

1950



ASBESTOS CORPORATION

# TWENTY-FIFTH ANNUAL REPORT

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ASBESTOS CORPORATION LIMITED

25

*th anniversary*

**ANNUAL REPORT**

*and*

*Statement of Accounts*

FOR THE PERIOD OF TWELVE MONTHS  
ENDING 31ST. OF DECEMBER, 1950



# ASBESTOS CORPORATION LIMITED

## **Board of Directors**

W. A. ARBUCKLE

C. W. COLBY, M.A., PH.D.

KENNETH T. DAWES

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

G. F. JENKINS

F. E. NOTEBAERT

A. H. PARADIS

A. L. PENHALE

LT.-COL. J. G. ROSS

H. P. THORNHILL

## **Officers of the Corporation**

A. L. PENHALE

*President and Managing Director*

C. W. COLBY, M.A., PH.D.

*Vice-President*

K. T. DAWES

*Vice-President*

G. F. JENKINS

*General Manager*

J. A. D. MARCOTTE

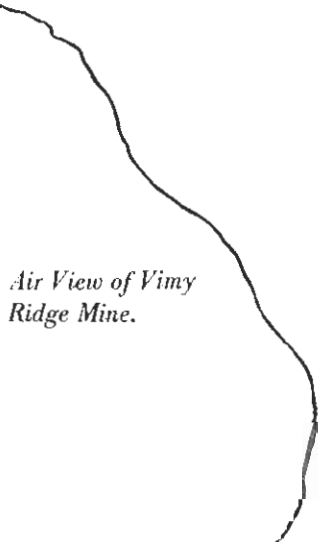
*Secretary and General Sales Manager*

P. PAYEUR

*Treasurer*

HEAD OFFICE, ROOM 522, CANADA CEMENT BUILDING  
610 CATHCART STREET, MONTREAL, P.Q.

*Air View of Vimy  
Ridge Mine.*



much lower grade of ore. The increased production from the British Canadian Mine for the last six months of the year, due to the completion of the mill expansion programme, more than offset the lower daily rates of production from the King and Beaver Mines. Vimy Ridge production was at essentially the same rate per day worked as for the previous year.

All plants were maintained in good repair and a number of additions, modifications and improvements were made, notably at the Beaver and Vimy Ridge Mines where a complete change-over in the system of transportation was made at each mine whereby heavy duty diesel trucks replaced the rail haulage systems previously in use. A similar conversion to truck haulage had already been made at the British Canadian Mine in 1948 with profitable results. This conversion also entailed the construction of new truck garages at both mines, and in the case of Beaver Mine, extensive alterations at the jaw crusher sluice in order to provide for the dumping of the diesel trucks. Other major additions and improvements to plant and equipment during the year included new change house and lunch room facilities at Beaver and Vimy Ridge Mines. Also at Beaver Mine the old shops building was moved to a new location, completely rebuilt and fitted as a mine office and stores; at the same time the work of modernizing the dryer furnaces was completed. At the British Canadian Mine, the existing mine shops had become inadequate for present day needs. They have been demolished and the construction of a new shop building which will house the machine, carpenter and tinsmith shops was begun during the year and should be completed in the near future. Also at the British Canadian Mine a 12,000 gallon tank together with pump and pipe lines was installed to facilitate the handling of diesel fuel oil directly from railway tank cars. Further progress was made in the elimination of dust, both inside and outside the mills.

At the King Mine, where operations were entirely by underground methods, development work was much greater than in any recent year. The amount of drifting, cross-cutting and raising totalled 10,931 feet, of which 6,584 feet were drifting and 4,347 feet were raising. This increase was mainly due to the considerable work done on the 700 foot level, where it was found necessary to recover ore sooner than originally planned in order that it might not later have to be abandoned for purpose of controlling surface subsidence. Mill feed at this mine was drawn in the proportion of 43% from the remaining working blocks on the 500 foot level, 52% from the 900 foot level blocks and the remaining 5% from development.

Total materials handled at the four producing mines were: --	
Stripping . . . . .	260,096 cubic yards
Barren Rock Mined . . . . .	1,479,469 tons
Rock Milled . . . . .	3,327,712 tons

or a total of 16,600 tons of rock mined and 11,500 tons of rock milled per working day.

The extensive exploration programme embarked upon several years ago was continued. Further diamond drilling was done on the Company's properties in the Thetford Mines area following an established policy whereby anomalies previously located by geophysical methods are being systematically tested. In addition to this work in the Thetford Mines area, a number of prospects in different parts of the United States and Canada have been examined and on some of these considerable geological work, prospecting and diamond drilling were carried out. The major part of the outside exploration programme is now confined to areas in Northern Ontario where potential asbestos-bearing ground is held jointly by agreement with the Dominion Gulf Company.



Exploratory Diamond Drilling for the year amounted to:—

King Mine (Underground) . . .	12,790 feet
Other Company-owned properties in the Thetford Mines area . . .	16,744 feet
Outside properties . . . . .	33,580 feet
	<hr/>
	62,923 feet

Of the above footage drilled on outside properties, 17,337 feet were drilled under the joint agreement with the Dominion Gulf Company.

No new ore was added to existing reserves during the year and the total has therefore decreased from that given at the end of 1949 by the amount mined during 1950, making the estimated ore reserves as at December 1950, as follows:—

King Mine . . . . .	8,400,000 tons
Beaver Mine . . . . .	11,000,000 tons
British Canadian Mine . . . . .	35,600,000 tons
Vimy Ridge Mine	
Present Workings . . . . .	5,700,000 tons
New Ore Body . . . . .	19,750,000 tons
Other properties . . . . .	7,300,000 tons
	<hr/>
	87,750,000 tons

The demand for all grades of asbestos fibre continued unabated throughout the year and your Company found it impossible to satisfy the increased requirements of its regular customers and was quite unable to cope with the demand from other sources. The overall improvement in foreign exchange convertibility was reflected in the more liberal import quotas granted to overseas customers by their respective Governments. Restrictions recently imposed upon construction and credit buying in the United States are bound to have an adverse effect on two of the major markets for your Company's product—the building and the automotive industries. This is likely to be offset by the increased level of activity in the defense industries.

Operating costs in 1951 will be still higher than during the year under review. A new labour agreement, recently negotiated with the union representing the Company's employees, includes a substantial increase in wages and other benefits. The minimum basic rate for unskilled labour is now \$1.09 per hour. The Company is also providing a greatly enlarged social welfare plan for all employees in the form of a broadened insurance policy carrying life, sickness, hospital and surgical benefits, the cost of which is shared by the Company and its employees. These expenses together with the constantly rising costs for materials and supplies, as well as a loss of premium resulting from the freeing of the Canadian dollar in the exchange market, have all combined to make it imperative that prices for your Company's product should be adjusted, and accordingly, effective from January 1st, 1951, higher prices were put into effect.

The outlook for 1951, insofar as your Company is concerned, is encouraging, though it is impossible to forecast the future.

Your Directors wish to record their appreciation of the loyal and efficient support rendered by the officers, staff and employees throughout the year.

On behalf of the Board of Directors.

A. L. PENHALE,  
*President.*



**STATEMENT OF PROFIT AND LOSS  
AND EARNED SURPLUS**

1949		1950
\$2,383,833	Profit from operations, including premium on U.S. funds, for the year before taking into account the items undernoted . . . . .	\$6,203,150
\$ 63,387	Interest on investments . . . . .	\$ 86,588
75,340	Miscellaneous revenue . . . . .	98,470
<u>\$ 138,727</u>		<u>185,058</u>
<u>\$2,522,560</u>		<u>\$6,388,208</u>
\$ 70,300	Executive salaries . . . . .	\$ 59,100
26,131	Legal fees . . . . .	22,045
8,610	Directors' fees . . . . .	10,350
285	Exploration and prospecting expenses . . . . .	176,478
750,000	Provision for depreciation . . . . .	1,000,000
75,000	Contribution to pension trust fund . . . . .	75,000
<u>\$ 930,326</u>		<u>1,312,973</u>
<u>\$1,592,234</u>		<u>\$5,045,235</u>
454,000	Provision for taxes on income . . . . .	1,557,000
<u>\$1,138,234</u>	Net profit for the year . . . . .	<u>\$3,488,235</u>
<u>\$1,602,560</u>	Earned surplus, December 31 1949 . . . . .	<u>\$1,802,415</u>
758	Recovery on foreign accounts receivable, previously written off, less income taxes thereon . . . . .	--
250,000	Provision for extensions and improvements—transferred . . . . .	--
120,863	Workmen's Compensation credit in respect of prior year, less income taxes thereon . . . . .	94,317
-	Net credit arising from revaluation of asbestos inventory at December 31 1949 to comply with requirements of Income Tax Act . . . . .	144,591
<u>\$1,974,181</u>		<u>2,011,323</u>
<u>\$3,112,415</u>		<u>\$5,529,558</u>
\$ 720,000	Dividends— Regular . . . . .	\$840,000
240,000	Extra . . . . .	480,000
<u>\$ 960,000</u>		<u>\$1,320,000</u>
350,000	Transfer to general reserve . . . . .	1,500,000
<u>\$1,310,000</u>		<u>2,820,000</u>
<u>\$1,802,415</u>	Earned surplus, December 31 1950 . . . . .	<u>\$2,709,558</u>





*A New Type of Self Propelled  
Rock Drill in Operation at British  
Canadian Mine.*



*4 Cubic Yard Electric Shovel  
Loading Diesel Truck at  
Pit Face British Canadian  
Mine.*

**STATEMENT OF SOURCE  
AND APPLICATION OF FUNDS**

1949		1950
	Provided from operations—	
\$1,138,234	Net profit for the year . . . . .	\$3,488,235
750,000	Add: Depreciation for the year, not representing a cash outlay . . . . .	<u>1,000,000</u>
<u>\$1,888,234</u>		\$4,488,235
758	Recovery on foreign accounts receivable, previously written off, less income taxes thereon . . . . .	—
120,863	Workmen's Compensation credit in respect of prior year, less income taxes thereon . . . . .	94,317
250,000	Reversal of provision for extensions and improvements . . . . .	—
50	Proceeds of sale of land . . . . .	—
—	Net credit arising from revaluation of asbestos inventory at December 31 1949 . . . . .	144,591
<u>\$2,259,905</u>	Total to be accounted for . . . . .	<u>\$4,727,143</u>
	Accounted for as follows—	
\$ 747,889	Additions to buildings, plant and equipment (net) . . . . .	795,785
960,000	Dividends paid . . . . .	\$1,320,000
—	Amount set aside for capital expenditure . . . . .	<u>2,000,000</u>
<u>\$1,707,889</u>		\$4,115,785
552,016	Net increase in working capital . . . . .	611,358
<u>\$2,259,905</u>	Total accounted for . . . . .	<u>\$4,727,143</u>

ASBESTOS  
CORPORATION  
LIMITED

Balance Sheet

DECEMBER 31st, 1950

ASSETS		1950
1949		
CURRENT ASSETS:		
\$ 116,791	Cash on hand and in bank	\$ 339,596
\$ 2,900,000	Government of Canada securities (Market value \$4,371,400)	4,400,000
\$ 419,955	Government of Canada Treasury Bills	
\$ 1,086,113	Accounts and bills receivable	\$ 1,433,011
34,868	Less: Reserve for bad and doubtful accounts	34,868
\$ 1,051,245		1,398,143
Inventories of stocks on hand—		
\$ 232,725	Asbestos, valued at the lower of cost or market	\$ 106,140
1,187,526	Materials and supplies, at laid down cost	1,140,383
\$ 1,420,251		1,246,523
\$ 101,151	Prepaid taxes and insurance	76,815
\$ 6,012,396	Total Current Assets	\$ 7,461,107
SPECIAL FUNDS:		
\$ 232,333	Workmen's compensation equalization fund	\$ 238,706
	Amount invested in Government of Canada securities, set aside for capital expenditure programme (Market value \$1,983,000)	2,000,000
\$ 232,333		2,238,706
PROPERTIES at values determined by the Management and approved by special meeting of shareholders on January 18, 1941, plus the cost of subsequent additions, net—		
\$ 2,019,947	Land and mineral areas	\$ 2,019,947
1,917,847	Less: Reserve for depletion	1,917,847
\$ 102,100		\$ 102,100
\$11,327,886	Buildings, plant and equipment	\$12,123,671
6,518,808	Less: Reserve for depreciation	7,518,808
\$ 4,809,078		\$ 4,604,863
\$ 4,911,178		4,706,963
\$11,185,907		\$14,406,776

SIGNED ON BEHALF OF THE BOARD:

A. L. Penhale Director  
Charles W. Colby Director

LIABILITIES		1950
1949		
CURRENT LIABILITIES:		
\$ 869,777	Accounts payable and accrued liabilities	\$ 1,150,712
268,668	Income and other taxes	795,026
\$ 1,138,445	Total Current Liabilities	\$ 1,945,738
\$ 232,333	WORKMEN'S COMPENSATION EQUALIZATION RESERVE	238,706
\$ 1,500,000	GENERAL RESERVE	3,000,000
CAPITAL STOCK:		
\$ 5,512,714	Represented by 600,000 shares of no par value out of a total authorized issue of 1,200,000 shares	5,512,714
SURPLUS:		
\$ 1,000,000	Distributable surplus	\$ 1,000,000
1,802,415	Earned surplus, per statement attached	2,709,558
\$ 2,802,415		3,709,558
\$11,185,907		\$14,406,776

TO THE SHAREHOLDERS OF  
ASBESTOS CORPORATION LIMITED:

We have made an examination of the books and accounts of Asbestos Corporation Limited for the year ending December 31, 1950, 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, 1950 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.

MONTREAL, January 26, 1951

PRICE, WATERHOUSE & CO.  
Auditors

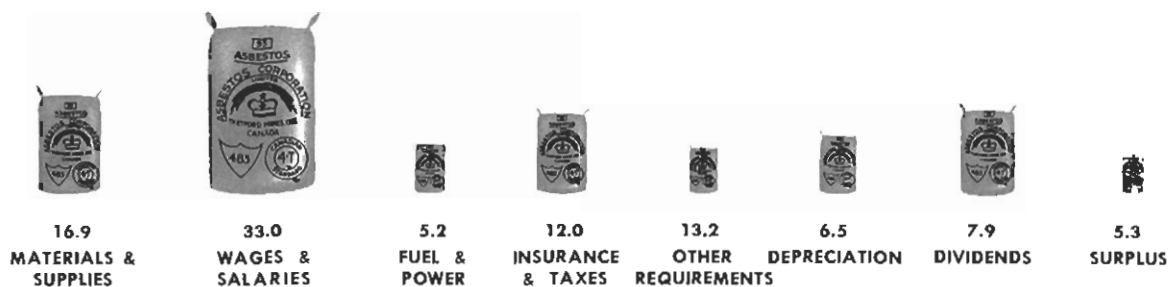
# THE COMPANY INCOME DOLLAR 1950

*it came from*

**SALES OF  
ASBESTOS FIBRES  
AND  
OTHER SOURCES**



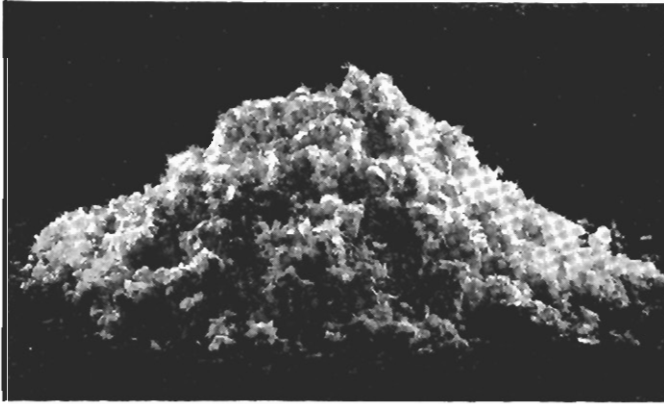
*it was paid out to*



	1950	1949	1948	1947
MATERIALS & SUPPLIES	16.9	16.4	17.8	20.6
WAGES & SALARIES	33.0	40.8	42.3	39.3
FUEL & POWER	5.2	5.5	6.9	8.5
INSURANCE & TAXES	12.0	9.6	9.2	9.1
OTHER REQUIREMENTS	13.2	5.2	8.5	6.9
DEPRECIATION	6.5	8.4	4.3	4.1
DIVIDENDS	7.9	10.8	8.9	10.8
SURPLUS	5.3	3.3	2.1	.7
	100.0%	100.0%	100.0%	100.0%

The above analysis of the distribution of revenues received by your Company during 1950 shows a somewhat different pattern than previously. Reflecting the improved operating results this year is the increased amount required for taxes as well as the amount added to surplus account during the year. In comparison with previous years, it will be seen that though the proportion of income expended in 1950 on wages and salaries, *i.e.*, 33%, or an amount of \$5,301,123 remains as the largest single disbursement, it represents a smaller percentage than usual. The 1950 figure for "Other Requirements" is considerably higher than in other years. This increase is partly due to much larger expenditures on exploration in 1950 but is mainly attributable to a transfer of \$1,500,000 made from surplus account to general reserve. It will also be noted that the proportion of income allotted for depreciation is less than in 1949 although the actual amount set aside this year was greater by an amount of \$250,000.

## PRODUCTION OF ASBESTOS FIBRE



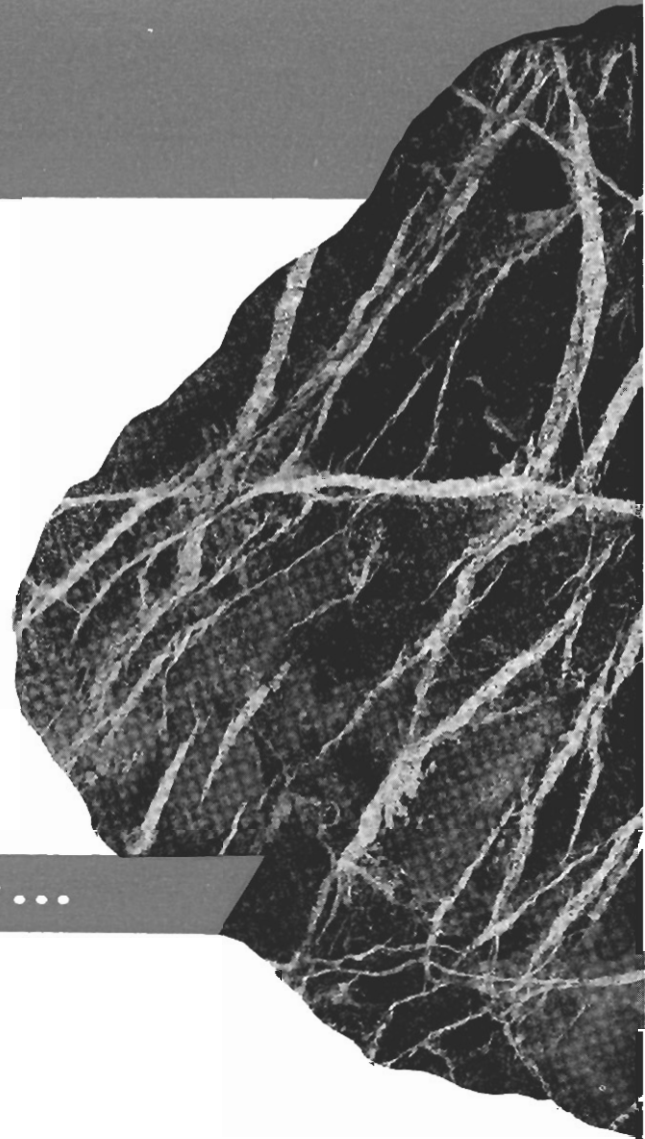
*to produce this...*

**TAKES  
MEN  
MONEY  
AND  
MACHINES**

The name "asbestos" is applied indiscriminately to several classes of fibrous minerals by far the most important of which is Chrysotile, the fine, white, silky fibre produced from your mines. Ninety percent of the world's asbestos used in industry is of the chrysotile variety and of this approximately seventy percent is produced in Canada.

Chrysotile asbestos normally occurs in serpentine rock and is usually seen in the form of irregular veins in the rock varying in thickness from as much as 2 or 3 inches, down to microscopic threads. The fibre runs across the vein at right angles to it from wall to wall and generally, therefore, the length of the fibre is governed by the width of the vein. The longer the fibre, the greater its value.

The comparatively low yield of asbestos, which in Canada averages about 6% of the rock mined, means that enormous tonnages of ore must be treated in large plants with much equipment before a reasonable output of finished fibre can be attained. Some asbestos plants, for instance, are required to handle upwards of 200 tons

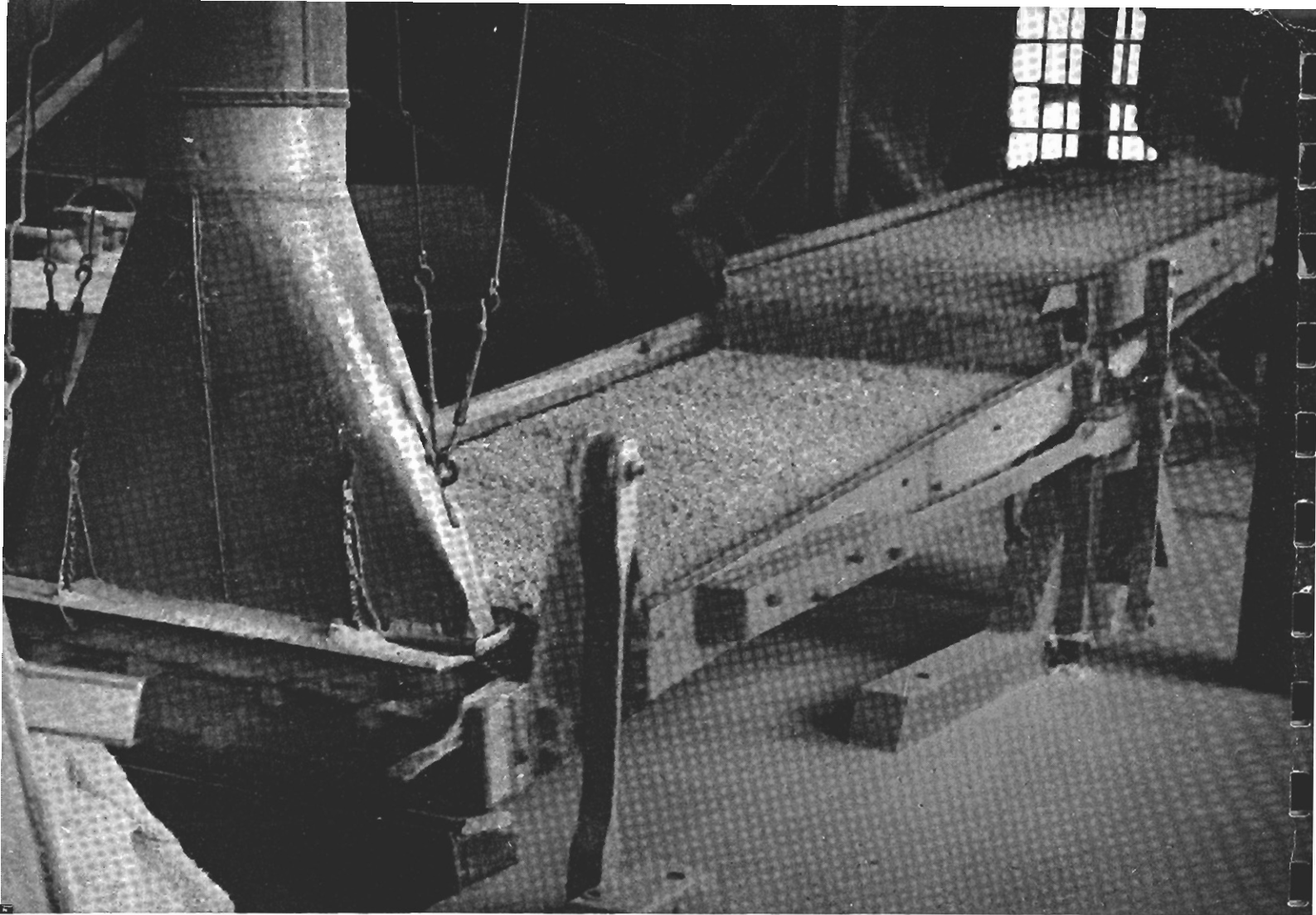


*from this...*

an hour which is more than the average gold mine would treat in 24 hours. The capital investment of the average asbestos mine is consequently considerably higher than in other mining operations with a comparable sales volume.

Asbestos mining is ordinarily an open pit operation and at three of your mines, the Beaver, the British Canadian and Vimy Ridge, this method is used. At your King Mine, however, an underground system of mining known as block caving was pioneered some 18 years ago and proved so successful that other producers employ it to-day.

On the next two pages there will be found a simplified flow sheet showing a typical asbestos mining and milling operation.



*Shaking Screen in Mill.*

The first step in the operation depicted overleaf is the mining or quarrying of the asbestos bearing rock. After drilling and blasting the ore is transported to the primary crushing plant where it is reduced in size, usually by a jaw crusher; a further reduction in size occurs at the secondary crusher which is generally of the gyrating type. Asbestos bearing rock, as it comes from the mine, is normally very wet and before any separation of the asbestos from the host rock can take place the material must be thoroughly dried. The ore to be dried is fed from the crushing plant into the top of the dryer and falls gradually through a rising current of heated air from a forced draft coal-fired furnace. The dried ore is then drawn off at the bottom and stored in a dry ore storage bin.






Ore from the storage bin is brought to the mill where, after passing over a vibrating screen to separate the finer material, it is given another crushing to separate the asbestos fibre from the rock. The resultant mixture of rock fragments and asbestos fibre is then passed over a shaking screen. (See picture above.) The smaller sizes of rock and the shorter asbestos fibres pass through the

screen openings and are carried away for further treatment. The coarser rock fragments and the longer asbestos fibre remain on the screen and the shaking action brings the lighter fibre to the surface. As the light asbestos fibre nears the end of the shaking screen it is lifted off by air suction and aspirated through large air ducts to the collectors. The material remaining on the screen, which consists mainly of unfreed asbestos in rock fragments, is carried off for further processing in a fiberizer which releases the last bit of fibre and fluffs up the free asbestos.

The asbestos fibres are then separated into standard commercial grades, cleaned and bagged in 100 or 125 pound jute or paper bags for shipment. These grades of asbestos are grouped according to length into 9 classifications, of which the most important are:— Group 3—Spinning Fibre—long fibre used for yarns and textiles; Group 4—Shingle Fibre—medium length fibre used with cement to make asbestos cement, shingles, corrugated and flat sheets and pipe; Group 6—Paper Stock—shorter fibre used in the manufacture of asbestos paper and gaskets, and Group 7—Shorts—very short fibres used as fillers in the asphalt floor tile industry.

## A Canadian Company



	CANADA	U.S.A.	UNITED KINGDOM	OTHER COUNTRIES	TOTAL		
GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS	 3,202 (92%)	 168 (4.8%)	 78 (2.2%)	 34 (1%)	3,482 (100%)		
INDIVIDUAL HOLDERS						NUMBER	PERCENTAGE
CORPORATE AND OTHER GROUP HOLDERS						3,037	87.2
						445	12.8
						3,482	100%

## Shareholders . . . WHO OWNS THE COMPANY?

Your Company is primarily a Canadian owned company, of the issued stock approximately 86% is registered in Canada and the remaining 14% is split amongst other countries.

The owners of Asbestos Corporation Limited, like those of many other companies, are a large and diverse group numbering many individuals as well as various companies, trust funds and other investment institutions. Many of these institutions in turn represent their own numerous shareholders who are the ultimate owners of the stock. Of the individual holders 44.8% are men and 42.4% are women.

The average number of shares held is 172 or less than .03% of the total shares issued, and the largest single registered holding represents less than 5%.



# 25

## YEAR SUMMARY

	1926	1930	1935	1940	1945	1950
<b>OPERATING INCOME</b>	\$1,237,008	-\$ 89,068 *	\$305,393	\$1,522,173	\$1,965,646	\$6,111,655
<b>WORKING CAPITAL</b>	2,878,441	139,962	740,854	2,427,578	4,473,126	5,515,309
<b>NET PROFIT</b>	596,674	-1,229,002 *	15,415	724,854	1,086,518	3,488,235
<b>DIVIDENDS PAID ON COMMON STOCK</b>	Nil	Nil	Nil	720,000	840,000	1,320,000
<b>WAGES &amp; SALARIES PAID</b>	1,007,170	1,333,012	714,564	1,919,111	3,084,031	5,201,123
<b>ALL TAXES PAID</b>	118,483	68,553	52,667	308,561	678,061	1,687,268

\*Deficit

Although this year marks the twenty-fifth anniversary of your Company, its forbears actually date back 72 years to 1878 at which time asbestos mining operations were commenced at what is now the King Mine,—one of your Company's major producing properties to-day. On this occasion, then, it may be of interest to include some historical information beyond that provided in a review of the last twenty-five years.

## *Twenty-five year History*

At least seventy-eight different incorporated companies have at one time or other operated the various mines which are now owned by your Company. The King Mine was opened by the King brothers of Quebec, originally lumber merchants who, by a stroke of good fortune whilst procuring large tracts of timberland, obtained at the same time some of the finest asbestos bearing property in Canada.

In 1909, the Amalgamated Asbestos Corporation was formed and acquired the King Mine and, at the same time, the Beaver, the British Canadian and the Fraser Mines came under its control. The Amalgamated became the Asbestos Corporation of Canada in 1912, and in 1926, Asbestos Corporation Limited was formed which, in addition to acquiring the properties of the Asbestos Corporation of Canada, also took over the following concerns: Thetford-Vimy Ltd., Consolidated Asbestos Ltd., Pennington Asbestos Company, Maple Leaf Asbestos Corporation, Black Lake Asbestos & Chrome Co., and the Asbestos Fibre Company. Most of these companies were the results of earlier mergers themselves.

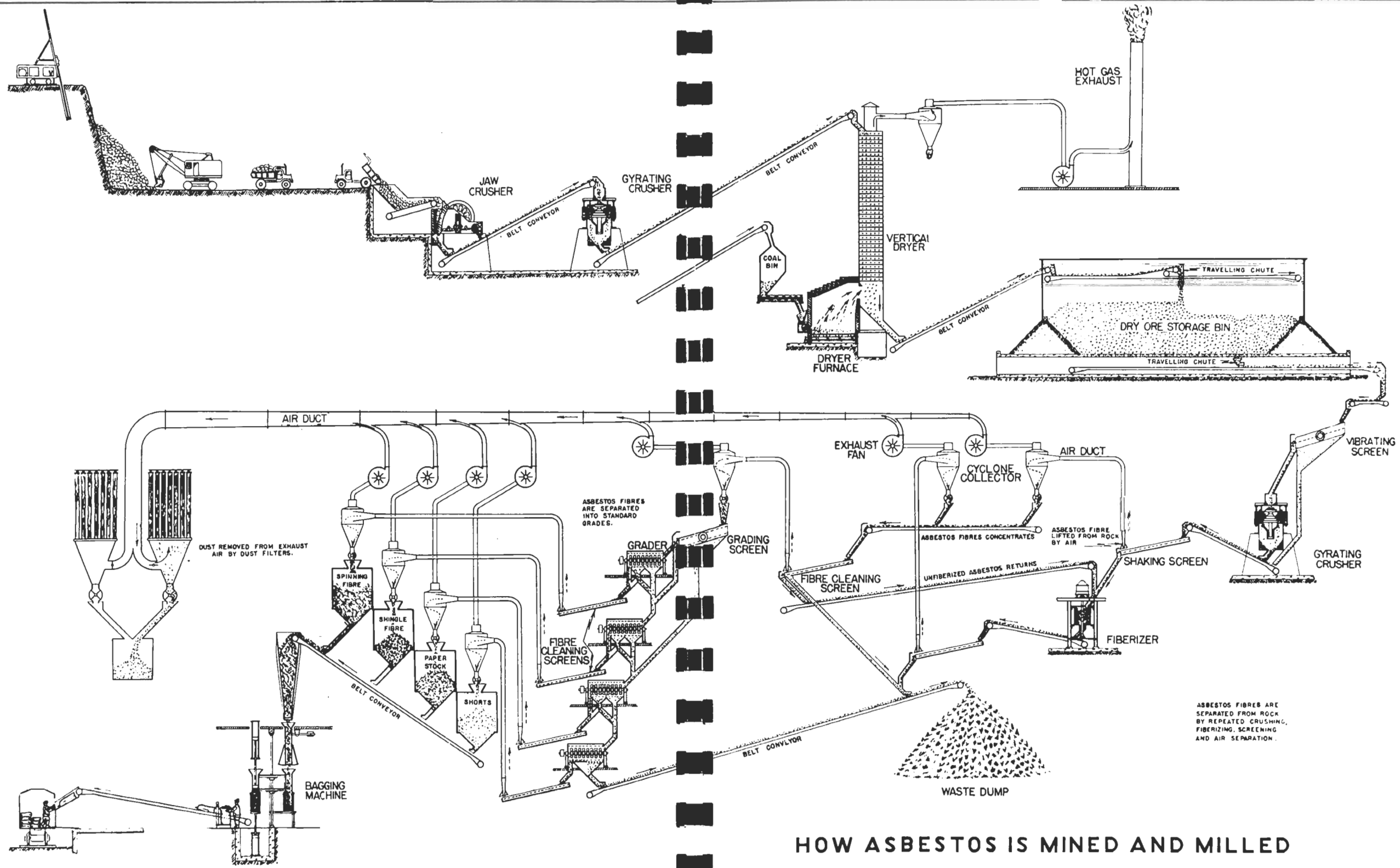
At the time of its incorporation, your Company operated seven different mines, but for a time in the depth of the depression in the 1930's just a single mine was in production, and then only for six hours a day. Since that time production facilities have been expanded and combined in such a way that while some properties remain inactive at present, your Company produces more fibre from four operating mines to-day, than it did formerly from seven.

In 1931, in common with other basic industries at that time, your Company was seriously affected by a curtailment in the demand for its product from all countries as a result of the world-wide depression. A capital reorganization was approved by the bondholders and shareholders in 1932. The following year as a result of improved mining methods, notably the introduction of an underground system of mining known as block caving at the King Mine, operating results were somewhat improved.

Throughout the remainder of the 1930's with the gradual return of more normal business conditions, an increased demand for raw asbestos and more efficient management, the affairs of your Company progressed slowly, and in 1935 the directors were able to report a small profit of \$15,415. The improvement in the market for asbestos fibre saw the Beaver and British Canadian Mines, which had been shut down since 1929, re-open in 1936. The following year management was enabled to carry out a programme of extensions and improvements to your Company's properties which previously could not be accomplished due to lack of funds.

*Interior View of New  
Primary Mill at British  
Canadian Mine.*

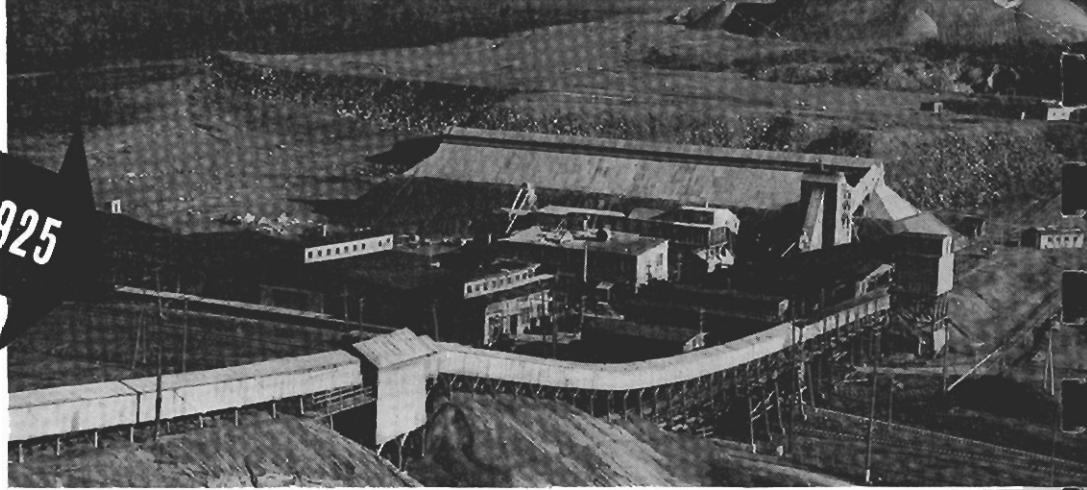




HOW ASBESTOS IS MINED AND MILLED

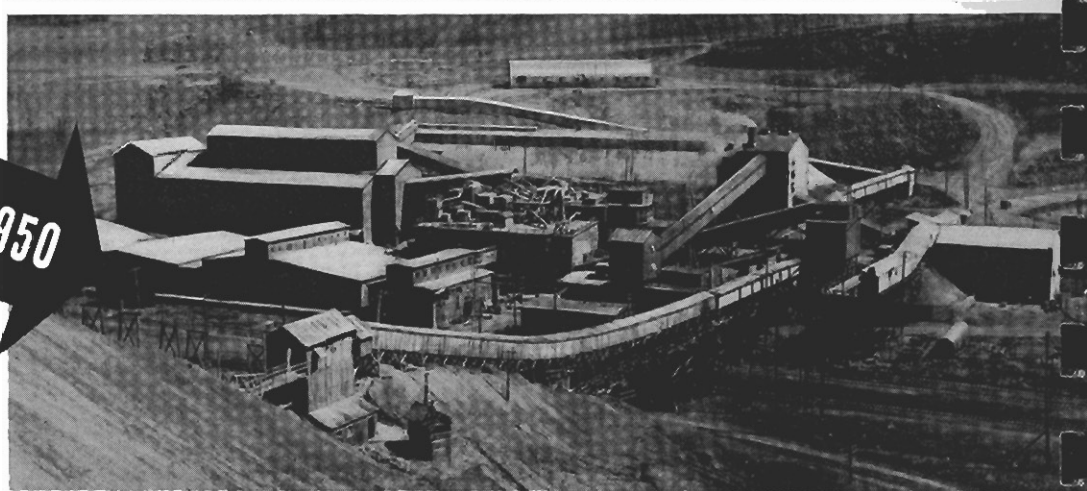
*British Canadian Mine  
Viewed from Air by  
Dump*

1925



*British Canadian Mine  
Viewed from Air by  
Dump*

1950



#### FINANCIAL HISTORY

The bonded debt of your Company, which in 1926 stood at \$7,810,142.17, was materially cut down by the reorganization of 1932, and was gradually reduced thereafter until in 1939, the final \$500,000 of bonds outstanding were called thereby freeing your Company from all funded debt.

Also in 1939 the shareholders approved the action of the directors in dividing the shares of the company four for one, and the capital then consisted as it does now, solely of 1,200,000 shares of no par value common stock, of which 600,000 shares have been issued.

The war years saw your Company's business undergo considerable readjustment in order to conform with government regulations. All export shipments which comprised 96% of your Company's business, were subject to permit and, moreover, the allocation of certain grades of asbestos fibre, a strategic material, to various consumers was strictly controlled by a government agency. Certain markets were lost; the demand for medium length fibre was curtailed, whilst that for the long spinning grades was increased beyond the capacity of your Company to provide. In the effort to produce the spinning fibre necessary for war purposes, surplus of the shorter shingle grades accumulated during the war period.

With the cessation of hostilities and the removal of governmental restrictions, your Company was faced with an unprecedented demand for the medium length fibres required in the construction and automotive industries and had no difficulty in disposing of the accumulated inventory of these grades. Since that time there has been a notable expansion of asbestos manufacturing facilities in the United States, South America and Australasia, and new markets particularly for the short grades have been developed with the overall result that the demand for all grades of asbestos has been maintained at high levels ever since.

In 1926 the basic minimum wage rate at your mines was 35 cents an hour; in 1930 it was reduced to 28 cents and dropped again in 1931 to only 20 cents an hour. From then on with the improvement in your Company's operations it has steadily increased until to-day the basic minimum rate is \$1.09 per hour plus a cost-of-living bonus, an increase of 211% over 1926.

Low cost Group Life Insurance was initiated for employees in 1926 and has this year been improved and expanded and now includes non-occupational sickness and accident insurance, together with hospital and surgical benefits for both employees and dependents.

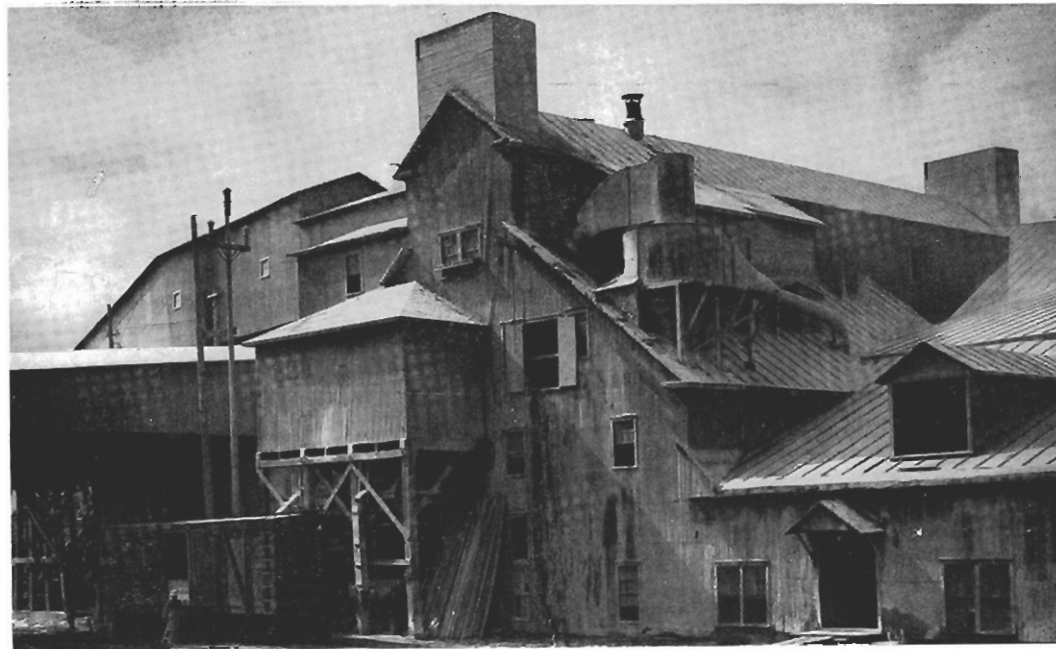
The number of employees in 1926 was 1,200, in 1932 only 316 men were employed, but to-day there are 1,866 employees. The first labour contract was signed in 1937 with the present union, Le Syndicat National des Travailleurs de l'Amiante de l'Asbestos Corporation Ltd., Inc.

The dividend record of your Company reflects the difficult years through which the Company passed. No dividends were paid on the common stock between 1926 and 1937, and payments on the preferred stock extant at that time were made for only three years, 1926-27-28. In 1938 a dividend of \$5 a share was paid on the 150,000 shares of common stock of the Company then outstanding. For the first quarter of 1939 a dividend of \$1 per share was paid but on April 4th, 1939, the stock was split four for one and commencing with the second quarter of 1939, dividends were paid on the 600,000 issued shares of the new stock. In the tabulation which follows, the dividend paid on the old stock for the first quarter of 1939 has been converted and the amount shown for the year 1939 is calculated on the basis of the new stock issue of 600,000 shares.

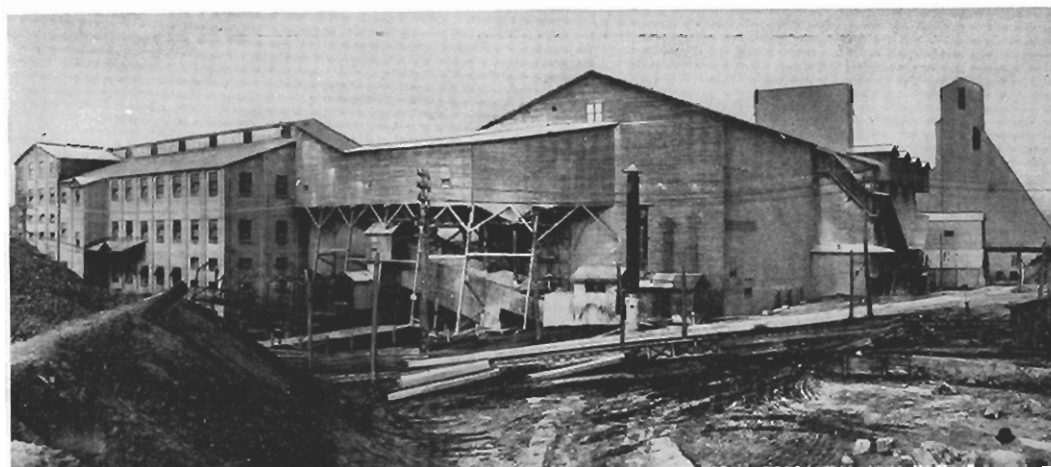
	PER SHARE		TOTAL
	REGULAR	EXTRA	
1939 .....	\$0.575	\$0.775	\$1.35
1940 .....	0.60	0.60	1.20
1941 .....	0.60	0.60	1.20
1942 .....	0.75	0.65	1.40
1943 .....	0.80	0.50	1.30
1944 .....	0.80	0.20	1.00
1945 .....	0.80	0.60	1.40
1946 .....	0.80	0.60	1.40
1947 .....	0.85	0.75	1.60
1948 .....	1.05	0.55	1.60
1949 .....	1.20	0.40	1.60
1950 .....	1.40	0.80	2.20

The price of the new stock on the Montreal Stock Exchange has ranged from a low of \$14 per share in 1940 to a high of \$39.25 in 1950.

*A Mill of the First Quarter Century.*



*A More Recent and Typical Asbestos Plant.*



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*TRANSFER AGENT*

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*The Royal Trust Company, Montreal, Toronto*

*REGISTRAR*

---

*Crown Trust Company, Montreal, Toronto*

*GENERAL COUNSEL*

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*Duquet & MacKay, Montreal*

*AUDITORS*

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*Price Waterhouse & Co., Montreal*

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