>	<u>As at 31st Dec., 1940</u>
<b>CURRENT AND WORKING ASSETS:</b>		
Cash .....	\$ 524,105.46	\$ 302,634.47
Accounts and bills receivable—less reserves .....	1,407,432.57	1,494,036.87
Inventory of finished products, raw materials and supplies, as determined from the companies' records, valued at or below cost and as certified to by officials of the companies .....	1,845,821.26	2,156,735.18
Unexpired insurance .....	17,754.61	19,204.82
Marketable securities .....	43,040.47	1,611.30
Book value of life insurance policies .....	55,800.00	55,800.00
	<b>\$3,893,954.37</b>	<b>\$4,030,022.64</b>
<b>INVESTMENTS:</b>		
Secured loans and advances to employees .....	42,327.00	33,532.08
<b>FIXED ASSETS:</b>		
Valued at cost, except in the case of the value of those subsidiary companies' properties which were appraised in 1927 by Ford, Bacon & Davis Inc. The properties of three subsidiaries were acquired by the parent company during the year at prices based upon appraisals by Canadian Appraisal Company Limited, in 1940.		
Land .....	836,810.30	1,106,918.43
Buildings, plant, machinery, equipment and mineral lease .....	8,391,166.50	9,094,523.95
	<b>\$9,227,976.80</b>	<b>\$10,201,442.38</b>
Less: Reserves for depreciation .....	3,929,000.81	3,787,751.97
	<b>\$5,298,975.99</b>	<b>\$6,413,690.41</b>
<b>GOODWILL:</b>		
Represented by the amount paid for shares of subsidiary companies in excess of the book value of the net tangible assets applicable thereto, less amounts written off .....	3,250,000.00	2,500,000.00

#### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Dominion Tar & Chemical Company Limited for the year ended 31st December, 1940, and the books and accounts of subsidiary companies, with the exception of three subsidiaries whose accounts, which have been examined and reported upon by other Chartered Accountants, are included in the above Consolidated Balance Sheet. We have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the companies.

(Signed) McDONALD, CURRIE & CO.,

Montreal, 25th February, 1941.

*Chartered Accountants.*

APPROVED ON BEHALF OF THE BOARD:

H. S. HOLT  
LIONEL O. P. WALSH } *Directors.*

\$12,485,257.36

\$12,977,245.13



# CAL COMPANY LIMITED

## Y COMPANIES

### BALANCE SHEET

#### LIABILITIES

	As at 31st Dec., 1939	As at 31st Dec., 1940
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities.....	\$ 524,949.22	\$ 742,721.89
Accrued interest on debentures.....	23,275.00	22,400.00
Provision for income and other taxes.....	316,090.23	773,501.66
Dividends declared on preference stocks—		
Alberta Wood Preserving Company Limited.....	3,843.00	3,816.75
Dominion Tar & Chemical Company Limited.....	69,231.25	69,231.25
	<u>\$ 937,388.70</u>	<u>\$ 1,611,671.55</u>
<b>SECURED DEBENTURES:</b>		
Total authorized issue.....	\$7,500,000.00	
Serial debentures 3½% Series "A" due 15th November, 1941 to 1944.....	1,000,000.00	800,000.00
15 Year debentures 4½% Series "A" due 15th Novem- ber, 1951.....	3,360,000.00	3,360,000.00
<b>CAPITAL AND SURPLUS:</b>		
<i>Preference Stocks—</i>		
Dominion Tar & Chemical Company Limited—		
5½% Cumulative preference stock		
Authorized—		
75,000 shares of \$100.00 each.....	\$7,500,000.00	
Issued and fully paid—		
50,350 shares.....	5,035,000.00	5,035,000.00
(Redeemable upon sixty days' notice at 110% and accrued dividends).		
Alberta Wood Preserving Company Limited—		
7% Cumulative redeemable preference stock:		
Authorized and issued—		
3,455 shares of \$100.00 each....	\$ 345,500.00	
Outstanding in the hands of the public.....	219,600.00	218,100.00
(Redeemable upon sixty days' notice at 105% and accrued dividends.)		
Industrial Minerals Limited—		
Authorized and issued—		
11,039 5% First preference non- cumulative shares of \$10.00 each..	\$ 110,390.00	
122,892 4% Second preference non- cumulative shares of \$1.00 each....	\$ 122,892.00	
Outstanding in the hands of the public—		
4,053 First preference shares.....	51,580.00	40,530.00
41,103 Second preference shares.....	55,537.00	41,103.00
<i>Common Stock—without nominal or par value—</i>		
Authorized—450,000 shares		
Issued and fully paid—373,884 shares.....	711,253.00	711,253.00
<i>Earned Surplus—</i> as per attached statement.....	<u>1,114,898.66</u>	<u>1,159,587.58</u>
<b>TOTAL CAPITAL AND SURPLUS.....</b>	<u>7,187,868.66</u>	<u>7,205,573.58</u>
	<u>\$12,485,257.36</u>	<u>\$12,977,245.13</u>

DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED  
AND SUBSIDIARY COMPANIES

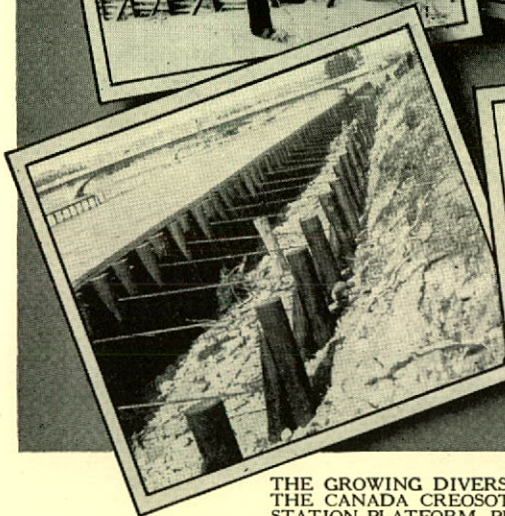
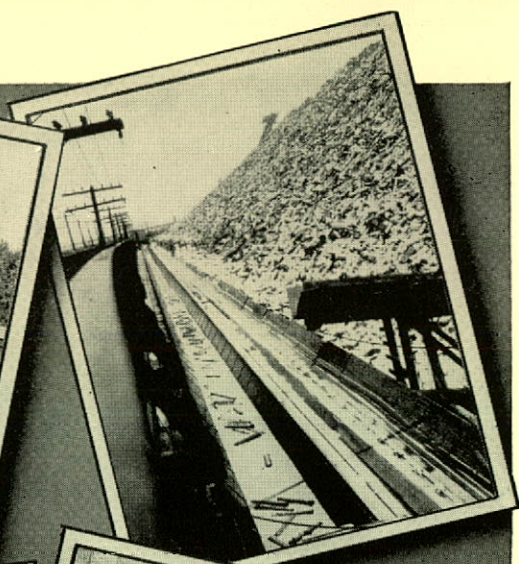
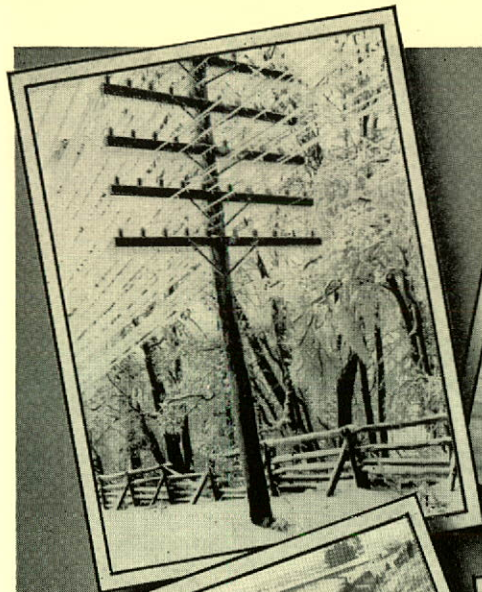
*Consolidated General Statement of Income and Expenditure  
For the Year ended 31st December, 1940*

Net Operating Profit—before making the following deductions.....		\$2,010,053.45
Legal expense.....	\$ 4,391.33	
Salaries and fees paid to executive officers.....	98,118.57	
Fees paid to other directors.....	4,769.25	
	107,279.15	
		\$1,902,774.30
Interest on debentures.....	\$ 185,325.00	
Provision for depreciation.....	416,010.65	
Provision for income taxes.....	714,198.06	
	1,315,533.71	
Net Profit for the year.....		\$ 587,240.59

*Consolidated Statement of Earned Surplus  
For the Year Ended 31st December, 1940*

Balance at Credit of profit and loss account as at 31st December, 1939.....		\$1,114,898.66
<i>Add:</i>		
Net profit for the year.....	\$ 587,240.59	
Net profit on sale of marketable securities and discount on preferred shares purchased.....	23,001.12	
	610,241.71	
		\$1,725,140.37
<i>Deduct:</i>		
Dividends on preference stocks— Alberta Wood Preserving Company Limited.....	\$ 15,319.50	
Dominion Tar & Chemical Company Limited.....	276,925.00	
	292,244.50	
		\$1,432,895.87
<i>Deduct:</i>		
Amount written off goodwill account.....	\$ 750,000.00	
Less: Net capital profit arising from the appraisal of certain of the properties of the companies.....	476,691.71	
	273,308.29	
Balance at Credit of profit and loss account as at 31st December, 1940.....		\$1,159,587.58





THE GROWING DIVERSITY OF USES FOR PRESSURE-CREOSOTED TIMBER SUPPLIED BY THE CANADA CREOSOTING COMPANY LIMITED IS ILLUSTRATED BY THE POLE LINE, STATION PLATFORM, PULPWOOD FLUME, RETAINING WALL, BRIDGE AND FOUNDATION PILING PICTURED HERE.



# VITAL WAR INDUSTRY DEPENDS ON MURRAY BUILT-UP PITCH AND GRAVEL ROOF

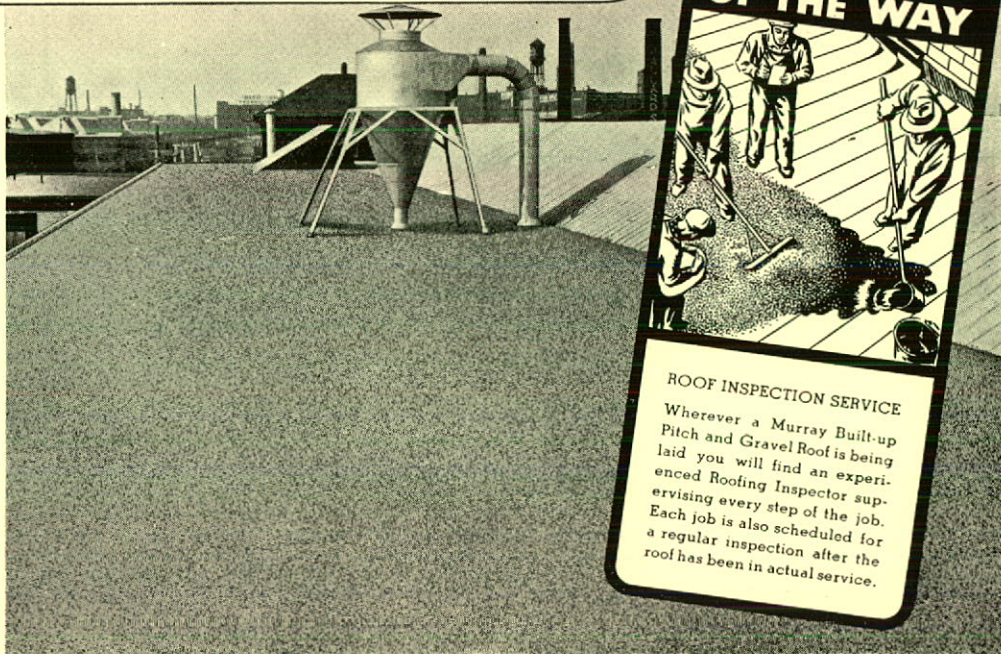
*For Protection From "Weather Trouble"*



Yes, a roof too may go to war. Here in this humming factory where the standing order is "full speed ahead," nothing avoidable is allowed to retard or interrupt the production schedule . . . not for a single moment. For complete protection from the annoying troubles an inefficient roof could cause, the Canadian plant of the John Inglis Company, engaged in the production of machine guns and vital war materials, depends on a Murray Built-Up Pitch and Gravel Roof.

Isn't it the same with your roofing problem? You want the best, measured in terms of years of weather protection and you want that best to include maximum value for every dollar you spend on it.

Let us look into your roofing situation and explain just how we can give you exactly what you want—all the way.



## INSPECTED EVERY STEP OF THE WAY



### ROOF INSPECTION SERVICE

Wherever a Murray Built-up Pitch and Gravel Roof is being laid you will find an experienced Roofing Inspector supervising every step of the job. Each job is also scheduled for a regular inspection after the roof has been in actual service.

*Newly laid Murray Built-Up Pitch and Gravel Roof on Machine Gun Factory*

# Alexander MURRAY & Company

LIMITED

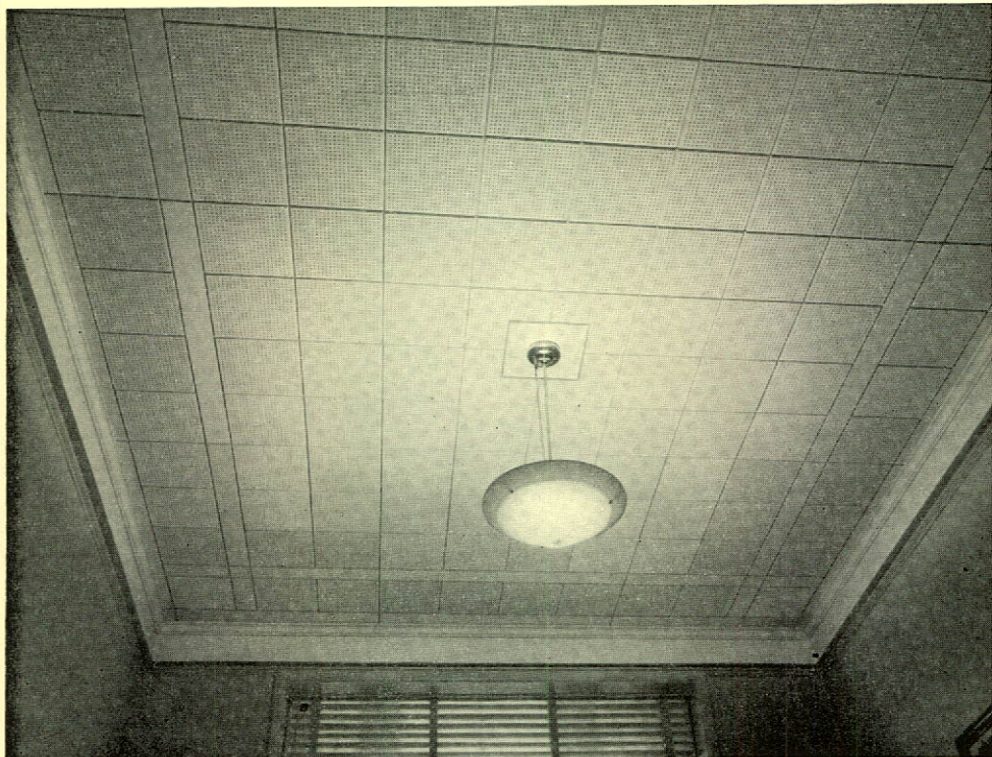
MONTREAL • TORONTO • HALIFAX • SAINT JOHN • WINNIPEG • VANCOUVER

Affiliated with Dominion Tar & Chemical Co. Limited—Canada Creosoting Company Limited

Donnacona Insulating and  
Hardboard Products  
Donnacousti (for noise quieting)  
Asphalt Shingles  
and Roll Roofings  
Tarred and Asphalt Felts

Sheathings  
Coal Tar and Pitches  
Creosote Oils and Stains  
Anti-corrosive Paints  
Waterproofing Compounds  
Disinfectants





*Noise is a Nuisance*

.... and a Costly One

**“DONNACOUSTI”**

.... absorbs it

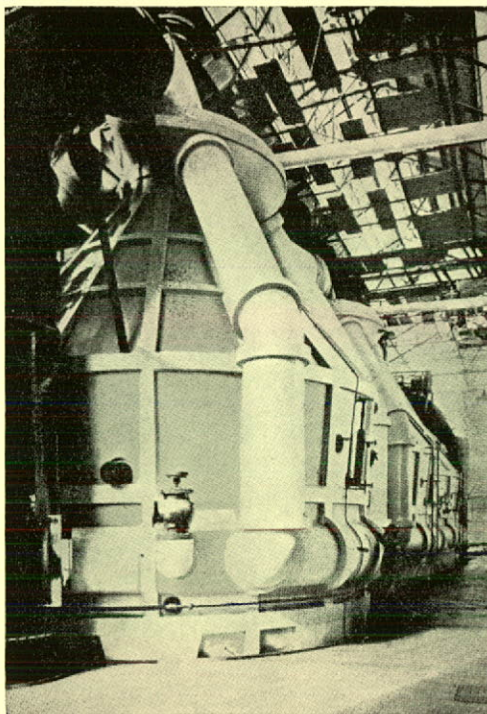
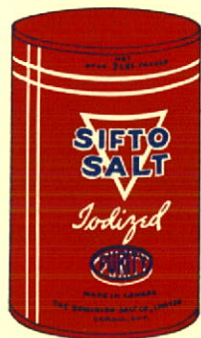
**T**HE PROBLEM of noise reduction in homes and business premises, which at one time presented seemingly insurmountable difficulties, has now been solved in a simple, economical and thoroughly practical manner by the use of Donnacousti, a permanent sound-absorbing tile.

Donnacousti Sound Absorbing Tile is made in several different types or thicknesses, each with its own established co-efficient of absorption. This permits the selection of material best suited to the function of the room, the type of construction, furnishings and other details governing acoustical conditions.

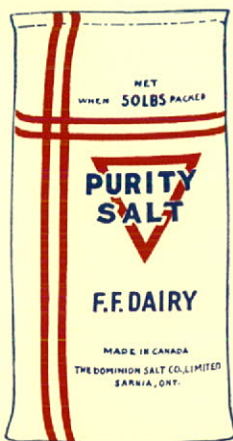
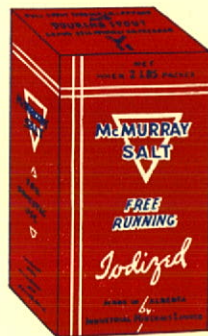
*One of the Donnacona family of Insulating and Decorative Products*

*Alexander* **MURRAY** & Company

MONTREAL TORONTO HALIFAX SAINT JOHN, N.B. WINNIPEG VANCOUVER



TRIPLE EFFECT VACUUM PANS



THE DOMINION SALT COMPANY LIMITED  
SARNIA, ONT.



INDUSTRIAL MINERALS LIMITED  
WATERWAYS, ALTA.

## SALT DIVISION







