

# ALGOMA STEEL CORPORATION, LIMITED



## SIXTEENTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30th 1951

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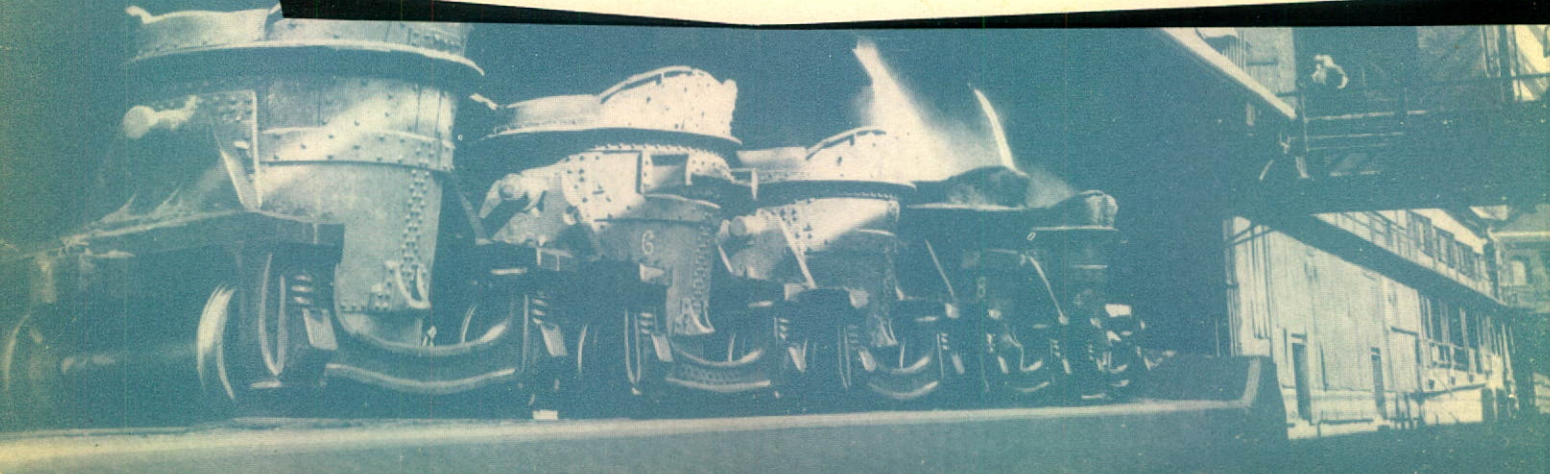
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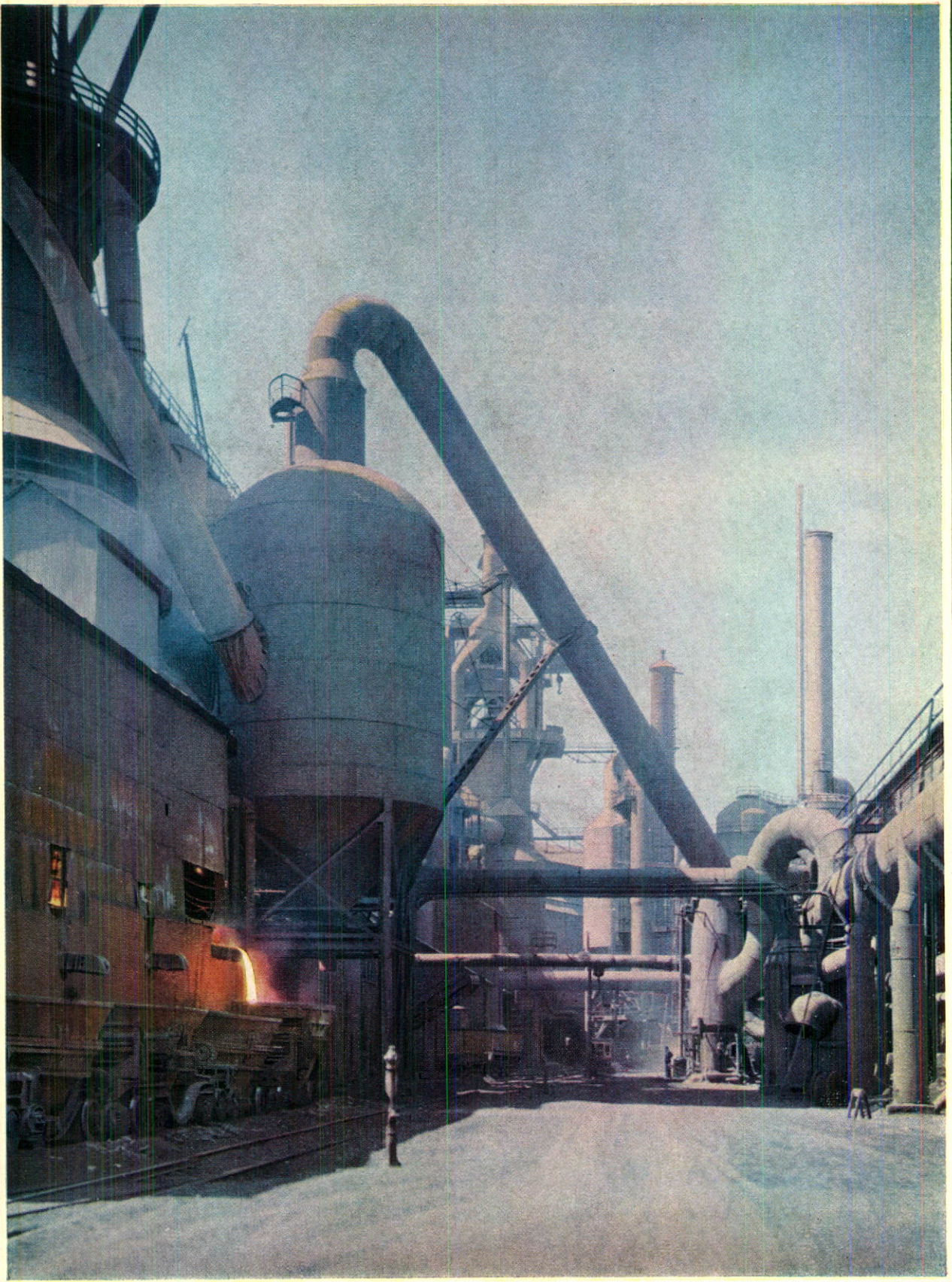


# ALGOMA STEEL CORPORATION, LIMITED

## *Sixteenth Annual Report*

FOR THE FISCAL YEAR ENDED APRIL 30TH 1951





*No. 5 Blast Furnace—Algoma Steel Works*

# ALGOMA STEEL CORPORATION, LIMITED

## *Board of Directors*

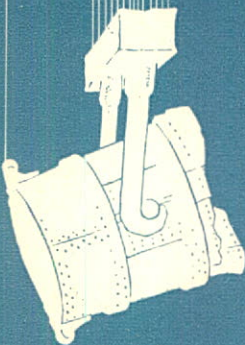
Sir James Dunn, Bart., K.C. - - Bathurst, New Brunswick  
George C. Bateman, C.M.G., O.B.E. - - Montreal, Quebec  
Hon. T. A. Crerar - - - - - Winnipeg, Manitoba  
Hon. J. Gordon Fogo, K.C. - - - - - Ottawa, Ontario  
Harry S. Hamilton, K.C. - - - Sault Ste. Marie, Ontario  
David S. Holbrook - - - - - Sault Ste. Marie, Ontario  
John L. Lang - - - - - Sault Ste. Marie, Ontario  
E. Gordon McMillan, K.C. - - - - Toronto, Ontario  
John A. McPhail, K.C. - - - Sault Ste. Marie, Ontario  
Joseph Simard, O.B.E. - - - - - Montreal, Quebec  
Leo H. Timmins, M.E. - - - - - Montreal, Quebec

## *Executive Committee*

Sir James Dunn, Bart., K.C.	John A. McPhail, K.C.
David S. Holbrook	E. Gordon McMillan, K.C.
John L. Lang	Leo H. Timmins, M.E.

## *Officers*

Sir James Dunn, Bart., K.C. - - President and Chairman,  
Board of Directors  
John A. McPhail, K.C. Vice-President and Vice-Chairman  
David S. Holbrook - - - - - Executive Vice-President  
Hon. J. Gordon Fogo, K.C. - - - - - Vice-President  
E. Gordon McMillan, K.C. - - - - - Vice-President  
Louis H. Derrer - - - General Manager—Steel Works  
Tom Gould - - - - Executive Assistant to the President  
H. G. MacAdam - - - - - Secretary  
Ernest W. Shell - - - - - Treasurer  
John B. Barber - - - - - Comptroller



*Aerial view of Algoma Steel Works*

# President's Report

To the Shareholders:-

Your Directors herewith submit Company's financial statements and auditors' report for the fiscal year ended 30th April, 1951.

Before dealing with statements I refer with deep regret to the death, on 4th February last, of Mr. John W. Hobbs who had been a Director of your Company from November 1938 up to the day of his death. Mr. Hobbs was at all times a wise counsellor and loyal associate and he is greatly missed.

We are fortunate in having secured the association of Mr. George C. Bateman, C.M.G., O.B.E., who is known throughout the length and breadth of Canada for his public and private contribution to all matters connected with Canadian mining and metallurgical developments. Mr. Bateman is now a Director of both Algoma Steel Corporation and Algoma Ore Properties.

The financial results are summarized as follows:—

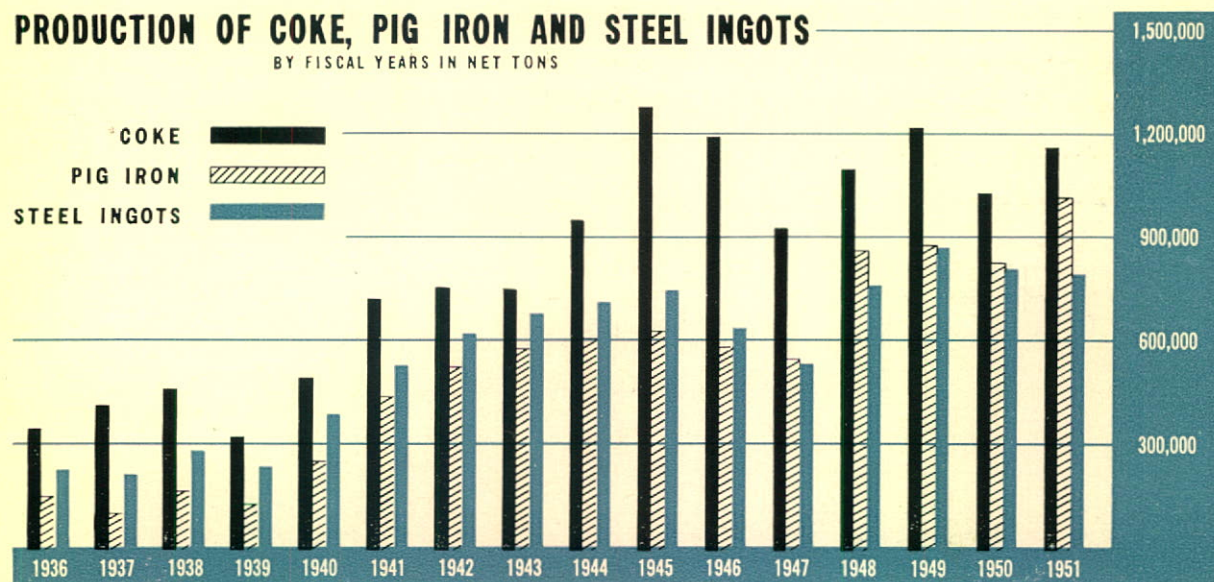
Net Profit - - - - -		\$ 5,721,488
After Provision for		
Income Taxes - - - - -	\$ 5,074,309	
Depreciation - - - - -	3,294,532	
Pension Fund - - - - -	800,000	
Net Profit per Share - - - - -		\$ 3.46
Earned Surplus - - - - -		\$22,817,268
Working Capital - - - - -		\$18,041,769

The working capital shows an increase of \$1,697,581 after providing \$239,313 being final payment of Plant Extension liability—\$3,691,839 for additions and improvements in the Works—and \$3,911,614 investment in Enterprises of importance to your Company.

Productions for the year were—Coke 1,184,767 tons—Iron 1,025,185 tons and Steel 793,254 tons.

## PRODUCTION OF COKE, PIG IRON AND STEEL INGOTS

BY FISCAL YEARS IN NET TONS



The advance of \$800,000 to Canadian Furnace Company shown in Current Assets in the Balance Sheet has been repaid.

The program of expansion estimated to cost \$40,000,000 is underway and completion is expected by the middle of 1953.

This program includes a Sintering Plant to sinter flue dust ore fines and concentrates—a 25 foot hearth Blast Furnace to be known as No. 6 equal in capacity to No. 5 Blast Furnace.

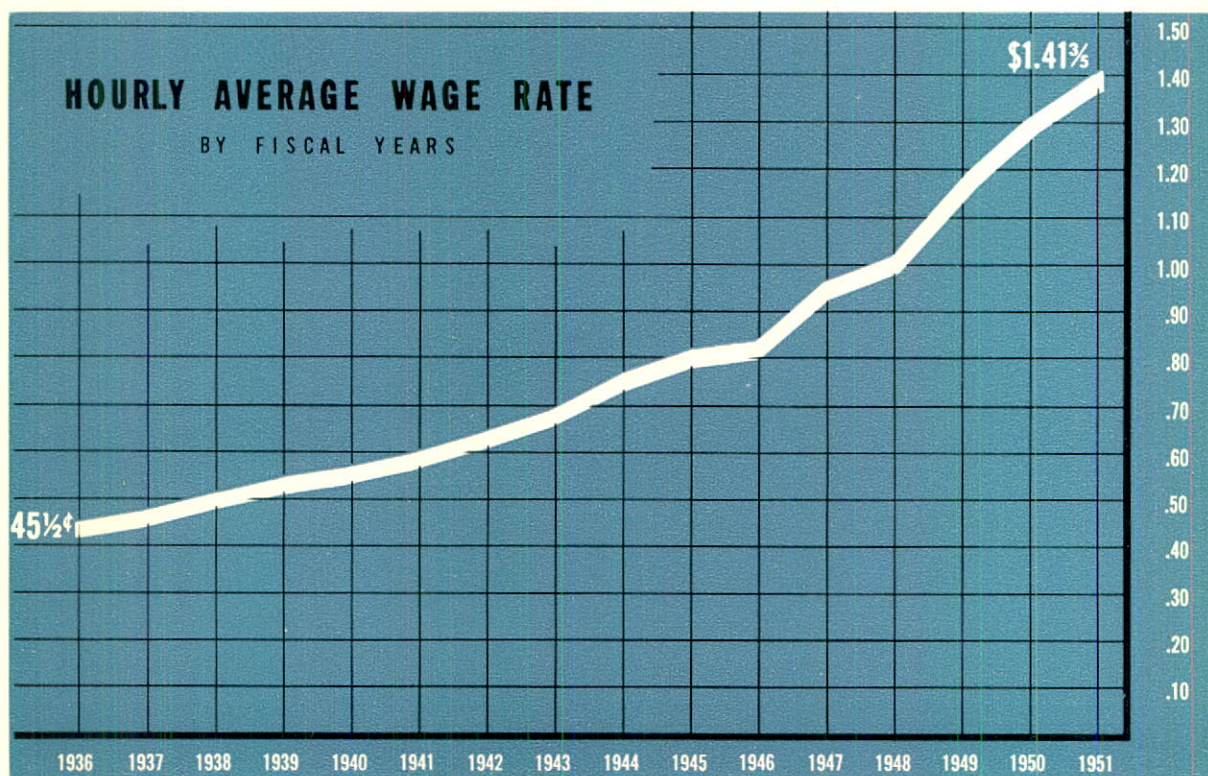
The capacity of No. 2 Open Hearth Shop is being increased so that together with existing capacity in No. 1 Open Hearth Shop total Open Hearth capacity will be 1,240,000 tons a year.

The 44 inch Blooming Mill, hitherto steam driven, is being equipped with electric drive to give it annual rolling capacity of 1,200,000 tons.

The capacity of the present rail and structural mill is being increased to double its production of heavy structural steels.

A Morgan Construction Company Mill is being installed. It will be the first of its kind in Canada and is designed to produce 250,000 tons a year of finished steel products including small bars, light structural and strip up to 25 inches wide.

A new working agreement with Local 2251 United Steelworkers of America was negotiated effective May 1, 1951, with increased wages of from 15 to 20 cents per hour which was required by the higher cost of living. Average hourly wage rate in the fiscal year here reported was \$1.41 $\frac{3}{8}$ , and is currently \$1.60.



Pension and Welfare plans reported on last year are now in effect.

The Pension Plan covering employees who are members of Local 2251 of United Steelworkers of America and other employees for whom the Union bargains and members of several smaller



Plant unions provides for pension payments of \$60 a month to employees of 30 years or more service at age 70 and somewhat lesser pensions for employees who have lesser service or who are unable to work after reaching the age of 65. The pension plan is wholly provided by the Company. Pension plans for other employees are in course of completion.

The Welfare Plan covering employees who are members of Local 2251 of United Steelworkers of America and other employees for whom the Local 2251 bargains provides for group life insurance, insurance against accidental death and dismemberment and for weekly indemnity in case of sickness, hospital and medical expenses. The cost of this plan is shared by employees and the Company. The same plan with minor variations is in effect for other employees.

In the year under review Algoma Ore Properties produced and sold at satisfactory prices 1,074,193 tons Algoma Sinter—this is an increase of more than 300,000 tons above the previous year.

We have now established by the diamond drill a new ore body directly east of the Victoria as extensive and of equal grade with the Helen or Victoria. This new mine is to be called the Alexander.

In the country approximately 60 miles west of Ottawa your Company is investigating promising iron ore deposits which if proved to exist in sufficient tonnage will be of substantial value.

On 27th July, 1951, Lady Dunn opened a new hospital named in her honour at Jamestown. This hospital which was urgently needed has the most modern equipment and will serve a growing population at present estimated at 3,500 inhabitants.

Canadian Furnace Co. Limited at Port Colborne, Ontario is proving to have been a wise investment.

Cannelton Coal & Coke Company and Lake Superior Coal Company, wholly owned subsidiaries, continue to supply your Company with coal.

During the year an interest in a Bus System in the city of Sault Ste. Marie, Michigan was liquidated at a loss which has been written off to surplus.

Your Directors again express their appreciation and thanks to all Officers and Employees of the Company and its subsidiaries for their loyal and efficient service throughout the year.

Sault Ste. Marie, Ontario  
13th November, 1951.

JAMES DUNN,  
*President and Chairman,  
Board of Directors.*

*Canadian Furnace Company's Plant at south entrance to Welland Canal, Port Colborne, Ont.*





P O R A T I O N , L I M I T E D

Sheet

30TH, 1951

*Liabilities*

CURRENT

Accrued Wages and Salaries - - - - -		\$ 1,400,903	
Accounts Payable and Accrued Liabilities:			
Sundry Creditors - - - - -	\$2,852,738		
Subsidiary Companies - - - - -	1,916,115	4,768,853	
Current Liability re Plant Extension - - - - -		239,313	
Income Taxes - - - - -		3,650,121	\$10,059,190

RESERVES

For Rebuilding and Relining Furnaces and other Operating Reserves - - - - -		4,957,953	
For Contingencies - - - - -		7,619	4,965,572

CAPITAL STOCK AND SURPLUS

Common Stock—No par value			
Authorized—4,000,000 shares			
Issued —1,650,800 shares - - - - -		10,274,500	
Distributable Surplus - - - - -		2,832,722	
Earned Surplus - - - - -		22,817,268	35,924,490
			<u>\$50,949,252</u>

To The Shareholders

April 30th, 1951 and in accordance with the provisions of the Companies Act (Ontario) we have audited the Balance Sheet and Surplus accounts are properly drawn up so as to exhibit a true and correct view of the state of the Company as at the date then ended and are as shown by the books of the Company. All our requirements as auditors have been satisfied.

"PEAT, MARWICK, MITCHELL & Co."  
Auditors.

A L G O M A   S T E E L   C O R P O R A T I O N ,   L I M I T E D

*Profit and Loss Account*

FOR THE YEAR ENDED APRIL 30TH, 1951

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PROFIT FROM OPERATIONS - - - - -		\$14,783,946
OTHER INCOME		
Dividends and Interest on Investments - - - - -	\$101,871	
Interest Earned - - - - -	61,404	163,275
		14,947,221
Interest on Loans - - - - -		56,892
		14,890,329
Contribution to Pension Trust Fund - - - - -		800,000
		14,090,329
PROFIT BEFORE DEPRECIATION - - - - -		
DEPRECIATION		
Plant and Equipment - - - - -		3,294,532
(Provided at the maximum allowed for Federal Income Tax purposes.)		
		10,795,797
PROFIT FOR THE YEAR BEFORE PROVIDING FOR INCOME TAXES -		10,795,797
Provision for Income Taxes - - - - -		5,074,309
		\$ 5,721,488
		\$ 5,721,488

*Earned Surplus Account*

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Balance at Credit April 30th, 1950 - - - - -		\$17,205,748
Add: Net Profit for the year ended April 30th, 1951 - - - - -		5,721,488
		22,927,236
Deduct: Loss on Liquidation of Soo Transportation Company - - - - -		109,968
		\$22,817,268
		\$22,817,268

# ALGOMA STEEL CORPORATION, LIMITED

## *Subsidiary Companies*

WHERE INCORPORATED

NAME AND BUSINESS

*Ontario*

**ALGOMA ORE PROPERTIES, LIMITED**

*Mines and Sinters Iron Ore*

*Ontario*

**CANADIAN FURNACE CO. LIMITED**

*Produces and Markets Pig Iron*

*West Virginia*

**CANNELTON COAL AND COKE COMPANY**

*Mines Coal*

*West Virginia*

**LAKE SUPERIOR COAL COMPANY**

*Mines Coal*

*Ontario*

**TWO CITIES TRANSIT CO. LIMITED**

*Operates Bus System to Kinross Airport*

*Ontario*

**SAULT WINDSOR HOTEL LIMITED**

*Operates Hotel in Sault Ste. Marie*

*Michigan*

**FIBORN LIMESTONE COMPANY**

*Manitoba*

**ALGOMA STEEL PRODUCTS COMPANY LIMITED**

*Sells Products of Algoma Steel Corporation, Limited  
in Western Canada*

*Ontario*

**THE SOUTHERN ALGOMA RAILWAY COMPANY**

*Ontario*

**ALGOMA TRAMWAYS LIMITED**



Jamestown, 1951

# ALGOMA STEEL CORPORATION, LIMITED

**PLANT** . . . . . *Sault Ste. Marie, Ontario*

**EXECUTIVE OFFICES** - *Sault Ste. Marie, Ontario*

**SALES OFFICES** . . . *Sault Ste. Marie, Ontario*

*Bank of Montreal Building, Toronto, Ontario*

*Sun Life Building, Montreal, Quebec*

## *Products*

### **COKE**

*Industrial and Domestic*

### **COKE OVEN BY-PRODUCTS**

*Benzol, Light Oil,  
Sulphate of Ammonia,  
Tar, Naphthaline, Pyridine*

### **PIG IRON**

*Foundry  
Malleable  
Basic*

### **BLOOMS, BILLETS & SLABS**

### **HEAVY RAILS**

### **RAIL FASTENINGS**

### **HEAVY STRUCTURALS**

### **CARBON MERCHANT BARS & LIGHT STRUCTURALS**

### **ALLOY MERCHANT BARS**

### **ZEE BARS**

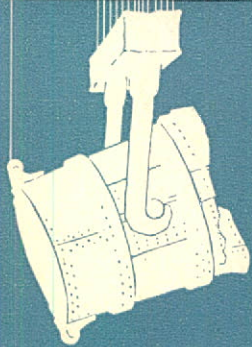
### **SHEET PILING**

### **SHIP CHANNELS**

### **CENTRE SILLS**

### **LIGHT RAILS**

### **GRINDING BALLS**



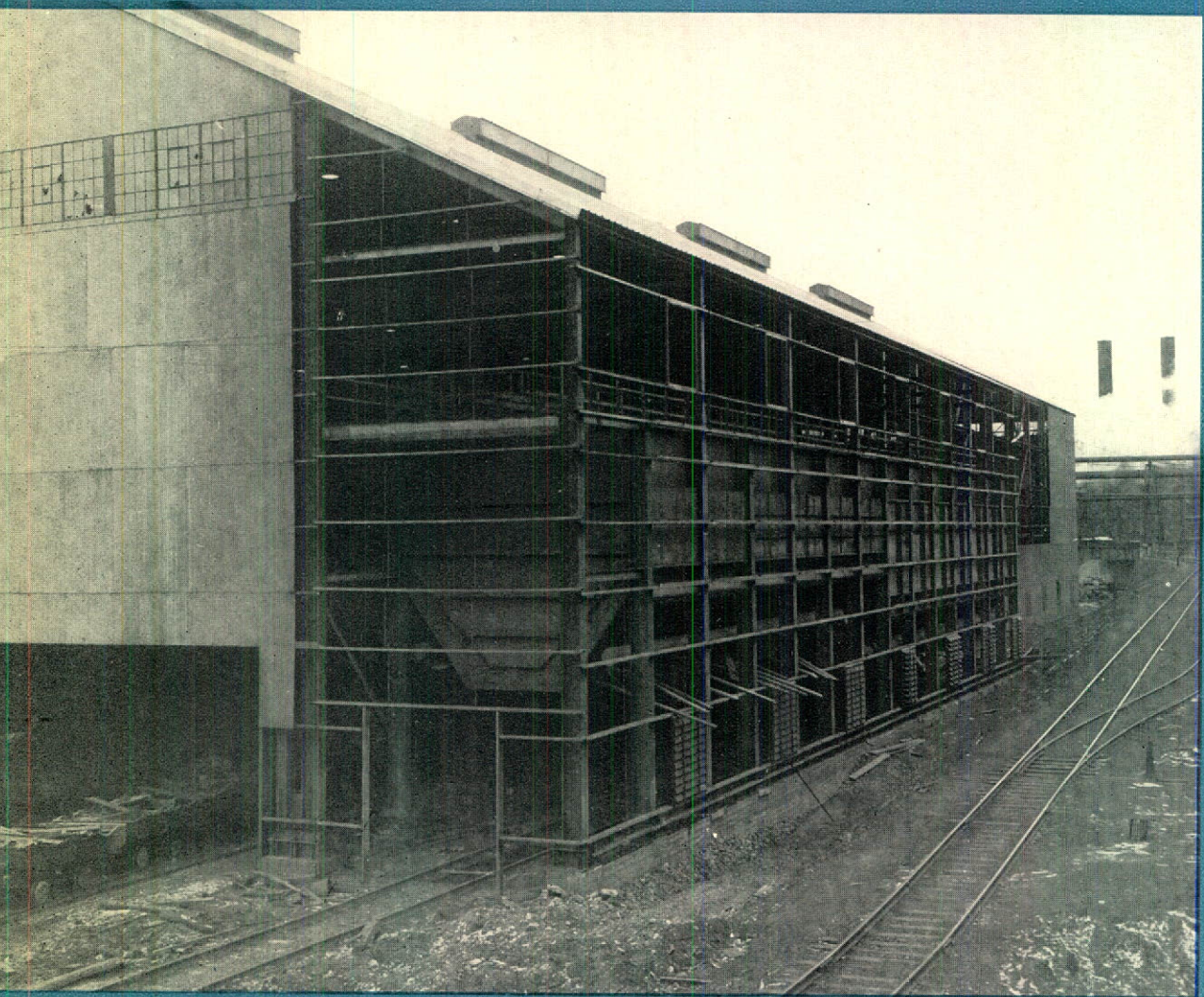
*Construction view of Combination Bar and Strip Mill  
extending one-third of a mile along the St. Mary's River  
October 1951*







*New Diesel Electric Maintenance Building for servicing thirteen new diesel electric locomotives*



*New Open Hearth Stockhouse for handling 600,000 tons of scrap, limestone and iron ore per year*



