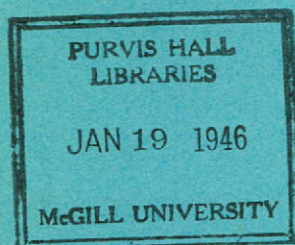


DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED

AND SUBSIDIARY COMPANIES

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ANNUAL  
REPORT  
1-9-4-1





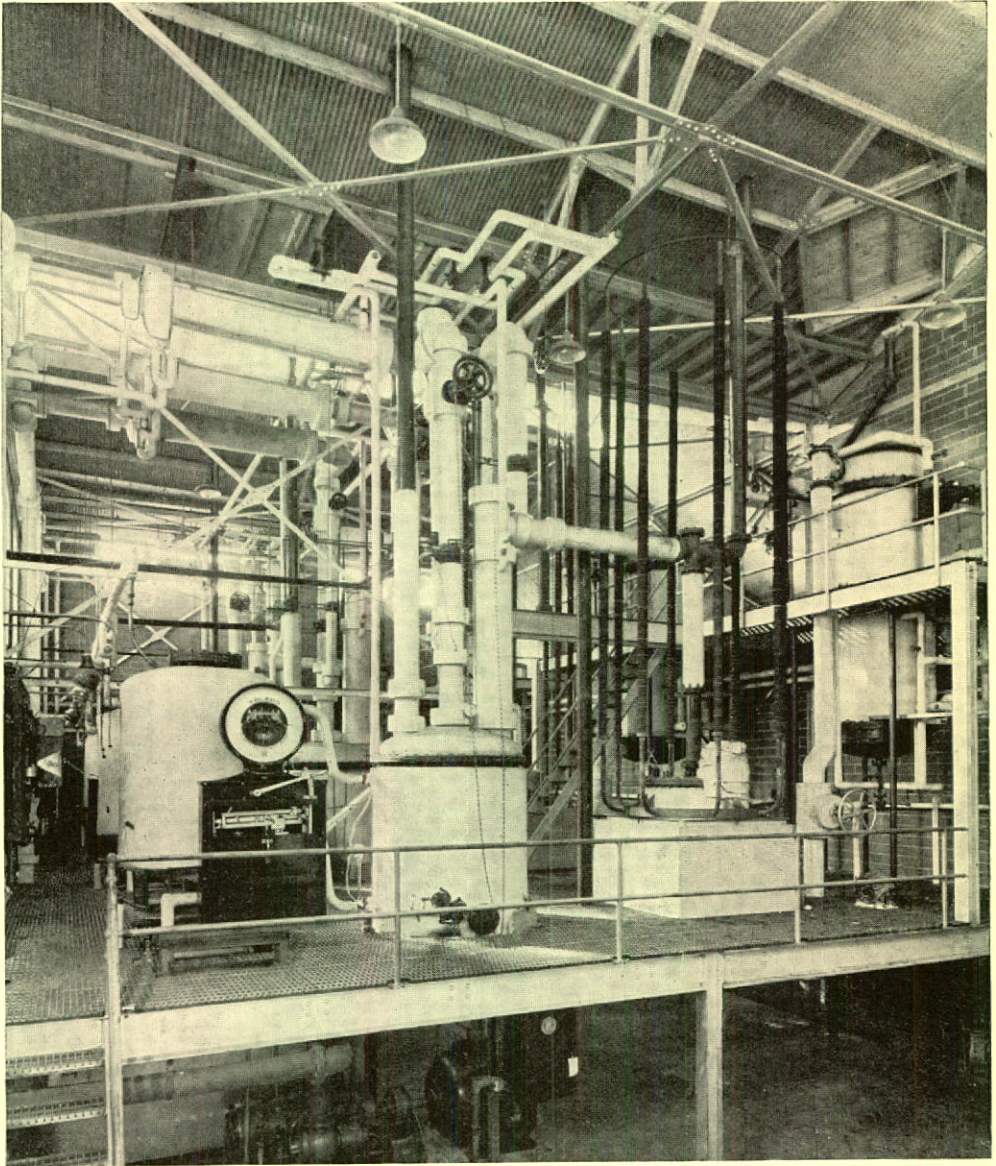
DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED

AND SUBSIDIARY COMPANIES



ANNUAL  
REPORT  
1-9-4-1

# PHTHALIC ANHYDRIDE UNIT



This new unit of our chemical section is now completed and in full operation. Phthalic Anhydride is an intermediate compound which forms the basis of a large series of important chemical derivatives.

# PHENOL REFINERY



This plant was completed in 1932. Extensions are now contemplated to take care of war-time demands. The products of this refinery supply requirements for the plastic, mining, disinfecting, petroleum refining, and textile industries, etc.

## THE TAR & CHEMICAL DIVISION

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

# 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, 1941

## *Directors*

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

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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, 1941.

The net operating profit, before charging debenture interest, depreciation reserve and income tax reserve, at \$2,292,999.41, compares with \$1,902,774.30 in 1940, an increase of \$390,225.11.

The profit, before income taxes, at \$1,639,674.41 compares with \$1,301,438.65 in 1940, an increase of \$338,235.76. After a provision of \$996,354.52 for income and excess profits taxes, against \$714,198.06 for 1940, there remains \$643,319.89 net profit against \$587,240.59 in 1940.

All divisions have benefited from increased business and are successfully meeting the heavy demands made on your Company arising from the war. Export shipments of Coal Tar products rose in volume in a marked degree, making a material contribution to the earnings.

Expenditures on capital account amounted to \$637,400.61. An arrangement with the Government was made to erect a plant to manufacture Phthalic Anhydride which accounted for a considerable portion of the above. The plant is now operating and shipments of this chemical are being made. The balance of capital expenditures were for extensions and improvements to plants and equipment. It is anticipated there will be further heavy capital expenditures required for the production of Coal Tar derivatives needed for war purposes.

The capital structure of the Company has been further simplified by the transfer of the assets of three Subsidiary Companies to the parent Company on the basis of the appraised value and the capital surplus arising therefrom has been written off Goodwill. A further appropriation from earned surplus for the same purpose reduces Goodwill by the total amount of \$750,000.00 to \$1,750,000.00.

The \$200,000.00 of Serial Debentures falling due in November were paid off. \$2,100.00 par value of Preference Shares of Alberta Wood Preserving Company, Limited, and \$2,313.00 par value of the Preference Shares of Industrial Minerals Limited, were purchased.

Working Capital amounts to \$2,402,123.02, slightly reduced from \$2,418,351.09 a year ago.

It is with regret we record the death of Sir Herbert S. Holt whose guidance and counsel for many years has been of great assistance in the direction of the Company's affairs.

Your Directors wish to acknowledge the loyalty, initiative and excellent work performed by the officers and staff under most trying conditions.

On behalf of the board,

LIONEL O. P. WALSH,  
President.

# DOMINION TAR & CHEMICAL COMPANY AND SUBSIDIARIES

## CONSOLIDATED

### ASSETS

	<u>As at 31st Dec., 1940</u>	<u>As at 31st Dec., 1941</u>
<b>CURRENT AND WORKING ASSETS:</b>		
Cash.....	\$ 302,634.47	\$ 439,331.01
Accounts and bills receivable—less reserves.....	1,494,036.87	2,380,639.83
Inventory of finished products, raw materials and supplies, as determined from the companies' records, valued at or below cost and as certified by officials of the companies.....	2,156,735.18	1,814,042.42
Unexpired insurance.....	19,204.82	16,201.90
Marketable securities.....	1,611.30	—
Book value of life insurance policies.....	55,800.00	55,800.00
	<u>\$ 4,030,022.64</u>	<u>\$4,706,015.16</u>
<b>INVESTMENTS:</b>		
Shares of other companies at cost and advances to employees.....	33,532.08	29,126.80
<b>FIXED ASSETS:</b>		
Valued at cost, except in the case of properties acquired from subsidiary companies which are valued on the basis of appraisals by Canadian Appraisal Company Limited in 1940 and 1941.		
Land.....	1,106,918.43	930,197.44
Buildings, plant, machinery, equipment and mineral lease.....	9,094,523.95	8,685,769.26
	<u>\$10,201,442.38</u>	<u>\$9,615,966.70</u>
Less: Reserves for depreciation.....	3,787,751.97	2,642,472.14
	<u>\$ 6,413,690.41</u>	<u>\$6,973,494.56</u>
<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.....	2,500,000.00	1,750,000.00

#### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Dominion Tar & Chemical Company Limited for the year ended 31st December 1941, 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.

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.

McDONALD, CURRIE & CO.,  
*Chartered Accountants.*

Montreal, 4th March, 1942.

Approved on behalf of the Board:

LIONEL O. P. WALSH }  
R. D. BELL } *Directors.*

<u>\$12,977,245.13</u>	<u>\$13,458,636.52</u>
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# CAL COMPANY LIMITED

## Y COMPANIES

### ALANCE SHEET

### LIABILITIES

	As at 31st Dec., 1940	As at 31st Dec., 1941
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities . . . . .	\$ 742,721.89	\$ 1,195,860.19
Accrued interest on debentures . . . . .	22,400.00	21,525.00
Provision for income and other taxes . . . . .	773,501.66	1,013,495.70
Dividends declared on preference stocks—		
Alberta Wood Preserving Company Limited . . . . .	3,816.75	3,780.00
Dominion Tar & Chemical Company Limited . . . . .	69,231.25	69,231.25
	\$ 1,611,671.55	\$ 2,303,892.14
<b>SECURED DEBENTURES:</b>		
Total authorized issue . . . . .	\$7,500,000.00	
Serial debentures 3½% Series "A" due 15th November, 1942 to 1944 . . . . .	800,000.00	600,000.00
15 Year debentures 4½% Series "A" due 15th Novem- ber, 1951 . . . . .	3,360,000.00	3,360,000.00
<b>CAPITAL STOCK 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 preferred stock:		
Authorized and issued—		
3,455 shares of \$100.00 each . . . . .	\$ 345,500.00	
Outstanding in the hands of the public . . . . .	218,100.00	216,000.00
(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		
4,008 First preference shares . . . . .	40,530.00	40,080.00
39,240 Second preference shares . . . . .	41,103.00	39,240.00
<i>Common Stock—</i>		
Authorized—		
450,000 shares without nominal or par value—		
Issued and fully paid—373,884 shares . . . . .	711,253.00	711,253.00
<i>Earned Surplus—</i> as per attached statement . . . . .	1,159,587.58	1,153,171.38
	\$ 7,205,573.58	\$ 7,194,744.38
	\$12,977,245.13	\$13,458,636.52

# DOMINION TAR & CHEMICAL COMPANY LIMITED

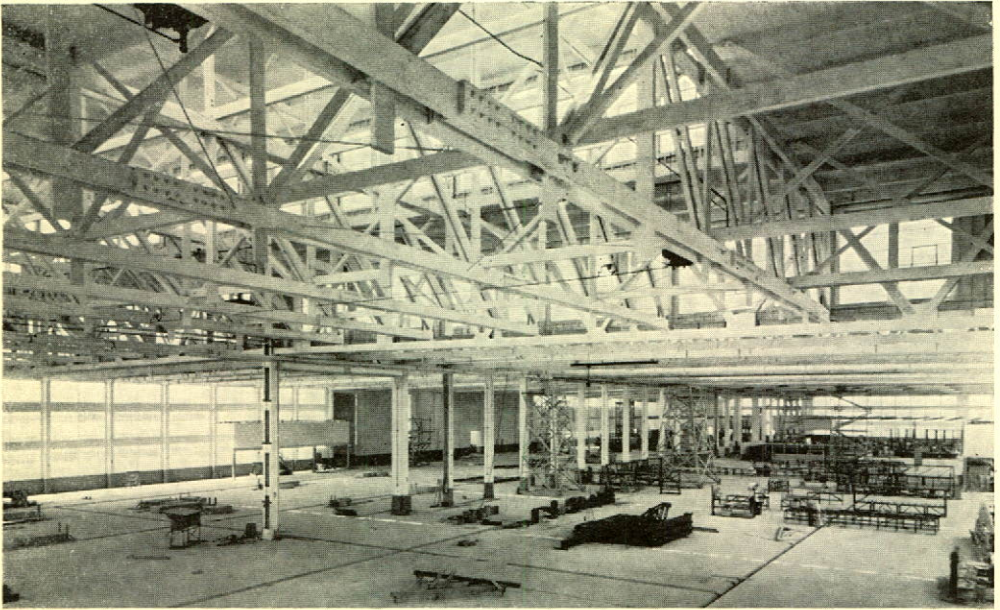
AND SUBSIDIARY COMPANIES

## *Consolidated General Statement of Income and Expenditure For the Year ended 31st December, 1941*

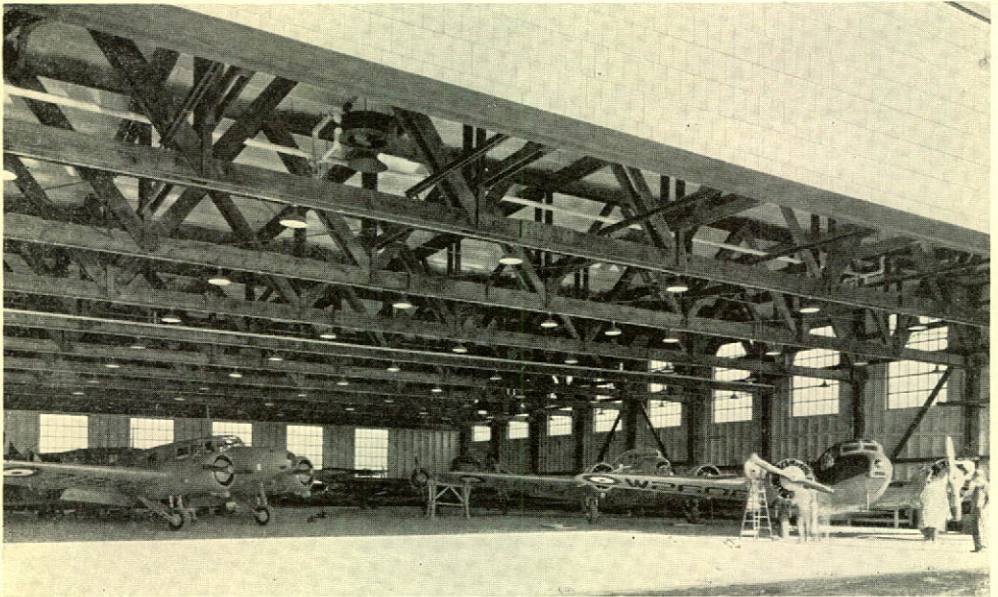
<i>Net Operating Profit</i> —before making the following deductions.....	\$2,416,049.72
Legal expense.....	\$ 16,126.25
Salaries and fees paid to executive officers.....	101,556.08
Fees paid to other directors.....	5,367.98
	123,050.31
	\$2,292,999.41
Interest on debentures.....	\$ 178,325.00
Provision for depreciation.....	475,000.00
Provision for income taxes.....	996,354.52
	1,649,679.52
<i>Net Profit</i> for the year.....	\$ 643,319.89

## *Consolidated Statement of Earned Surplus For the Year Ended 31st December, 1941*

<i>Balance at Credit</i> of profit and loss account as at 31st December, 1940.....	\$1,159,587.58
<i>Add:</i>	
Net profit for the year.....	\$ 643,319.89
Net loss on sale of marketable securities less discount on preferred shares purchased.....	5,036.88
	638,283.01
	\$1,797,870.59
<i>Deduct:</i>	
Dividends on preference stocks— Alberta Wood Preserving Company Limited.....	\$ 15,177.75
Dominion Tar & Chemical Company Limited.....	276,925.00
	292,102.75
	\$1,505,767.84
<i>Deduct:</i>	
Amount written off goodwill account....	\$ 750,000.00
<i>Less:</i> Capital profit arising from the appraisal of certain of the properties of the companies.....	397,403.54
	352,596.46
<i>Balance at credit</i> of profit and loss account as at 31st December, 1941.....	\$1,153,171.38



BOEING AIRCRAFT CO. OF CANADA LTD.—MAIN AIRCRAFT PLANT



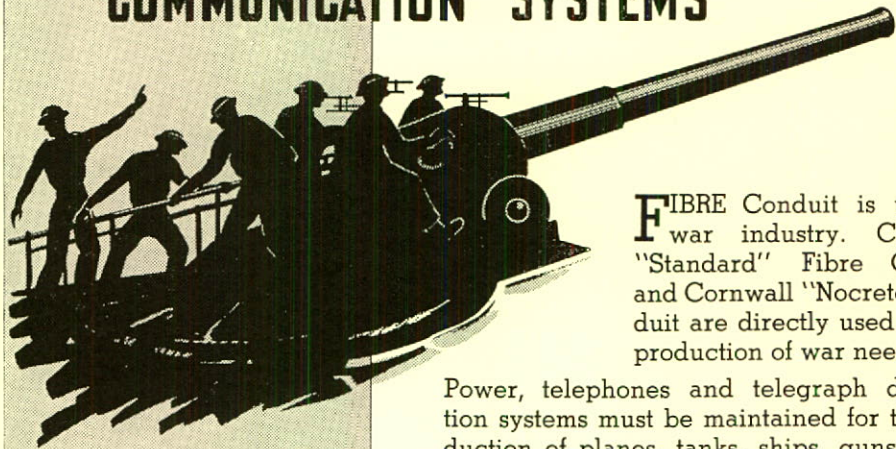
DE HAVILAND AIRCRAFT CO.—PLANE OVERHAUL BUILDING

Two of the many industrial buildings constructed of pressure-treated timber  
—designed and fabricated by this division.

THE CREOSOTING DIVISION

# CORNWALL FIBRE CONDUIT

## PROTECTING CANADA'S VITAL POWER & COMMUNICATION SYSTEMS

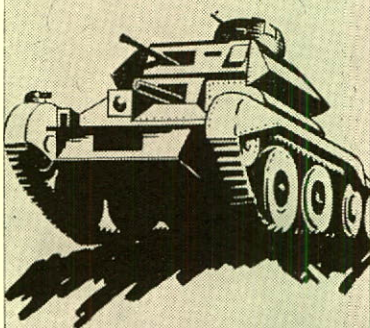


FIBRE Conduit is today a war industry. Cornwall "Standard" Fibre Conduit and Cornwall "Nocrete" Conduit are directly used for the production of war needs.

Power, telephones and telegraph distribution systems must be maintained for the production of planes, tanks, ships, guns, munitions and chemicals.

At airports, where the safety of passenger, bomber and training craft rely on adequate and dependable field lighting, contact lights, boundary lights, beacons and markers, the cables are safely underground in Cornwall "Nocrete" Conduit.

Thus Canada's new power plants, substations and distribution system are protecting their vital power-carrying cables against electrolytic and chemical corrosion by placing them underground in Cornwall Fibre Conduit, ensuring continuity of Service so necessary in Canada's War Effort.



### FIBRE CONDUIT DIVISION



CORNWALL - ONTARIO





Science and art combine in Murray building materials to make buildings comfortable and economical to live in and attractive to look at.

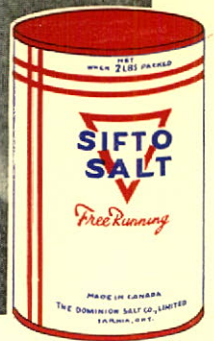
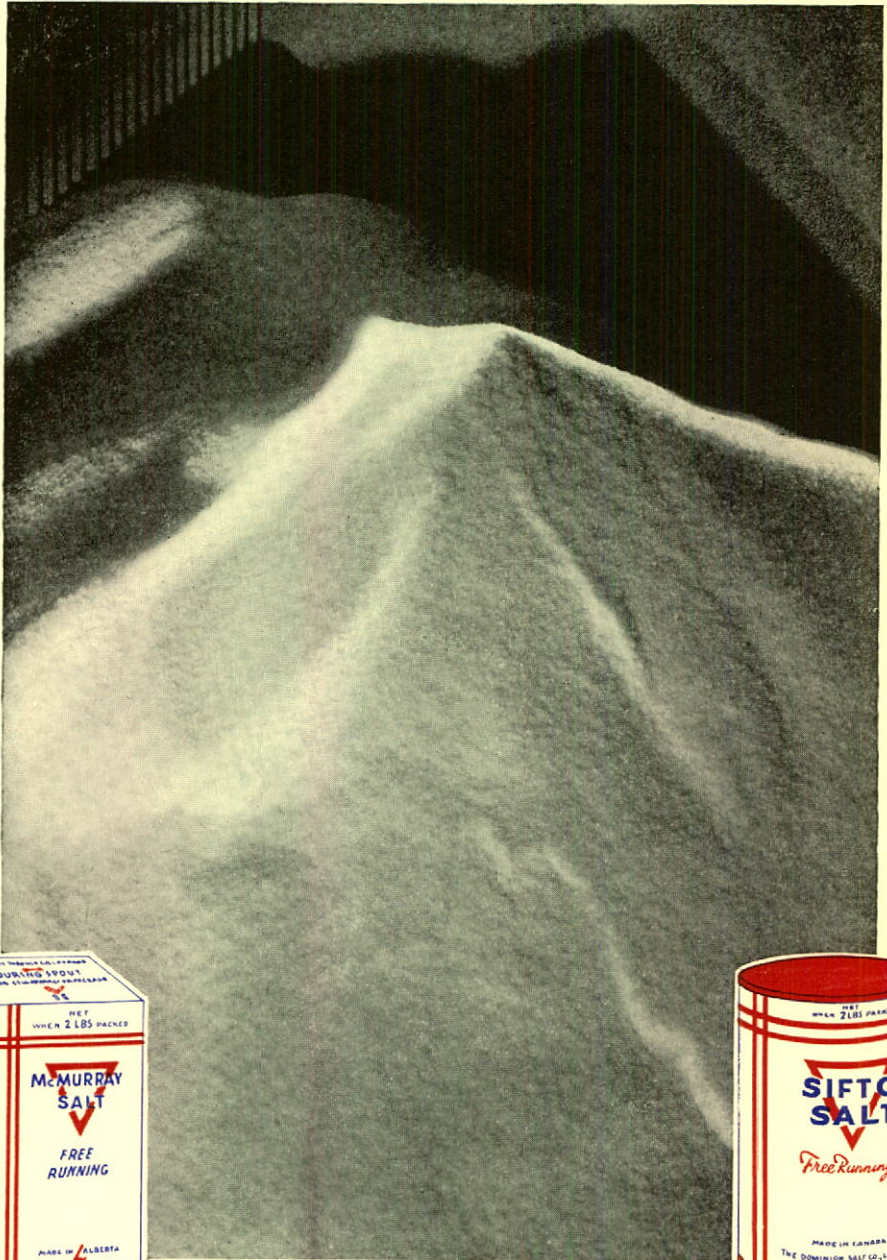
**MURRAY PRODUCTS INCLUDE**

Donnacona Insulating Board and Plaster Base—Donnacona Hardboard—Donnacousti (for noise quieting)—Murray Registered Roofs of Built-Up Pitch and Gravel—Murray Asphalt Shingles—Roll Roofing and Building Papers—Fibreen—Insulated Brick Siding—Waterproofing and Preserving Coatings, Paints and Stains.

*Alexander* **MURRAY** *& Company*  
LIMITED

*Division of*

DOMINION TAR & CHEMICAL COMPANY LIMITED  
Montreal . Toronto . Halifax . Saint John . Winnipeg . Vancouver



## THE SALT DIVISION

INDUSTRIAL MINERALS LTD.  
WATERWAYS, ALTA.

THE DOMINION SALT CO. LTD.  
SARNIA, ONT.



