DOMINION STEEL CORPORATION, LIMITED—*Continued*

	(Dom. Iron & Steel Co. only) 1911	1912	1913	1914	1915	1916	1917
	$	$	$	$	$	$	$
RESERVES							
Relining	121,787	Inc. in other ids.	....				
Exhaustion of Minerals	224,105	....	....	....	....	....	....
Contingent and other Funds	409,728	204,854	365,650	....	....	....	....
Accrued Dividends	....	35,000	105,000	440,432	567,397	903,498	1,238,657
Depreciation	2,367,484	Deducted from cost of properties		107,000	105,000	280,000	105,000
Reserve for Const. and War Tax	....	....	....	....	....	....	3,000,000
Outstanding Com. Stock Constituent Companies	....	245,612	57,212	54,576	23,245	5,247	5,967
Total Reserves	3,123,104	485,466	527,862	600,008	695,643	1,188,745	4,349,624
PROFIT AND LOSS (Gross)	2,201,186	7,388,261	4,714,058	4,442,032	3,571,059	7,004 317	12,967,875
LESS CHARGES							
Provision for Sinking Fund, Exhaustion of Minerals and Depreciation	419,866	1,624,806	1,009,651	903,889	920,093	1,192,824	1,859,596
Interest on Bonds and Loans	678,503	1,957,878	1,246,951	1,575,994	1,651,523	1,590,086	1,230,204
Preferred Dividend	291,667	980,000	437,500	420,000	420,000	420,000	420,000
Preferred Stock. Constituent Companies	....	....	560,000	560,000	210,000	560,000	†910,000
Dividend on Common Stock	....	1,225,204	1,277,101	960,931	....	nil	320,977
Proportion discount on Bonds sold	....	115,426	84,788	107,323	144,187	226,182	326,909
Special Appropriation for Depreciation and Renewals	500,000	700,000	....	....	....	....	....
1917 Provision for Const. Expenditure and War Tax, 1916	....	....	....	....	....	....	3,000,000
Total Charges	1,890,036	6,603,314	4,615,991	4,528,137	3,345,803	3,989,092	8,067,686
SURPLUS FOR YEAR	311,150	784,947	98,067	§86,105	225,256	3,015,225	4,900,189
(Less Special Appropriation to write off Discounts on securities carried as asset)	....	....	....	....	....	....	2,899,395
PROFIT AND LOSS BALANCE	2,369,375	784,946	‡2,438,431	2,350,220	2,577,718	5,596,099	7,596,893

* Securities included, held for sale, $3,163,773. ‡ Surplus incl. $1,555,418 surplus of Constituent Companies at acquisition. § Deficit. † Paid Div. in arrears.

The above figures are taken from a table compiled by The Montreal Financial Times.

INCREASED CANADIAN STEEL PRODUCTION

It is a Factor Considered by the Industry in the United States—Preparing for Peace

In a recent issue of The Wall Street Journal is contained a quotation from a business man of excellent judgment, who says that those in the United States reckoning upon a large sale of steel and iron products to Great Britain and to other European countries after the war is ended are in error. For it is asserted that Great Britain, Canada and Germany have greatly enlarged their steel-producing capacity; they have, in addition learned economy and efficiency. Furthermore, the Wall Street Journal says that the prevailing opinion that after the war is ended we shall be found leading the world in our exports of steel and iron products, is not taken seriously by steel men, who have watched the development of the steel industry since the beginning of the war.

Will not Buy Heavily.

One of the reasons given by the authority which the newspaper quotes for his belief that European countries will not buy heavily of steel and iron from the United States after the war, is to be found in the fact that these countries will then be debtor nations, possibly by as much as $100,000,000,000. They certainly will owe the United States many billions—in fact they do now. Therefore, they will not be disposed to increase their indebtedness by making heavy purchases of steel and iron in the United States. Instead of that the manufacturers will strain themselves to the utmost to command the greater part of the steel and iron trade of the world. For in that way they will be able to secure some part of the funds by which they may meet their obligations. They will make a great drive against the United States; they will attempt successfully to compete in our own markets with American iron and steel manufacturers They will rely to some extent for success upon high cost of production of steel and iron in the United States, due chiefly to the wages and salaries which are paid to the artisans.

Discussing these statements, "Holland," in an article in the Wall Street Journal, says that undoubtedly the view set forth by this authority is the one taken by the leaders of the steel and iron industry, yet with a mental reservation. These leaders believe that we can hold and increase our world trade in steel and iron products, notwithstanding the high cost of labor, if there be satisfactory legislation, part of it so enacted as to prevent the dumping into the United States of steel and iron products and part of it so enacted as to enable us with facility and at reasonably low cost to approach the markets of the world.

On the office wall of one of the high executive officers of the United States Steel Corporation is conspicuously placed a legend reading as follows: "In time of war, we should prepare for peace." Undoubtedly, the managers of the Steel Corporation and, in fact, the managers of all the independent steel and iron industries of the United States, are now, as far as possible, preparing for conditions which will arise immediately after the war is ended They hope to secure the passage of an act which will enable steel and iron manufacturers who are exporters, to act in co-operation and in combination, so far as foreign markets are concerned. Action of that kind was one of the reasons why Germany was able to secure rapidly a considerable share of the world's trade in the iron and steel products. Then, again, these industrial leaders hope that after the war is ended they will have available a large amount of ships. Lack of shipping facilities was one of the reasons why the iron and steel makers of the United States were not able always to compete with the Germans and the English manufacturers of iron and steel.

Furthermore, it is hoped that legislation, which will modify the existing anti-trust laws, will be enacted. For if, for instance, the United States Steel Corporation should be dissolved through the judgment of the Supreme Court upon the action now pending, then it is inevitable that the United States will lose a large part of her exports of iron and steel products.

France and Belgium.

Apparently the managers of the United States iron and steel industries do not now contemplate entering the markets of Great Britain or of Germany with their products after the war. They do believe that France and Belgium, if Belgium is quickened, will become heavy purchasers of American iron and steel products, provided conditions as well as legislation are favorable They look for great markets in South America and in the Far East, and if they are not handicapped by unfavorable conditions or by stringent legislation they believe that they will be able to meet whatever competition Great Britain or Germany, should Germany try to compete, may offer in the South American and Far Eastern markets. They are not concerned about the high cost of labor, for they believe this is offset by the greater productive capacity of highly-paid labor, by the utilization of the best labor-saving machinery, by the employment of highly competent men of science, and also by our favorable situation with regard to coal and iron deposits.

This is the contingency which the industrial leaders, whose achievements since the war began in iron and steel commodities, have been noteworthy, hold in reserve while they are disposed to admit that Great Britain and the European nations will not only refrain from purchasing American iron and steel, but will also attempt to dump enormous amounts of these commodities into the United States. The British manufacturers may be able to do this unless the United States

(*Continued on page 12*)