

time subject to abnormal taxation. This enabled them to write down the cost of existing plants, to build large extensions, thus increasing their output, and to install every known improvement and labor-saving device tending towards increased output and lower cost. We in our company have great advantages in our properties, which I will mention later, but I wish to draw your attention to the conditions which I have just described, as they constituted one of the most potent factors which influenced your directors upon what I consider to be the most important step taken by your company in many years.

I refer to the sale of 50,000 common shares of the Dominion Steel Corporation, and to the appointment of a London Advisory Committee. The sale of these common shares was a most desirable transaction, as the funds were required for the current needs of the company, and the price obtained was a satisfactory one, in view of the conditions.

The London Advisory Committee is composed of the following gentlemen:

Colonel W. Grant Morden, M.P., Chairman.
Right Hon. Viscount Furness, Vice-Chairman.
Sir William Beardmore, Bart.
Major-Gen. Hon. Sir Newton Moore, K.C.M.G., M.P.
Mr. Henry Steel.
Mr. Benjamin Talbot.
Mr. Mark Workman.

The names of these gentlemen are, no doubt, well known to you, and little comment is required. I might state, however, that Colonel Morden's financial connections in Great Britain are such that excellent facilities for future financing are made available through his co-operation. Viscount Furness is the chairman of the extensive Furness group of English Steel industrials; Mr. Benjamin Talbot is managing director of these companies; Sir William Beardmore is chairman of William Beardmore & Company, shipbuilders, of Glasgow; Major-Gen. Sir Newton Moore is a former Prime Minister of Western Australia, director of the General Electric Company of England, and associated closely with the Australian steel industry; Mr. Henry Steel is chairman of the United Steel Companies of Great Britain, and the Bengal Iron and Steel Company of India.

These gentlemen bring to us long experience in the steel trade of the world. They provide also in the plants which they control, a large potential consumer of your company's ore, and as events progress, a purchaser of considerable quantities of pig iron and billets which will become available from the new furnaces which the future will undoubtedly see installed at Sydney.

Resources of Company

If we briefly inventory our resources, we find that our steel plant to-day consists of a new by-product coke oven plant, consisting of 120 of the most modern apparatus in existence. We possess also a 110-inch plate mill which has just been completed and put into operation, and is equal to any mill of this character either on this continent or in Europe. Our rolling facilities also include a 28-inch rail mill, billet mill, wire rod mill and merchant bar mills, and in addition we own plant for the production of various forms of wire products, including nails, bar and galvanizing wire, and so forth. We have sufficient blast furnace capacity, but are very short of open hearth furnace capacity, and the situation to-day is that your company finds itself with the greatest known deposits of coal and iron ore, splendidly situated, but possessing a plant with an economical output of only 25,000 tons of ingots per month, with, however, much greater capacity for pig iron production and of finishing mills.

While many valuable additions have been made during the past few years, and numerous judicious improvements have been carried out, much remains to be done in order to place the plant in condition for meeting world competition. Our position as regards the possession of basic materials is, however, unequalled, and given adequate capital, there is nothing to prevent the growth of your company into a strong world position.

Our most pressing need is for a new open hearth furnace plant and for other extensions, which under present day costs, will entail a large expenditure. Given this additional capital, your company will be enabled to take its proper place in world commerce, and to make adequate returns to its share-

holders. These improvements will not only enable our working forces to become more productive than with the equipment now available, thus affording a larger return from their labors, but will ensure such profits as to enable the company to give a fitting return to its shareholders. Without these additions and improvements you must realize that your large coal and ore deposits are assets that contribute a small part of what they should to the earnings of the company.

More Favorable Conditions

We commenced the current year under much more favorable auspices than last year. While our coal properties are not producing as much coal as we have the right to expect, we are fortunate in the possession of an unlimited market. Similar conditions prevail in the steel industry, and we have no difficulty in disposing of every ton we are able to produce. At the present time, three blast furnaces are in operation at Sydney, and we expect that a fourth unit will be put in blast in August. The entire output of our steel works is sold for the balance of this calendar year at attractive figures, and we have every reason to feel optimistic with regard to our company's prospects.

As previously mentioned, four of our five long-term chartered steamers were delivered to us late in the season of 1919. Two of these four vessels have already entered our service for the present season, and we anticipate the return of two further steamships very shortly. We have made arrangements to purchase a controlling interest in the remaining vessel, in addition to which we have an option on the services of the boat for the full term of the original charter, at an attractive rate.

A short time ago a proposal was submitted to your directors to become associated with various other enterprises in the recently organized British Empire Steel Corporation, Limited.

The object is to unite under single control the largest known single deposits of ore and coal, operating coal and ore mines, steel works, steamships, shipbuilding and repair yards, and other complementary enterprises. It would be the greatest industrial enterprise in Canada, and promises greater economy and efficiency in the production of coal and steel, the much-needed shipping facilities and organization for the transportation of the companies' raw materials and finished products, and an outlet for its ship plates.

In addition there must be many economies to be effected in uniting the various enterprises under one management. I only mention this because of the publicity it has been given. Your directors have been carefully investigating the proposals and as it is an important matter for the consideration of our shareholders I hope it will soon be in shape to present to you, and when the directors so decide, a special meeting of shareholders must be called to pass thereon.

R. M. WOLVIN, President.

BOARD OF DIRECTORS

The Board of Directors and officials were elected as follows:

Roy M. Wolvin, president.
Hon. Frederic Nicholls, vice-president.
Sir Henry M. Pellatt, vice-President.
J. N. Norcross, vice-president

Viscount Furness, Hon. Sir Clifford Sifton, Sir William Mackenzie, Sir William D. Reid, Major-General Sir Newton Moore, Benjamin Talbot, Hon. C. P. Beaubien, Edmund Bristol, K.C., M.P.; Stanley E. Elkin, M.P.; H. B. Smith, J. F. N. Stewart.

The Executive Committee named at the conclusion of the shareholders' meeting is comprised of the president, the three vice-presidents, Stanley E. Elkin, M.P.; H. B. Smith and J. F. N. Stewart; C. S. Cameron continues as comptroller, secretary and treasurer, with W. A. Doig, assistant secretary-treasurer.

The London Advisory Committee was named as follows: Col. W. Grant Morden, M.P., chairman; Viscount Furness, Sir William Beardmore, Bart.; Sir Newton Moore, M.P.; Henry Steel, Benjamin Talbot and Commander Sir A. Trevor Dawson, Bart.