

Dominion Steel Corporation, Limited and Constituent Companies

ANNUAL MEETING, 1920

Report of Board of Directors and Address of R. M. Wolvin, President

To the Shareholders:

Your directors have submitted the Consolidated Profit and Loss Account for the year ending 31st March, 1920, and the Balance Sheet of the Corporation and its constituent companies as at that date.

Profit and Loss Account

The earnings for the year after deducting all expenses incident to operations, current repairs, taxes, administrative and selling expenses amounted to \$5,532,529.43. After setting aside the sum of \$1,266,855.86 for Sinking Funds, the depreciation of plant and properties, and \$1,004,059.85 for bond interest, there remained a balance of \$3,261,613.72 as net profits for the year.

During the year the regular dividends were paid on the preference shares of the corporation and the preferred stocks of the Dominion Coal Company and Dominion Iron and Steel Company, amounting in all to \$980,000.00. The balance of the year's earnings, \$2,281,613.72, was transferred to Profit and Loss Account. Four quarterly dividends, aggregating six per cent., were paid upon the common shares outstanding 1st April, 1919, and a proportional amount upon the new shares issued in November, making a total disbursement of \$2,029,629.12. The balance at credit of Profit and Loss Account on 31st March was \$8,211,236.58, an increase of \$251,984.60 over the balance at the beginning of the year.

Output and Shipments

Although every possible effort was made by your directors and the officers of the Dominion Coal Company to maintain the output of the collieries, it was somewhat less than that of last year.

The total production from all collieries for the past five years was as follows:

	Gross tons
Year ending March 31, 1920	3,502,069
Year ending March 31, 1919	3,622,644
Year ending March 31, 1918	3,781,615
Year ending March 31, 1917	4,279,772
Year ending March 31, 1916	5,261,198

On account of trade conditions, operation of the Steel Company's works was greatly restricted during the months of August, September, October and November, and in consequence the year's output of steel was correspondingly reduced. During the last quarter of the fiscal year operations were gradually increased and are now upon a more satisfactory basis.

It will be noted that a new item has been added to the list of materials produced and that steel plates are now being made in quantity. The following table gives the annual production of the principal classes of iron and steel in the last two years:

	Yr. ending 31st Mar., 1919	Yr. ending 31st Mar., 1920
Pig iron	307,863	184,229
Steel ingots	341,603	219,943
Blooms and billets for sale	47,890	26,165
Standard rails	164,972	68,976

	Yr. ending 31st Mar., 1919	Yr. ending 31st Mar., 1920
	tons	tons
Light rails	-----	3,319
Wire rods for sale	26,746	44,436
Bars	1,459	1,245
*Wire	6,043	15,542
Nails	5,508	12,386
Plates	-----	3,252

* This includes wire used in the manufacture of nails, shown on next line.

Staff

Your directors have pleasure in expressing their appreciation of the services rendered by its officers and by the officers and employees of the constituent companies.

All of which is respectfully submitted.

For the Board of Directors:

R. M. WOLVIN, President.

PRESIDENT'S ADDRESS

To the Shareholders:

As president of the company, there devolves upon me the duty and privilege of moving the adoption of the report of the Board of Directors on the operations of your properties during the fiscal year ending March 31st, 1920, copies of which are now before you.

Upon preliminary examination, it is probable that from a financial standpoint the year's results will be somewhat disappointing to you. You must, however, temper this judgment by a consideration of the conditions existing during the period with which the report in question deals.

The period covered by the present report followed almost upon the termination of the war. A period of adjustment had been generally expected, and although of shorter duration than anticipated, it seriously affected the results of practically the entire year. The prevalent uncertainty resulted in very greatly retarding the operations of our coal mines, and for the first six months of the fiscal year our sales were only sufficient to warrant operating some of our collieries three and four days per week. Similar conditions prevailed in the steel trade, and the steel plant was closed down from August 26th to the end of October.

We were unfortunate also during the navigation season in that we were unable to secure the return of most of the steamships which we had under long-term charters. In the autumn, however, we were successful in having delivered to us all of these boats except one, but the dates on which we were able to secure these vessels were such that your company's earnings were very slightly augmented from this source.

Competition from States

Our strongest competition will come from the large steel companies of the United States. During the first three years of the war, and prior to the time when the United States threw in her lot with the Allies, the American steel companies accumulated large surpluses, which were not at that