# Johns-Manville

CORPORATION

# ANNUAL REPORT

*Our 102nd Year*

# 1959 CONTENTS




**JOHNS-MANVILLE CORPORATION**
**22 East 40th Street, New York 16, N. Y.**

# 1959 INCOME AND EXPENSES

| | 1959 | 1958 | Percent Change |
|---|---|---|---|
| **Income** | | | |
| We charged our customers for goods and services (after all deductions, such as freight allowed, cash discounts, etc.) | $377,562,000 | $331,743,000 | + 13.8 |
| **Expenses** | | | |
| Wages, salaries, and employee benefits* | $150,117,000 | $135,704,000 | + 10.8 |
| Raw materials, fuel and supplies cost us | 126,462,000 | 114,381,000 | + 10.6 |
| Other costs and expenses were | 24,413,000 | 21,249,000 | + 14.9 |
| Properties depreciated to the extent of | 16,783,000 | 15,781,000 | + 6.3 |
| The amount required for taxes was | 27,847,000 | 22,207,000 | + 25.4 |
| A total of | $345,922,000 | $309,322,000 | + 11.8 |
| And in addition our stock of manufactured goods increased, *decreased*† | 24,000† | 953,000 | |
| So the amount of expense pertaining to the year was | $345,946,000 | $308,369,000 | |
| **Earnings** | | | |
| After these expenses, net earnings were | $ 31,616,000 | $ 23,374,000 | + 35.3 |
| *Per share* | $3.74 | $2.83 | + 32.2 |
| **Dividends** | | | |
| Dividends to stockholders were | $ 16,685,000 | $ 14,345,000 | + 16.3 |
| *Per share* | $2.00 | $2.00 | |
| **Reinvestment** | | | |
| Earnings reinvested in the business | $ 14,931,000 | $ 9,029,000 | + 65.4 |

*For employee benefits see page 5.*

*1959 figures include the 1959 earnings of F. E. Schundler & Co., Inc., acquired September 22, 1959.*

# LETTER TO STOCKHOLDERS

February 11, 1960

To the Stockholders of Johns-Manville Corporation:

Both earnings and sales set new high records in 1959.

Net earnings were $31,616,000 or $3.74 per share, compared with $23,374,000 or $2.83 per share in 1958.

Sales were $377,562,000 in 1959 compared with $331,743,000 last year.

A. R. Fishe

These records were achieved despite the adverse effects of strikes at two of our plants and the general slowing down of the national economy caused by the prolonged strike in the steel industry. Markets for some of our materials were also affected by the tight money situation.

Our fiber glass business which we acquired at the end of 1958 grew rapidly during 1959 and contributed substantially to earnings and sales.

We continued our program of diversification and expansion with the addition of a perlite business.

Clinton B. Burnett was elected President and several other new executive appointments were made.

On behalf of the Board of Directors I would like to express our sincere appreciation to employees, customers, stockholders and management for their loyal cooperation during 1959.

A. R. Fisher.

A. R. Fisher
*Chairman*

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# EARNINGS AND DIVIDENDS

## Earnings

Net earnings in 1959 were $31,616,000, amounting to $3.74 per share of common stock, of which an average of 8,451,462 shares were outstanding. In 1958 net earnings were $23,374,000 or $2.83 per share on an average of 8,255,117 shares.

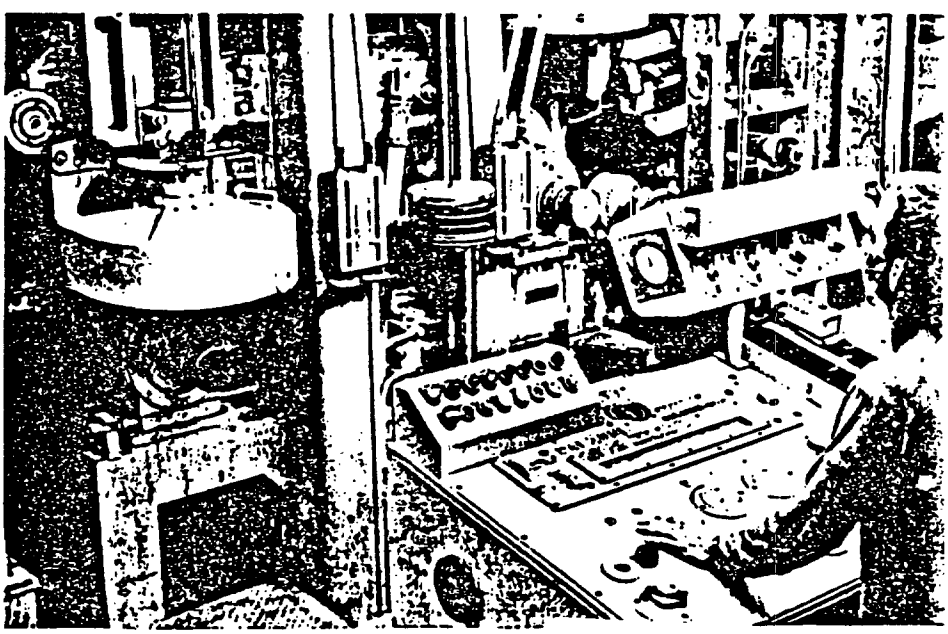
Before taxes of all kinds, earnings in 1959 were $62,754,000, which was $14,684,000 more than in 1958.

## Dividends

The following table shows dividends which were paid on the common stock during 1959:

| Record Date | Date Paid | Amount per Share | Total Amount |
|---|---|---|---|
| March 2 | March 10 | $0.50 | $ 4,146,000 |
| June 1 | June 10 | 0.50 | 4,150,000 |
| September 1 | September 10 | 0.50 | 4,154,000 |
| December 1 | December 10 | 0.50 | 4,235,000 |
| | Total | $2.00 | $16,685,000 |

Under Federal tax regulations, Johns-Manville is required to report to the Internal Revenue Service on dividends paid to stock-



*Completed in 1958, J-M's Transite® pipe plant at Denison, Texas, was the first continuous-process asbestos-cement pipe plant in the United ates. Operated by electronic push-button controls, shown here, the plant is an almost completely automatic factory.*

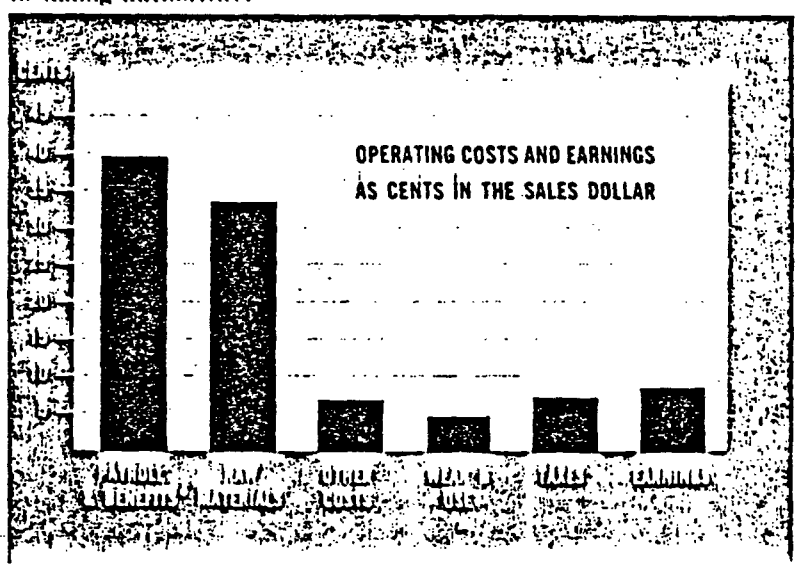

*A feature of the Annual Meeting of stockholders held in March was this display of the Company's new lines of fiber glass products. J-M officers shown are, left to right, A. R. Fisher, Chairman; C. B. Burnett, President, and John P. Syme, Vice President and Assistant to Chairman.*

holders. The table of 1959 dividends may be helpful in the preparation of income tax returns.

## Taxes

Taxes amounted to $31,138,000 or $3.68 per share of common stock, including $21,830,000 levied on United States and Canadian income. In 1958 taxes were $24,696,000 or $2.99 per share, including $16,850,000 levied on income.

The amounts stated are exclusive of certain sales or excise taxes paid to vendors of materials and services instead of directly to taxing authorities.




*Employee benefits, including payments for vacations and holidays, retirement, social security taxes and other benefits, amounted to $16,161,000 in 1959, compared with $13,112,000 in 1958.*

# 1959 OPERATIONS

## Perlite Business

On September 22, 1959, Johns-Manville entered the perlite business through the acquisition of all the capital stock of F. E. Schundler & Co., Inc., in exchange for 148,000 shares of Johns-Manville authorized but unissued common stock.

At the time of acquisition the Schundler company was doing an annual business of approximately $6,000,000 in sales.

One part of the business, the manufacture and sale of an incombustible roof insulation, has been taken over by the Building Products Division. All other operations are the responsibility of the Celite® Division.

In its natural state perlite (a non-metallic mineral) is a grayish volcanic rock. When subjected to heat it expands greatly, turns white in color and becomes frothy and light. It has high insulating properties and is also an inert filler and extender and can be made into filter aids.

## Industrial Insulations

The addition of a fiber glass business at the end of 1958, and a reorganization of the Sales Department of the Industrial Insulations Division to handle the new business, were helpful in enabling J-M to increase its share of the industrial insulations markets in spite of a general reduction in plant and utility construction during the year.

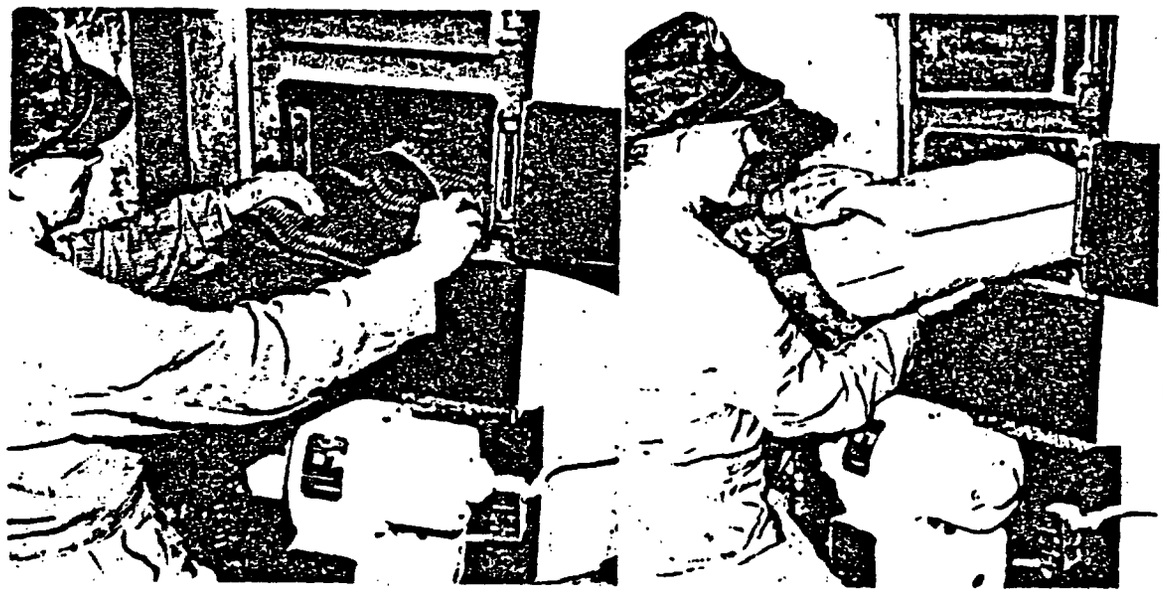
Two new Sales Departments, Distributor Insulation Products and Equipment Insulation Products, were established to provide the organization needed to specialize and concentrate on the sale of J-M's wide line of industrial insulations and the new fiber glass product lines. This sales organization helped achieve an increase of nearly fifty percent over 1958 in the sale of fiber glass products.

Many new products were introduced during the past year. These include Min-Klad *Interlok*, a structural insulation for

rockets and missiles; ARP-40, an asbestos reinforced plastic material for use on missile skins and on rocket engine liners; Microbar,® a flameproof skin and core fiber glass duct liner with vapor proof facing; Thermoform, molded perlite housing for small electric appliances; Cerafelt®, combustion chamber liner, a material originally designed to insulate airplanes from the intense heat of jet engines but found to be equally efficient for home oil burners.

Other new products are Sigma-K, a combination neutron shielding material and thermal insulation for nuclear reactors; a new castable refractory for use on Navy vessels; a new asbestos board mounting for electric toaster elements; a semi-refractory felt for industrial applications; MicroTuf, a fiber glass appliance insulation for water heaters, stoves and refrigerators; and Colorlith® in three colors for school classroom chalkboards and furniture table tops.

*Originally designed as an insulation for jet airplanes, Cerafelt® has been found to be equally efficient as a combustion chamber liner for home oil burners. Two steps in installation are shown: (left) inserting a stainless steel sleeve into the chamber and inserting Cerafelt to fit inside the sleeve. A complete job can be done in 30 minutes.*



Building Products:

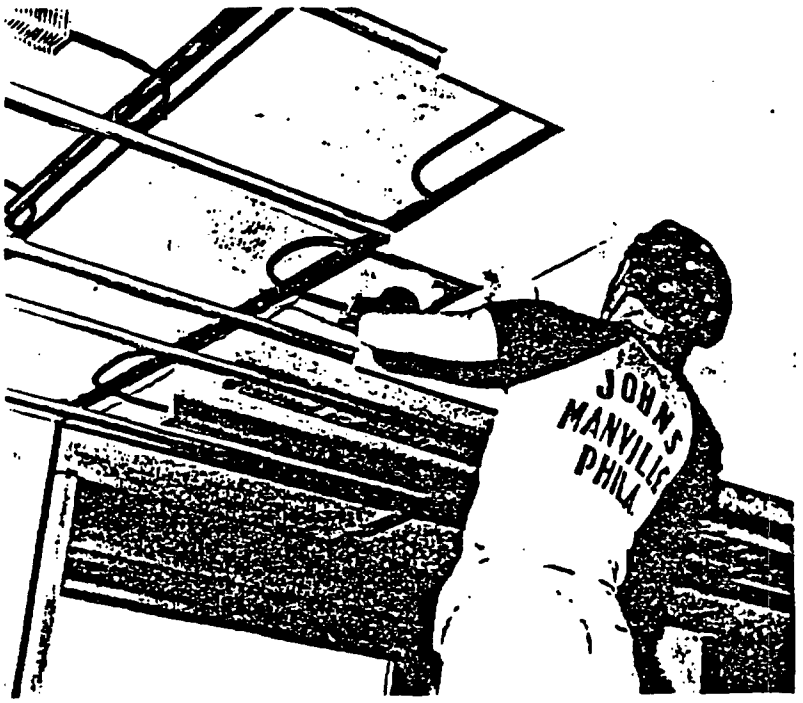
The demand for building materials continued very strong for the first three quarters of the year. There was more than the usual seasonal decline in the fourth quarter. It is felt that the tight money

situation had more to do with this than the steel strike. It is the Company's opinion that there will be at least a ten percent decline in housing starts in 1960 because of a scarcity of mortgage money. The remodeling and repair market continues strong.

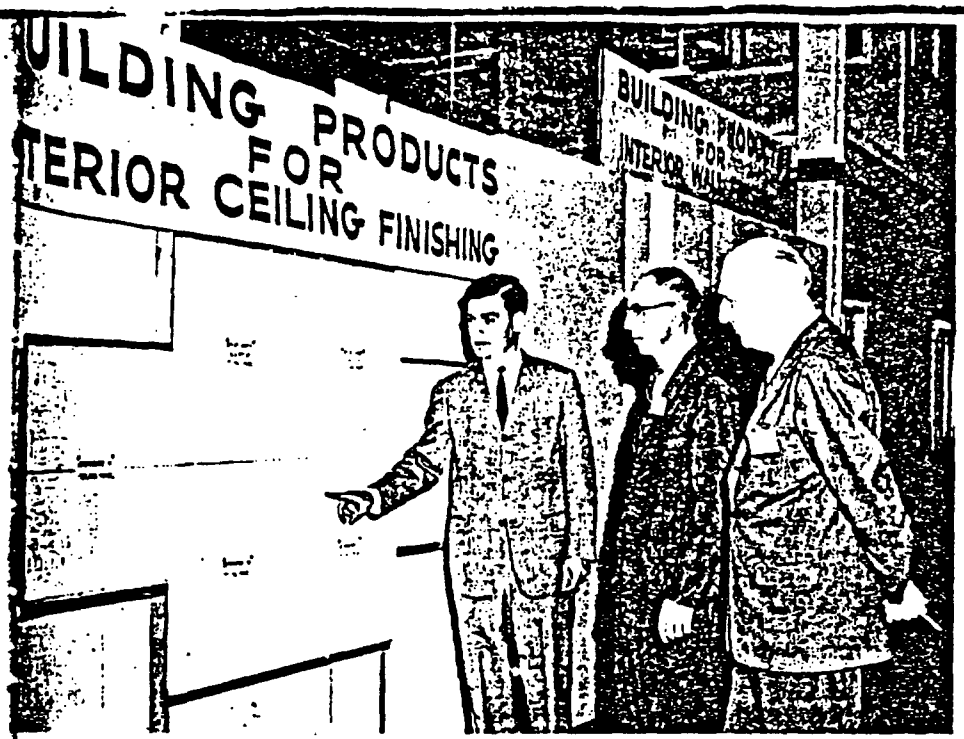
Industrial construction appears to be increasing and, barring unforeseen conditions, 1960 may be a record year in this type of building. This is due to the lack of industrial construction during the past year and a half to two years, plus the fact that most industrial companies are feeling sufficiently confident in the outlook for the future to look forward to further expansion.

A new plastic surface asbestos-cement sidewall shingle, Rock-Shake®, was introduced during the year and met with immediate acceptance which overtaxed initial production capacity. Here modern plastics are successfully combined with asbestos and cement to provide solid colors and a deep striated texture.

Another product added to the line was Fesco® board, an incombustible roof insulation made from perlite. It is manufactured at a




*A workman installs J-M's Sanacoustic® HCS System of heating, cooling and sound control. Perforated metal units form a finished ceiling. Above them are installed heating and cooling coils and above the coils are mineral wool or fiber glass blankets.*




*J-M's new insulating board plant at Klamath Falls, Ore., was officially opened o June 30, 1959. Inspecting an exhibit of products manufactured at the plant, erected for the opening, are, left to right, Mark O. Hatfield, Governor of Oregon; W. H. Graham, manager of the new plant, and A. R. Fisher, J-M Chairman.*

former Schundler plant at Rockdale, Ill., now operated by the Building Products Division.

A new section was established at J-M's Research Center to concentrate the Company's development work on J-M products such as panels and movable walls which utilize more than one material. Unit construction with products such as these is increasing very rapidly. The new research section works both on the techniques of combining the component parts and on methods for builders to use them to best advantage.

In June construction began on a new plant at Chillicothe, Ohio, for the manufacture of vinyl asbestos and asphalt floor tiles. When completed in mid-1960 it will expand the Company's floor tile productive capacity by more than thirty-three percent. The plant will employ about 125 persons.

## Pipe

Pipe sales rose in 1959, due in part to a rebound in the markets in which Transite® pipe is used. Increases were experienced in each major market served.

The major portion of the Transite pipe business is in water mains and irrigation lines, sewers, industrial piping, electrical and telephone ducts, house connection and vent pipes, and air ducts for slab construction.

A program, now known in the water industry as "Priceless Water", has been inaugurated to approach the growing problem of community water shortages on a local basis. The program employs a book supplied by J-M which permits local officials to evaluate their water service and use the evaluation to help get needed projects under construction. Most water problems can be solved locally; the total of such solutions can go a long way towards solving the national water problem.

Underdrain pipe (perforated pipe to drain sub-surface water) was introduced in 1959 to meet the demands of the growing highway program, as well as for construction of airports, industrial sites, farm drainage systems and other similar types of earth preparation operations.

Facilities were installed, principally at the Manville, N. J., Waukegan, Ill., and Watson, Calif., plants, to provide product improvements and more efficient methods of manufacture.

The year 1959 marked the 30th anniversary of the first asbestos-cement pipe made on this continent, the first order for Transite pipe having been shipped from the Waukegan plant in 1929. Pipe now is produced at seven J-M plants, including one in Canada, and is an important business of the Company.

Increasing competition is being felt from imported European asbestos-cement pipe.

Since the principal markets for Celite filter aids, fillers and other products do not include the steel industry, demand was unaffected by the prolonged steel strike. Operations continued to show a normal expected growth.

There was an increase in sales of cement additive products, which improve the workability and lower the cost of concrete.

J-M's Celite product lines were supplemented in 1959 by the acquisition of the perlite business. The Celite Division now operates a large deposit and mill for this basic raw material at No Agua, New Mex., and a processing plant for perlite and other non-metallic minerals at Joliet, Ill. A line of filter aids using perlite is under


*Mrs. America of 1959-60, Mrs. L. Clarke Priebe of Des Moines, is featured in the 7 Star Protection Plan to promote the sale of J-M products. Here, at the swimming pool of a J-M 7 Star home at Fort Lauderdale, Fla., she shows how easily pool water can be kept clean with Celite® 545 as a filter aid.*

development. Other major markets for perlite include building plaster aggregates, concrete aggregates, drilling muds, oil well concrete, loose fill insulation and refractory brick.

New uses are being developed for the synthetic silicate products manufactured at the Lompoc, Calif., plant.

Normal improvement in sales of all Celite products appears to be in prospect and profits from the operations are expected to be commensurate.

Studies are under way to enable the Company to maintain production capacity for long-range anticipated sales.

## Dutch Brand Products

Dutch Brand® product development has been accelerated and technical service to customers has been improved by expansion of the technical department at the plant.

A number of new and improved products added to the Dutch Brand line during 1959 include a reinforced strapping tape for packaging and bundling; glass cloth, cotton cloth and acetate cloth thermo-setting electrical tapes for winding armatures and coils; a polyester thermo-setting electrical tape for use where a thinner layer of insulation is required, and a contact adhesive for many uses.

A unique combining machine installed in 1958 produces new lines of products, especially in the fields of pressure-sensitive tapes and electrical insulations, by laminating parallel strands of organic or synthetic materials on flexible sheets.

These programs were made possible by a major addition in 1958 to facilities at the Dutch Brand plant at Chicago, Ill.

A number of other new products are anticipated in 1960.

## Packings and Friction Materials

Sales of friction materials improved substantially in both equipment and resale lines for automobiles, trucks and heavy duty industrial applications.

COBRA®, a composition brake shoe for railroad equipment developed in cooperation with Westinghouse Air Brake Company, is receiving rapidly increasing acceptance for use on locomotives, passenger cars and ore and other freight cars.

Other new friction materials include automatic transmission band linings, ultra-high-spin clutch facings and new types of passenger automobile brake linings for use where the utmost in performance and safety is required.

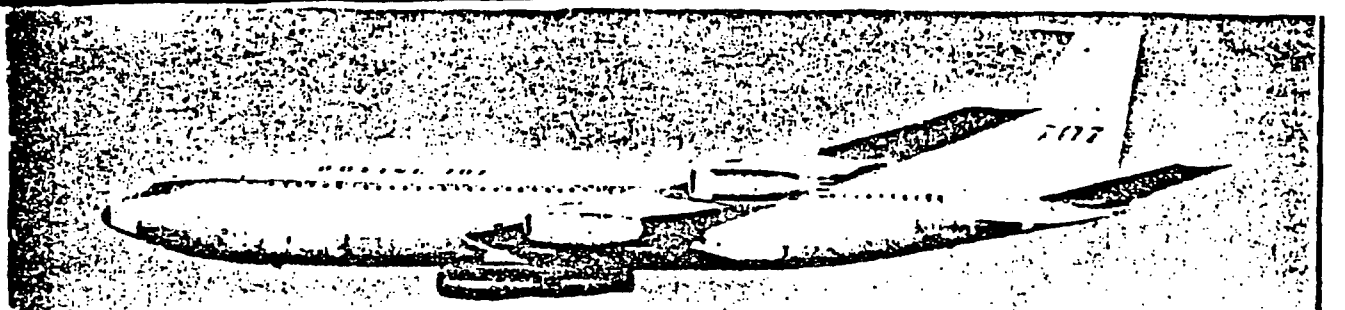
Sales of packings have reflected the general improvement in business conditions over 1958, particularly in molded rubber packing products. A new product in packings is a line of metal reinforced oil seals.

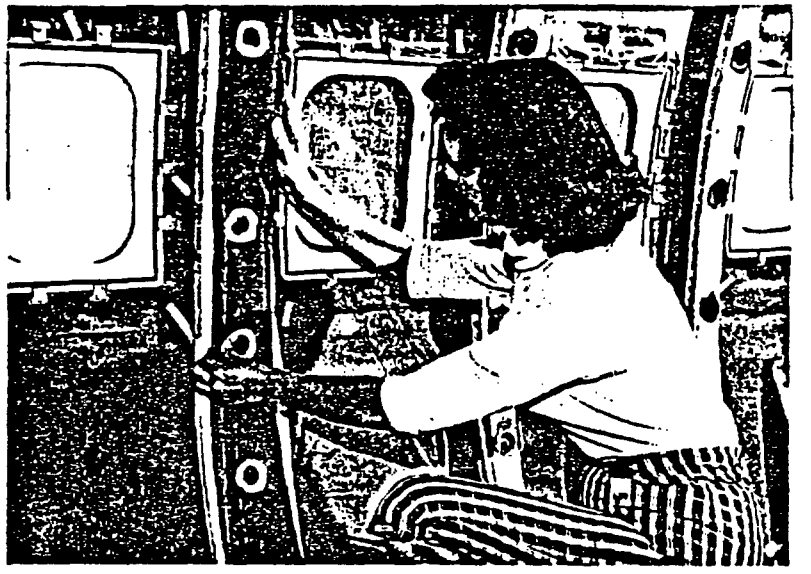
## Fiber Glass

Rapid expansion of facilities for the production of fiber glass products, already under way when the business was acquired by J-M at the end of 1958, was accelerated in 1959. When the current program is completed by mid-1960, production capacity will have been increased by *fifty* percent since the acquisition.

Expansion is under way at three plants at Defiance, Ohio, and plants at Corona, Calif., Parkersburg, W. Va., and Waterville, Ohio. Insulating materials and textile yarn and roving are among the products to be produced by the added facilities.

Pointing up the need for expansion, the demand for all products





*Fiber glass is among the J-M materials used in the construction of the new Boeing 707 jet planes. The young woman is shown installing formed fiber glass sidewall panels over fuselage frame and around windows. The material provides both thermal and acoustical insulation.*

increased steadily in 1959, particularly in fiber glass for reinforced plastics and in thermal and acoustical insulation for industrial, commercial and residential use.

A special study is under way to determine the advisability of building new facilities for the expansion of the fiber glass textile business, one of the largest and fastest growing fiber glass markets. Fiber glass textiles are used for plastic reinforcement, paper reinforcement and many industrial purposes as well as in decorative fabrics.

## Canadian Products and Asbestos Fibre Business

Manufacturing facilities of Canadian Johns-Manville are being expanded with the installation of equipment at the Toronto, Ontario, plant for the manufacture of Thermobestos®. When this industrial insulation goes into commercial production Canadian Johns-Manville will produce ninety-five percent of all J-M products sold in Canada. Sales of insulating board, manufactured in a new plant opened in 1957 at North Bay, Ontario, are growing steadily.

Competition in the sale of asbestos fibre during 1959 continued to be very keen. A substantial tonnage from new producers was supplied during the year to markets and customers previously supplied by the established producers.

In overseas markets there was a small increase in demand for asbestos over the previous year. Russian competition continues in Europe and to a lesser extent in South America and Japan.

Long-range forecasts show a rising world market for asbestos fibre because of an increasing demand for the many products using asbestos. Several important new uses are under development. One that seems to have considerable promise is the use of asbestos by itself or in combination with fiber glass for reinforcing plastics.

A program of quality improvement was continued at the mill at the Jeffrey mine at Asbestos, Quebec. This is a continuing program in order to keep J-M's fibre quality competitive and to offer the best service to our plants and customers.

Technological improvements in recent years have greatly extended the depth to which it is economical to mine by open-pit methods at the Jeffrey mine. The program to expand and extend the life of open-pit mining, began in 1958, continued with the stripping of overburden from a new area to be mined. About two more years will be required to complete this program. At that time underground mining will be discontinued and substantial savings will be effected in obtaining ore.

Exploration and test mining and core drilling are continuing at the Advocate asbestos ore body in northern Newfoundland. This deposit is under examination by a group of investors headed by Canadian Johns-Manville. A small pilot plant has been constructed to mill the ore required for test and evaluation. The results so far have been encouraging but the final evaluation work will not be completed until some time in 1960.

Since 1945, $73,000,000 has been spent on expanding and modernizing Canadian Johns-Manville's facilities. This program has been financed by the earnings from exports of asbestos fibre and the sale of Canadian Johns-Manville manufactured products. As a result of this expansion there has been a substantial increase in types and

volume of products manufactured in Canada and in exports of asbestos fibre.

## International Operations

Another new sales record for Johns-Manville's manufactured products and Celite was set in overseas countries.

Two manufacturing operations were initiated in 1959. They are an industrial packings plant near Mexico City, Mexico, completed in September, 1959, and a perlite filter aids plant at Hull, England, scheduled for completion in March, 1960.

J-M does business in every area of the world except the Iron Curtain countries.

A big segment of Johns-Manville foreign trade activity involves supplying asbestos fibre and diatomite to manufacturers who use these raw materials in fabricating their own products. This J-M business is spread over 75 nations.

In addition the Company has some 40 agreements to supply technical knowledge for the production in 18 separate countries of some 18 groups of J-M products including mineral wool, floor tile, friction materials, refractories, asbestos-cement, textiles and packings, fiber glass and thermal insulations.

## Research and Engineering

Some time ago the departmental organization at the Research Center near Manville, N. J., was changed to make it parallel more closely the divisional organization of the Company. Each operating division has a research department assigned to its problems and developments. This new organizational plan is increasing the accomplishments of J-M's research program, since there is closer cooperation between the research experts and divisional personnel.

Research in fiber glass is carried on at the Fiber Glass Research and Technical Center at Waterville, Ohio.

Experience acquired by J-M men since the Company pioneered mineral wool fiberizing some thirty years ago has now been combined with the skills of fiber glass experts who joined the Company when it entered the fiber glass business at the end of 1958.

The Engineering Center, adjacent to the Research Center near

Manville, is headquarters for specialists and staff members working on design of Johns-Manville plants and processes and related engineering services. Here also is located a shop in which specially designed equipment for Company use is made.

## Reducing the Cost of Doing Business

Under a continuing program to reduce the cost of doing business all Divisions of the Company set up 1959 cost reduction objectives which in many cases were exceeded. For the entire year the program achieved savings of $9,700,000.

These savings are made in such ways as greater productivity through improved mechanical methods and materials handling, more efficient layout of equipment and utilization of floor space, improved maintenance to reduce the time equipment is shut down and more effective processes and formulations.

An office work cost reduction program has been extended into plant offices and plants to increase the effectiveness of handling paperwork and prevent duplication of effort.

## Capital Expenditures

Expenditures for additions to and improvements and replacements of Johns-Manville properties amounted to $17,083,000 in 1959, compared with $12,514,000 in 1958.

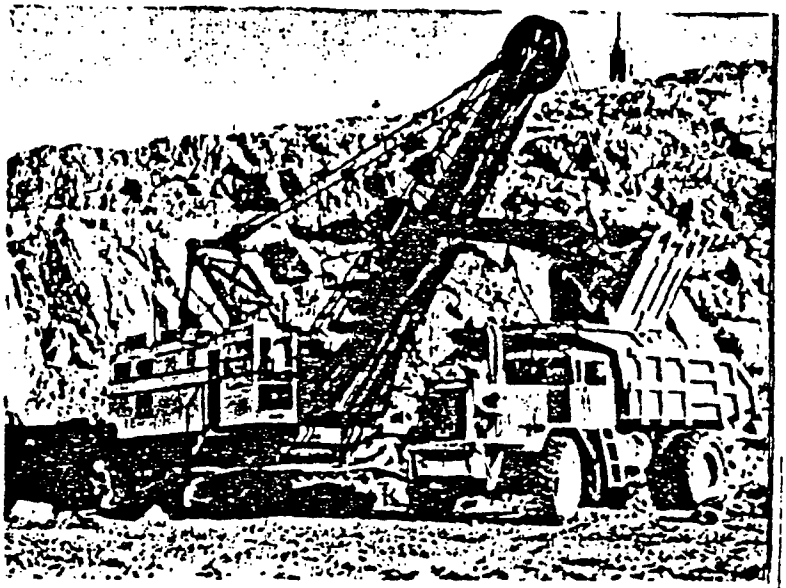
It is anticipated that capital expenditures in 1960 will amount to approximately $35,000,000.

## Incentive Plans

During 1959 incentive payments totaling $4,475,000 were paid to 55 percent of the factory employees. Incentive compensation amounting to $5,558,000 was also accrued and partly paid to 1,066 salesmen and to 146 district and unit managers. Distribution of $2,405,000 has been or will be made to 388 administrative employees within the limits of the Profit Sharing Plan adopted by the stockholders.

*A continuation of the discussion of Company affairs in 1959 follows the Color Section starting on the facing page.*

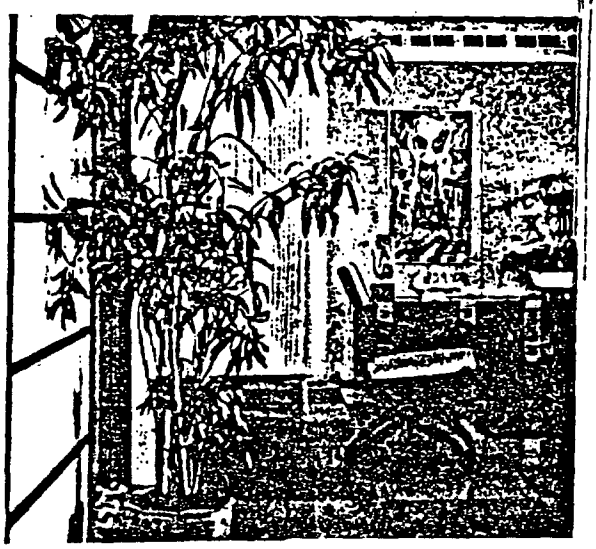
*Asbestos ore is loaded in the open pit for conveyance to the Jeffrey mine at Asbestos, Quebec. Open-pit mining here is being expanded and extended since it is more economical than underground mining. In about two years underground mining will be discontinued, with substantial savings effected in obtaining ore.*

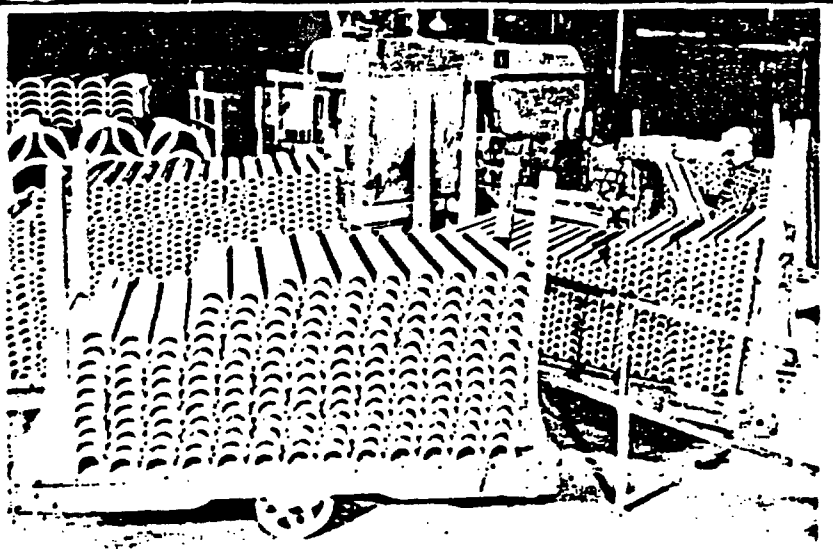


# COLOR SECTION

*Johns-Manville Terraflex® vinyl asbestos floor tile (above) is a favorite in the "do it yourself" market. The tile comes in 40 colors of various patterns and is easy to cut and fit. Application is simplified by a newly developed clear adhesive which can be brushed on.*

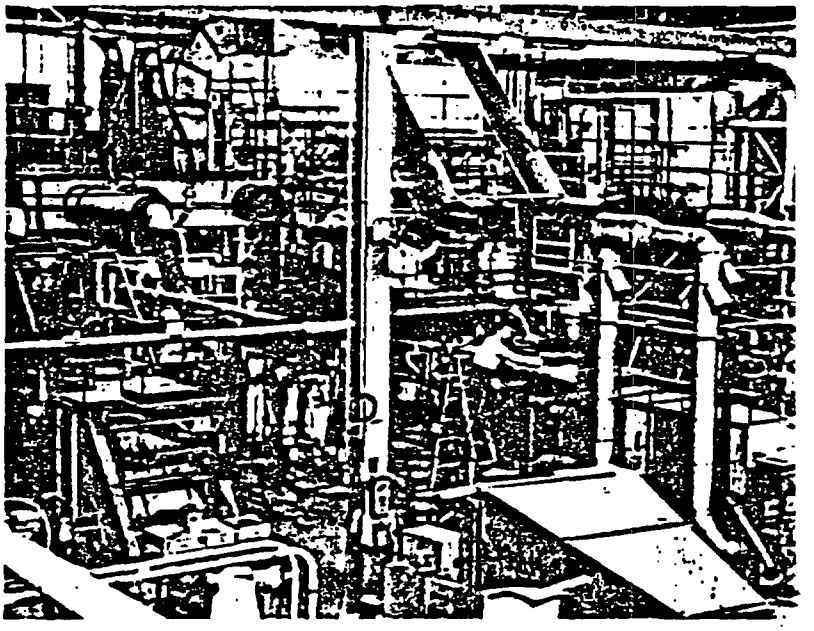
*New uses for asbestos-cement products are explored in an experimental house recently erected through the cooperation of the magazine "Living for Young Homemakers," the Asbestos-Cement Products Association and manufacturers. Featured in the foyer (below) are a floor of two-foot squares of J-M Colorlith® and a wall (background) of J-M Colorchip. Both are integrally colored and patterned asbestos-cement sheet products.*

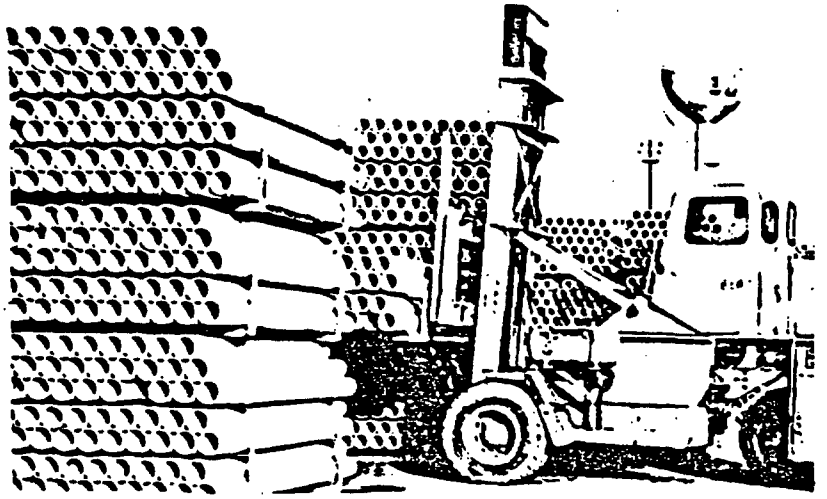




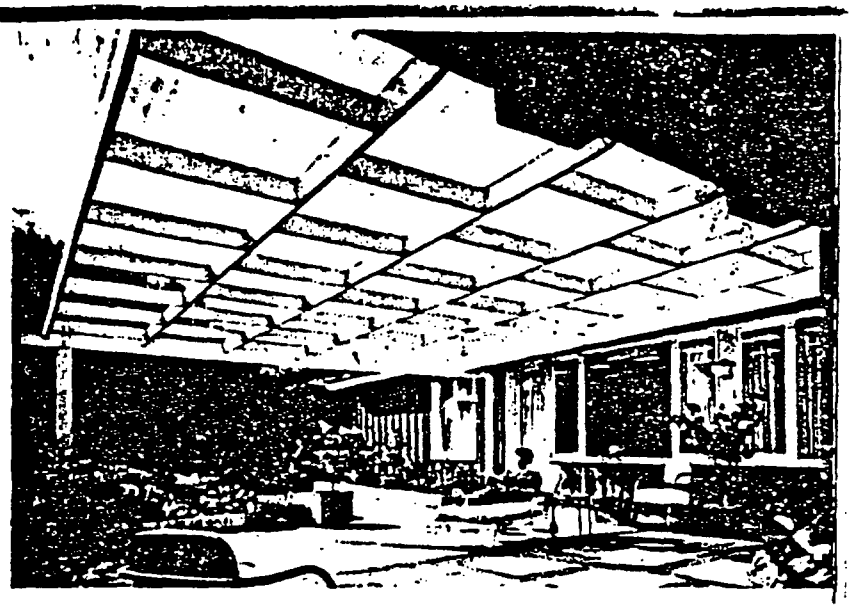
*Thermobestos®, a pipe and block industrial insulation for temperatures up to 1200F, is made from two of Johns-Manville's basic raw materials, asbestos fibre and diatomite, combined with lime.*

*Development work on many of J-M's product lines is carried on with this pilot plant equipment at the Research Center near Manville, N. J. The building housing this equipment is designed so that the research scientist and the practical technician can work as a team in closest cooperation, and so that, under one roof, projects can be carried through the laboratory stage to experimental production.*

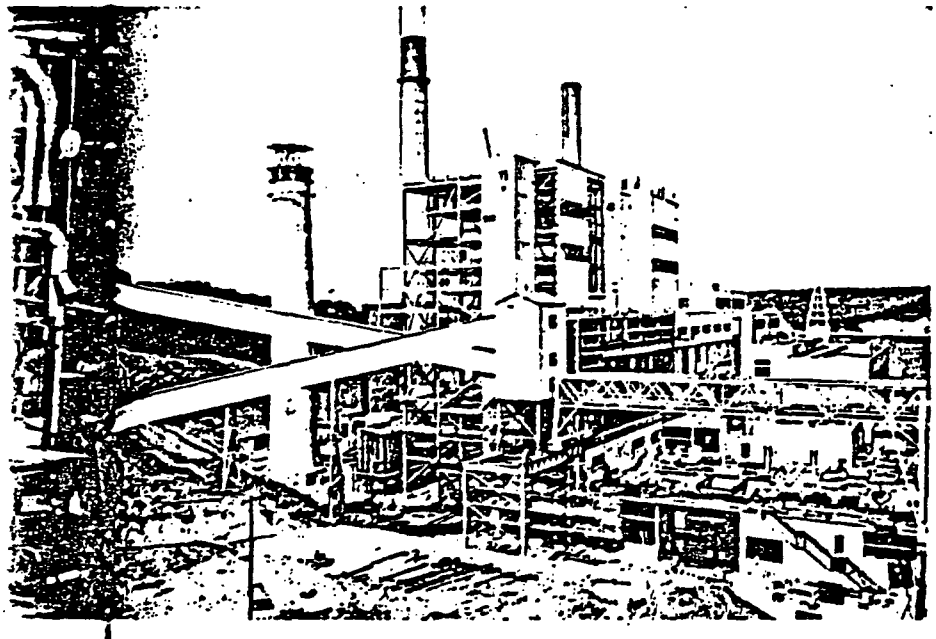




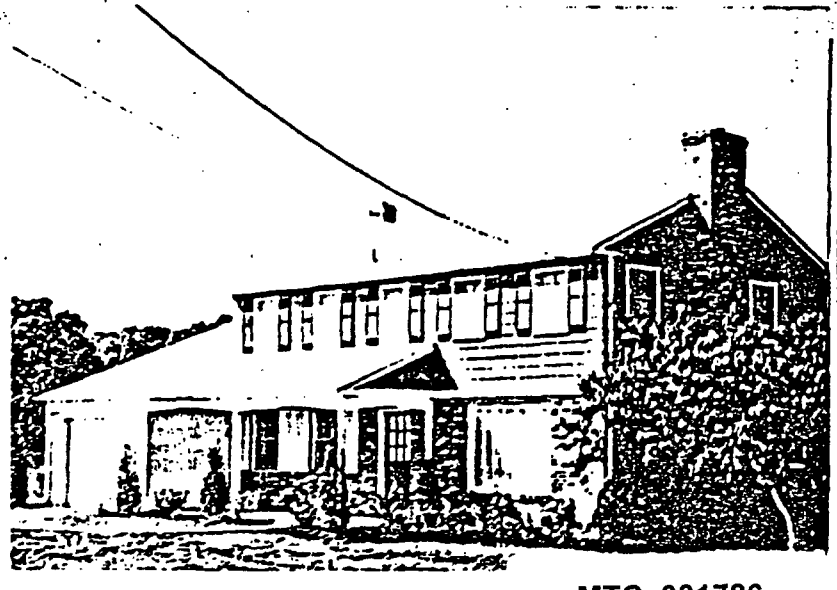
*Modern materials-handling equipment is seen in use in a storage yard for Transite® pipe. This asbestos-cement product was first manufactured on this continent by Johns-Manville thirty years ago and has grown to be an important business for the Company.*



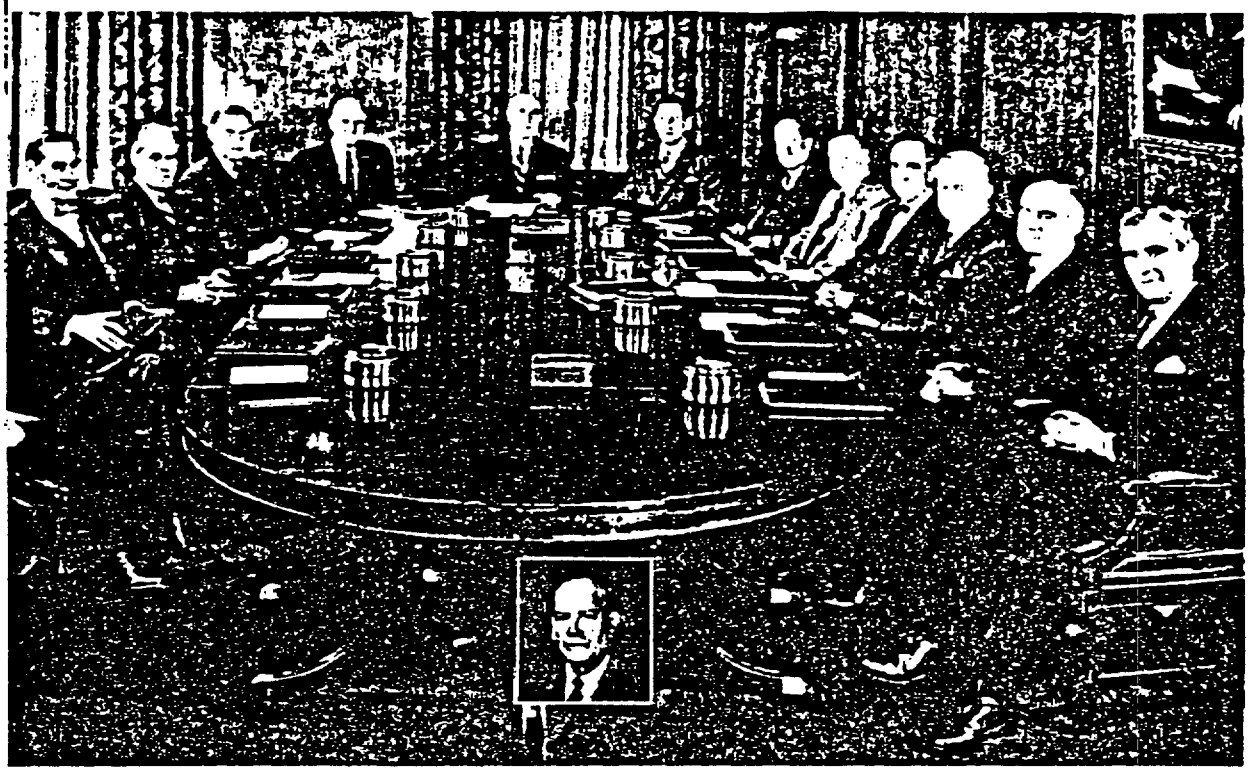
*This patio is roofed with shatterproof J-M Corrulux®, a fiber glass reinforced translucent building panel. Corrulux finds many uses in both interiors and exteriors of homes and commercial and industrial structures. It is one of many fiber glass products added to the Johns-Manville lines with the acquisition of a fiber glass business at the end of 1958.*



*The walls of this 185,000 kilowatt unit of the Long Island Lighting Company, shown under construction, are being covered with J-M corrugated Transite. The unit is one of four in the Port Jefferson, New York, area, all of which are covered with corrugated Transite.*



*The second story sidewall of this house is Rock-Shakes, new J-M asbestos cement shingles with a plastic surface and deep striated texture. The house is one of many built under Johns-Manville's 7 Star Protection plan which helps builders sell outstanding values in homes built with J-M products. Other J-M products visible in the photo are Seal-O-Matic® shingles on the roof and Flexboard® in board-and-batten construction for the walls of the garage.*



*Johns-Manville Directors in session. Left to right, John D. Biggers, H. Edward Manville, Jr., Leslie M. Cassidy, Joseph A. Grazier, Clinton B. Burnett, Chairman Adrain R. Fisher, Secretary Herbert M. Ball, Enders M. Voorhees, John W. Hanes, Clifford F. Rassweiler, Roger Hackney, Edgar G. Burton and Henry C. Alexander; inset, William C. Stolk.*

## BOARD OF DIRECTORS

| | |
|---|---|
| ADRAIN R. FISHER | *Chairman, Johns-Manville Corporation* |
| ENDERS M. VOORHEES | *Director, Member of the Executive Committee and Finance Committee, United States Steel Corporation* |
| HENRY C. ALEXANDER | *Chairman, Morgan Guaranty Trust Company of New York* |
| JOHN W. HANES | *Director, Olin Mathieson Chemical Corporation* |
| H. EDWARD MANVILLE, JR. | *Trustee, Hiram Edward Manville Foundation* |
| LESLIE M. CASSIDY | *Consultant* |
| CLIFFORD F. RASSWEILER | *Vice President, Johns-Manville Corporation* |
| WILLIAM C. STOLK | *President, American Can Company* |
| EDGAR G. BURTON | *Chairman and President, Simpsons, Limited (Toronto)* |
| JOSEPH A. GRAZIER | *President, American Radiator & Standard Sanitary Corporation* |
| CLINTON B. BURNETT | *President, Johns-Manville Corporation* |
| ROGER HACKNEY | *Vice President, Johns-Manville Corporation* |
| JOHN D. BIGGERS | *Chairman, Libbey-Owens-Ford Glass Company* |

## Officers of the Corporation

ADRIAN R. FISHER ..... *Chairman*

CLINTON B. BURNETT ..... *President*

CLIFFORD F. RASSWEILER ... *Vice President for Research and Development*

JOHN P. SYME ..... *Vice President and Assistant to Chairman*

WILLIAM R. WILKINSON ..... *Vice President*

KENNETH W. HUFFINE ..... *Vice President for Production*

JOHN A. O'BRIEN ..... *Vice President for Sales*

CHARLES W. HITE ..... *Vice President for Industrial Relations*

ROGER HACKNEY ..... *Vice President for Finance*

REED S. HAMMOND ..... *Vice President*

ROBERT F. ORTH ..... *Vice President*

DON L. HINMON ..... *Vice President*

HERBERT M. BALL ..... *Secretary and General Attorney*

JAMES M. SHACKELFORD ..... *Treasurer*

IRVING J. PEDLY ..... *Assistant Secretary*

MRS. CONSUELO C. BEAN ..... *Assistant Secretary*

ALVIN V. MITCHELL ..... *Assistant Treasurer*

## General Managers of Operating Divisions

ASBESTOS FIBRE
KARL V. LINDELL .. *Vice President, Canadian Johns-Manville Company, Ltd.*

BUILDING PRODUCTS
REED S. HAMMOND ..... *Vice President, Johns-Manville Corporation*

CANADIAN PRODUCTS
ALFRED G. SINCLAIR. *Vice President, Canadian Johns-Manville Company, Ltd.*

CELITE
CARLTON J. O'NEIL ... *Vice President, Johns-Manville Products Corporation*

DUTCH BRAND
EARL F. BOYLE ..... *Vice President, Johns-Manville Sales Corporation*

INTERNATIONAL
DUDLEY T. COLTON. *Vice President, Johns-Manville International Corporation*

PACKINGS AND FRICTION MATERIALS
CLARENCE C. SIMONI ..... *Vice President, Johns-Manville Sales Corporation*

PIPE
ROBERT F. ORTH ..... *Vice President, Johns-Manville Corporation*

### *INDUSTRIAL DIVISIONS*

INDUSTRIAL INSULATIONS
DON L. HINMON* ..... *Vice President, Johns-Manville Corporation*

FIBER GLASS
FRANCIS H. MAY, JR. ..... *Vice President, Johns-Manville Fiber Glass Inc.*

**As Vice President for Industrial Divisions Mr. Hinmon administers the operations of both the Industrial Insulations and the Fiber Glass Divisions.*

# 19 LABOR RELATIONS 59

Labor agreements are negotiated locally at all J-M's United States and Canadian plants and mines. There are now 45 of these agreements at 34 locations, signed by the Company and the various unions including locals of the AFL-CIO, United Mine Workers and La Fédération Nationale des Employés de l'Industrie Minière.

The Company experienced two work stoppages — a 103-day strike at the Dutch Brand, Chicago, Ill., plant affecting some 252 employees, and a strike which began July 2nd and was settled on a satisfactory basis January 17, 1960, at the Marrero, La., plant affecting some 600 employees. These strikes were called by local unions,

## TEN-YEAR REVI

| Year | Capital Expenditures | Depreciation and Depletion | Sales | Earnings Before Taxes | Taxes | Net Earnings | Dividends | Earnings per Share* | Com... Divi... per Sh... |
|---|---|---|---|---|---|---|---|---|---|
| | IN MILLIONS OF DOLLARS | | | | | | | | |
| 959 | $ 17.1 | $ 16.8 | $ 377.6 | $ 62.7 | $ 31.1 | $ 31.6 | $ 16.7 | $ 3.74 | $ 1.9 |
| 958 | 12.9 | 15.8 | 331.7 | 48.1 | 24.7 | 23.4 | 14.3 | 2.83 | 1.8 |
| 957 | 45.7 | 14.5 | 308.3 | 36.3 | 18.5 | 17.8 | 14.3 | 2.48 | 1.9 |
| 956 | 26.1 | 13.6 | 310.4 | 50.8 | 25.8 | 25.0 | 15.0 | 3.79 | 2.2 |
| 955 | 18.3 | 12.6 | 284.7 | 49.2 | 25.7 | 23.5 | 13.6 | 3.68 | 2.1 |
| 954 | 20.2 | 11.7 | 253.2 | 34.5 | 17.8 | 16.7 | 13.5 | 2.82 | 2.1 |
| 953 | 21.6 | 10.2 | 252.6 | 40.4 | 20.7 | 19.7 | 13.5 | 3.10 | 2.1 |
| 952 | 15.0 | 6.9 | 244.7 | 45.7 | 23.1 | 22.6 | 13.5 | 3.57 | 2.1 |
| 951 | 13.1 | 6.9 | 238.0 | 54.3 | 29.8 | 24.5 | 13.4 | 3.88 | 2.1 |
| 950 | 9.4 | 7.0 | 203.3 | 42.8 | 20.0 | 22.8 | 11.0 | 3.64 | 1.9 |
| Total | $199.4 | $116.0 | $2,804.5 | $464.8 | $237.2 | $227.6 | $138.8 | $33.33 | $21.9 |

both affiliated with the same international union, at termination of the then existing agreements.

The issues in both strikes were demands for wages and economic benefits in excess of those being granted in industry generally.

In addition, the Marrero union demanded restrictions on the right of the Company to assign work, establish the content of jobs, schedule operations, subcontract work, and establish rules of conduct for employees.

Man days lost in 1959 as a result of these two strikes were slightly less than 3 percent of the total man days worked by the Company.

Agreements were reached at all locations on a one, two or three year basis. All agreements contain no-strike provisions.

Wage increases in these plants and mines during 1959 averaged 6.8 cents per hour or 3.8 percent.

## VIII. OPERATIONS

| Common Dividends per Share | Investment — MILLIONS OF DOLLARS | Book Value per Share* | Shares of Common Stock Outstanding at End of Year* | Percentage of Earnings to Sales | Percentage of Earnings to Investment at Start of Year | Asbestos Fibre Tonnage | Employees | Stockholders | Year |
|---|---|---|---|---|---|---|---|---|---|
| $ 2.00 | $257.7 | $30.41 | 8,474,214 | 8.4% | 13.3% | 483,000 | 22,000 | 30,100 | 1959 |
| 2.00 | 237.8 | 28.71 | 8,283,192 | 7.0 | 10.3 | 495,000 | 21,800 | 23,800 | 1958 |
| 2.00 | 202.5 | 28.28 | 7,163,006 | 5.7 | 9.0 | 568,000 | 21,700 | 20,000 | 1957 |
| 2.25 | 198.5 | 27.77 | 7,148,723 | 8.0 | 15.8 | 576,000 | 21,300 | 19,200 | 1956 |
| 2.12½ | 158.6 | 24.77 | 6,404,126 | 8.3 | 16.0 | 592,000 | 20,500 | 15,100 | 1955 |
| 2.12½ | 146.9 | 23.09 | 6,363,060 | 6.6 | 11.6 | 500,000 | 20,000 | 14,200 | 1954 |
| 2.12½ | 143.1 | 22.55 | 6,344,168 | 7.8 | 14.4 | 505,000 | 20,000 | 14,100 | 1953 |
| 2.12½ | 136.5 | 21.56 | 6,333,088 | 9.2 | 17.8 | 534,000 | 21,000 | 13,900 | 1952 |
| 2.12½ | 127.2 | 20.10 | 6,328,994 | 10.3 | 21.2 | 567,000 | 21,000 | 13,700 | 1951 |
| 1.75 | 115.7 | 18.33 | 6,316,566 | 11.2 | 22.4 | 452,000 | 20,000 | 13,300 | 1950 |
| $20.00 | | | | | | | | | |

*Adjusted for 1956 stock split
†On average shares outstanding

# 1959 ORGANIZATION

Clinton B. Burnett was elected President and Chief Operating Officer by the Board of Directors effective January 1, 1960. In this position he succeeds Adrain R. Fisher, who remains Chairman and Chief Executive Officer. Mr. Burnett, who continues as a Director, had been Executive Vice President.

Three appointments to Vice President of Johns-Manville Corporation were made, effective January 1, 1960. They are Reed S. Hammond, Robert F. Orth and Don L. Hinmon.

Mr. Hammond was appointed general manager of the Building Products Division, succeeding William R. Wilkinson, who remains a Vice President of Johns-Manville Corporation until his retirement on April 1, 1960. Mr. Hammond had been general sales manager of the Industrial Building Products Sales Department of the Division.

Mr. Orth continues as general manager of the Pipe Division, a position he has held since creation of the Division in 1956.

Mr. Hinmon was appointed Vice President for Industrial Divisions. In this capacity he continues as general manager of the Industrial Insulations Division and also administers the operations of the Fiber Glass Division through the general manager of that Division, Francis H. May, Jr.

R. H. Barnard, who had been President of Johns-Manville Fiber Glass Inc., resigned this position and was appointed adviser and consultant to the Vice President for Industrial Divisions.

James M. Shackelford was appointed Treasurer, succeeding Joseph L. Wood, who retired December 1, 1959, after serving the Company for thirty-two years. Mr. Shackelford, with twenty years of J-M experience, had been Assistant Treasurer.

* * *

With deepest sorrow we record the death on August 15 of Walter H. Aldridge. Mr. Aldridge served on the Board of Directors from 1928 until 1956 and had been Director Emeritus since then.

# 1959 ANNUAL MEETING

The Annual Meeting in 1959 was held in New York on March 12. A report on this meeting was sent to all stockholders.

The 1960 Annual Meeting will be held in New York on March 17. All stockholders are cordially urged to attend. Proxies for this meeting are being mailed and all stockholders who cannot attend in person are reminded that it is important to send in their proxies.

At the close of 1959 there were about 30,100 stockholders, compared with 23,800 at the end of 1958. The increase was due primarily to the addition of former L-O-F Glass Fibers Company stockholders.

## JOHNS-MANVILLE STOCKHOLDERS

| | Percent of Total Stockholders (30,100) | Percent of Total Shares (8,474,214) |
|---|---|---|
| Men | 39.5% | 16.0% |
| Women | 33.9 | 13.6 |
| Joint Accounts | 11.5 | 2.3 |
| Fiduciaries and Estates | 7.9 | 4.3 |
| Nominees and Banks | 2.8 | 40.6 |
| Brokers | 0.9 | 5.4 |
| Insurance Companies | 0.5 | 5.0 |
| All Others | 3.0 | 12.8 |
| | 100.0% | 100.0% |

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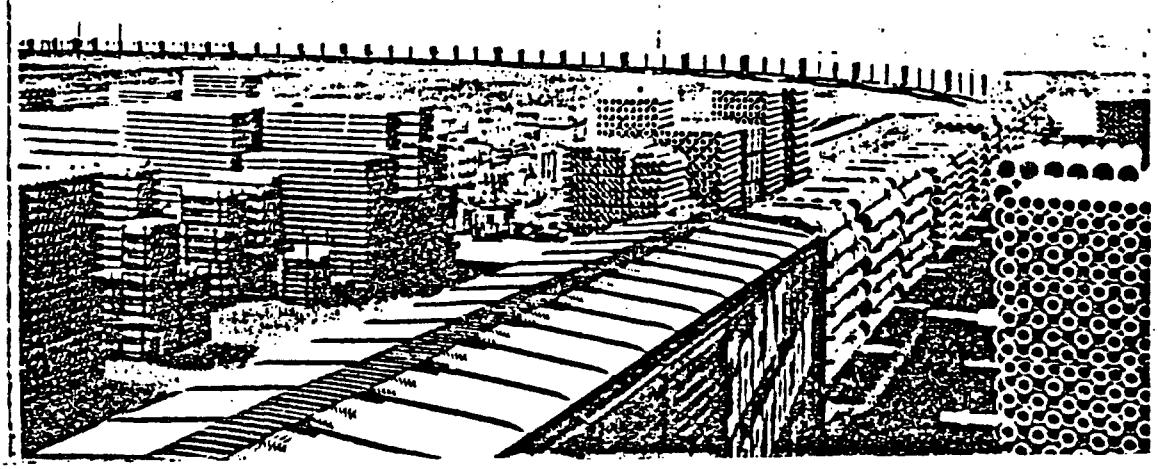
# PRODUCTS AND PLANTS

Products

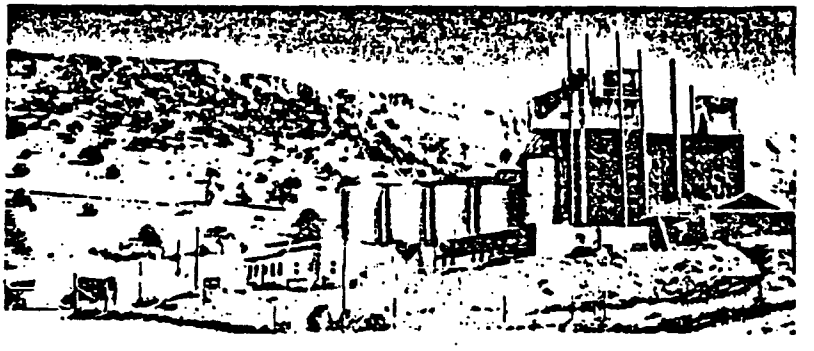
Acoustical Products
Asbestos Boards
Asbestos Felts
Asbestos Fibre
Asbestos Paper
Asbestos Shingles and Sidings
Asbestos Textiles
Asphalt Roofings and Other Asphalt Products
Automotive and Industrial Brake Linings and Other Friction Materials
Celite® (Diatomite) Insulations, Filter Aids, Fillers and Synthetic Silicates
Corrulux® Fiber Glass Reinforced Plastic Panels
Electrical Insulations
Fiber Glass Textiles
Floor Tile — Vinyl Asbestos and Asphalt
Home Insulations
Industrial Fiber Glass and Mineral Wool Insulations
Industrial Insulations — High and Low Temperature
Insulating Board
Insulating Fire Brick
Insulating and Refractory Cements
Movable Asbestos Walls
Packings and Gaskets
Perlite Insulations, Fillers and Filter Aids
Rubber Products
Tapes — Cloth, Plastic and Paper
Transite® (Asbestos-Cement) Pipe

*A full quarter-mile inload of more than 800 ns of Transite (asbestos-cement) pipe leaves the Company's plant at Stockton, Calif. Major arkets for Transite pipe re for water mains and irrigation lines, sewers, industrial piping, electrical and telephone ducts, house connection and vent pipes, and air ts for slab construction.*



## Plants

Alexandria, Indiana
Asbestos, Quebec
Billerica, Massachusetts
Chicago, Illinois
Chillicothe, Ohio
Corona, California
Defiance, Ohio — Perry Street
Defiance, Ohio — Carpenter Road
Defiance, Ohio - Columbus Avenue
Denison, Texas
Fort Worth, Texas
Houston, Texas
Hull, England
Jarratt, Virginia
Joliet, Illinois
Klamath Falls, Oregon
Lompoc, California
Los Angeles, California
Manville, New Jersey
Marrero, Louisiana
Mexico City, Mexico
*Mol, Belgium
Nashua, New Hampshire
Natchez, Mississippi
New Brunswick, New Jersey
North Bay, Ontario
Parkersburg, West Virginia
Pittsburg, California
Richmond, Indiana
Rockdale, Illinois
Savannah, Georgia
Stockton, California
Tilton, New Hampshire
Toronto, Ontario
Waterville, Ohio
Watson, California
Waukegan, Illinois
Zelienople, Pennsylvania



*Newly acquired perlite mill at No Agua, New Mex. The hill directly behind the mill is the part of the deposit of perlite which is being mined. The deposit contains a number of hills and covers 2,000 acres.*

## Mines

Asbestos, Quebec
Lompoc, California
Munro, Ontario
No Agua, New Mexico

## Research and Engineering Centers

Near Manville, New Jersey

## Fiber Glass Research and Technical Center

Waterville, Ohio

*Majority Owned.

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# FINANCIAL STATEMENTS –

Johns-Manville Corporati

## Investment

| | December 31 | |
|---|---|---|
| | 1959 | 1958 |
| WORKING CAPITAL | | |
| Cash | $ 18,298,817 | $ 24,438,323 |
| Marketable securities at cost (approximately market) | 10,210,151 | 22,940,525 |
| Accounts and notes receivable | 54,271,175 | 46,697,513 |
| Inventories (Note 2) | 41,690,627 | 39,302,237 |
| Total | 154,500,770 | 133,378,598 |
| Less: Current liabilities (Note 3) | 56,325,865 | 52,097,438 |
| Working capital | 98,174,905 | 81,281,160 |
| PROPERTIES AND PLANTS, less estimated depreciation and depletion (Note 4) | 158,506,732 | 157,590,445 |
| OTHER ASSETS (Note 5) | 13,237,628 | 11,212,985 |
| | 269,919,265 | 250,084,590 |
| Less: Long-term obligations (Note 6) | 2,750,000 | 3,000,000 |
| Reserves for contingencies, etc. (Note 7) | 9,432,761 | 9,305,852 |
| INVESTMENT | $257,736,504 | $237,778,738 |
| REPRESENTED BY: | | |
| Common stock (Note 8) | 117,516,761 | 115,464,864 |
| Earnings reinvested | 140,189,743 | 122,313,874 |
| | $257,736,504 | $237,778,738 |

(The notes on p

## Earnings

| | 1959 (Note 1) | 1958 |
|---|---|---|
| Sales, less discounts and allowances | $377,561,660 | $331,742,726 |
| Manufacturing costs, selling and administrative expenses, etc., exclusive of taxes shown below (Note 9) | 314,807,248 | 283,672,388 |
| | 62,754,412 | 48,070,338 |
| Income and other taxes (Note 10) | 31,138,423 | 24,696,497 |
| Net earnings for the year | 31,615,989 | 23,373,841 |
| Dividends (Note 11) | 16,684,686 | 14,345,105 |
| Earnings of this year reinvested in the business | 14,931,303 | 9,028,736 |
| Earnings reinvested as at beginning of year (including, in 1959, $2,944,566 for F. E. Schundler & Co., Inc.) | 125,258,440 | 113,285,138 |
| Earnings reinvested as at end of year | $140,189,743 | $122,313,874 |

*An integral part of these statements.)*

## Notes to Financial Statements

1. As of September 22, 1959 in a combination treated as a pooling of interest, Johns-Manville Corporation acquired in exchange for 148,000 shares of its common stock all of the outstanding common stock of F. E. Schundler & Co., Inc. The accompanying statement of earnings for 1959 includes operations of F. E. Schundler & Co., Inc., for the full year.

2. Inventories are valued at the lower of cost (principally last-in, first-out) or market.

3. Current liabilities are as follows:

| | December 31 | |
|---|---|---|
| | 1959 | 1958 |
| United States and Canadian income taxes | $ 23,216,730 | $22,703,262 |
| Other taxes | 5,195,207 | 4,118,339 |
| Wages and compensation payable and accrued vacation pay | 12,315,371 | 10,815,030 |
| Accounts payable and other accrued liabilities | 15,568,557 | 14,100,807 |
| | $ 56,325,865 | $52,097,438 |

4. Properties and plants are stated at cost less the following amounts of estimated depreciation and depletion:

| December 31 | |
|---|---|
| 1959 | 1958 |
| $145,292,930 | $130,841,340 |

5. Other assets are as follows:

| | December 31 | |
|---|---|---|
| | 1959 | 1958 |
| Investments in and advances to unconsolidated subsidiaries (at cost or less)..... | $ 1,013,951 | $ 182,508 |
| Prepaid and deferred charges | 3,496,910 | 2,746,436 |
| Accounts receivable from employees for stock purchases (Note 8)..... | 4,397,107 | 4,609,445 |
| Miscellaneous investments (at cost or less)..... | 4,329,660 | 3,674,596 |
| | $13,237,628 | $11,212,985 |

6. Long term obligations comprise notes bearing interest at 2.7 percent with principal payable $250,000 annually to July 15, 1966, balance payable July 15, 1967. The amount of the payment due on the following July 15 is included in current liabilities each year.

7. Reserves for contingencies, etc., include:

| | December 31 | |
|---|---|---|
| | 1959 | 1958 |
| Reserve for workmen's compensation self-insurance... | $ 425,000 | $ 425,000 |
| Reserve for retired employees' group life self-insurance... | 906,786 | 727,280 |
| Reserve for product guarantees..... | 439,065 | 491,662 |
| Reserve for contingencies... | 7,661,910 | 7,661,910 |
| | $ 9,432,761 | $ 9,305,852 |

8. Par value of common stock is $5 per share. Of 25,000,000 shares authorized, 8,474,214 shares were issued and outstanding at December 31, 1959.

269,369 shares are reserved in connection with the employees' stock purchase plan. This plan, approved in 1958, permits eligible employees to purchase a limited number of shares of the Company's common stock at market price prevailing at time of purchase, to be paid for within ten years. Shares are issued and held by a trustee as security for unpaid amounts. At December 31, 1959 the trustee held 140,711 shares issued under this plan and a prior plan.

188,255 shares are reserved in connection with the incentive stock option plan. This plan, approved by stockholders in 1954, permits key employees, including officers and directors who are full-time employees of the Company or its subsidiaries, to purchase shares at the fair market value thereof on the date the option is granted. Options may be exercised only after two years of continuous employment by the Company or its subsidiaries after the date of the grant of the option. At January 1, 1959 options on 72,290 shares at prices ranging from $27.82 to $41.87½ per share were unexercised.

During 1959 options on 21,125 shares were exercised at prices ranging from $27.82 to $41.87½ per share and options on 18 shares at $30.32 were cancelled. In 1959 additional options were granted on 54,100 shares at $53.00 per share.

At the end of 1959 options on 102,247 shares were unexercised and 86,008 shares were available for further option.

9. Manufacturing costs, selling and administrative expenses include provisions for depreciation and depletion as follows:

| | 1959 | 1958 |
|---|---|---|
| Depreciation | $16,362,493 | $15,279,623 |
| Depletion | 420,191 | 501,351 |
| | $16,782,684 | $15,780,974 |

Depreciation on U. S. properties has been provided by the straight line method plus an amount equal to the tax savings realized by using accelerated methods permitted for tax purposes. Depreciation on Canadian properties has been provided by the diminishing balance method.

10. Taxes:

| | 1959 | 1958 |
|---|---|---|
| United States and Canadian income taxes | $21,830,000 | $16,850,000 |
| Other taxes | 9,308,423 | 7,846,497 |
| | $31,138,423 | $24,696,497 |

11. Dividends include payments in lieu of dividends on shares of stock pledged under the employees' stock purchase plan.

## Accountants' Report

To the Stockholders and Board of Directors of
Johns-Manville Corporation,
New York, N. Y.

We have examined the statement of investment of Johns-Manville Corporation and its Consolidated Subsidiary Companies as of December 31, 1959 and 1958 and the related statement of earnings for the years then ended. We were furnished with financial statements of the Canadian subsidiaries for 1959 and 1958 and of a domestic subsidiary for 1958, together with the respective reports thereon of Canadian chartered accountants and other public accountants. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, based upon our examination and upon the reports of other accountants, the accompanying statement of investment and related statement of earnings present fairly the financial position of Johns-Manville Corporation and its consolidated subsidiary companies at December 31, 1959 and 1958 and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Lybrand, Ross Bros. & Montgomery,
*Certified Public Accountants.*

*New York, January 26, 1960.*

Printed in U.S.A.

**Johns-Manville Corporation**

Transfer Agents:

Morgan Guaranty Trust Company of New York
National Trust Company — Montreal and Toronto

Registrars:

The Chase Manhattan Bank — New York
Montreal Trust Company — Montreal and Toronto

General Counsel:

Davis Polk Wardwell Sunderland & Kiendl New York

Auditors:

Lybrand, Ross Bros. & Montgomery — New York
Sharp, Milne & Co. — Montreal

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