

C
stock

ASBESTOS CORPORATION LIMITED

(INCORPORATED 1925)

DIRECTORS:

R. W. STEELE, *President and Managing Director*
C. W. COLBY, M.A., Ph.D., *Vice-President* KENNETH T. DAWES, *Vice-President*
W. A. ARBUCKLE A. H. PARADIS
G. R. COTTRELLE LIEUT.-COL. J. G. ROSS
J. C. H. DUSSAULT, K.C. H. P. THORNHILL

OFFICERS:

LIEUT.-COL. J. G. ROSS, *General Manager* GEORGE DICK, *Manager*
A. L. PENHALE, *Secretary* WM. COOLING, *Treasurer*

SEVENTEENTH ANNUAL REPORT
For the Period of Twelve Months
Ending 31st December, 1942

MONTREAL, January 26, 1943.

To the Shareholders of
ASBESTOS CORPORATION LIMITED:

Your Directors submit the Seventeenth Annual Report of the Company with Balance Sheet and Profit and Loss Account for the year ending December 31st, 1942, as certified by your Auditors, Messrs. Price, Waterhouse and Company.

The Profit for the year after charging all expenses including taxes but before Depreciation and Depletion amounted to \$1,477,553.11. From this amount \$407,928.79 was set aside in the reserve for Depreciation and Depletion leaving a balance \$1,069,624.32. Dividends of \$840,000.00 were paid, \$150,000.00 was added to the General Reserve Account and \$79,624.32 was added to Surplus Account.

As payments of Dominion Income Tax have now to be remitted monthly it seemed wise to bring these payments up to date to accord with the Company's fiscal year, so that there is now owing on the Dominion Income Tax for 1942 only \$23,000. The Department of National Revenue has recently reversed a previous ruling and is now claiming income tax on \$281,186.95 written off our profits in 1940, because of balances owing by customers in France and Belgium at the time of the German occupation. A reserve of \$85,000 has accordingly been set up against our Earned Surplus Account to cover this amount should it become necessary to make this payment. The balance of the Reserve for taxes of \$184,616.01 is largely on account of the Quebec Mining Tax.

A payment of \$50,000.00 was added during the year to the Pension Trust Fund.

The market for asbestos has continued strong throughout the year. The tonnage volume of sales was somewhat lower than that of a year ago, but the dollar value was higher, due to increased sales of the higher priced long grade fibres which have been and continue to be in heavy demand for war purposes. Fairly heavy inventory stocks of these grades have been shipped during 1942 and will not be available during 1943. As these grades are an essential war material some expansion which would not ordinarily be considered, may become necessary purely as a war measure. Probably 85% to 90% of the Company's products are now going directly or indirectly into the war effort.

The King, Beaver, British Canadian and Vimy Mines have operated to capacity during the entire year. As predicted in the last report, the cost of operating has increased due principally to cost of living bonuses which were paid throughout the year, but also to higher cost of material and supplies.

As it appeared improbable that the Maple Leaf Mine, due to its short fibre content, would ever be reopened it was decided to reduce maintenance and taxes by dismantling and removing that mill. Much of the equipment is of use in our other mills and the balance, together with the buildings, has been sold.

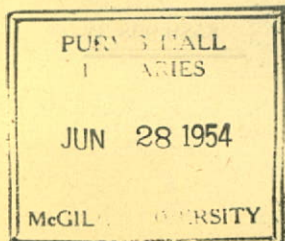
May we bring to your attention the good record of our employees in subscriptions to Victory Loans and the purchase of War Savings Certificates. Subscriptions to Victory Loans amounted to \$150,000.00 and purchase of War Savings Certificates to \$48,772.20, the latter averaging \$27.10 per employee and representing a subscription of some amount by every employee of the Company. In addition there was liberal support of the Red Cross.

We regret to announce the retirement on pension of our Secretary-Treasurer, Mr. J. T. McCallum, owing to ill health. Mr. McCallum has completed practically thirty years with this Company or its predecessors and your directors wish to record their appreciation of his long and able service.

Your directors would mention once again the loyal and efficient support rendered by the officers, staff and employees of the Corporation throughout the year.

On behalf of the Board of Directors,

R. W. STEELE,
President.



ASBESTOS CORP

BALANCE SHEET, D

ASSETS

CURRENT ASSETS:

Canadian Government Securities.....	\$1,596,600.00	
(Market Value \$1,597,875)		
Inventories of stocks on hand, as determined by responsible officials of the Company, valued as to asbestos at standard rates, which are lower than market price, and as to Materials and Supplies at laid down cost—		
Asbestos.....	\$818,745.57	
Materials and Supplies.....	693,610.45	1,512,356.02
Accounts and Bills Receivable.....	\$646,027.44	
LESS: Reserve for Bad and Doubtful Accounts.....	34,328.02	611,699.42
Cash on hand and in banks.....		211,228.83
		\$3,931,884.27

DEFERRED CHARGES TO OPERATIONS:

Prepaid Taxes and Insurance, etc.....		82,526.38
---------------------------------------	--	-----------

PROPERTIES:

Mineral Areas and Development, Real Estate, Plant and Equipment stated at the written down value as determined by the Management on the reorganization of the Company in 1932, plus subsequent additions at cost.....	\$7,708,687.45	
LESS: Reserves for Depreciation and Depletion.....	5,635,100.32	2,073,587.13
		\$6,087,997.78

APPROVED ON BEHALF OF THE BOARD:

R. W. STEELE, Director

J. G. ROSS, Director

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1942

Profit from Operations for the year ending December 31, 1942, before providing for the items undernoted.....		\$2,068,741.03
Interest on Investments.....	\$39,603.88	
Miscellaneous Revenue.....	52,344.53	91,948.41
		\$2,160,689.44
Executive Salaries.....	\$ 64,713.13	
Legal Fees.....	423.20	
Directors' Fees.....	8,000.00	
Provision for Depreciation and Depletion.....	407,928.79	
Contribution to Pension Fund.....	50,000.00	531,065.12
Net Profits for year.....		\$1,629,624.32
Provision for Dominion Taxes.....	\$560,000.00	
Transfer to General Reserve.....	150,000.00	710,000.00
		\$919,624.32
Quarterly Dividends equivalent to 75c per share.....	\$450,000.00	
Extra Dividends equivalent to 65c per share.....	390,000.00	840,000.00
		\$ 79,624.32
ADD: Surplus, December 31, 1941.....	\$595,284.06	
LESS: Provision for 1940 Income Taxes in dispute.....	85,000.00	510,284.06
Earned Surplus, December 31, 1942.....		\$589,908.38

ASBESTOS CORPORATION LIMITED

DECEMBER 31st, 1942

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities	\$ 254,331.39	
Dominion, Provincial and Other Taxes	184,616.01	\$ 438,947.40

GENERAL RESERVE: 1,150,000.00

CAPITAL STOCK:

Represented by 600,000 Shares of No Par Value issued out of a total authorized issue of 1,200,000 Shares..... 2,909,142.00

SURPLUS:

Distributable Surplus	\$1,000,000.00	
Earned Surplus, per statement attached.....	589,908.38	1,589,908.38

\$6,087,997.78

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Asbestos Corporation Limited for the year ending December 31, 1942, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at December 31, 1942 is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

PRICE, WATERHOUSE & CO.

MONTREAL, January 22, 1943.

Auditors.

January 13, 1943.

To the President and Directors,
Asbestos Corporation Limited.

The following summary report of operations on the properties of your Company for 1942 is submitted.

Mills at the King, Beaver, British-Canadian and Vimy Mines were operated throughout the year. The amount of ore milled was increased 19.8% over 1941, and the tonnage of fibre produced showed an improvement of 16.3% over the previous year.

The British-Canadian Mill was in operation eight months longer than in 1941.

Improvement in the grades of fibre produced at all mills was the result of the installation of special equipment devised by the staff.

Underground work on the 900 ft. level of the King Mine was advanced by 5,958 feet of drifting and raising.

A stripping programme was begun at the Beaver Pit, and 51,269 yards of overburden were removed.

A change-house for underground and pit workmen was built at the Beaver Mine.

Diamond drilling, totalling 2,819 feet of core disclosed the presence of bodies of Chrome ore near Caribou Lake.

The support of the staff and employees throughout the year is brought to your attention.

Respectfully submitted,

J. G. ROSS,

General Manager and Director.

**ASBESTOS CORPORATION
LIMITED**

SEVENTEENTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE PERIOD OF TWELVE MONTHS ENDING
31st DECEMBER, 1942

DIRECTORS:

R. W. STEELE, *President and Managing Director*

C. W. COLBY, M.A., Ph.D., *Vice-President*

KENNETH T. DAWES, *Vice-President*

W. A. ARBUCKLE

A. H. PARADIS

G. R. COTTRELL

LIEUT.-COL. J. G. ROSS

J. C. H. DUSSAULT, K.C.

H. P. THORNHILL

Head Office:

MONTREAL JUN 28 1954

Mines Office:

THETFORD MINES, P.Q.

