

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
J. C. H. DUSSAULT, K.C. LIEUT.-COL. J. G. ROSS
F. E. NOTEBAERT H. P. THORNHILL

OFFICERS:

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

EIGHTEENTH ANNUAL REPORT For the Period of Twelve Months Ending 31st December, 1943

MONTREAL, January 24th, 1944.

To the Shareholders of

ASBESTOS CORPORATION LIMITED:

Your Directors submit the Eighteenth Annual Report of the Company with Balance Sheet and Profit and Loss Account for the year ending December 31st, 1943, as certified by your Auditors, Messrs. Price, Waterhouse & Company.

The Profit for the year after charging all expenses including taxes, but before Depreciation amounted to \$1,142,030.38. From this amount a sum of \$284,619.81 was set aside for Depreciation leaving a balance of \$857,410.97. Dividends of \$780,000 were paid and \$77,410.97 was added to Surplus Account.

The Balance Sheet is drawn giving effect to the resolution passed by the Shareholders on January 18th, 1944, restating the value of the assets and in view of the reserve for Depletion already accumulated no further addition to that reserve was considered necessary.

The extra tax reserve of \$85,000 set up and mentioned in the last annual report was not required and that amount has been placed again in Surplus Account.

During the year collection was made from the British Government of \$62,491.43 over and above amounts retained in our accounts receivable, on account of shipments to customers in France and Belgium in 1940 and seized on the high seas. This amount is also added to Surplus Account less an amount of \$25,000 payable thereon in Dominion Government taxes.

The market for asbestos has continued to be strong particularly in spinning grades but in the latter months there has been a noticeable slackening in the demand for shingle grades due to a decrease in the manufacture of various building products. While this situation is probably of a temporary nature, these grades constitute quite a large volume of our production and a protracted period of reduced building operations will have a bearing on our sales and profits.

The King, Beaver, British Canadian and Vimy mines operated to capacity during the year.

In the last two annual reports reference has been made to the increasing costs of operation and this matter continues to be viewed by your directors with concern. With an almost constant amount of rock mined and number of men employed, during the last three years the two principal items of cost have been as follows:

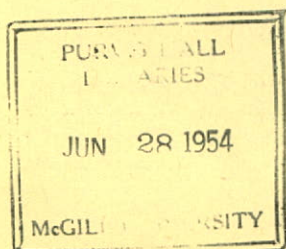
	Total Wages	Material and Supplies
1941.....	\$1,812,272	\$ 900,281
1942.....	2,321,930	1,154,918
1943.....	2,552,389	1,207,602

This shows an increase of over \$1,000,000 in three years on these two items alone. Further demands for extensive wage increases are at present before the National War Labour Board at Ottawa. Both wages and selling prices are under the control of the Government. The whole situation is being thoroughly impressed on the proper authorities in the hope that a satisfactory solution may be found.

Your Directors again commend the loyal and efficient support of the officers, staff and employees 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.....	\$2,300,000.00	
(Market Value \$2,301,750)		
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.....	\$412,419.82	
Materials and Supplies.....	808,032.78	1,220,452.60
Accounts and Bills Receivable.....	\$576,781.47	
LESS: Reserve for Bad and Doubtful Accounts.....	34,120.84	542,660.63
Cash on hand and in banks.....	284,481.63	\$4,347,594.86

DEFERRED CHARGES TO OPERATIONS:

Prepaid Taxes and Insurance.....		62,875.39
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PROPERTIES:

At the values determined by the management and approved by special meeting of Shareholders on January 18, 1944:

Land and Mineral Areas.....	\$2,017,847.44	
LESS: Reserve for Depletion.....	1,917,847.44	\$ 100,000.00
Buildings, Plant and Equipment.....	\$8,330,298.36	
LESS: Reserve for Depreciation.....	4,001,872.29	4,328,426.07
		4,428,426.07
		\$8,838,896.32

APPROVED ON BEHALF OF THE BOARD:

R. W. STEELE, Director
CHARLES W. COLBY, Director

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1943

Profit from Operations for the year ending December 31, 1943, before providing for the items undernoted.....		\$1,591,255.49
Interest on Investments.....	\$44,600.17	
Miscellaneous Revenue.....	43,199.32	87,799.49
		\$1,679,054.98
Executive Salaries.....	\$ 70,552.52	
Legal Fees.....	3,292.08	
Directors' Fees.....	8,180.00	
Provision for Depreciation.....	284,619.41	
Contribution to Pension Fund.....	25,000.00	391,644.01
		\$1,287,410.97
Provision for Dominion and Provincial Taxes.....		430,000.00
		\$ 857,410.97
Quarterly Dividends equivalent to 80c per share.....	\$480,000.00	
Extra Dividends equivalent to 50c per share.....	300,000.00	780,000.00
		\$ 77,410.97
Surplus, December 31, 1942.....	\$589,908.38	
ADD: Prior year adjustments—		
Income Tax Provision set up in 1942, not required.....	85,000.00	
Bad Debt Recovery.....	\$62,491.43	
LESS: Income Tax thereon.....	25,000.00	37,491.43
		712,399.81
Earned Surplus, December 31, 1943.....		\$789,810.78

ASBESTOS CORPORATION LIMITED

DECEMBER 31st, 1943

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities.....	\$ 272,940.73	
Dominion, Provincial and Other Taxes.....	113,430.99	\$ 386,371.72

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—

Balance, January 1, 1943.....	\$2,909,142.00	
ADD: Amount arising out of revaluation of properties approved by Special Meeting of Shareholders on January 18, 1944.....	2,603,571.82	5,512,713.82

SURPLUS:

Distributable Surplus.....	\$1,000,000.00	
Earned Surplus, per statement attached.....	789,810.78	1,789,810.78

\$8,838,896.32

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, 1943, 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, 1943 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 25, 1944.

Auditors.

January 19, 1944

To the President and Directors,
Asbestos Corporation Limited.

The following summary report of operations on the properties of your Company for the year 1943 is submitted.

Mills at the King, Beaver, British Canadian and Vimy Ridge Mines were operated to capacity throughout the year.

Owing to the many very heavy snowfalls, our open pit mining operations were hampered.

At the King Mine, development on the 500 and 900 foot levels consisted of 13,359 feet of drifts and raises. In the month of December, ore recovery from the first Block on the 900 foot level was started.

The stripping programme at the Beaver Pit was continued and 129,309 yards of overburden were removed.

A new mining area at this property was opened up where 54,906 yards of overburden were taken off. An ore pass was raised to serve this area; a hoist house was erected and the hoist installed.

At Vimy Ridge, 3,497 feet of diamond drilling was done to further delimit the ore bodies.

Stripping at the British Canadian consisted of the removal of 33,789 yards of overburden.

I wish to commend to you the support of the Staff and Employees throughout the year.

Respectfully submitted,

J. G. ROSS,
General Manager.

**ASBESTOS CORPORATION
LIMITED**

EIGHTEENTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE PERIOD OF TWELVE MONTHS ENDING
31st DECEMBER, 1943

DIRECTORS:

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

KENNETH T. DAWES, *Vice-President*

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F. E. NOTEBAERT

H. P. THORNHILL

PURVIS HALL
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Head Office:

MONTRÉAL 28 1954

Mines Office:

THETFORD MINES, P.Q.

McGILL UNIVERSITY