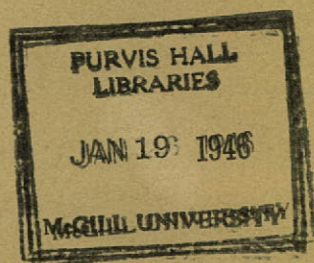


DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED  
AND SUBSIDIARY COMPANIES



ANNUAL  
REPORT  
1-9-3-4







# DOMINION TAR & CHEMICAL COMPANY LIMITED

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## ANNUAL REPORT OF THE BOARD OF DIRECTORS

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### *To the Shareholders:*

Your Directors submit herewith a Consolidated Statement of the affairs of your Company and its Subsidiaries for the fiscal year ended 31st December, 1934.

The improvement in earnings as shown by the Profit and Loss Statement may be considered satisfactory when the circumstances are taken into consideration. Business from the Railroads fell in 1934 to the lowest volume in years. Exports of certain Coal Tar products declined considerably due to low prices obtainable. In other activities of your business fortunately there was a decided improvement.

There was a recovery in the dollar value of the gross turnover during the year of about 10%, thus approximating the experience of 1932. The percentage of operating profit, however, was not maintained, reflecting the effects of the serious price declines that took place in the previous years and a small increase in operating costs incurred in increasing the range of our products. Administrative and selling costs were a fraction less in total than the previous year. The actual increase in operating profit was, therefore, added unimpaired to the net profit. Taxation of all kinds stood again at large figures and represented a considerable item in the costs.

The interest upon the Company's issued and outstanding Debentures was met in full during the year and \$185,460.00, forming part of the item for depreciation, was contributed to the Sinking Fund. There was a welcome decline in the amount of premium paid on Coupons.

As was the case in the previous year, the amount reserved for depreciation in the year under review is a figure arrived at in

accordance with the requirements of recent rulings of the Income Tax Department and the adequacy or otherwise of this reserve was not considered, but increased profits would permit of larger appropriations for this purpose.

The small reduction in the net working capital of the Company is reflected in reduced liabilities, principally to Minority Interests in Subsidiary Companies. The increase in inventories of finished products and raw materials represents a forward sale of considerable size, undelivered at the date of the Balance Sheet.

Business generally in Canada during 1934 has made steady progress in spite of many difficulties and the improvement in some lines has been more marked than in others. The manufacture of durable goods has lagged behind, retarding progress of business generally and directly and indirectly that of your Company. Nevertheless the improvement that has been made is most encouraging and the prospects for the future can be viewed with confidence.

A matter of considerable interest is the increasing demand for Creosoted products in the form of highway bridges, culverts, etc. This business has been developed after considerable time and effort spent on the education of possible users and will help towards further diversification. During the year a valuable connection was made for the export of Fibre Conduit to England and the Empire. New and useful and likely to prove profitable markets for Coal Tar products were gained during the year as the result of patient planning and research work. The sales efforts covering the Murray products, including roofing, paving and insulating supplies, have, despite the low volume of construction, met with distinct success and this organization is well equipped to take advantage of any increase in building activities.

All the plants and properties of your Companies have, except at Swift Current, been in operation during the year, though several on a reduced schedule, and have been fully maintained.

Your Directors desire to record once again their appreciation of the continued excellent work of Officers and Employees of the Company.

On behalf of the Board.

LIONEL O. P. WALSH,  
*President.*

# DOMINION TAR & CHEMICALS AND SUBSIDIARIES CONSOLIDATED

## ASSETS

### CURRENT AND WORKING ASSETS:

	Dec. 31, 1933	Dec. 31, 1934
Finished Products, Raw Materials and Supplies, at cost as determined from the Company's records and as certified to by responsible officials.....	\$ 1,466,309.07	\$ 1,666,583.97
Accounts and Bills Receivable, less Reserves.....	666,900.87	699,546.82
Cash on Hand and in Banks.....	251,042.55	46,386.51
Loans (Secured).....	—	64,625.00
Unexpired Insurance, etc.....	23,852.88	20,900.52
Cash Surrender Values of Life Insurance Policies.....	30,663.20	44,350.35
	\$ 2,438,768.57	\$ 2,542,393.17

### INVESTMENT IN COMPANY'S OWN DEBENTURES

—at cost.....

	1,120.00	18,650.00
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### CASH IN HANDS OF TRUSTEE FOR DEBENTURE HOLDERS.....

	1,649.31	737.94
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### DEFERRED CHARGES TO OPERATIONS.....

### FIXED ASSETS:

#### Land, Buildings, Plant, Machinery and Equipment:

- (1) Properties acquired upon the formation of the company, valued at estimated reproduction cost, less depreciation, as appraised by Ford, Bacon and Davis Inc., as of 31st December, 1927; with subsequent additions at cost.....
- 6,641,753.54
- (2) Properties acquired since the formation of the company, valued at cost, less depreciation, as provided for as at date of acquisition.....
- 1,757,473.16

*Less:* Reserves for Depreciation set aside since the acquisition of the above properties.....

	\$ 8,399,226.70	2,165,741.47
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### GOODWILL:

Represented by the amount paid for shares of Subsidiary Companies in excess of the book value of the net tangible assets applicable thereto.....

	\$ 6,233,485.23	3,694,927.28
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\$10,233,301.08	\$ 9,928,412.51
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### AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of the Dominion Tar & Chemical Company Limited and of its Subsidiary Companies, for the year ended 31st December, 1934, and we have received all the information and explanations which we have required.

Subject to the sufficiency of the combined reserves for depreciation, we report that, in our opinion, the above Consolidated Balance Sheet has been properly drawn up so as to exhibit a true and correct view of the combined companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

(Signed) CLARKSON, McDONALD, CURRIE & CO.,

Montreal, 12th February, 1935.

*Chartered Accountants.*

### APPROVED ON BEHALF OF THE BOARD:

J. H. GUNDY, }  
R. D. BELL, } *Directors.*

\$12,674,838.96	\$12,497,720.19
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DOMINION CHEMICAL COMPANY LIMITED  
 SUBSIDIARY COMPANIES  
 BALANCE SHEET

LIABILITIES

CURRENT LIABILITIES:	Dec. 31, 1933	Dec. 31, 1934
Accounts Payable, including dividends of subsidiary company payable to minority interests.....	\$ 309,915.62	\$ 488,941.79
Accrued Interest on Debentures.....	166,481.95	151,612.20
Taxes payable, including provision for Income Taxes...	—	5,752.66
Dividend declared on Preference Stock of Alberta Wood Preserving Co. Ltd.....	5,740.00	5,230.75
	<hr/>	<hr/>
6% SINKING FUND GOLD DEBENTURES, DUE 1949:	\$ 482,137.57	\$ 651,537.40
Total Authorized Issue.....	\$7,500,000.00	
Issued and Outstanding—Series "A".....	3,752,000.00	3,618,000.00
Series "B".....	1,407,000.00	1,357,000.00
MINORITY INTEREST IN SUBSIDIARY COMPANIES.....	290,746.42	229,970.96
PREFERENCE STOCK SINKING FUND RESERVES OF SUBSIDIARIES.....	55,256.26	53,703.04
GENERAL AND CONTINGENT RESERVES.....	53,604.97	53,604.97
 CAPITAL AND SURPLUS:		
<i>Preference Stock—</i>		
Dominion Tar & Chemical Co. Ltd.		
6½% Cumulative Preference Stock:		
Authorized—75,000 shares of		
\$100.00 each.....		\$7,500,000.00
Issued and outstanding—50,350 shares.....	5,035,000.00	5,035,000.00
(Redeemable upon sixty days' notice at 110% and accrued dividends.)		
(Dividends are in arrears from 30th April, 1932.)		
Alberta Wood Preserving Co. Ltd.		
7% Cumulative Redeemable Preference Stock:		
Authorized—4,500 shares of \$100.00		
each.....		\$450,000.00
Issued and outstanding.....	328,000.00	298,900.00
(Redeemable upon sixty days' notice at 105% and accrued dividends.)		
 <i>Common Stock:</i>		
Authorized—300,000 shares of no nominal or par value:		
Issued and outstanding—273,184 shs.	\$ 686,078.00	
Less: Held by Trustee for		
Debenture Holders.....	684 "	4,172.40
	272,500 "	
	681,905.60	681,905.60
 <i>Earned Surplus—</i>		
Balance at credit of Profit and Loss Account.....	589,188.14	518,098.22
TOTAL CAPITAL AND SURPLUS.....	\$ 6,634,093.74	\$ 6,533,903.82
Note—25,795 Common shares are reserved as of 31st December, 1934, for Debenture Holders' Option expiring 2nd January, 1935.	\$12,674,838.96	\$12,497,720.19

DOMINION  
TAR & CHEMICAL COMPANY  
LIMITED  
AND SUBSIDIARY COMPANIES

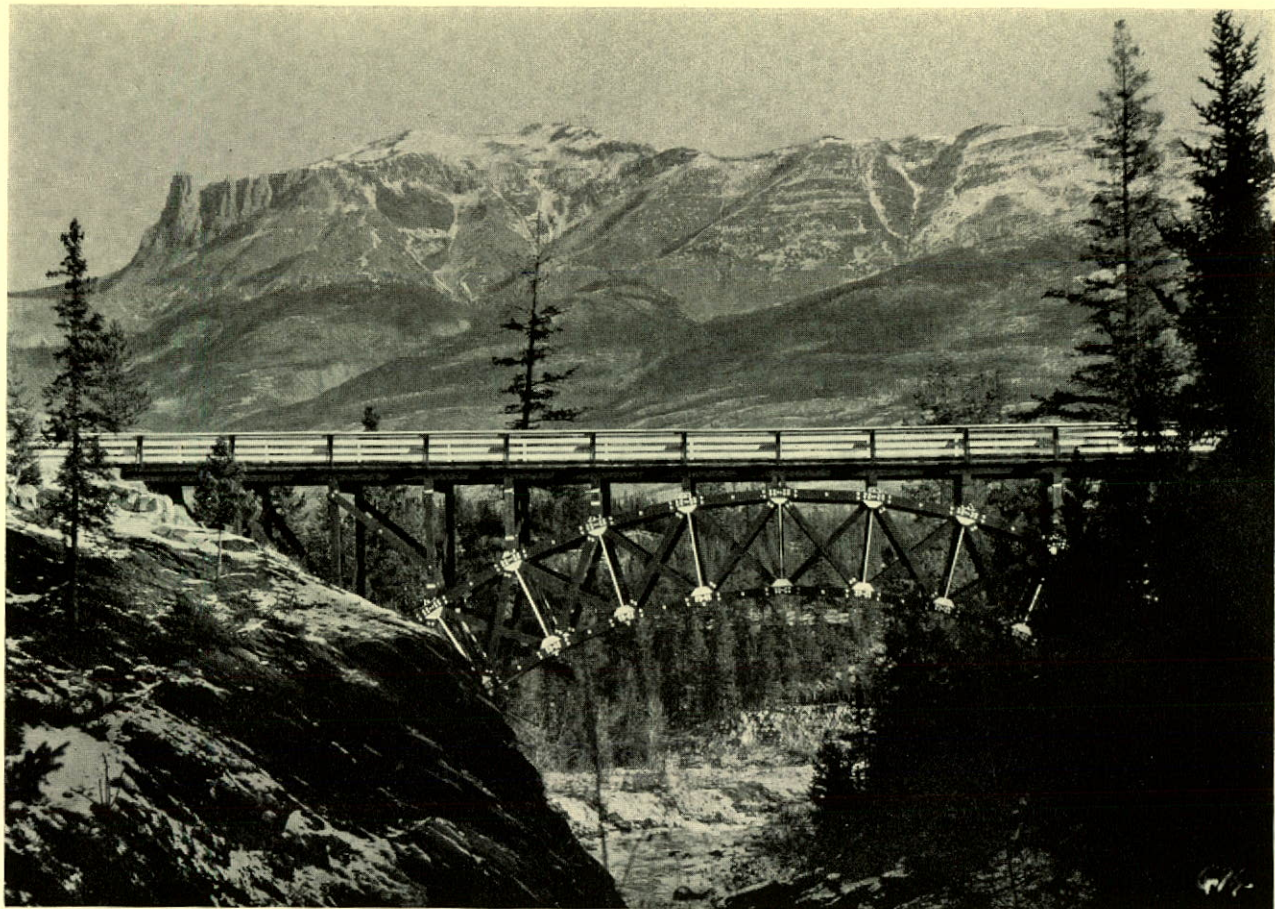
*Consolidated General Statement of Income and Expenditure*

	For the year ended 31st Dec.	
	1933	1934
<i>Net Operating Profit</i> after deducting Operating, Management and Selling Expenses, exclusive of the earnings applicable to minority interests.....	\$ 478,517.24	\$ 553,629.68
<i>Deduct:</i>		
Interest on Debentures.....	\$ 313,189.90	\$ 304,050.25
Premium paid on Coupons.....	24,802.39	3,118.22
Provision for Depreciation.....	424,064.75	301,801.80
Income Taxes paid and accrued....	5,475.27	5,221.83
Directors' Fees.....	3,460.00	3,460.00
	\$ 770,992.31	\$ 617,652.10
<i>Net Loss</i> —for the year.....	\$ 292,475.07	\$ 64,022.42

EARNED SURPLUS

<i>Balance at Credit</i> of Profit and Loss Ac- count as at 31st December, 1933.....		\$ 589,188.14
<i>Deduct:</i> Net Loss for the year 1934.....	\$ 64,022.42	
Alberta Wood Preserving Co. Ltd. Dividend on Preference Shares....	21,456.75	
Preference Stock Sinking Fund Re- serve.....	3,743.25	89,222.42
		\$ 499,965.72
<i>Add:</i> Discount on Debentures redeemed in 1934.....		18,132.50
<i>Balance at Credit</i> of Profit and Loss Account as at 31st December, 1934.....		\$ 518,098.22

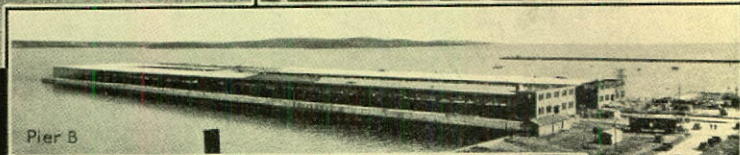
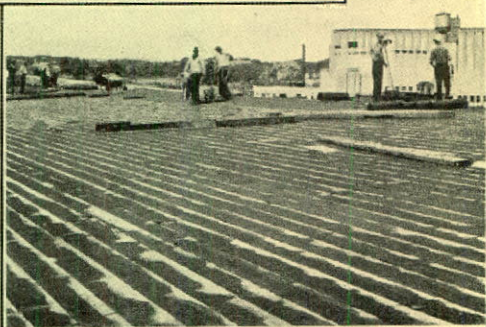




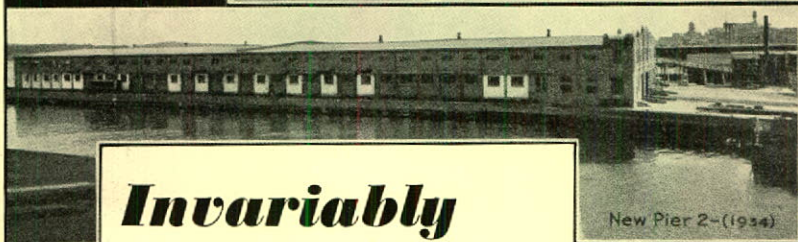
*ASTORIA RIVER BRIDGE in Jasper National Park. 97 ft. Arch Span of Treated Timber. Built 1934*



Original Pier 2-(1930)



Pier B



New Pier 2-(1934)

## *Invariably*

when outstanding roofing or re-roofing jobs, such as the Halifax Piers shown in the illustration, are contemplated, it is inevitable that Murray should be associated with the undertaking • The choice of Murray Roofs for the majority of the finest buildings in Canada is only the logical result of the high quality standards and manufacturing integrity that govern all Murray activities . . . and which alone have inspired Dominion wide faith in Murray Roofing Service • Murray Roofing Engineers are at your service on any roofing or re-roofing problem • Write our nearest office.



A Surety Bond definitely guarantees trouble-free and expense-free service over a period of 10, 15 or 20 years, according to the specification selected.

Only authorized roofers are permitted to apply Murray-Made Bonded Roofs, the entire construction being under the direct supervision of Murray engineers.

*Alexander* **MURRAY** & Company  
LIMITED

MONTREAL—TORONTO—HALIFAX—SAINT JOHN—WINNIPEG—VANCOUVER

Affiliated with Dominion Tar & Chemical Co. Limited  
Canada Creosoting Co. Limited — Fibre Conduits, Canada, Limited



