

Reynolds Aluminum Ships 15 Billion Pounds

By DAVID P. REYNOLDS
Chairman and Chief Executive Officer

Reynolds Metals Company Aluminum shipments in the United States surpassed 15 billion pounds in 1985, a record for the second consecutive year, while consumption increased in all major end use markets and total aluminum consumption reached the 14-billion-pound level for the first time.

The strong economy this year, particularly in the transportation,

construction and consumer durable markets, boosted U.S. consumption of aluminum up more than two percent to an estimated 14 billion pounds in 1985, compared with about 13.7 billion pounds in the previous year.

Despite this continuing growth for aluminum, domestic aluminum makers reported flat shipments and poor profitability in 1985. Weak aluminum prices, world-wide oversupply of aluminum and sluggish business activity in certain markets combined to make the last

12 months a disappointing year overall for U.S. aluminum producers.

Imports, benefiting from the strength of the U.S. dollar and lower overseas power and production costs, have garnered most of aluminum's growth here during the last two years. Today, aluminum imports hold about 20 percent of the total U.S. market, more than double their historical share, as aluminum ingot and certain mill products have become world-wide commodities.

U.S. producers have moved to counter recent economic turbulence by investing in new technology aimed at increasing productivity and quality. In addition, continuing cost-cutting measures have been taken by domestic producers to strengthen their global competitive posture.

Meanwhile, restructuring of the U.S. aluminum industry continued in 1985, as ownership of several aluminum operations changed hands and other producers announced permanent closure of primary aluminum capacity. When announced actions have been completed, the production capacity of the primary aluminum industry in the United States will have been reduced about 14 percent since 1980.

	1986*	1985*	1984	1983	1982
Containers & Packaging	4,272	4,194	4,038	3,918	3,568
Transportation	2,965	2,865	2,939	2,340	1,836
Building & Construction	2,924	2,933	2,858	2,870	2,257
Electrical	1,489	1,458	1,492	1,298	1,157
Consumer Durables	1,048	1,021	1,106	1,054	822
Machinery & Equipment	793	772	827	779	704
Other Domestic	604	594	633	589	526
Exports	1,225	1,279	1,076	1,241	1,295
TOTALS**	15,319	15,116	14,969	14,089	12,165

*Reynolds Metals Company projections.
**Individual markets may not add to totals due to rounding.

nearly one-third of U.S. aluminum needs.

Prospects for imports will be mixed in 1986. Ingot imports may rise modestly as U.S. producers increasingly source metal from lower-cost facilities abroad. Mill products imports, however, will decline slightly with the weaker dollar. Overall, imports will remain near their 1985 levels.

Gran View Says It Will Meet Needs Of Area

BY PAUL MITCHELL

Offering a more modern, refurbished motel and restaurant, Gran View Owner Louie Williams is looking forward to an outstanding 1986 and says he will continue to meet the needs of the Ogdensburg market.

The Gran View is located a few miles south of Ogdensburg along Rt. 37.

"Business is very good even with today's adverse Canadian market," said Williams. "We appreciate the support from our Ogdensburg and Canadian patrons."

Williams, who over the past three years has remodeled the hotel rooms, rest rooms, the kitchen and most of the Quality Inn's spacious facility, said he would also like to maintain the Gran View's weekly entertainment.

"This puts us in a unique situation. We are the only business in this region to fulfill a void in the entertainment market," said Williams, who labels his business region as all of St. Lawrence County and southern Ontario. "With our lounge entertainment, we offer a little bit of everything for all our clientele."

He spoke of a list of entertainers he booked for the upcoming summer months. They are: The Ed Kennedy Trio, Vicki Garneau and

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Canton-Potsdam Hospital

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approximately 125, participate in the hospital's annual meeting, elect from the corporate membership the members of the board of directors, stimulate communication between the hospital and the community, and encourage support of the hospital.

Dr. Marshall L. Stevenson was named the recipient of the 1985 Board of Directors Service Award. Established in 1982, the annual award recognizes outstanding service to the community and the hospital.

Dr. Stevenson opened his practice of family medicine in Potsdam in 1959. He has served in numerous positions in the hospital and the community, continues his active medical practice, and is a member of the hospital's board of directors.

Past recipients of the service award have been the Edward John Noble and Potsdam Hospital Guilds, area rescue squads, and Frank and Anne Piskor.

MUNITY — Individuals and organizations, too numerous to completely list, helped the hospital progress in 1985.

The Edward John Noble Guild and Potsdam Hospital Guild raised funds, conducted community education programs, served as volunteers, and created community awareness of the hospital. "A strong Guild is a blessing for a community hospital," noted President Sevens, "and we are doubly blessed."

Non-Guild volunteers provided additional service in excess of 10,000 hours.

Payments on pledges to the campaign fund were approximately \$200,000 during 1985, including \$10,000 from Clarkson University to match gifts made by its employees and students. Numerous memorial and special gifts were also made, such as the Muriel Gibson Memorial Fund to redecorate the labor rooms, and a gift from the Potsdam Guild for new dining room curtains. Employees collecting soda cans and returning them for deposit raised funds to purchase a television for one labor room, materials to construct new picnic tables, and a new flag.

PATIENTS SERVED — The number of patient visits for care exceeded 50,000 in 1985. On average, 46 visits were made to the Emergency Room each day, totaling 16,741 visits for the year. There were an additional 32,829 other outpatient visits for services such as X-ray, lab, physical therapy, or CAT scans, an average of 90 per day.

Admissions increased three percent over 1984, to 3,907. However, on an average day there were slightly fewer patients because average length of stay was reduced from 6.2 days in 1984, to 5.4 days in 1985. There were 416 births in 1985, a small increase over 1984.

World-wide oversupply of metal was a persistent problem in 1985 that depressed spot market ingot prices by almost 35 percent below their 1983 peak. During the year, U.S. primary aluminum makers idled more than 640,000 metric tons of annual capacity and were operating smelters at about 67 percent of their rated output at year end.

Economic activity grew faster outside the United States in 1985 than it did here and, in contrast to recent years, this trend likely will continue in 1986. U.S. demand for aluminum will grow but at a slower pace than during 1983 (15.8 percent) of 1984 (6.3 percent). U.S. aluminum shipments increased approximately one percent in 1985, and we currently project a further advance of about 1.3 percent in 1986.

The general U.S. economy should grow modestly in 1986 stimulated by continued consumer spending and capital investment in technology and equipment by business. Despite continuing problems associated with U.S. trade and budget deficits, we do not foresee an economic downturn in 1986.

The use of aluminum in all major markets should move forward in 1986. The building and construction

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1985 was a year of tremendous growth for us, and we look forward to 1986 with great anticipation.

ASSISTANCE FROM THE COMMUNITY

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