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PAGE-HERSEY TUBES, LIMITED



# Board of Directors

W. E. Bannerman Toronto, Ont.

Jas. S. Duncan Toronto, Ont.

H. J. Fuller New York, N.Y.

W. G. F. Grant, Q.C. Toronto, Ont.

A. Macfadyen Toronto, Ont.

Gordon F. Perry Toronto, Ont.

R. C. Poskanzer Albany, N.Y.

D. W. Stewart, Jr. Renfrew, Ont.

L. V. Sutton, Q.C. Toronto, Ont.



A. Macfadyen President and General Manager
D. W. Stewart, Jr. Vice-President
R. C. Poskanzer Vice-President
W. E. Bannerman Vice-President
C. F. Anderson Vice-President
W. J. Spencer, C.A. Treasurer and Comptroller
A. C. Mitchell Secretary
M. K. Rainer Assistant Secretary

Transfer Agents

#### CANADA

National Trust Company, Limited, Toronto, Ont. The Toronto General Trusts Corporation, Montreal, Que.

#### UNITED STATES OF AMERICA

The National Commercial Bank and Trust Company, Albany, N.Y.

April 2, 1953

#### TO THE SHAREHOLDERS:

Your Directors are pleased to submit your Company's Fiftieth Annual Report covering operations for the year ended December 31, 1952.

The net profit for the year, after providing for depreciation and income taxes, amounted to \$4,089,091 equal to \$5.86 per share. This compares with net earnings of \$3,213,478 or \$4.61 per share in the previous year.

**DIVIDENDS** for 1952 and 1951 were as follows:

1952—\$1,812,470—\$2.60 per share 1951—\$1,533,629—\$2.20 per share

**DEPRECIATION:** The reserve for depreciation was increased by \$1,100,000 and now amounts to \$9,834,947. This deduction for depreciation is \$100,000 less than written off in 1951 but is the maximum allowable for income tax purposes.

WORKING CAPITAL: This amounted to \$17,624,043, an increase of \$2,809,347, and is accounted for as follows:

Net profit for the year				•			\$4,089,091	
Provision for depreciation							1,100,000	\$5,189,091
Additions to plant .			2.5%					
Dividends paid								
								2,379,744
								\$2,809,347

CURRENT POSITION: Current Assets at December 31, 1952, totalled \$23,194,581 and Current Liabilities \$5,570,538. Comparative ratios are:

1952	1951	1950		
4.16 to 1	4.07 to 1	4.32 to 1		

INVENTORY: Stock on hand, valued at the lower of cost or market prices, less reserve, amounted to \$8,161,670, an increase over the last year of \$2,203,258.

Reference has been made by your Directors in previous Annual Reports to the difficulty of obtaining adequate supplies of raw materials necessary to maintain full production. Additional manufacturing facilities, including the new large Electric Resistance Weld Pipe Mill, have made

it essential to carry greater tonnages of semi-finished steel to meet your Company's forward commitments. Inventory on hand is not excessive for current operations.

CAPITAL EXPENDITURES: Additions to Plant and Equipment amounted to \$567,274. Substantial progress has been made towards the completion of new Forming and Welding Stands, new High-Speed Saw, etc., for the Continuous Buttweld Pipe Mill, and a considerable portion of this outlay has been for this equipment.

New and improved equipment for fabricating tubing into finished parts for various industries has been installed.

MODERNIZATION AND EXPANSION: Your Directors have authorized the expenditure necessary to modernize the Seamless Mill. On completion of this programme, the Company will be in a position to increase the range in the direction of both larger and smaller diameters and longer lengths than is now possible with existing facilities, and to produce Seamless specification pipes and tubes, particularly in the heat and corrosion resistant fields.

Your Board also authorized the installation of a Travelling Cut-off Machine for the Electric Resistance Weld Pipe Mill. This is a necessary piece of machinery to facilitate and complement the practice now in effect of making large diameter pipe from steel coils. The Page-Hersey Plant is the first in the world to make large diameter pipe from coiled steel, and the Cut-off Machine will add considerably to the efficiency of the combined operations of uncoiling, welding and cutting to length.

A new office building in Toronto is now under construction, adjacent to our present offices, and should be completed late this year. This will enable consolidation under one roof of departments now housed elsewhere in rented premises.

**SALES:** Billings in the year 1952 were the highest in the Company's history, both in terms of dollars and tonnage shipped. Prospects for the year 1953 appear favourable.

**EMPLOYEE RELATIONS:** A new Collective Bargaining Agreement was negotiated with the United Electrical, Radio and Machine Workers of America, Local 523, for a two-year period. A wage increase was granted November 1, 1952, along with increased benefits to our employees under various welfare clauses.

A Pension Plan for wage earners, as represented by the Union, was put into effect in 1951. This is a non-contributory plan, the entire cost being assumed by the Company.

A similar plan has been approved for non-bargaining employees. For this group there has been provided, in addition, a voluntary contributory plan.

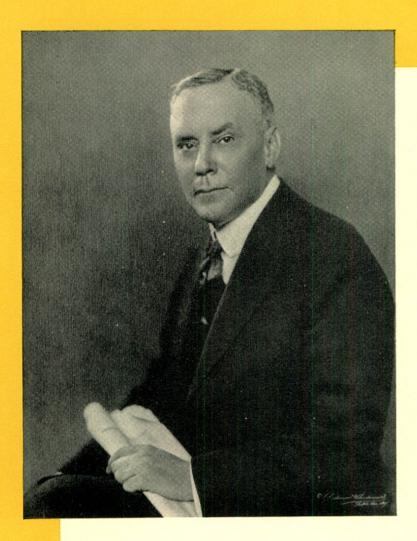
Our long-service employees continue to increase. The membership in the Quarter Century Club now totals 214.

The Board of Directors has appointed Mr. C. F. Anderson Vice-President in Charge of Operations of your Company. Mr. C. W. Morehead has been named General Works Manager.

Your Company was founded in 1902 and many of our employees have spent a lifetime in the Company's service. Your Directors take this appropriate time to thank old and new employees for their loyalty and effective co-operation.

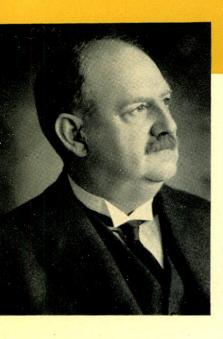
Submitted by order of the Board.

A. Macfadyen
President



W. W. Near

FOUNDER AND PAST PRESIDENT DIED JULY 12, 1935



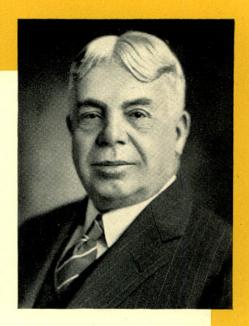
H. C. Scholfield

PRESIDENT

1935







C. L. Dunbar
PRESIDENT
1935 - 1942

A. Macfadyen BLBCTED PRESIDENT FEBRUARY 1951



#### PAGE-HERSEY



## **ASSETS**

FIXED		
Real Estate, Buildings, Plant, Machinery and Equipment—at cost		\$16,804,186
CURRENT		
Cash on hand and in Banks	\$ 2,821,364	
Accounts and Bills Receivable—less Reserve	3,918,462	
Due from Employees—fully secured by Canada Savings Bonds —Series 7	148,613	
Investment in Government Bonds and other Marketable Securities (Market Value \$8,248,882)		
Inventories—valued at lower of cost or market—less Reserve .	8,161,670	23,194,581

\$39,998,767

## SHEET BER 31, 1952

### LIABILITIES

CAPITAL AND SURPLUS	
Capital Stock:	
Authorized—1,000,000 shares of no par value	
Issued and Outstanding—697,104 shares \$ 6,249,671	
Earned Surplus	
	\$18,093,282
RESERVES	
Depreciation of Buildings, Plant, Machinery and Equipment . \$ 9,834,947	
General Reserve	
Provision for Pension Fund	
	11,334,947
FUNDED DEBT	
31/8% Sinking Fund Debentures to mature April 1, 1965 \$ 3,000,000	
31/8% Sinking Fund Debentures (October 1950 issue) to mature	
April 1, 1965	
	5,000,000
CURRENT	
Accounts Payable	
Wages and Miscellaneous Expenses Accrued	
Due to Subsidiary Company	
Dividend declared and payable January 2, 1953	
Provision for Income Taxes—less amounts paid 2,887,139	
	5,570,538
	\$39,998,767
Signed on behalf of the Board:	

A. MACFADYEN, Director

D. W. STEWART JR., Director

Certified as per Auditors' Report attached.

#### PROFIT AND LOSS ACCOUNT

#### FOR THE YEAR ENDED DECEMBER 31, 1952

Profit from Operations	\$9,932,110
Income from Investments	73,231
Depreciation of Plant	\$1,100,000 \$10,005,341
Interest on Funded Debt	
NET PROFIT BEFORE TAXES ON INCOME	\$ 8,749,091
Provision for Income Taxes	4,660,000
BALANCE CARRIED TO EARNED SURPLUS	<u>\$ 4,089,091</u>
The following items have been deducted in determining profits noted above:	
Directors' Fees	\$ 10,500
Executive Salaries and Solicitors' Fees	200,072

#### BARNED SURPLUS ACCOUNT

#### FOR THE YEAR ENDED DECEMBER 31, 1952

Balance January 1, 1952		\$ 9,566,990
Balance carried from Profit and Loss Account for 1952		4,089,091
		\$13,656,081
DEDUCT:		
Dividends paid and declared		1,812,470
Balance as at December 31, 1952		\$11,843,611
Certified as per Auditors' Report attached.		

## AUDITORS' REPORT

#### PETTIT, HILL AND BERTRAM

CHARTERED ACCOUNTANTS

HOLLAND PETTIT, JR., C.A.
R. DOUGLAS HILL, C.A.
R. C. BERTRAM, B.COM., C.A.

199 BAY STREET, TORONTO 1 TELEPHONE EM. 3-2381

5 March, 1953

To the Shareholders,
Page-Hersey Tubes, Limited,
CROWLAND, Ontario.

Gentlemen:

As instructed, we have completed the audit of the accounts of Page-Hersey Tubes, Limited, for the year ended 31 December, 1952.

Cash and Bank Vouchers were checked in detail, and the balances verified by count or certificate as at 31 December, 1952.

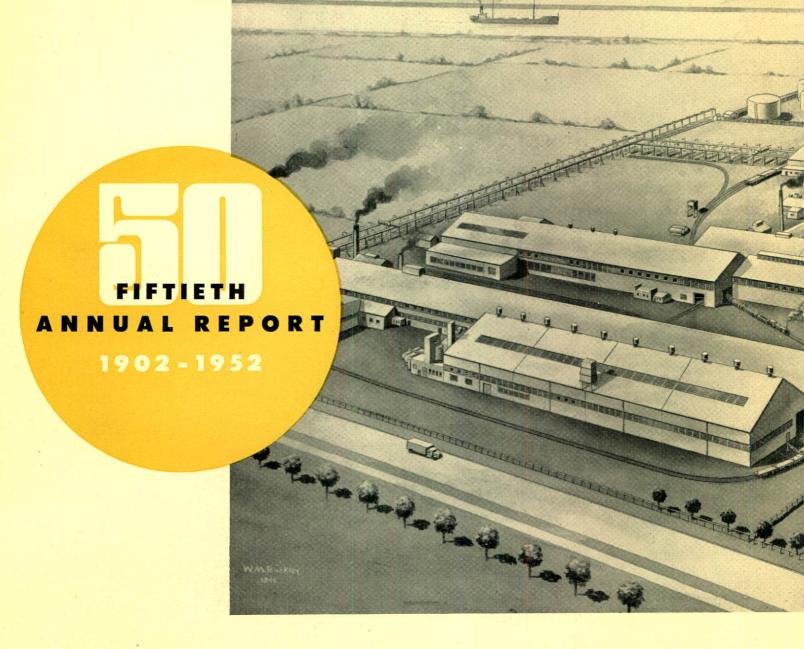
The Bonds and Securities owned by your Company were verified by count or certificate from the Depository as at 31 December, 1952. The income therefrom for the year under review was verified.

The profit from the Subsidiary Company has not been included in the attached statements.

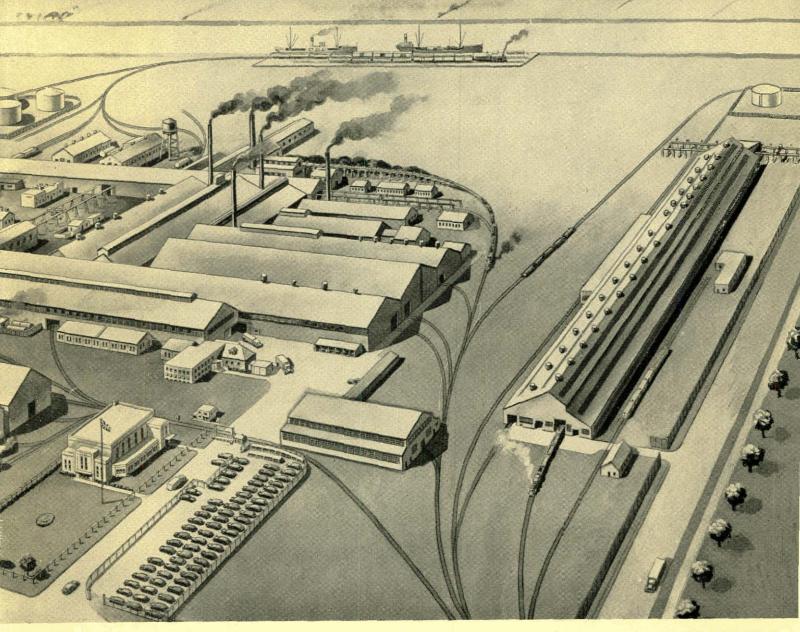
We have examined the accounts of Page-Hersey Tubes, Limited for the year ended 31 December, 1952, and report that, subject to the above, in our opinion, the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31 December, 1952, according to the best of our information and the explanations given to us, and as shown by the books of the Company. We have obtained all the information and explanations we have required.

Respectfully submitted,

CHARTERED ACCOUNTANTS.



- 1902—The Page-Hersey Iron & Tube Co. Ltd. was incorporated. Our first Bellweld Mill was built at Guelph. On May 4, 1903, we began production of Buttweld Pipe in sizes up to 2-inch diameter. Wrought Nipples and Couplings were also produced.
- 1906—The name of the Company was changed to Page-Hersey Iron Tube and Lead Company Limited.
- 1909—Erected first Lapweld Mill in Canada at Welland. Besides increasing production capacity, this new mill made it possible to extend our size range up to 12-inch diameter.
- 1911-The Company's second Bellweld Mill went into production at Welland.
- 1920—Another change in name. The Company was incorporated as Page-Hersey Tubes, Limited.
- 1921—A new plant for manufacturing light-wall tubing began operation in Guelph.
- 1923—Our third Bellweld Mill went into operation at Welland! This was expansion indeed!



WELLAND WORKS

- 1931—First Seamless Pipe Mill commenced operation in Welland. This added a stronger type of pipe to our line and increased our capacity.
- 1939—In this year, the former Bellweld Mills were replaced with the modern Continuous Weld Pipe Mill.
- 1942—To meet an increasing demand for smaller diameter tubes of closer tolerances and higher physical properties, a Cold Draw Plant was added, at Welland.
- 1946—Replacing the former oxy-acetylene mill at Guelph, an Electric Weld Tube Mill was installed at Welland.
- 1949-A second Electric Weld Tube Mill was added.
- 1950—An Electric Resistance Weld Pipe Mill was completed at Welland, commencing operations in January. It produces pipe sizes from 4½ to 16 inches outside diameter.

"PROGRESS", wrote Carlyle, "is living movement...

The goal of yesterday will be the starting point of tomorrow."

## PAGE-HERSEY PRODUCTS

#### CONTINUOUS WELD PIPE

For plumbing and heating and general use.

#### LAPWELD PIPE

For Oil, Gas and Water lines, industrial and general use.

#### ELECTRIC RESISTANCE WELD PIPE

For Oil, Gas and Water lines, industrial and general use. For Standard and High Pressure requirements.

#### SEAMLESS PIPE AND TUBING, HOT FINISHED OR COLD DRAWN

For all piping purposes particularly high pressure requirements. Pressure tubing for stationary and locomotive boilers. Heat exchangers, condensers and all classes of mechanical tubes.

#### ELECTRIC WELD TUBING

For pressure and mechanical purposes such as air heaters, transformers, bedstead and furniture. Vacuum cleaners, automotive parts. Conveyors.

#### TUBULAR STEEL POLES

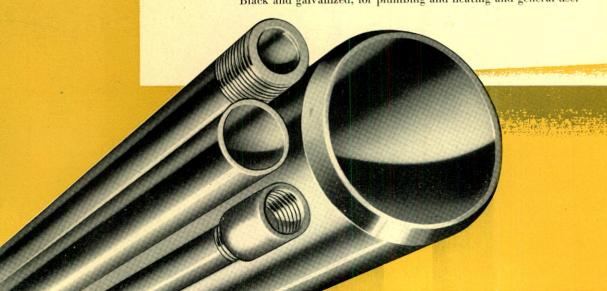
For street railway and trolley buses, lighting, flag and display.

#### SPECIAL COATINGS

Hot Dipped Galvanized for general plumbing applications. Coatings of coal tar enamel, overwrapped with tar impregnated asbestos felt, finally overwrapped with kraft paper, for gas and oil pipe lines. For waterworks mains, similar external coating, with spun enamel interior coating.

#### NIPPLES AND COUPLINGS

Black and galvanized, for plumbing and heating and general use.





TORONTO

HALIFAX

MONTREAL

WINNIPEG

EDMONTON

VANCOUVER